

CHAIRMAN'S STATEMENT

主席報告

HKIRC has been making good progress in terms of financial stability and stable growth. HKIRC attained encouraging results in 2016. 整體來說，HKIRC 於 2016 年業務增長平穩，財政穩健，成績亦令人滿意。

2016 has been a year of transition. I am pleased to have witnessed the unwavering commitment of HKIRC in reaffirming its pledge of embracing change and new initiatives.

While the year under review was marked by uncertainties facing challenging business environment, HKIRC has been making good progress in terms of financial stability and stable growth. HKIRC attained encouraging results in 2016. The Company's turnover increased by \$5.9 million or 17.7%, to \$38.9 million in 2016, compared with \$33.05 million in 2015. We recorded a 56.8% increase of profit before goodwill impairment and tax, to \$15.8 million in 2016, up from \$10.1 million in 2015.

The number of .hk / .香港 domain name registrations at the end of 2016 is 360,301. An average growth rate of 16.7% per annum over the past two years is recorded. Overall, the Company achieved a sound performance in 2016.

Here is an overview of our key highlights over the last four years: 以下為過去四年的財務概況：

2016 是一個充滿機遇及轉變的一年。我見證著 HKIRC 堅定不移、履行承諾及致力求變的決心而深感高興。

回顧 2016 年，縱使營商環境極具挑戰、存在眾多不明朗因素；但整體來說，HKIRC 業務增長平穩，財政穩健，成績亦令人滿意。公司的營業額較 2015 年 3,305 萬港元上升 17.7% (約 590 萬港元)，達至 3,890 萬港元。扣除商譽減值及稅前溢利則有 1,580 萬港元，較 2015 年 1,010 萬港元增加 56.8%。

.hk 及 .香港 在 2016 年末的登記量錄得 360,301 個，在過去兩年平均維持著 16.7% 增長。整體上，公司的財政仍然穩健。

HK\$1,000	+/-%	2016	2015	2014	2013
Turnover 營業額	17.70	38,886	33,049	33,924	37,242
Expenditure plus depreciation 支出及折舊	-0.50	23,087	22,975	22,036	21,996
Profit before goodwill impairment and tax 除商譽減值及稅前溢利	56.80	15,799	10,074	11,888	15,246
Goodwill impairment loss 商譽減值損失	N/A	-	-	6,997	-
Income tax 所得稅款	266.70	-99	-27	198	654
Profit after goodwill impairment and tax 除商譽減值及稅後溢利	57.40	15,897	10,101	4,693	14,592
Net assets at year end 資產淨額	14.60	124,569	108,672	98,571	93,879

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As always, HKIRC will remain cautious towards our financial management. At the same time, we will also increase our level of engagement in public mission, industry best practice and community events.

HKIRC called for a review of the current Registry/Registrar (RR) Model in 2016 to gauge market insights, enhance existing operations and to ensure that our operations remain nimble and applicable to the Hong Kong business environment. We expect the review can help us manage the country-code top level domains (ccTLD) of .hk more effectively in adherence to public interest. An independent consulting firm has been appointed to conduct the review, and will address possible issues relevant to our development, including institutional framework of the model, competitiveness and sustainable growth. Recommendations will be formulated in the consultation report in 2017.

In 2016, we invested about \$2.9 million in a number of projects, including upgrades to our existing IT infrastructure to improve service quality, stability and security. At least 50% of the overall IT spending was used in DNSSEC deployment and network security enhancement.

Furthermore, in August, we organised the annual Digital Marketplace Seminar at Cyberport. Themed "Smart City Business – Shaping Our Future", the Seminar attracted over 500 participants, who were eager to gain first-hand market intelligence and explore business opportunities. We also organised the eighth "Best .hk Website Awards" which enabled us to recognise and commend outstanding .hk websites that are good role models for the business and local community.

In addition to the above events, in 2016, we also arranged two regular Consultative and Advisory Panel (CAP) meetings in June and December. CAP members were consulted on matters including HKIRC's financial health, review of the RR model, Chinese Domain Names, IPv6 and corporate governance.

The Board of Directors continues to express great confidence in HKIRC's management team, and our new CEO, Mr Leo LAM. We believe that under Leo's leadership and passion for progress, HKIRC will continue to reach new heights in coming years.

I would like to thank the Board of Directors and all our dedicated staff for their commitment, devotion and diligence that contributed to the ongoing success of the Company.

一如過往，HKIRC 在財務管理方面會較謹慎。與此同時，我們亦會加強與社會各界協作、推動行業實務典範及公共任務。

HKIRC 於 2016 年已委聘一所獨立的顧問公司，就現行的註冊管理機構／註冊服務商 (RR) 模式作出全面檢討，藉此提升對香港的地區頂級域名 (.hk) 的管理，並確保靈活變通、妥善運作，以迎合香港的營商環境，和符合公眾利益。顧問報告可望於 2017 年內提交，研究包括市場環境，並涉及可與我們相關的問題，如模式的體制架構、可引發的市場競爭和可持續發展等範圍。

在 IT 基建網絡和系統升級方面，公司於 2016 年合共投資約 290 萬港元於不同項目上，藉此提升服務質素，及促進基建網絡的安全性及穩定性。在整體的有關開支上，超過 50% 用於安全網域名稱系統 (DNSSEC) 和增強網絡保安。

另外，於 8 月，我們在數碼港舉辦每年一度的「2016 數碼市場 — 邁向智慧城市新機遇」研討會，超過 500 人積極參與，並期望透過出席是次活動獲得第一手市場資訊、拓展商機。再者，我們亦舉辦了第八屆「最佳 .hk 網站獎」，藉此表揚優秀的 .hk 網站，作為本地企業及機構互相學習的典範。

我們亦分別在 6 月及 12 月召開了兩次諮詢委員會會議，討論議題包括 HKIRC 的財政穩健性、RR 模式、企業管治、中文域名和 IPv6 服務等。

董事局各成員會繼續支持 HKIRC 管理團隊，並對新委任的行政總裁林廣成先生充滿信心，我們深信在林先生的帶領下，大家會全力以赴，繼續為公司未來再創高峰。

我藉此感謝所有董事及員工為公司盡忠職守、肩負使命、不斷努力，並一直致力為公司邁向成功而作出的貢獻。

Simon Chan
陳細明