

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



i-CABLE COMMUNICATIONS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1097)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

RESULTS HIGHLIGHTS

	Year ended December 31, 2017 HK\$'000	Year ended December 31, 2016 HK\$'000
Revenue	1,258,430	1,406,368
Loss from operations	(443,941)	(311,863)
Loss for the year	(362,827)	(312,790)

- The financial performance of i-CABLE Communications Limited (the “Company”), its subsidiaries and consolidated structured entities (collectively the “Group”) in 2017 was affected by the decline of advertising and subscription revenue.
- The decline of the advertising revenue was mainly due to the competition from free television, digital and OTT (over-the-top) platforms.
- On the subscription business front, the customer base was contracted as compared to 2016.
- In May 2017, Fantastic Television Limited (“Fantastic TV”) launched its integrated Cantonese channel under the domestic free television programme service licence and Hong Kong Cable Television Limited, a wholly-owned subsidiary of the Company, accepted the offer of the renewal of the domestic pay television programme service licence.
- In September 2017, the Company completed an open offer (the “Open Offer”) of 3,352,520,666 ordinary shares of the Company (the “Shares”) at the offer price of HK\$0.21 per Share for net proceeds of approximately HK\$687 million and completed the conversion of the loan capitalisation amount (the “Loan Capitalisation”) of HK\$300 million to 841,987,090 Shares in accordance with the loan capitalisation agreement among the Company, a subsidiary of the Company and Wharf Finance Limited.

GROUP RESULTS

The Group's loss attributable to the shareholders of the Company (the "Shareholders") for the year ended December 31, 2017 was approximately HK\$363 million (2016: HK\$313 million). Basic and diluted loss per share were both approximately HK\$0.10 (2016 restated: HK\$0.13).

DIVIDENDS

The board (the "Board") of the directors of the Company (the "Directors") does not recommend the payment of any dividend for the year ended December 31, 2017 (2016: HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

A. Review of 2017 Results

Revenue of the Group for the year ended December 31, 2017 decreased by approximately HK\$148 million or 11% to approximately HK\$1,258 million (2016: HK\$1,406 million).

Operating costs of the Group before depreciation for the year ended December 31, 2017, including selling, general and administrative and other operating expenses, cost of sales, network expenses and programming costs, decreased by approximately HK\$6 million to approximately HK\$1,498 million (2016: HK\$1,504 million). Selling, general and administrative and other operating expenses of the Group decreased by approximately 9%, cost of sales of the Group decreased by approximately 7%, while network expenses of the Group increased by approximately 5% and programming costs of the Group increased by approximately 2%.

During the year ended December 31, 2017, the Group recorded a gain of approximately HK\$72 million on disposal of subsidiaries, which were property holding companies.

EBITDA^(Note) of the Group for the year ended December 31, 2017 was a loss of approximately HK\$239 million (2016: a loss of approximately HK\$98 million). Net loss of the Group for the year ended December 31, 2017 was approximately HK\$363 million (2016: HK\$313 million).

Note: "EBITDA" represents earnings before interest income, finance costs, impairment losses on investments, non-operating income/expenses, provision for income tax, depreciation of property, plant and equipment but after amortisation of programming library.

B. Segmental Information

The principal activities of the Group include Television, and Internet and Multimedia operations.

Television

The television segment includes operations related to the television subscription business, advertising, channel carriage, television relay service, programme licensing, network maintenance, and miscellaneous television related businesses.

Revenue derived from the television segment for the year ended December 31, 2017 decreased by approximately 12% to approximately HK\$914 million (2016: HK\$1,043 million) on lower subscription and advertising revenue. Operating costs before depreciation incurred by the television segment for the year ended December 31, 2017 decreased by approximately 1% to approximately HK\$1,176 million (2016: HK\$1,185 million). EBITDA for the year ended December 31, 2017 was a loss of approximately HK\$262 million (2016: a loss of approximately HK\$142 million).

Internet and Multimedia

The internet and multimedia segment includes operations related to broadband internet access services, portal operation, mobile content licensing, telephony services as well as other internet access related businesses.

Revenue derived from the internet and multimedia segment for the year ended December 31, 2017 decreased by approximately 4% to approximately HK\$321 million (2016: HK\$336 million). Operating costs before depreciation incurred by the internet and multimedia segment for the year ended December 31, 2017 increased by approximately 3% to approximately HK\$204 million (2016: HK\$198 million). EBITDA for the year ended December 31, 2017 decreased by approximately 15% to approximately HK\$117 million (2016: HK\$138 million).

C. Liquidity, Financial Resources and Capital Structure

As at December 31, 2017, the Group had net cash, being bank deposits and cash less total interest-bearing borrowings, of approximately HK\$90 million (after the completion of the Open Offer and the Loan Capitalisation in September 2017), as compared to net debt of approximately HK\$484 million as at December 31, 2016. The gearing ratio, measured in terms of the total interest-bearing borrowings divided by total equity, was approximately 43.8% (2016: 116.7%).

Consolidated net asset value of the Group as at December 31, 2017 was approximately HK\$1,130 million, representing an increase of approximately 124%, as compared with consolidated net asset value of the Group as at December 31, 2016 of approximately HK\$505 million.

The carrying amount of interest-bearing borrowings denominated in Hong Kong Dollars (“HK\$”) as at December 31, 2017 was HK\$495 million (2016: HK\$590 million), which carries interest at variable rates, of which HK\$395 million was repayable on demand and HK\$100 million would become due after one year but not more than two years. The committed borrowing facilities available to the Group but not drawn as at December 31, 2017 amounted to HK\$11 million.

In September 2017, the Company completed the open offer of 3,352,520,666 Shares at the offer price of HK\$0.21 per Share for net proceeds of approximately HK\$687 million and completed the conversion of the loan capitalisation amount of HK\$300 million to 841,987,090 Shares in accordance with the loan capitalisation agreement among the Company, a subsidiary of the Company and Wharf Finance Limited. Subsequent to the completion of the Open Offer, as at December 31, 2017, net proceeds of approximately HK\$24 million has been used for investments in network related capital expenditure; approximately HK\$17 million has been used for investments in television related capital expenditure; approximately HK\$15 million has been used for investments in other capital expenditure; and approximately HK\$108 million has been used as funding required for operating requirements of the Group.

The Group's assets and liabilities are mainly denominated in HK\$ and United States Dollars ("US\$") and it earns its revenue and incurs costs and expenses mainly in HK\$ and US\$. As HK\$ is pegged to US\$, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the US\$/HK\$ or HK\$/US\$ exchange rates.

Capital expenditure on property, plant and equipment during the year ended December 31, 2017 amounted to approximately HK\$208 million (2016: HK\$238 million) and the additions to programming library during the year ended December 31, 2017 was approximately HK\$115 million (2016: HK\$123 million).

The Group financed its operations generally with internally generated cash flows, the available credit facilities and the proceeds from the Open Offer.

D. Contingent Liabilities

As at December 31, 2017, there were contingent liabilities in respect of guarantees and indemnities provided by the Company to a bank and Wharf Finance Limited totally of HK\$500 million (2016: HK\$806 million) in respect of overdraft and guarantee facilities of borrowings up to HK\$500 million (2016: HK\$806 million) to the subsidiaries of the Company, of which HK\$495 million (2016: HK\$590 million) was utilised by the subsidiaries of the Company.

E. Human Resources

The Group had 1,876 employees as at December 31, 2017 (2016: 2,137). Total gross salaries and related costs incurred for the year ended December 31, 2017 amounted to approximately HK\$651 million (2016: HK\$700 million). The remuneration of the Directors and the employees of the Group are determined with reference to their qualifications, experience, duties and responsibilities with the Group, as well as the Group's performance and the prevailing market conditions. Besides, the Group regularly provides training courses for the employees of the Group to meet their needs.

F. Operating Environment

The Group's financial performance in 2017 was affected by the decline of advertising and subscription revenue. The decline of the advertising revenue was mainly due to the competition from free television, digital and OTT platforms. On the subscription business front, the customer base was contracted as compared to 2016.

G. Charge on Group Assets

As at December 31, 2017, security deposits of approximately HK\$16.7 million (2016: HK\$20.0 million) made by the Group to secure certain banking facilities granted to the Group.

H. Material Acquisitions and Disposals and Significant Investments

There was no material acquisition or disposal of subsidiary and associated company or significant investments of the Group, which would have been required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), for the year ended December 31, 2017.

I. Future Plans for Material Investments or Capital Assets

The Group will continue to invest in property, plant and equipment and programming library as required by its business operations, and explore the market and identify any business opportunities which may provide its growth and development potential, enhance the profitability, and strive for better return to the Shareholders.

The Group’s ongoing capital expenditure will be funded by internal cash flows generated from operations, the available credit facilities and the proceeds from the Open Offer.

J. Outlook

The Group will continue to focus on its existing business operations and will explore new opportunities in the market.

In May 2017, Hong Kong Cable Television Limited accepted the offer of the renewal of the domestic pay television programme service licence for a period of 12 years until May 31, 2029. In addition, Fantastic TV launched its integrated Cantonese channel in May 2017 and is in preparation for the launch of its integrated English channel.

The Group will strive to make good use of available cash on hand for its operations and continue to exercise additional prudence to invest in programming, content enrichment, HD (high definition)/OTT upgrades, customer service improvement, Gigabit-capable Passive Optical Networks (“GPON”) for higher spend broadband service and new businesses, as well as marketing and media initiatives to sharpen the competitiveness of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2017

	<i>Note</i>	2017 HK\$'000	2016 <i>HK\$'000</i>
Revenue	3, 4	1,258,430	1,406,368
Programming costs		(889,343)	(869,949)
Network expenses		(219,492)	(209,392)
Selling, general and administrative and other operating expenses		(309,844)	(339,869)
Cost of sales		(79,014)	(84,697)
Loss from operations before depreciation		(239,263)	(97,539)
Depreciation	5	(204,678)	(214,324)
Loss from operations		(443,941)	(311,863)
Interest income		776	40
Finance costs		(9,315)	(5,489)
Non-operating income/(expenses)		86,268	(556)
Loss before taxation	5	(366,212)	(317,868)
Income tax credit	6	3,385	5,078
Loss for the year		(362,827)	(312,790)
Attributable to:			
Equity shareholders of the Company		(362,827)	(312,790)
Loss per share	7		(Restated)
Basic		(10.1) HK cents	(12.6) HK cents
Diluted		(10.1) HK cents	(12.6) HK cents

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended December 31, 2017

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(362,827)	(312,790)
Other comprehensive income for the year (after reclassification adjustment)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>403</u>	<u>(785)</u>
Total comprehensive income for the year	<u>(362,424)</u>	<u>(313,575)</u>
Attributable to:		
Equity shareholders of the Company	<u>(362,424)</u>	<u>(313,575)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	<i>Note</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		888,775	894,039
Programming library		151,577	169,307
Intangible assets		1,218	2,062
Interest in associate		–	–
Deferred tax assets		303,472	306,467
Other non-current assets		39,006	43,254
		<u>1,384,048</u>	<u>1,415,129</u>
Current assets			
Inventories		13,981	18,076
Trade receivables	8	43,822	51,385
Deposits, prepayments and other receivables		38,187	34,926
Amounts due from fellow subsidiaries		–	204
Bank deposits and cash		584,744	105,814
		<u>680,734</u>	<u>210,405</u>
Current liabilities			
Trade payables	9	17,150	59,135
Accrued expenses and other payables		235,771	239,758
Receipts in advance and customers' deposits		162,494	183,821
Interest-bearing borrowings		395,000	590,000
Current taxation		86	113
Amounts due to fellow subsidiaries		–	26,129
Amount due to immediate holding company		–	3,229
		<u>810,501</u>	<u>1,102,185</u>
Net current liabilities		<u>(129,767)</u>	<u>(891,780)</u>
Total assets less current liabilities		<u>1,254,281</u>	<u>523,349</u>
Non-current liabilities			
Interest-bearing borrowing		100,000	–
Deferred tax liabilities		2,447	9,210
Other non-current liabilities		21,987	8,741
		<u>124,434</u>	<u>17,951</u>
NET ASSETS		<u>1,129,847</u>	<u>505,398</u>
CAPITAL AND RESERVES			
Share capital		7,844,472	6,857,599
Reserves		(6,714,625)	(6,352,201)
TOTAL EQUITY		<u>1,129,847</u>	<u>505,398</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2017

	Attributable to equity shareholders of the Company					Total equity HK\$'000
	Share capital HK\$'000	Special capital reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total reserves HK\$'000	
Balance at January 1, 2016	6,857,599	13,985	3,643	(6,056,254)	(6,038,626)	818,973
Changes in equity for 2016:						
Loss for the year	-	-	-	(312,790)	(312,790)	(312,790)
Other comprehensive income	-	-	(785)	-	(785)	(785)
Total comprehensive income	-	-	(785)	(312,790)	(313,575)	(313,575)
Balance at December 31, 2016 and January 1, 2017	6,857,599	13,985	2,858	(6,369,044)	(6,352,201)	505,398
Changes in equity for 2017:						
Loss for the year	-	-	-	(362,827)	(362,827)	(362,827)
Other comprehensive income	-	-	403	-	403	403
Total comprehensive income	-	-	403	(362,827)	(362,424)	(362,424)
Shares issued under open offer	704,029	-	-	-	-	704,029
Shares issued under loan capitalisation	300,000	-	-	-	-	300,000
Transactions costs incurred in respect of open offer	(17,156)	-	-	-	-	(17,156)
Balance at December 31, 2017	7,844,472	13,985	3,261	(6,731,871)	(6,714,625)	1,129,847

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial information relating to the years ended December 31, 2017 and 2016 included in this final results announcement does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the consolidated financial statements of the Group for the year ended December 31, 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the consolidated financial statements of the Group for the year ended December 31, 2017 in due course.

The Company's auditor has reported on the consolidated financial statements of the Group for both years. The auditor's report for financial year 2016 was unqualified but included an emphasis of matter in respect of the Group's ability to continue as a going concern. The auditor's report for financial year 2017 was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The consolidated financial statements of the Group also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at December 31, 2017, the Group had net current liabilities of approximately HK\$130 million (2016: HK\$892 million). The net current liabilities included an interest-bearing borrowing of HK\$395 million which was drawn from a banking facility of HK\$400 million and is repayable on demand and such banking facility is subject to review. The Group also had an interest-bearing borrowing of HK\$100 million which was drawn from a revolving loan facility of HK\$100 million given by Wharf Finance Limited and is due on December 31, 2019.

In the opinion of the Directors, after taking into account, among other things, the financial resources available to the Group, the banking facilities from the bank, the current level of operations of the Group, and the bank deposits and cash balances, the Directors are satisfied that the Group will have sufficient working capital to fund its operations and commitments and remain as a going concern in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis. Management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group.

Except for the early adoption of HKFRS 9 (2014), *Financial Instruments*, in last year, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE

Revenue comprises principally subscription, service and related fees for television, and internet and multimedia (including telephony) services. It also includes advertising revenue net of agency deductions, channel service and distribution fees, programme licensing income, film exhibition and distribution income, network maintenance income and other related income.

4. SEGMENT INFORMATION

The Group managed its businesses according to the nature of services provided. The Group's chief operating decision maker has determined two reportable operating segments for measuring performance and allocating resources. The segments are television, and internet and multimedia.

The television segment includes operations related to the television subscription business, advertising, channel carriage, television relay service, programme licensing, network maintenance, and miscellaneous television related businesses.

The internet and multimedia segment includes operations related to broadband internet access services, portal operation, mobile content licensing, telephony services as well as other internet access related businesses.

The Group's chief operating decision maker evaluates performance primarily based on earnings before interest, taxation, depreciation, and amortisation ("EBITDA") and segment results. The Group's chief operating decision maker defines EBITDA to mean earnings before interest income, finance costs, impairment losses on investments, non-operating income/expenses, provision for income tax, depreciation of property, plant and equipment but after amortisation of programming library.

Inter-segment pricing is generally determined on arm's length basis.

Segment assets principally comprise all tangible assets and current assets with the exception of interest in associate and deferred tax assets. Segment liabilities include all liabilities and interest-bearing borrowings directly attributable to and managed by each segment with the exception of current taxation and deferred tax liabilities.

In addition to receiving segment information concerning EBITDA and segment results, management is provided with segment information concerning revenue (including inter-segment revenue).

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended December 31, 2017 and 2016 is set out below:

	Television		Internet and Multimedia		Unallocated		Total	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue from external customers	905,157	1,028,390	321,086	335,449	32,187	42,529	1,258,430	1,406,368
Inter-segment revenue	8,627	14,440	208	204	9,582	9,486	18,417	24,130
Reportable segment revenue	<u>913,784</u>	<u>1,042,830</u>	<u>321,294</u>	<u>335,653</u>	<u>41,769</u>	<u>52,015</u>	<u>1,276,847</u>	<u>1,430,498</u>
Reportable segment EBITDA before inter-segment elimination	<u>(261,763)</u>	<u>(142,321)</u>	<u>117,046</u>	<u>138,457</u>	<u>(88,391)</u>	<u>(87,117)</u>	<u>(233,108)</u>	<u>(90,981)</u>
Reportable segment results before inter-segment elimination	<u>(389,971)</u>	<u>(277,215)</u>	<u>43,182</u>	<u>61,506</u>	<u>(90,997)</u>	<u>(89,596)</u>	<u>(437,786)</u>	<u>(305,305)</u>
Inter-segment elimination							<u>(6,155)</u>	<u>(6,558)</u>
Loss from operations							<u>(443,941)</u>	<u>(311,863)</u>
Interest income							<u>776</u>	<u>40</u>
Finance costs							<u>(9,315)</u>	<u>(5,489)</u>
Non-operating income/(expenses)							<u>86,268</u>	<u>(556)</u>
Income tax credit							<u>3,385</u>	<u>5,078</u>
Loss for the year							<u>(362,827)</u>	<u>(312,790)</u>

Segment assets

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Television	1,190,625	847,929
Internet and Multimedia	484,062	351,290
Unallocated assets	<u>86,623</u>	<u>119,848</u>
	1,761,310	1,319,067
Interest in associate	–	–
Deferred tax assets	<u>303,472</u>	<u>306,467</u>
	<u><u>2,064,782</u></u>	<u><u>1,625,534</u></u>

Segment liabilities

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Television	627,138	766,132
Internet and Multimedia	230,711	241,915
Unallocated liabilities	<u>74,553</u>	<u>102,766</u>
	932,402	1,110,813
Current taxation	86	113
Deferred tax liabilities	<u>2,447</u>	<u>9,210</u>
	<u><u>934,935</u></u>	<u><u>1,120,136</u></u>

Geographical segments

No geographical segment information is shown as, during the years presented, less than 10% of the Group's segment revenue, segment results, segment assets and segment liabilities are derived from activities conducted outside Hong Kong.

5. LOSS BEFORE TAXATION

Loss before taxation is stated after (crediting)/charging:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest income		
— Interest income from deposits with banks	(776)	(40)
Finance costs		
— Interest expenses on borrowings	9,315	5,489
Staff costs, including Directors' emoluments		
— Salaries, wages and other benefits	584,007	627,746
— Contributions to defined contribution retirement plans	34,230	35,181
Other items		
Depreciation		
— assets held for use under operating leases	26,341	27,247
— other assets	178,337	187,077
Amortisation of programming library*	128,647	109,579
Impairment losses		
— trade and other receivables	6,533	2,800
— property, plant and equipment	387	892
— programming library	3,691	209
Reversal of impairment losses on trade and other receivables	(213)	(248)
Carrying amount of inventories consumed and sold	7,100	7,440
Write down of inventories	2,960	389
Rentals payable under operating leases in respect of land and buildings	55,582	61,631
Auditor's remuneration		
— audit services	2,410	3,141
— other services	482	80
Net foreign exchange loss/(gain)	378	(726)
Rentals receivable under operating leases in respect of		
— subleased land and buildings	(1,756)	(7,842)
— owned plant and machinery	(41,825)	(34,046)
Non-operating (income)/expenses		
— gain on disposal of subsidiaries	(71,508)	—
— net (gain)/loss on disposal of property, plant and equipment	(14,760)	556

* Amortisation of programming library is included within programming costs in the consolidated statement of profit or loss of the Group.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current tax — Overseas	383	542
Deferred taxation	<u>(3,768)</u>	<u>(5,620)</u>
Income tax credit	<u><u>(3,385)</u></u>	<u><u>(5,078)</u></u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year ended December 31, 2017. Taxation for overseas subsidiaries of the Company is charged at the appropriate current rates of taxation ruling in the relevant countries.

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of approximately HK\$362,827,000 (2016: HK\$312,790,000) and the weighted average number of ordinary shares of 3,585,393,489 (2016 restated: 2,474,160,252) at the end of the reporting period, calculated as follows:

Weighted average number of ordinary shares

	2017	2016
Issued ordinary shares at January 1	2,011,512,400	2,011,512,400
Effect of open offer	1,324,793,242	462,647,852
Effect of loan capitalisation	<u>249,087,847</u>	<u>—</u>
Weighted average number of ordinary shares at December 31	<u><u>3,585,393,489</u></u>	<u><u>2,474,160,252</u></u>

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to equity shareholders of the Company of approximately HK\$362,827,000 (2016: HK\$312,790,000) and the weighted average number of ordinary shares of 3,585,393,489 (2016 restated: 2,474,160,252) after adjusting for the effects of all dilutive potential ordinary shares.

8. TRADE RECEIVABLES

An ageing analysis of trade receivables (net of allowance for doubtful debts), based on the invoice date is set out as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 to 30 days	14,673	16,530
31 to 60 days	11,352	15,421
61 to 90 days	7,606	8,524
Over 90 days	10,191	10,910
	<u>43,822</u>	<u>51,385</u>

The Group has a defined credit policy. The general credit terms allowed range from 0 to 90 days in respect of television subscription, and internet and multimedia services and from 0 to 270 days in respect of advertising services.

9. TRADE PAYABLES

An ageing analysis of trade payables, based on the invoice date is set out as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 to 30 days	9,594	17,012
31 to 60 days	3,827	21,945
61 to 90 days	848	12,271
Over 90 days	2,881	7,907
	<u>17,150</u>	<u>59,135</u>

10. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended December 31, 2017 (2016: HK\$Nil).

11. REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The financial results of the Group for the year ended December 31, 2017 have been reviewed with no disagreement by the audit committee of the Company. The figures in respect of the preliminary announcement of the Group's results for the year ended December 31, 2017 have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the year.

CORPORATE GOVERNANCE CODE

During the year ended December 31, 2017, all the code provisions of the Corporate Governance Code (the “Corporate Governance Code”) as set out in Appendix 14 to the Listing Rules were met by the Company, with the exception of one deviation, namely, Code Provision A.2.1 of the Corporate Governance Code which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ng Tin Hoi Stephen served as the chairman of the Board and the chief executive officer of the Company until his resignation with effect from September 15, 2017. The relevant arrangement was deemed appropriate as it was considered to be more efficient to have one single person to be the chairman of the Board as well as to discharge the executive functions of a chief executive.

Immediately after Mr. Ng’s resignation, Tan Sri Dato’ David Chiu was appointed as the chairman of the Board with effect from September 15, 2017 and the Company does not have any chief executive officer since then. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiries of all the Directors, was not aware of any non-compliance with the required standard set out in the Model Code during the year ended December 31, 2017.

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

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

SCOPE OF WORK OF KPMG

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended December 31, 2017 as set out in the preliminary announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

CLOSURE OF REGISTER OF MEMBERS

For determining the eligibility to attend and vote at the forthcoming annual general meeting of the Company (the “AGM”) to be held on Thursday, May 24, 2018, the Register of Members of the Company will be closed from Thursday, May 17, 2018 to Thursday, May 24, 2018, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to ascertain Shareholders’ rights for the purpose of attending and voting at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, May 16, 2018.

By order of the Board
i-CABLE COMMUNICATIONS LIMITED
Kwok Chi Kin
Company Secretary

Hong Kong, March 22, 2018

As at the date of this announcement, the Board comprises ten Directors, namely Tan Sri Dato’ David Chiu (Chairman), Dr. Cheng Kar-Shun, Henry (Vice-chairman), Dr. Cheng Chi-Kong, Adrian, Mr. Tsang On Yip, Patrick and Mr. Hoong Cheong Thard as non-executive Directors, Mr. Andrew Wah Wai Chiu as executive Director, and Mr. Lam Kin-Fung, Jeffrey, Mr. Hu Shao Ming Herman, Mr. Luk Koon Hoo, Roger and Mr. Tang Sing Ming Sherman as independent non-executive Directors.