



PROSTEN HEALTH HOLDINGS LIMITED

*(formerly known as Prosten Technology Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)*

長達健康控股有限公司

(前稱為長達科技控股有限公司)*

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 8026

A person in a dark suit stands on a reflective surface, looking towards a city skyline under a bright, cloudy sky. The text "LOOK BEYOND TODAY" is overlaid on the image.

LOOK
BEYOND
TODAY

2016
THIRD QUARTERLY REPORT
第三季度業績報告

* For identification purpose only 僅供識別

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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This report, for which the directors (the "Directors") of Prosten Health Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他經驗豐富之投資者。

由於創業板上市公司新興之性質所然，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

香港交易及結算有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所《創業板證券上市規則》（「創業板上市規則」）之規定而提供有關長達健康控股有限公司（「本公司」）之資料，本公司各董事（「董事」）願就本報告共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，就彼等所知及所信，本報告所載資料在各重大方面均屬準確及完整，且並無誤導或欺騙成分；及本報告並無遺漏任何事項，致使本報告內任何聲明或本報告產生誤導。

HIGHLIGHTS

摘要

- Revenue of the Group for the nine months ended 31 December 2016 amounted to approximately HK\$16.5 million, representing an increase of approximately 136% as compared to the corresponding period in the previous financial year.
- The Group's gross profit for the nine months ended 31 December 2016 was approximately HK\$4.6 million, increased by approximately HK\$0.5 million compared with the same period of last financial year.
- Loss attributable to equity holders of the Company for the nine months ended 31 December 2016 amounted to approximately HK\$16.0 million, which represented a decrease in loss of approximately HK\$2.3 million compared with the same period of 2015.
- The Board does not recommend the payment of any interim dividend for the nine months ended 31 December 2016.
- 本集團截至二零一六年十二月三十一日止九個月之收益約為16,500,000港元，較上一個財政年度同期增加約136%。
- 本集團截至二零一六年十二月三十一日止九個月之毛利約為4,600,000港元，較上一個財政年度同期增加約500,000港元。
- 截至二零一六年十二月三十一日止九個月，本公司權益持有人應佔虧損約為16,000,000港元，較二零一五年同期虧損減少約2,300,000港元。
- 董事會不建議就截至二零一六年十二月三十一日止九個月派發任何中期股息。

UNAUDITED CONSOLIDATED RESULTS

未經審核綜合業績

The board of Directors (the “Board”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months and three months ended 31 December 2016 together with the unaudited comparative figures for the corresponding periods in 2015 as follows:

本公司董事會（「董事會」）宣佈，本公司及其附屬公司（「本集團」）截至二零一六年十二月三十一日止九個月及三個月之未經審核綜合業績，連同二零一五年同期之未經審核比較數字如下：

		Notes 附註	Nine months ended 31 December 截至十二月三十一日止 九個月		Three months ended 31 December 截至十二月三十一日止 三個月	
			2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益	2	16,527	7,004	8,312	2,769
Cost of sales	銷售成本		(11,895)	(2,868)	(6,538)	(2,130)
Gross profit	毛利		4,632	4,136	1,774	639
Other income and gains	其他收入及收益		195	1,325	—	913
Selling expenses	銷售開支		(2,337)	(3,784)	(801)	(2,238)
Administrative expenses	行政開支		(18,273)	(19,678)	(7,567)	(8,919)
Other expenses	其他開支		(169)	(257)	(102)	(28)
Finance costs	財務費用		—	(10)	—	—
Loss before tax	除稅前虧損		(15,952)	(18,268)	(6,696)	(9,633)
Income tax expense	所得稅開支	3	(39)	—	(6)	—
Loss for the period attributable to equity holders of the Company	本公司權益持有人應佔期內虧損		(15,991)	(18,268)	(6,702)	(9,633)
Other comprehensive expense	其他全面開支					
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations						
	其後可能重新分類至損益之項目： 換算海外業務之匯兌差額		(1,487)	(100)	(828)	(432)
Total comprehensive expense for the period attributable to equity holders of the Company	本公司權益持有人應佔期內全面開支總額		(17,478)	(18,368)	(7,530)	(10,065)
Loss per share attributable to ordinary equity holders of the Company	本公司普通股權益持有人應佔每股虧損	4				
Basic	基本		HK\$(1.44) cents 港仙	HK\$(2.14) cents 港仙	HK\$(0.59) cents 港仙	HK\$(1.03) cents 港仙
Diluted	攤薄		N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

1. BASIS OF PREPARATION

The Group's unaudited consolidated results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. In addition, the unaudited consolidated results include applicable disclosures required by the GEM Listing Rules. The measurement basis used in the preparation of the unaudited consolidated results is the historical cost convention, except for available-for-sale financial assets and financial assets at fair value through profit or loss which have been measured at fair value. These unaudited consolidated results are presented in Hong Kong dollar which is also the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated. The Group's major subsidiaries are operated in the People's Republic of China (the "PRC") with Renminbi ("RMB") as their functional currency.

The accounting policies applied in the preparation of the unaudited consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2016, except that the Group has adopted a number of new or revised HKFRSs, which are newly effective for the period under review. The adoption of these new or revised HKFRSs had no change in significant accounting policies and no significant effect on the financial results of the current periods. There is no prior period adjustment required.

The Group has not applied or early adopted the new or revised HKFRSs (including their consequential amendments) which are relevant to the Group that have been issued but not yet effective in the preparation of these unaudited consolidated results. The Group is currently assessing the impact of these new or revised HKFRSs upon their initial application but is not yet in a position to state whether they would have any significant impact on the Group's results of operations and financial position. It is anticipated that all of the pronouncements relevant to the Group will be adopted in the Group's accounting policies in the accounting periods when they first become effective.

The unaudited consolidated results have been reviewed by the audit committee of the Company ("Audit Committee").

1. 編製基準

本集團之未經審核綜合業績乃根據香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」）（包括所有個別香港財務報告準則、香港會計準則及詮釋）及香港普遍採納之會計原則而編製。此外，未經審核綜合業績包括創業板上市規則所規定之適用披露。用於編製未經審核綜合業績之計量基準乃歷史成本慣例，惟可供出售金融資產以及按公平價值列賬及在損益賬處理之金融資產以公平價值列賬。除另有指明外，此等未經審核綜合業績以港元（亦為本公司之功能貨幣）呈列，所有金額均調整至最接近千位數。本集團之主要附屬公司乃於中華人民共和國（「中國」）經營業務，其功能貨幣為人民幣（「人民幣」）。

編製未經審核綜合業績採用之會計政策，乃與編製本集團截至二零一六年三月三十一日止年度之全年綜合財務報表所採納者貫徹一致，惟本集團採納多項於回顧期內新生效的新訂或經修訂香港財務報告準則。採納該等新訂或經修訂香港財務報告準則毋須對重大會計政策作出變更並對本期間的財務業績並無重大影響，亦毋須作出往期調整。

本集團並無於編製此等未經審核綜合業績時應用或提早採納與本集團相關的已經頒佈但尚未生效的新訂或經修訂香港財務報告準則（包括其後續修訂）。本集團現正評估首次應用此等新訂或經修訂香港財務報告準則時之影響，惟尚未能確定該等新訂或經修訂香港財務報告準則是否會對其營運業績及財務狀況構成重大影響。預期所有與本集團有關之準則將於其首次生效之會計期間納入本集團之會計政策。

未經審核綜合業績已由本公司之審核委員會（「審核委員會」）審閱。

2. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the net invoiced value of good sold and services rendered during the periods under review.

The Group's operating activities are currently attributable to four operating segments focusing on the wireless value-added services, trading and retailing of jewelry, lending business and pharmaceutical and healthcare products business (continuing operations). These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conformed to HKFRSs, that are regularly reviewed by the executive Directors (the "Executive Directors") (being the chief operating decision makers of the Company). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The details of operating and reportable segments of the Group are as follows:

- Wireless value-added services
- Trading and retailing of jewelry
- Lending business
- Pharmaceutical and healthcare products

The following is an analysis of the Group's revenue and results by operating segments:

For the nine months ended 31 December 2016 截至二零一六年 十二月三十一日止九個月	Wireless value-added services 無線增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	Trading and retailing of jewelry 珠寶買賣 及零售 HK\$'000 千港元 (Unaudited) (未經審核)	Lending business 借貸業務 HK\$'000 千港元 (Unaudited) (未經審核)	Pharmaceutical and healthcare products 藥業及 健康護理產品 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidation 合計 HK\$'000 千港元 (Unaudited) (未經審核)
REVENUE	收益				
External sales	外部銷售	—	9,340	2,785	4,402
RESULTS	業績				
Segment results (loss)/profit	分部業績(虧損)/溢利	(1,302)	(1,320)	1,626	(3,283)
Unallocated income	未分配收入				195
Unallocated expenses	未分配開支				(11,868)
Loss before tax	除稅前虧損				(15,952)

2. 收益及分部資料

收益指於回顧期內產品銷售及所提供服務之發票淨值。

本集團之經營業務目前歸屬於四個專注於無線增值服務、珠寶買賣及零售、借貸業務以及藥業及健康護理產品業務(持續經營)之經營分部。該等經營分部乃基於遵循香港財務報告準則之會計政策而編製之內部管理報告予以識別，並由執行董事(「執行董事」，為本公司之主要經營決策者)定期審閱。執行董事審閱本集團之內部報告以評估表現及分配資源。本集團之經營及可申報分部詳情如下：

- 無線增值服務
- 珠寶買賣及零售
- 借貸業務
- 藥業及健康護理產品

按經營分部劃分之本集團收益及業績分析如下：

2. REVENUE AND SEGMENTAL INFORMATION

(Continued)

2. 收益及分部資料 (續)

For the three months ended 31 December 2016 截至二零一六年 十二月三十一日止三個月	Wireless valued-added services 無線增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	Trading and retailing of jewelry 珠寶買賣 及零售 HK\$'000 千港元 (Unaudited) (未經審核)	Lending business 借貸業務 HK\$'000 千港元 (Unaudited) (未經審核)	Pharmaceutical and healthcare products 藥業及 健康護理產品 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidation 合計 HK\$'000 千港元 (Unaudited) (未經審核)	
REVENUE	收益					
External sales	外部銷售	—	6,503	1,042	767	8,312
RESULTS	業績					
Segment results (loss)/profit	分部業績(虧損)/溢利	(300)	(225)	622	(2,215)	(2,118)
Unallocated expenses	未分配開支					(4,578)
Loss before tax	除稅前虧損					(6,696)
For the nine months ended 31 December 2015 截至二零一五年 十二月三十一日止九個月	Wireless valued-added services 無線增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	Trading and retailing of jewelry 珠寶買賣 及零售 HK\$'000 千港元 (Unaudited) (未經審核)	Lending business 借貸業務 HK\$'000 千港元 (Unaudited) (未經審核)	Pharmaceutical and healthcare products 藥業及 健康護理產品 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidation 合計 HK\$'000 千港元 (Unaudited) (未經審核)	
REVENUE	收益					
External sales	外部銷售	7,004	—	—	—	7,004
RESULTS	業績					
Segment results profit	分部業績溢利	342	—	—	—	342
Unallocated income	未分配收入					1,325
Unallocated expenses	未分配開支					(19,935)
Loss before tax	除稅前虧損					(18,268)

2. REVENUE AND SEGMENTAL INFORMATION

(Continued)

2. 收益及分部資料 (續)

For the three months ended 31 December 2015 截至二零一五年 十二月三十一日止三個月	Wireless valued-added services 無線增值服務 HK\$'000 千港元 (Unaudited) (未經審核)	Trading and retailing of jewelry 珠寶買賣 及零售 HK\$'000 千港元 (Unaudited) (未經審核)	Lending business 借貸業務 HK\$'000 千港元 (Unaudited) (未經審核)	Pharmaceutical and healthcare products 藥業及 健康護理產品 HK\$'000 千港元 (Unaudited) (未經審核)	Consolidation 合計 HK\$'000 千港元 (Unaudited) (未經審核)
REVENUE	收益				
External sales	外部銷售	2,769	—	—	2,769
RESULTS	業績				
Segment results loss	分部業績虧損	(1,599)	—	—	(1,599)
Unallocated income	未分配收入				913
Unallocated expenses	未分配開支				(8,947)
Loss before tax	除稅前虧損				(9,633)

As most of the Group's customers and operations were located in the PRC, no geographical information was presented for the nine months and three months periods ended 31 December 2016 and 2015.

Segment profit/loss represents the profit/loss earned/incurred by each segment without allocation of central administration costs, certain other income and gains and other expenses. This is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

由於本集團之大部分客戶及業務均位於中國，故並無呈列截至二零一六年及二零一五年十二月三十一日止九個月及三個月期間之地區資料。

分部溢利／虧損指各分部所賺取之溢利／產生之虧損，當中並未分配中央行政成本、若干其他收入及收益以及其他開支。此乃為分配資源及評估表現而向執行董事匯報之基準。

3. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the nine months and three months ended 31 December 2016. Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the nine months and three months ended 31 December 2015. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

3. 所得稅開支

截至二零一六年十二月三十一日止九個月及三個月，香港利得稅乃按估計應課稅溢利之16.5%計算。由於本集團於截至二零一五年十二月三十一日止九個月及三個月內並無錄得任何於香港產生之應課稅溢利，故並無作出香港利得稅之撥備。其他地區之應課稅溢利乃根據本集團經營業務所在之國家或司法權區當地之現行稅率計算稅項。

		Nine months ended 31 December 截至十二月三十一日 止九個月		Three months ended 31 December 截至十二月三十一日 止三個月	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
Current — Hong Kong:	即期 — 香港：				
Charge for the period	期內支出	33	—	—	—
Current — Overseas:	即期 — 海外：				
Charge for the period	期內支出	6	—	6	—
Total tax charged for the period	期內稅項支出總額	39	—	6	—

4. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic loss per share for the nine months and three months ended 31 December 2016 are based on the unaudited loss for the periods attributable to equity holders of the Company of approximately HK\$15,991,000 (nine months ended 31 December 2015: HK\$18,268,000) and approximately HK\$6,702,000 (three months ended 31 December 2015: HK\$9,633,000) respectively, and the weighted average numbers of ordinary shares in issue of 1,108,087,773 and 1,133,403,978, respectively, for the nine months and three months ended 31 December 2016 (nine months and three months ended 31 December 2015: 854,786,250 and 935,512,000 respectively).

No diluted loss per share for the periods are calculated as there were no dilutive potential ordinary shares in existence at 31 December 2016 and 2015. Hence, the basic and diluted loss per share were the same for the periods.

4. 本公司普通股權益持有人應佔每股虧損

截至二零一六年十二月三十一日止九個月及三個月之每股基本虧損乃根據本公司權益持有人應佔期內未經審核虧損分別約為15,991,000港元（截至二零一五年十二月三十一日止九個月：18,268,000港元）及約為6,702,000港元（截至二零一五年十二月三十一日止三個月：9,633,000港元），以及截至二零一六年十二月三十一日止九個月及三個月已發行普通股加權平均數分別為1,108,087,773股及1,133,403,978股（截至二零一五年十二月三十一日止九個月及三個月：854,786,250股及935,512,000股）計算。

由於於二零一六年及二零一五年十二月三十一日並無潛在攤薄效應的普通股，故並無計算期內之每股攤薄虧損。因此，期內之每股基本及攤薄虧損相同。

5. RESERVES

5. 儲備

		Share premium account 股份 溢價賬 HK\$'000 千港元	Statutory reserve fund 法定 儲備基金 HK\$'000 千港元 (Note a) (附註 a)	Available- for-sale financial assets equity reserve 可供出售金融 資產權益儲備 HK\$'000 千港元 (Note b) (附註 b)	Foreign currency translation reserve 外幣 匯兌儲備 HK\$'000 千港元 (Note c) (附註 c)	Share option reserve 購股權 儲備 HK\$'000 千港元	Accumulated losses 累計 虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016 (audited)	於二零一六年四月一日 (經審核)	455,438	3,349	6,760	14,766	316	(519,211)	(38,582)
Loss for the period (unaudited)	期內虧損 (未經審核)	—	—	—	—	—	(15,991)	(15,991)
Other comprehensive expense for the period (unaudited):	期內其他全面開支 (未經審核):							
Exchange difference on translation of foreign operations (unaudited)	換算海外業務之 匯兌差額 (未經審核)	—	—	—	(1,487)	—	—	(1,487)
Total comprehensive expense for the period (unaudited)	期內全面開支總額 (未經審核)	—	—	—	(1,487)	—	(15,991)	(17,478)
Issues of shares on a conversion of convertible note (unaudited)	於兌換可換股票據時 發行之股份 (未經審核)	23,709	—	—	—	—	—	23,709
At 31 December 2016 (unaudited)	於二零一六年 十二月三十一日 (未經審核)	479,147	3,349	6,760	13,279	316	(535,202)	(32,351)
At 1 April 2015 (audited)	於二零一五年四月一日 (經審核)	378,628	3,349	—	14,787	611	(487,852)	(90,477)
Loss for the period (unaudited)	期內虧損 (未經審核)	—	—	—	—	—	(18,268)	(18,268)
Other comprehensive expense for the period (unaudited):	期內其他全面開支 (未經審核):							
Exchange difference on translation of foreign operations (unaudited)	換算海外業務之 匯兌差額 (未經審核)	—	—	—	(100)	—	—	(100)
Total comprehensive expense for the period (unaudited)	期內全面開支總額 (未經審核)	—	—	—	(100)	—	(18,268)	(18,368)
Equity-settled share option arrangements (unaudited)	以權益結算之購股權安排 (未經審核)	—	—	—	—	79	—	79
Exercise of share options (unaudited)	行使購股權 (未經審核)	704	—	—	—	(401)	—	303
Placement of new shares (unaudited)	配售新股份 (未經審核)	44,969	—	—	—	—	—	44,969
Expense on issue of new shares (unaudited)	發行新股份之費用 (未經審核)	(1,359)	—	—	—	—	—	(1,359)
At 31 December 2015 (unaudited)	於二零一五年十二月 三十一日 (未經審核)	422,942	3,349	—	14,687	289	(506,120)	(64,853)

5. RESERVES (Continued)

Notes:

(a) Statutory reserve fund

Pursuant to the relevant laws and regulations for business enterprises in the PRC, a portion of the profits of the entities which are registered in the PRC has been transferred to the statutory reserve fund which is restricted as to use. When the balance of such reserve fund reaches 50% of the capital of that entity, any further appropriation is optional. The statutory reserve fund can be utilised, upon approval of the relevant authority, to offset prior years' losses or to increase capital. However, the balance of the statutory reserve fund must be maintained at least 25% of capital after such usage.

(b) Available-for-sale financial assets equity reserve

Available-for-sale financial assets equity reserve relates to the cumulative gains or losses arising on the change in fair value of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those financial assets are disposed or impaired.

(c) Foreign currency translation reserve

Foreign currency translation reserve, represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar), are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or deconsolidation of the foreign operations.

5. 儲備 (續)

附註：

(a) 法定儲備基金

根據中國的相關企業法律及條例，於中國註冊之實體之部分溢利已轉撥至有限用途之法定儲備基金。當該等儲備基金結餘達該實體資本之50%時，可選擇是否作出進一步劃撥。法定儲備基金僅在獲得相關部門批准後方可動用，於抵銷以前年度之虧損或增資。然而，使用法定儲備基金後之結餘須至少維持在資本之25%。

(b) 可供出售金融資產權益儲備

可供出售金融資產權益儲備乃與因可供出售金融資產之公平價值變動（已於其他全面收益確認）而產生之累計收益或虧損有關，當中已扣減於金融資產出售或減值時重新分類至損益之金額。

(c) 外幣匯兌儲備

外幣匯兌儲備指有關本集團海外業務之資產淨值由其功能貨幣換算為本集團之呈列貨幣（即港元）時產生之匯兌差額，直接於其他全面收益中確認及於外幣匯兌儲備中累計。該等於外幣匯兌儲備累計之匯兌差額於出售或取消綜合入賬海外業務時重新分類至損益賬內。

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the nine months ended 31 December 2016 (for the nine months ended 31 December 2015: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

Following the diversification of the Group's business to the jewelry trading and retailing business, and the lending business in the second half of the year ended 31 March 2016, the Group further diversified to pharmaceutical and healthcare products business ("New Businesses"). During the nine months and three months ended 31 December 2016, the Group has recorded revenue of approximately HK\$16,527,000 and HK\$8,312,000, respectively, representing an increase of approximately 136% and a surge approximately 200% as compared to the revenue of for the nine months and three months ended 31 December 2015, respectively. Due to the expiry of contracts with telecommunication operator in the PRC during the year ended 31 March 2016, there is no revenue from the wireless value-added services ("WVAS") since then.

Cost of sales and gross profit margin

As a result of entering into the trading and retailing of jewelry business, and the pharmaceutical and healthcare products business, cost of sales of the Group increased from approximately HK\$2,868,000 and HK\$2,130,000 for the nine months and three months ended 31 December 2015, respectively, to approximately HK\$11,895,000 and HK\$6,538,000 for the nine months and three months ended 31 December 2016, representing increases of approximately 315% and 207%, respectively. As the Group has revenue generated from the New Businesses which have a lower gross profit margin, the overall gross profit margins decreased from approximately 59% and 23%, respectively for the nine months and three months ended 31 December 2015 to approximately 28% and 21% for the nine months and three months ended 31 December 2016.

中期股息

董事會不建議就截至二零一六年十二月三十一日止九個月派發任何中期股息（截至二零一五年十二月三十一日止九個月：無）。

管理層討論及分析

財務回顧

收益

繼截至二零一六年三月三十一日止年度下半年本集團之業務多元化擴展至珠寶買賣及零售業務以及借貸業務，本集團進一步擴展至藥業及健康護理產品業務（「新業務」）。截至二零一六年十二月三十一日止九個月及三個月，本集團分別錄得收益約16,527,000港元及8,312,000港元，較截至二零一五年十二月三十一日止九個月及三個月之收益分別上升約136%及飆升約200%。於截至二零一六年三月三十一日止年度，由於與中國電信運營商訂立之合約期滿，自此無線增值服務（「無線增值服務」）並無產生收益。

銷售成本及毛利率

由於進軍珠寶買賣及零售業務以及藥業及健康護理產品業務，本集團之銷售成本由截至二零一五年十二月三十一日止九個月及三個月之約2,868,000港元及2,130,000港元分別增加至截至二零一六年十二月三十一日止九個月及三個月之約11,895,000港元及6,538,000港元，分別增加約315%及207%。由於本集團之收益來自毛利率較低之新業務，故整體毛利率分別由截至二零一五年十二月三十一日止九個月及三個月之約59%及23%下降至截至二零一六年十二月三十一日止九個月及三個月之約28%及21%。

Other income and gains

Other income and gains during the nine months and three months ended 31 December 2016 amounted to approximately HK\$195,000 and nil, which was reduced by approximately HK\$1,130,000 and HK\$913,000, respectively, which mainly because of no gain on disposal of property, plant and equipment during the nine months and three months periods under review as compared with that in the corresponding periods of 2015.

Expenses

Selling expenses incurred for the nine months and three months ended 31 December 2016 was approximately HK\$2,337,000 and HK\$801,000, reduced by approximately 38% and 64%, respectively, as compared with those in the corresponding periods of 2015. The lower selling expense incurred than those for the nine months and three months ended 31 December 2015 was mainly due to reduced staff cost and business development expense.

Administrative expenses were reduced by approximately HK\$1,405,000 and HK\$1,352,000, respectively, from approximately HK\$19,678,000 and HK\$8,919,000 for the nine months and three months ended 31 December 2015 to approximately HK\$18,273,000 and HK\$7,567,000 for the nine months and three months ended 31 December 2016, which mainly due to the reason of reduced staff costs and legal and professional fees.

Loss for the period

As a combination effect of the above, the loss attributable to equity holders of the Company for the first three quarters of 2016 amounted to approximately HK\$15.99 million, as compared to that of approximately HK\$18.27 million for the same period last year.

其他收入及收益

截至二零一六年十二月三十一日止九個月及三個月，其他收入及收益約195,000港元及無，較二零一五年同期分別減少約1,130,000港元及913,000港元，乃主要由於於九個月及三個月回顧期內沒有出售物業、廠房及設備之收益所致。

開支

截至二零一六年十二月三十一日止九個月及三個月，銷售開支約為2,337,000港元及801,000港元，較二零一五年同期分別減少約38%及64%。較截至二零一五年十二月三十一日止九個月及三個月產生較低之銷售開支乃主要由於員工成本及業務發展開支減少所致。

行政開支由截至二零一五年十二月三十一日止九個月及三個月之約19,678,000港元及8,919,000港元分別減少約1,405,000港元及1,352,000港元至截至二零一六年十二月三十一日止九個月及三個月之約18,273,000港元及7,567,000港元，乃主要由於減少員工成本以及法律及專業費用所致。

期內虧損

綜合上述影響，於二零一六年度首三個月，本公司權益持有人應佔虧損約為15,990,000港元，而去年同期則約為18,270,000港元。

Financial Position

Total equity

Despite the loss in the first nine months period under review, as at 31 December 2016, the Group has a total equity amounted to approximately HK\$88,475,000 and net current assets amounted to approximately HK\$51,619,000, as compared with the total equity amounted to approximately HK\$70,954,000 and net current assets of approximately HK\$42,935,000 as at 31 March 2016, which mainly due to the reasons of funds raising upon the issue of the convertible note during the nine months period under review.

Liquidity and financial resources

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally placed in deposits with banks.

As at 31 December 2016, total cash and cash equivalents of the Group amounted to approximately HK\$18,729,000 (as at 31 March 2016: HK\$28,761,000). As at 31 December 2016 and 31 March 2016, the Group has not borrowed any loan from third party.

The decrease in cash and cash equivalents was mainly due to the increase in accounts receivable for lending business, as well as the payment for acquisition of subsidiaries.

Treasury policies and foreign currency exchange exposure

Despite that the Group's trading transactions, monetary assets and liabilities are mainly denominated in RMB and Hong Kong dollars, it does not believe that the impact of foreign exchange exposure to the Group was material. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of business. The majorities of the Group's operating assets are located in Mainland China and are denominated in RMB.

財政狀況

總權益

儘管首九個月回顧期內虧損，但於二零一六年十二月三十一日，本集團之總權益約為88,475,000港元及流動資產淨值約為51,619,000港元，而於二零一六年三月三十一日之總權益約為70,954,000港元及流動資產淨值約為42,935,000港元，乃主要由於於九個月回顧期內，發行可換股票據籌得資金所致。

流動資金及財政資源

本集團採取審慎之現金及財政管理政策。為求能夠更有效控制成本及盡量降低資金成本，本集團之財資活動均為中央管理，而現金一般存放於銀行作為存款。

於二零一六年十二月三十一日，本集團之現金及現金等值物總額約為18,729,000港元（於二零一六年三月三十一日：28,761,000港元）。於二零一六年十二月三十一日及二零一六年三月三十一日，本集團並無自第三方借入任何借貸。

現金及現金等值物減少主要由於借貸業務應收賬款以及收購附屬公司付款增加所致。

庫務政策及外匯風險

儘管本集團買賣交易、貨幣資產及負債主要以人民幣及港元為計值單位。本集團相信外匯風險對本集團所構成之影響甚微。本集團並無以衍生金融工具對沖日常業務過程中之外幣交易及其他金融資產及負債所附帶之波動。本集團大部分經營資產位於中國內地，並以人民幣計值。

Cash is generally deposited at banks in the PRC and Hong Kong and denominated mostly in Renminbi and Hong Kong dollar. As at 31 December 2016, no related hedges were made by the Group (as at 31 March 2016: nil).

Contingent liabilities

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

Significant investments, acquisitions or disposals

Except for the conditional acquisition of the entire interest in and shareholder's loans to King Win Intelligent Technologies Limited ("King Win") (the acquisition was completed in January 2017), which had been disclosed in the Company's announcements dated 13 December 2016 and 13 January 2017, respectively, the Group does not have any material acquisition or disposal which requires disclosure during the nine months ended 31 December 2016.

Capital structure

The shares of the Company were listed on GEM on 28 March 2000.

On 31 May 2016, the Company and a potential investor entered into a subscription agreement pursuant to which the subscriber agreed to subscribe for, and the Company agreed to issue, a convertible note in the aggregate principal amount of HK\$35 million. All the conditions precedent under the subscription agreement have been fulfilled and completion took place on 31 October 2016.

On 24 November 2016, the Company received notice from the holder of the convertible note, requesting for the conversion of the convertible note in the principal amount of HK\$35,000,000 into shares of the Company. On 29 November 2016, the Company allotted and issued a total of 112,903,225 shares of the Company to the holder at the conversion price of HK\$0.31 per share.

現金一般存放於中國及香港的銀行，主要以人民幣及港元為計算單位。於二零一六年十二月三十一日，本集團並無進行相關對沖（於二零一六年三月三十一日：無）。

或然負債

於二零一六年十二月三十一日，本集團並無重大或然負債（於二零一六年三月三十一日：無）。

重大投資、收購或出售

除已於本公司日期分別為二零一六年十二月十三日及二零一七年一月十三日之公告內披露之有條件收購 King Win Intelligent Technologies Limited (「King Win」) 之全部權益及向其提供之股東貸款外（收購已於二零一七年一月完成），於截至二零一六年十二月三十一日止九個月，本集團並無任何須予披露之重大收購或出售。

資本架構

本公司股份於二零零零年三月二十八日在創業板上市。

於二零一六年五月三十一日，本公司與一名潛在投資者訂立認購協議，據此，認購人同意認購及本公司同意發行本金總額為35,000,000港元之可換股票據。所有認購協議下之先決條件經已達成且完成已於二零一六年十月三十一日落實。

於二零一六年十一月二十四日，本公司接獲來自可換股票據持有人之通告，要求轉換本金為35,000,000港元之可換股票據為本公司之股份。於二零一六年十一月二十九日，本公司配發及發行總數為112,903,225股本公司股份予可換股票據持有人，轉換價為每股0.31港元。

Upon conversion of the convertible note, excess of the carrying amount of the convertible note over the nominal value of shares being issued of approximately HK\$23,709,000 was transferred to the Company's share premium account.

轉換可換股票據後，可換股票據賬面值超出所發行股份面值之金額約23,709,000港元已轉撥至本公司之股份溢價賬。

The Company's authorised, issued and fully paid share capital were as follows:

本公司之法定、已發行及繳足股本如下：

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Authorised:	法定：		
At 1 April 2016 (audited) and 31 December 2016 (unaudited) (HK\$0.1 each)	於二零一六年四月一日(經審核) 及二零一六年十二月三十一日 (未經審核)(每股面值0.1港元)	2,500,000,000	250,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2016 (HK\$0.1 each) (audited)	於二零一六年四月一日 (每股面值0.1港元)(經審核)	1,095,360,500	109,536
Issue of shares upon conversion of convertible note (unaudited)	經轉換可換股票據 發行之股份 (未經審核)	112,903,225	11,290
At 31 December 2016 (HK\$0.1 each) (unaudited)	於二零一六年十二月三十一日 (每股面值0.1港元)(未經審核)	1,208,263,725	120,826

The Group's capital structure is sound with healthy working capital management and strong cash flow. As at 31 December 2016, the Group's total equity amounted to approximately HK\$88,475,000, representing an increase of approximately 25% compared with that as at 31 March 2016 (31 March 2016: HK\$70,954,000). As at 31 December 2016, the Group's cash and cash equivalents totaled approximately HK\$18,729,000 (as at 31 March 2016: HK\$28,761,000). The current ratio (note 1) and quick ratio (note 2) of the Group as at 31 December 2016 was 2.6 (as at 31 March 2016: 2.3) and 2.2 (as at 31 March 2016: 1.9), respectively.

本集團之資本架構穩健，營運資金管理有序，現金流量充沛。於二零一六年十二月三十一日，本集團之權益總額約為88,475,000港元(二零一六年三月三十一日：70,954,000港元)，較二零一六年三月三十一日增加約25%。於二零一六年十二月三十一日，本集團之現金及現金等值物共計約18,729,000港元(於二零一六年三月三十一日：28,761,000港元)。本集團於二零一六年十二月三十一日之流動比率(附註1)及速動比率(附註2)分別為2.6(於二零一六年三月三十一日：2.3)及2.2(於二零一六年三月三十一日：1.9)。

Apart from the above, there has been no material change in the structure of the Group during the period.

Notes:

- (1) $\text{Current Ratio} = \text{Current Assets} \div \text{Current Liabilities}$
- (2) $\text{Quick Ratio} = (\text{Current Assets} - \text{Inventories}) \div \text{Current Liabilities}$

Events after the Reporting Period

New loan receivable

Pursuant to the Company's announcement dated 25 January 2017, an unsecured loan agreement with principal loan amount of HK\$10 million was entered into between SZ Enterprise Union Finance Limited, an indirect wholly-owned subsidiary of the Company, and the borrower Mr. Chen Tianju on 25 January 2017. Details of the term of loan agreement were set out in the announcement dated 25 January 2017.

Completion of acquisition of King Win

The acquisition of 100% interest in King Win was completed on 13 January 2017. Details of the completion was set out in the Company's announcement dated 13 January 2017.

Save from the above, there was no particular event after the reporting period of 31 December 2016.

Business Review and Outlook

Wireless value-added services

Further to the expiry of WVAS contracts with a PRC telecommunication operator during the year ended 31 March 2016, the Group did not have any revenue from WVAS during the nine months and three months ended 31 December 2016.

除上述者外，本集團之架構於期內並無重大變動。

附註：

- (1) $\text{流動比率} = \text{流動資產} \div \text{流動負債}$
- (2) $\text{速動比率} = (\text{流動資產} - \text{存貨}) \div \text{流動負債}$

報告期後事項

應收新貸款

根據本公司日期為二零一七年一月二十五日之公告，於二零一七年一月二十五日，本公司之間接全資附屬公司深企聯合小額貸款有限公司與借款人陳天駒先生訂立無抵押貸款協議，貸款本金為10,000,000港元。貸款協議條款之詳情載於日期為二零一七年一月二十五日之公告。

完成收購 King Win

收購King Win之全部權益已於二零一七年一月十三日完成。完成之詳情載於本公司日期為二零一七年一月十三日之公告。

除上述者外，於二零一六年十二月三十一日之報告期後並無特定事項。

業務回顧及展望

無線增值服務

隨著於截至二零一六年三月三十一日止年度與中國電信運營商訂立之無線增值服務合約期滿，故於截至二零一六年十二月三十一日止九個月及三個月，本集團並無來自無線增值服務之任何收益。

Lending business

During the previous financial year ended 31 March 2016, the Group had commenced in lending business in Hong Kong to diversify the Group's income sources by acquiring a group of companies with a valid money lending licence in Hong Kong.

The lending business was introduced to the Group in the second half of the year ended 31 March 2016. It continues to grow and gives a positive result to the Group during the nine months ended 31 December 2016. The Group will pay a close attention to the market and the external economic environment and consider the possibility of further expansion in the lending business sector. During the nine months ended 31 December 2016, there were three major loan receivables with the Group. All of them constitute transactions carried out as part of the ordinary and usual course of business of the Group and will continue to bring in interest income to the Group. One of the debts was in the principal amount of HK\$13,000,000 under the loan agreements entered into between SZ Enterprise Union Finance Limited, an indirect wholly-owned subsidiary of the Company, and the borrower, Mr. Xu Weiqiang, on 21 March 2016 and 20 September 2016. This loan was unsecured and bearing an interest at a rate of 10% per annum for an original term of six months and an extended term of another six months. The original and extended final repayment date is 21 September 2016 and 21 March 2017 respectively and early repayment is allowed. Interest accrued under the loan for the original term has been fully paid to the Group before 31 December 2016. Accrued interest for the extended term shall be paid in the first instance upon the end of the third month of the extended term, and thereafter on the final repayment date together with repayment of the principal. This loan was granted to enhance the borrower's short-term cash flow. For more details of the loan, please refer to the Company's announcements dated 21 March 2016 and 20 September 2016.

On top of the above loan, pursuant to the loan agreement and two extension agreements made between SZ Enterprise Union Finance Limited and the borrower, Mr. Yu Shaoheng, on 22 April 2016, 21 October 2016 and 23 December 2016

借貸業務

截至二零一六年三月三十一日止過往財政年度，本集團透過收購一系列持有香港有效放債人牌照之公司，在香港開展借貸業務，以分散本集團之收入來源。

本集團於截至二零一六年三月三十一日止年度下半年開始從事借貸業務。截至二零一六年十二月三十一日止九個月，該業務持續增長，為本集團業績帶來正面貢獻。本集團將密切監察市場及外部經濟環境，物色進一步擴張借貸業務的機會。截至二零一六年十二月三十一日止九個月，本集團擁有三筆主要應收貸款。均構成於本集團一般及日常業務過程中進行的交易，並將繼續為本集團帶來利息收入。其中一筆債務乃本公司之間接全資附屬公司深企聯合小額貸款有限公司與借款人許偉強先生於二零一六年三月二十一日及二零一六年九月二十日訂立之貸款協議下本金額為13,000,000港元的貸款。本貸款為無抵押，按年利率10%計息，初始年期為六個月，並另行延長六個月。初始及延長之最後還款日期分別為二零一六年九月二十一日及二零一七年三月二十一日，允許提前還款。貸款於初始年期的應計利息已於二零一六年十二月三十一日之前悉數支付予本集團。延長年期的應計利息應首先於延長年期第三個月末後支付，其後連同本金之還款一併於最後還款日期支付。授出本貸款旨在提升借款人的短期現金流量。有關貸款的更多詳情，請參閱本公司日期為二零一六年三月二十一日及二零一六年九月二十日之公告。

除上述貸款以外，根據深企聯合小額貸款有限公司與借款人余紹亨先生分別於二零一六年四月二十二日、二零一六年十月二十一日及二零一六年十二月

respectively, a loan in the principal amount of HK\$6,000,000 bearing interest at a rate of 10% per annum was advanced to this borrower for an original period of six months with extended periods of three months and one month. The final repayment date of the loan fell on 21 January 2017 and the loan in amount of HK\$6,000,000 together with the accrued interest had been fully settled before the date of this report.

In addition, pursuant to the Company's announcement dated 8 November 2016, an unsecured loan agreement was entered into between SZ Enterprise Union Finance Limited and the borrower, Mr. Wen Qimin, on 8 November 2016, according to which a loan in a principal amount of HK\$13,000,000 bearing interest at a rate of 10% per annum for a six-month period, was drawn down on 8 November 2016. The final repayment date of the loan is on 8 May 2017, but early repayment is allowed. Accrued interest shall be paid in the first instance upon the end of the third month of the term, and thereafter on the final repayment date together with the repayment of the loan principal.

Furthermore, pursuant to the Company's announcement dated 25 January 2017, an unsecured loan agreement with principal loan amount of HK\$10,000,000 has entered into between, SZ Enterprise Union Finance Limited and the borrower, Mr. Chen Tianju, on 25 January 2017. The interest is 12% per annum. The first drawdown of the loan in the amount of HK\$6,000,000 ("Installment 1") was on 25 January 2017 and the remaining of loan of HK\$4,000,000 ("Installment 2") is to be drawdown on or before 28 February 2017. The final repayment date of the Installment 1 is on 25 January 2018, and the Installment 2 is to be repaid on the date falling on the next day of the end of the 12th month from the drawdown date, but early repayment is allowed. The Company has conducted internal risk assessment on the subject loan arrangement. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the borrower has substantial investments and assets in the PRC which support his financial capability to repay the loan. The purpose of the loan is to enhance his short-term cash flow. Therefore, the Company has not sought securities or collaterals for his repayment of the loan.

二十三訂立之貸款協議及兩份延長協議，一筆本金額為6,000,000港元並於初始六個月期間再延長三個月及一個月期間內按年息10%計息之貸款已發放予借款人。貸款之最後還款日期為二零一七年一月二十一日，而金額為6,000,000港元之貸款已於本報告日期前連同應計利息悉數償還。

此外，根據本公司日期為二零一六年十一月八日之公告，於二零一六年十一月八日，深企聯合小額貸款有限公司與借款人溫起民先生訂立無抵押貸款協議，據此，一筆本金額為13,000,000港元、按年利率10%計息及年期六個月之貸款已於二零一六年十一月八日提取。該筆貸款之最後還款日期為二零一七年五月八日，但允許提前還款。應計利息應首先於年期第三個月末後支付，其後連同貸款本金之還款一併於最後還款日期支付。

此外，根據本公司日期為二零一七年一月二十五日之公告，於二零一七年一月二十五日，深企聯合小額貸款有限公司與借款人陳天駒先生訂立無抵押貸款協議，貸款本金為10,000,000港元，年息為12%。首次提取貸款6,000,000港元（「第一筆貸款」）為二零一七年一月二十五日，餘下貸款4,000,000港元（「第二筆貸款」）將於二零一七年二月二十八日或之前提取。第一筆貸款之最後還款日期為二零一八年一月二十五日，而第二筆貸款則須於自提取日期起計12個月末翌日償還，惟允許提前還款。本公司已對目標貸款安排進行內部風險評估。據董事經作出一切合理查詢後所深知、盡悉及確信，借款人之大部分投資及資產位於中國。有關投資及資產對其償還貸款之財務能力構成支撐。貸款旨在提升其短期現金流量。因此，本公司並無就其償還貸款尋求抵押或抵押品。

Trading and retailing of Jewelry business

The Group had also expanded into the trading and retailing of jewelry business in the second half of the year ended 31 March 2016 by acquiring a group of jewelry companies which are mainly based in Shenzhen, the PRC. Such acquisition was to broaden the Group's income sources and so as to compensate the effect of the reduction of income attributable to the WVAS.

The increase in revenue in trading and retailing of Jewelry business during the nine months and three months ended 31 December 2016 was mainly because of trading of gold and golden jewelry products in the PRC.

Because of the devaluation of the PRC's Renminbi, the income from jewelry business was affected. The Group incurred loss in this segment due to the maintenance of the selling and administration expense in the PRC.

Pharmaceutical and healthcare products business

Further to the commencement of pharmaceutical and healthcare products business, the Group is expected to benefit from entering into a market with a population of 1.4 billion in the PRC. Despite that the current economic conditions in the PRC is challenging, it is believed that this could turn out to be an opportunity for the Group to develop a sound market share there. As the Group has just made effort in developing this business segment, its pharmaceutical and healthcare products business in China is still at the development stage.

Nevertheless, the Group would continue to adopt a cautious approach to balance between our business development process and its financial liquidity position.

珠寶買賣及零售業務

截至二零一六年三月三十一日止年度下半年，本集團亦透過收購一系列主要位於中國深圳之珠寶公司拓展至珠寶買賣及零售業務。有關收購旨在擴大本集團的收入來源，從而彌補無線增值服務導致之收入減少之影響。

於截至二零一六年十二月三十一日止九個月及三個月，珠寶買賣及零售業務之收益增加，乃主要由於中國之黃金及黃金珠寶產品買賣所致。

由於中國人民幣貶值，影響珠寶業務之收入，本集團於該分部產生虧損，乃由於於中國維持有關銷售及管理開支所致。

藥業及健康護理產品業務

隨著藥業及健康護理產品業務的開展，預期本集團將受益於進軍中國這個擁有14億人口之市場。儘管當前中國經濟狀況充滿挑戰，相信市場仍將湧現出機遇，本集團可藉此爭取可觀之市場份額。隨著本集團剛致力於發展本業務分部，其中國藥業及健康護理產品業務尚處於發展階段。

儘管如此，本集團將繼續採取審慎方法以平衡我們的業務發展進程與其流動資金狀況。

Updates on matters relating to the De-consolidation

With reference to the annual report of the Company for the year ended 31 March 2016 ("2016 Annual Report"), the Directors considered that the Group was unable to govern the De-Consolidated Subsidiaries (as defined under the 2016 Annual Report) and the control over the De-Consolidated Subsidiaries was lost. Therefore, from 1 January 2016 onwards, the Group had de-consolidated the De-Consolidated Subsidiaries from its financial statements for the financial year ended 31 March 2016 (the "De-Consolidation").

The Company has been in negotiation with the relevant party(ies) with an aim to resolving the matters arising from or in connection with the loss of control over the De-Consolidated Subsidiaries.

The Company has also engaged an internal control reviewer to conduct an internal control review for the Group with the following objectives:

- (a) to review and assess whether there is any existing internal control weaknesses of the Group indicated by the incident(s) leading to the De-consolidation;
- (b) to review the Group's current enterprise risk management and internal controls in order to assist the Directors to ensure that the management of the Group maintains a sound system for (i) evaluating the risks it is willing to take in achieving the Group's strategic objectives; and (ii) ensuring the internal controls to safeguard the investments of the shareholders of the Company (the "Shareholders") and the Group's assets; and
- (c) to make recommendation on any measures which, in the internal control reviewer's opinion, the Group should take in order to rectify any material weaknesses which have been identified in (a) above and its enterprise risk management and internal controls.

有關取消綜合入賬事宜之最新資料

經參考本公司截至二零一六年三月三十一日止年度之年度報告(「二零一六年年報」)，董事認為本集團無法管理該等取消綜合入賬附屬公司(定義見二零一六年年報)，並失去對該等取消綜合入賬附屬公司之控制權。因此，自二零一六年一月一日起，本集團已將該等取消綜合入賬附屬公司終止於其截至二零一六年三月三十一日止財政年度之財務報表內綜合入賬(「取消綜合入賬」)。

本公司已與有關方進行磋商，旨在解決因失去對該等取消綜合入賬附屬公司之控制權而產生或與此相關之事宜。

本公司亦已聘請一家內部監控審核顧問，以對本集團進行內部控制檢討，旨在：

- (a) 審核及評估導致取消綜合入賬之事件是否表明本集團內部控制存在任何現有缺陷；
- (b) 審核本集團之當前企業風險管理及內部控制，以協助董事確保本集團之管理維持健全之系統，以(i)評估本集團為達致其策略目標將承擔之風險；及(ii)確保內部控制保護本公司股東(「股東」)投資及本集團資產；及
- (c) 就內部監控審核顧問認為本集團為修正於上文(a)中已識別及其企業風險管理及內部控制之任何重大缺陷應採取之任何措施提供建議。

The scope of review shall cover four major areas, namely, (i) corporate internal control; (ii) financial reporting and disclosure internal control; (iii) internal control over business processes; and (iv) operational manual.

The aforesaid internal control review is in progress. The Company will keep the Shareholders and potential investors of the Company informed of any material development in the above matters as and when appropriate.

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

As at 31 December 2016, the interests and short positions of the Directors and chief executive in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to the code of conduct regarding securities transactions by Directors adopted by the Company, notified to the Company and the Stock Exchange, were as follows:

審核範圍涵蓋四個主要方面，即：(i) 企業內部控制；(ii) 財務報告與內部控制披露；(iii) 業務流程之內部控制；及(iv) 營運手冊。

上述內部監控檢討正在進行中。本公司將在適當時候就任何與上述事宜有關之重大發展通知本公司股東及潛在投資者。

董事及主要行政人員於股份及相關股份之權益及淡倉

於二零一六年十二月三十一日，董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例相關條文彼等被當作或視為擁有之權益或淡倉），或須記錄於本公司根據證券及期貨條例第352條須備存之登記冊內之權益及淡倉，或根據本公司所採納有關董事進行證券交易之行為守則須知會本公司及聯交所之權益及淡倉如下：

Long positions in the ordinary shares of the Company

於本公司普通股之好倉

Name of Directors 董事姓名	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares 普通股數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比 Note (4) 附註 (4)
Mr. Yip Heon Keung 葉向強先生	(1)	Personal interest 個人權益	6,300,000	0.52%
Mr. Chen Weixi 陳煒熙先生	(2)	Interest of a controlled corporation 一間受控制公司之權益	294,276,619	24.36%
Mr. Song Xuxi 宋旭曦先生	(3)	Personal interest 個人權益	1,000,000	0.08%

Notes:

附註：

- (1) Mr. Yip Heon Keung is personally interested in 6,300,000 shares of the Company.
- (2) 294,276,619 shares of the Company are held by Dynamic Peak Limited and its entire issued share capital is held as to 80% by Mr. Chen Weixi and as to the remaining 20% by Mr. Xu Zhigang. Both of them are the Directors. By virtue of the SFO, Mr. Chen Weixi is deemed to be interested in 294,276,619 shares of the Company held by Dynamic Peak Limited.
- (3) Mr. Song Xuxi is personally interested in 1,000,000 shares of the Company.
- (4) Based on 1,208,263,725 shares of the Company in issue as at 31 December 2016.

- (1) 葉向強先生個人擁有本公司6,300,000股股份之權益。
- (2) Dynamic Peak Limited 持有294,276,619股本公司股份及其全部已發行股本由陳煒熙先生持有80%及由徐志剛先生持有餘下20%。兩位均為董事。根據證券及期貨條例，陳煒熙先生被視為於Dynamic Peak Limited持有之294,276,619股本公司股份中擁有權益。
- (3) 宋旭曦先生個人擁有本公司1,000,000股股份之權益。
- (4) 根據於二零一六年十二月三十一日已發行之1,208,263,725股本公司股份計算。

Long positions in underlying shares of the Company

Share Options

The Company adopts and administers a share option scheme which is currently in force and effect for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Company's original share option scheme was approved by the Shareholders on 7 March 2000, and was terminated and replaced by a share option scheme approved by the Shareholders on 9 April 2002, which in turn was terminated and replaced by a new share option scheme approved by the Shareholders on 5 August 2011 (the "2011 Scheme").

A summary of the share option schemes is set out below:

2011 Scheme

At the annual general meeting of the Company held on 5 August 2011 (the "2011 AGM"), an ordinary resolution was passed by the Shareholders to approve and adopt the 2011 Scheme.

The 2011 Scheme became effective for a period of 10 years commencing on 10 August 2011. Eligible participants of the 2011 Scheme include all Directors and employees of the Group, suppliers, customers, consultants who provided services to the Group, shareholders of the subsidiaries of the Group and joint venture partners. Under the 2011 Scheme, the Directors may, at their sole discretion, grant to any eligible participants options to subscribe for ordinary shares of the Company at the highest of (i) the closing price of shares of the Company on GEM as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant; (ii) the average closing price of the shares of the Company on GEM as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share. The offer of a grant of options may be accepted within 21 days from the date of the offer. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The exercise period of the options granted is determinable by the Directors, which

於本公司相關股份之好倉

購股權

本公司採納及管理一項目前有效及具效力之購股權計劃，旨在鼓勵及獎勵對本集團之成功經營作出貢獻之合資格參與者。股東於二零零零年三月七日批准之本公司原有購股權計劃已終止，並被股東於二零零二年四月九日批准之一項購股權計劃取代，而該計劃已終止及被股東於二零一一年八月五日批准之一項新購股權計劃（「二零一一年計劃」）取代。

購股權計劃之概要載列如下：

二零一一年計劃

在本公司於二零一一年八月五日舉行之股東週年大會（「二零一一年股東週年大會」）上，股東通過一項普通決議案，批准及採納二零一一年計劃。

二零一一年計劃自二零一一年八月十日開始生效，為期十年。二零一一年計劃之合資格參與者包括本集團所有董事及僱員、供應商、客戶、為本集團提供服務之顧問、本集團附屬公司之股東及合營企業夥伴。根據二零一一年計劃，董事可全權酌情決定向任何合資格參與者授出購股權，以按(i)於要約授出日期聯交所每日報價表上所列本公司股份在創業板之收市價；(ii)緊接要約授出日期前五個交易日聯交所每日報價表上所列本公司股份在創業板之平均收市價；及(iii)本公司股份面值之價格（以最高者為準）認購本公司之普通股。接納授出購股權要約之期限為要約日期起計21日內。接納授出購股權時須支付象徵式代價1港元。所授出購股權之行使期限由董事釐定，於要約日期後開始，附有若干歸屬期，及在任何情況下最遲須於

commences after the date of offer with a certain vesting period and ends in any event not later than 10 years from the respective date when the share options are granted, subject to the provisions for early termination thereof.

An ordinary resolution was passed at the annual general meeting of the Company on 28 September 2016 (the “2016 AGM”) to refresh the scheme mandate limit of the 2011 Scheme. The total number of shares of the Company which may be allotted and issued upon exercise of all options to be granted under the 2011 Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of the 2016 AGM.

The maximum number of shares to be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the 2011 Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the relevant class of shares of the Company in issue from time to time.

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Shareholders. Options granted to substantial shareholders or independent non-executive Directors in excess of 0.1% of the Company's share capital and with an aggregate value in excess of HK\$5 million must be approved in advance by the Shareholders. The 2011 Scheme does not provide for any minimum period for holding of options or any performance target before exercise of options.

授出購股權之各相關日期起計十年屆滿，惟須受提前終止之條文所規限。

本公司於二零一六年九月二十八日舉行之股東週年大會（「二零一六年股東週年大會」）上通過一項普通決議案，以更新二零一一年計劃之計劃授權限額。於行使根據二零一一年計劃將授出之所有購股權時可配發及發行之本公司股份總數，其數目相等於於二零一六年股東週年大會舉行日期之本公司已發行股份之10%。

於行使根據二零一一年計劃及本集團之任何其他購股權計劃所授出及仍未行使之所有尚未獲行使之購股權時將予配發及發行之股份最高數目，合共不得超過不時已發行之本公司有關類別股份之30%。

於任何十二個月期間可授予任何個人之購股權所涉之股份數目，在未獲股東事先批准前，不得超過本公司於任何時間已發行股份之1%。授予主要股東或獨立非執行董事之購股權倘超過本公司股本之0.1%及總價值逾5,000,000港元，必須事先獲股東批准。二零一一年計劃並無規定任何持有購股權之最短期限或行使購股權前之任何表現目標。

The following Director was granted share options under the 2011 Scheme to subscribe for shares of the Company, details of which are as follows:

以下董事根據二零一一年計劃獲授購股權以認購本公司股份，詳情如下：

Name or category of participant 參與者 名稱或類別	Number of shares to be subscribed for by outstanding options 尚未行使購股權可認購之股份數目					Date of share options granted* 購股權 授出日期*	Exercise period of share options granted 授出購股權 之行使期限	Exercise price of share options granted** 授出購股權 之行使價** HK\$ per share (每股)
	At 1 April 2016 於二零一六年 四月一日	Transferred during the period 期內轉撥	Exercised during the period 期內行使	Lapsed during the period 期內失效	At 31 December 2016 於二零一六年 十二月三十一日			
Director 董事								
Mr. Yip Heon Keung 葉向強先生	700,000	—	—	—	700,000	5 December 2013 二零一三年 十二月五日	5 December 2013 to 4 December 2023 二零一三年 十二月五日至 二零二三年 十二月四日	0.165
	700,000	—	—	—	700,000			
Other employees of the Group 本集團其他僱員								
In aggregate 合計	2,000,000	—	—	—	2,000,000	5 December 2013 二零一三年 十二月五日	5 December 2013 to 4 December 2023 二零一三年 十二月五日至 二零二三年 十二月四日	0.165
	2,700,000	—	—	—	2,700,000			
*	The time of acceptance of the share options was within 21 days from the options offer date. The share options granted are subject to certain vesting period and vary for each category of participant as specified under the respective share option schemes.					*	購股權之接納時間為自購股權要約日期起計21日內。根據各購股權計劃之規定，所授出之購股權因應不同參與者類別而受若干歸屬期所規限。	
**	The exercise price of the share options is subject to some adjustments in the case of rights or bonus issues, or other similar changes in the Company's share capital.					**	購股權之行使價在供股或紅股發行，或本公司股本發生其他類似變動時可予調整。	

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had an interest or short position in the ordinary shares or underlying shares of the Company or any of its associated corporations that was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the ordinary shares or underlying shares of the Company

Name of shareholder 股東名稱	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares or underlying shares 普通股或 相關股份數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比 Note (8) 附註(8)
Dynamic Peak Limited	(1)	Beneficially owned 實益擁有	294,276,619	24.36%
Rainbow Enterprise Holdings Co., Ltd.	(2)	Beneficially owned 實益擁有	206,647,000	17.10%
Mr. Cheng Haiqing 程海慶先生	(2)	Interest of a controlled corporation 一間受控制公司之權益	206,647,000	17.10%
Glory Gate International Limited	(3)	Interest of controlled corporations 多間受控制公司之權益	127,582,675	10.56%

除上文所披露者外，於二零一六年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團之普通股或相關股份中概無擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉，或根據證券及期貨條例第352條須予記錄，或根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

主要股東之權益及淡倉

於二零一六年十二月三十一日，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露，或須記錄於本公司根據證券及期貨條例第336條須備存之登記冊之權益或淡倉之股東（本公司董事或主要行政人員除外）如下：

於本公司普通股或相關股份之好倉

Name of shareholder 股東名稱	Notes 附註	Capacity and nature of interest 身份及 權益性質	Number of ordinary shares or underlying shares 普通股或 相關股份數目	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比 Note (8) 附註(8)
Legit Ability Limited	(4)	Interest of a controlled corporation 一間受控制公司之權益	127,582,675	10.56%
Ms. Shen Jing 沈靜女士	(3), (4), (5)	Interest of a controlled corporation 一間受控制公司之權益	127,582,675	10.56%
Dragon Fortune Group Holdings Limited 龍達集團控股有限公司	(5)	Beneficially owned 實益擁有	112,903,225	9.34%
Right Advance Management Limited	(6)	Beneficially owned 實益擁有	111,000,000	9.19%
Ms. Wang Li Mei 王立梅女士	(6)	Interest of a controlled corporation 一間受控制公司之權益	111,000,000	9.19%
Mr. Wang Leilei 王雷雷先生	(6)	Interest of a controlled corporation 一間受控制公司之權益	111,000,000	9.19%
Will City Limited 志城有限公司	(7)	Beneficially owned 實益擁有	100,000,000	8.28%
Ms. Zhang Yingnan 張穎楠女士	(7)	Interest of a controlled corporation 一間受控制公司之權益	100,000,000	8.28%
Mr. Pei Chuang 裴創先生		Beneficially owned 實益擁有	70,000,000	5.79%

Notes:

附註：

- (1) Dynamic Peak Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held as to 80% by Mr. Chen Weixi and as to the remaining 20% by Mr. Xu Zhigang. Both of them are the Directors.
- (2) Rainbow Enterprise Holdings Co., Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is registered in the name of Mr. Cheng Haiqing, and such shares are solely owned by Mr. Cheng Haiqing.

- (1) Dynamic Peak Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由陳煒熙先生持有 80% 及由徐志剛先生持有餘下 20%。兩位均為董事。
- (2) Rainbow Enterprise Holdings Co., Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本以程海慶先生之名義註冊，故程海慶先生擁有該等全部股份。

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|---|---|
| <p>(3) Glory Gate International Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Legit Ability Limited.</p> | <p>(3) Glory Gate International Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由 Legit Ability Limited 持有。</p> |
| <p>(4) Legit Ability Limited is a Company incorporated in the British Virgin Islands and its entire issued shares capital is held by Ms. Shen Jing.</p> | <p>(4) Legit Ability Limited 為一間於英屬處女群島註冊成立之公司，其全部已發行股本由沈靜女士持有。</p> |
| <p>(5) Dragon Fortune Group Holdings Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Glory Gate International Limited.</p> | <p>(5) 龍達集團控股有限公司為一間於英屬處女群島註冊成立之公司，其全部已發行股本由 Glory Gate International Limited 持有。</p> |
| <p>(6) Right Advance Management Limited ("Right Advance") is a company incorporated in the British Virgin Islands and its entire issued share capital is registered in the name of Ms. Wang Li Mei, and such shares are ultimately owned by Mr. Wang Leilei. Ms. Wang Li Mei is the sole director of Right Advance.</p> | <p>(6) Right Advance Management Limited ([Right Advance]) 為一間於英屬處女群島註冊成立之公司，其全部已發行股本以王立梅女士之名義註冊，而王雷雷先生則最終擁有該等股份。王立梅女士為 Right Advance 之唯一董事。</p> |
| <p>(7) Will City Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is held by Ms. Zhang Yingnan.</p> | <p>(7) 志城有限公司為一間於英屬處女群島註冊成立之公司，其全部已發行股本由張穎楠女士持有。</p> |
| <p>(8) Based on 1,208,263,725 shares of the Company in issue as at 31 December 2016.</p> | <p>(8) 根據於二零一六年十二月三十一日已發行之 1,208,263,725 股本公司股份計算。</p> |

Save as disclosed above, as at 31 December 2016, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) have any interests in a business which competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the period under review.

除上文披露者外，於二零一六年十二月三十一日，本公司並無獲任何人士（董事或本公司主要行政人員除外）知會彼等於本公司股份或相關股份中擁有根據證券及期貨條例第 XV 部第 2 及第 3 分部之條文須向本公司披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第 336 條須備存之登記冊內之權益或淡倉。

競爭權益

於回顧期內，各董事或本公司之控股股東或彼等各自之聯繫人（定義見創業板上市規則）於與本集團業務構成競爭或可能構成競爭或與本集團有任何其他利益衝突之業務中，概無擁有任何權益。

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

On 31 October 2016, the Company issued a convertible note with a principal amount of HK\$35,000,000. The convertible note was fully converted into 112,903,225 ordinary shares of the Company on 29 November 2016 at the conversion price of HK\$0.31 per share.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the nine months ended 31 December 2016.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. In response to specific enquiry made by the Company, each of the Directors gave confirmation that he/she complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the nine months ended 31 December 2016.

CORPORATE GOVERNANCE CODE

Save as the deviation disclosed below, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 15 to the GEM Listing Rules throughout the period under review.

With respect to the deviation, the CG Code provision A.2.1 provides that the roles of the chairman and chief executive officer ("CEO") should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. During the period under review, the Company has not appointed a CEO and the Chairman, Mr. Xu Zhigang, assumed the post of acting CEO. The Board considers that the current arrangement is adequate in view of the size and complexity of the Group's operations. The Board will, nonetheless, review the business

購買、贖回或出售本公司之上市證券

於二零一六年十月三十一日，本公司發行本金額為35,000,000港元之可換股票據。於二零一六年十一月二十九日，該可換股票據已按每股0.31港元之換股價全部轉換成112,903,225股本公司普通股。

除上文所披露者外，本公司或其任何附屬公司概無於截至二零一六年十二月三十一日止九個月購買、贖回或出售本公司任何上市證券。

董事進行之證券交易

本公司已採納一套有關董事進行證券交易之行為守則，其條款之嚴格程度不遜於創業板上市規則第5.48條至5.67條所載之交易必守標準。經本公司作出特定查詢後，各董事均確認，其於截至二零一六年十二月三十一日止九個月整段期間，一直遵守交易必守標準及董事進行證券交易之行為守則。

企業管治守則

除以下披露之偏離外，於回顧期內，本公司一直遵守創業板上市規則附錄十五所載之企業管治守則（「企業管治守則」）之所有守則條文。

就偏離事項而言，企業管治守則條文第A.2.1條規定主席與首席執行官（「首席執行官」）之角色應有區分，且不應由同一人兼任。主席與首席執行官分別承擔之職責須清楚界定並以書面列明。於回顧期內，本公司並無委任首席執行官，主席徐志剛先生擔任署理首席執行官之職責。考慮到本集團業務之規模及複雜性，董事會認為現時之安排屬充足。然而，董事會將檢討本集團之業務增長，於必要時物色合

growth of the Group and locate suitable candidate to fill the vacancy of the CEO when considered essential and will continue setting out a clear division of responsibilities at the board level and the day-to-day management team to ensure a proper balance of power and authority within the Company.

Code provision A.6.7 of the CG Code requires all independent non-executive directors and non-executive directors should attend general meetings of listed issuers. Mr. Poon Yan Wai, being independent non-executive Director, was unable to attend the annual general meeting held on 28 September 2016; and Mr. Xu Xiaoping, being independent non-executive Director, and Mr. Chen Weixi, Mr. Yip Heon Keung and Mr. Song Xuxi, being non-executive Directors, were unable to attend the annual general meeting and the extraordinary general meeting held on 28 September 2016 and 18 October 2016 respectively due to their personal commitments.

CHANGE OF DIRECTORS' INFORMATION

Mr. Lam Kwok Cheong, an independent non-executive Director of the Company, has resigned as non-executive director of Mega Medical Technology Limited (stock code: 876) and resigned as independent non-executive director of Southwest Securities International Securities Limited (stock code: 812), both of which are companies with shares listed on the Stock Exchange, effective from 1 July 2016 and 19 September 2016 respectively.

Save as disclosed above, there is no change in Director's information to be disclosed.

AUDIT COMMITTEE

The Company established the Audit Committee on 7 March 2000 and has formulated and from time to time amended its written terms of reference in accordance with the provisions set out in the CG Code. The primary duties of the Audit Committee include review and supervision of the Group's financial reporting system, risk management and internal control procedures, review of the Group's financial information and review of the Group's relationship with its auditors.

適人選填補首席執行官之空缺，並將繼續確立董事會層面及日常管理團隊之明確職責劃分，確保本公司內部權力與職權之適當平衡。

企業管治守則之守則條文第A.6.7條規定，所有獨立非執行董事及非執行董事應出席上市發行人的股東大會。獨立非執行董事潘仁偉先生因個人需要未能出席於二零一六年九月二十八日舉行的股東週年大會；及獨立非執行董事徐小平先生以及非執行董事陳煒熙先生、葉向強先生及宋旭曦先生因個人需要未能出席分別於二零一六年九月二十八日及二零一六年十月十八日舉行的股東週年大會及股東特別大會。

董事資料變更

本公司之獨立非執行董事林國昌先生已辭任美加醫學科技有限公司（股份代號：876）之非執行董事及西證國際證券股份有限公司（股份代號：812）之獨立非執行董事（此兩間公司均為聯交所上市公司），分別由二零一六年七月一日及二零一六年九月十九日起生效。

除上文披露者外，概無其他需披露之董事資料變更。

審核委員會

本公司已於二零零零年三月七日成立審核委員會，並已根據企業管治守則之條文制訂及不時修訂其書面職權範圍。審核委員會之主要職責包括審閱及監察本集團之財務申報制度、風險管理及內部控制程序、審閱本集團之財務資料，及檢討本集團與其核數師之關係。

As at the date of this report, the Audit Committee comprised three independent non-executive Directors, namely Mr. Poon Yan Wai (Chairman of the Audit Committee), Mr. Xu Xiaoping and Mr. Lam Kwok Cheong and one non-executive Director, namely Mr. Chen Weixi.

The Audit Committee has reviewed this report and has provided advice and comments thereon.

REMUNERATION COMMITTEE

In accordance with the CG Code, the Company established the remuneration committee ("Remuneration Committee") on 17 June 2005 with written terms of reference. The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee comprises two independent non-executive Directors, namely Mr. Xu Xiaoping (Chairman of the Remuneration Committee) and Mr. Lam Kwok Cheong, and one executive Director, namely Mr. Xu Zhigang.

NOMINATION COMMITTEE

In accordance with the CG Code, the Company established the nomination committee ("Nomination Committee") on 29 March 2012 with written terms of reference. The principal responsibilities of the Nomination Committee include formulating nomination policy and making recommendations to the Board on nomination and appointment of Directors and Board succession, developing selection procedures for nomination of candidates, reviewing the size, structure and composition of the Board, as well as assessing the independence of independent non-executive Directors.

於本報告日期，審核委員會由三名獨立非執行董事潘仁偉先生（審核委員會主席）、徐小平先生及林國昌先生以及一名非執行董事陳煒熙先生組成。

審核委員會已審閱本報告，並就此提供意見及評論。

薪酬委員會

根據企業管治守則之規定，本公司已於二零零五年六月十七日成立薪酬委員會（「薪酬委員會」），並制定其書面職權範圍。薪酬委員會之主要職責包括就本公司所有董事及高級管理層之薪酬政策及架構向董事會提供建議，以及經參考董事會不時議決之企業目標及目的後，審閱所有執行董事及高級管理層之特定薪酬待遇。

薪酬委員會由兩名獨立非執行董事徐小平先生（薪酬委員會主席）及林國昌先生，以及一名執行董事徐志剛先生組成。

提名委員會

根據企業管治守則之規定，本公司已於二零一二年三月二十九日成立提名委員會（「提名委員會」），並制定其書面職權範圍。提名委員會之主要職責為制定提名政策，以及就董事之提名及委任和董事會接任向董事會提出建議、制訂提名候選人的遴選程序、檢討董事會之規模、架構及組成，以及評估獨立非執行董事之獨立性。

The Nomination Committee comprises one executive Director, namely Mr. Xu Zhigang (Chairman of the Nomination Committee) and two independent non-executive Directors, namely Mr. Xu Xiaoping and Mr. Lam Kwok Cheong.

提名委員會由一名執行董事徐志剛先生（提名委員會主席）及兩名獨立非執行董事徐小平先生及林國昌先生組成。

By Order of the Board

Xu Zhigang

Chairman

Hong Kong, 9 February 2017

承董事會命

主席

徐志剛

香港，二零一七年二月九日



PROSTEN HEALTH HOLDINGS LIMITED

Unit 905, 9/F, Star House
3 Salisbury Road
Tsim Sha Tsui, Kowloon
Hong Kong

長達健康控股有限公司

香港九龍尖沙咀梳士巴利道3號
星光行9樓905室

www.prosten.com

