

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告之內容概不負責，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公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。



VIVA CHINA HOLDINGS LIMITED
非凡中國控股有限公司
(於開曼群島註冊成立之有限公司)
(股份代號：8032)

二零一六年年度業績公告

非凡中國控股有限公司（「本公司」）董事（「董事」）會（「董事會」）宣佈本公司及其附屬公司截至二零一六年十二月三十一日止年度之經審核綜合業績。

財務摘要

報告期內，本集團的財務業績轉虧為盈，同比取得突破性之增長。

- 綜合收益同比上升逾2.7倍至5.522億港元。
- 毛利同比激增逾3.7倍至1.208億港元。
- 本公司權益股東應佔溢利淨額為1.036億港元，較去年同期虧損1.797億港元大幅扭虧轉盈。

營運更新

社區發展業務

- 於二零一六年十二月向中國華融資產管理之附屬公司發行7.78億港元可換股票據，並積極探求與華融置業設立目標規模達百億以上之體育產業基金，以投資於本集團各項與體育相關的體育社區及體育小鎮等發展項目。
- 營運揚州李寧體育園及商住項目為本集團帶來增長動力，亦成為了揚州地區運動與社區交流的新地標。另外，就於全國尤其是經濟活躍之重點城市包括北京、上海、廣州、深圳、杭州、南京、南通、海口等複製體育園暨體育社區項目與不同的地方政府和合作伙伴進行磋商，部份城市並已簽訂合作框架協議。

體育業務

- 在本集團商業運營下，中國大學生籃球聯賽(CUBA)的商業價值及影響力於報告期內躍升。
- 本集團為「2016年優悅·李寧10公里路跑聯賽」全國十五個主要城市進行商業推廣，成功為賽事取得多家著名品牌及機構贊助，實現及提升了賽事的潛在商業價值。

展望

面對著挑戰與機遇並存的國際政經局勢和國內行業環境，本集團將把握優惠國策所帶來的契機，落實社區發展業務，並開拓業務範疇多形式發展以擴展體育資源組合，目標拓展體育產業鏈上下游佈局，以尋求可持續的利潤，同時對中國體育產業之長遠發展作出貢獻。

本公告列載本公司二零一六年年報全文，乃符合香港聯合交易所有限公司創業板（「創業板」）證券上市規則（「創業板上市規則」）中有關年度業績初步公告附載的資料之要求。

承董事會命
非凡中國控股有限公司
主席兼行政總裁
李寧

香港，二零一七年三月二十三日

於本公告日期，董事會由下列成員組成：

執行董事：

李寧先生（主席兼行政總裁）

陳寧先生（營運總裁）

李春陽先生

李麒麟先生

非執行董事：

陳進思先生

馬詠文先生

獨立非執行董事：

陳志宏先生

連宗正先生

吳守基先生

本公告包括之資料乃遵照創業板上市規則之規定而提供有關本公司之資料。各董事願就本公告共同及個別承擔全部責任，並在作出一切合理查詢後確認，就彼等所深知及確信，本公告所載資料在各重大方面均屬準確完整，且無誤導或欺詐成分；本公告亦無遺漏其他事項，致使本公告或其所載任何陳述產生誤導。

本公告將自其刊登日期起計最少一連七天刊載於創業板網站www.hkgem.com之「最新公司公告」一頁內，另亦將刊載於本公司網站www.vivachina.hk。

Annual Report 2016 年報



(Incorporated In The Cayman Islands With Limited Liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號: 8032

VIVA CHINA HOLDINGS LIMITED
非凡中國控股有限公司

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Viva China Holdings Limited (the “Company” or “Viva China”, which together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (“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。有意投資者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可作出投資決定。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資深投資者。

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

香港交易及結算所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。

本報告包括之資料乃遵照《創業板證券上市規則》（「創業板上市規則」）之規定而提供有關非凡中國控股有限公司（「本公司」或「非凡中國」，連同其附屬公司統稱「本集團」）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，並在作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確完整，且無誤導或欺詐成分；本報告亦無遺漏其他事項，致使本報告或其所載任何陳述產生誤導。

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BOARD OF DIRECTORS

Executive Directors

Mr. Li Ning (*Chairman & Chief Executive Officer*)
Mr. Chan Ling (*Chief Operating Officer*)
Mr. Li Chunyang
Mr. Li Qilin

Non-executive Directors

Mr. Chan James
Mr. Ma Wing Man

Independent Non-executive Directors

Mr. Chen Johnny
Mr. Lien Jown Jing, Vincent
Mr. Ng Sau Kei, Wilfred, *SBS, MH, JP*

AUDIT COMMITTEE

Mr. Chen Johnny (*Chairman*)
Mr. Lien Jown Jing, Vincent
Mr. Ng Sau Kei, Wilfred, *SBS, MH, JP*
Mr. Ma Wing Man

REMUNERATION COMMITTEE

Mr. Ng Sau Kei, Wilfred, *SBS, MH, JP* (*Chairman*)
Mr. Chan Ling
Mr. Chen Johnny
Mr. Lien Jown Jing, Vincent

NOMINATION COMMITTEE

Mr. Li Ning (*Chairman*)
Mr. Chen Johnny
Mr. Ng Sau Kei, Wilfred, *SBS, MH, JP*

AUTHORISED REPRESENTATIVES

Mr. Chan Ling
Ms. Kong Kwok Ha

COMPLIANCE OFFICER

Mr. Chan Ling

COMPANY SECRETARY

Ms. Kong Kwok Ha

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building
Central, Hong Kong

董事會

執行董事

李寧先生 (*主席兼行政總裁*)
陳寧先生 (*營運總裁*)
李春陽先生
李麒麟先生

非執行董事

陳進思先生
馬詠文先生

獨立非執行董事

陳志宏先生
連宗正先生
吳守基先生 · *SBS, MH, JP*

審核委員會

陳志宏先生 (*主席*)
連宗正先生
吳守基先生 · *SBS, MH, JP*
馬詠文先生

薪酬委員會

吳守基先生 · *SBS, MH, JP* (*主席*)
陳寧先生
陳志宏先生
連宗正先生

提名委員會

李寧先生 (*主席*)
陳志宏先生
吳守基先生 · *SBS, MH, JP*

授權代表

陳寧先生
江國霞女士

監察主任

陳寧先生

公司秘書

江國霞女士

核數師

羅兵咸永道會計師事務所
執業會計師
香港中環
太子大廈22樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

The Bank of East Asia, Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
Standard Chartered Bank (Hong Kong) Limited
DBS Bank (China) Ltd.
China Citic Bank International Limited
Dah Sing Bank Limited
China Merchants Bank Co., Ltd
China Construction Bank Corporation

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PRINCIPAL PLACE OF BUSINESS

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Hong Kong

主要往來銀行

東亞銀行有限公司
恒生銀行有限公司
中國工商銀行(亞洲)有限公司
渣打銀行(香港)有限公司
星展銀行(中國)有限公司
中信銀行(國際)有限公司
大新銀行有限公司
招商銀行股份有限公司
中國建設銀行股份有限公司

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Cayman Islands

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Cayman Islands

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STOCK CODE

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Grand Cayman KY1-1110
Cayman Islands

香港

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香港
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22樓

網站

www.vivachina.hk

股份代號

8032

CHAIRMAN'S STATEMENT

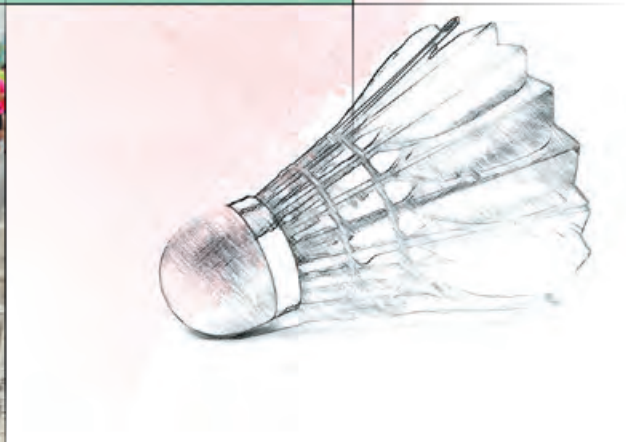
主席報告

Dear Shareholders,

BUSINESS REVIEW

2016 saw various countries embracing a new political landscape, amidst changeable global politics and economy. Political uncertainties destabilised the international economy, with a multitude of challenges arising for politics and business. As the Chinese economy entered into a "New Normal", the central government has rolled out multiple policies during the year to attain steady growth and to adapt to and steer economic transformation. Despite the complex macroeconomic picture, the Group managed to overcome its difficulties. Benefiting from a positive momentum in the Chinese sports industry, we actively developed our business network and steadily pushed forward our business development during the reporting period.





敬各位股東：

業務回顧

二零一六年，環球政治經濟多變，各國政局出現新形勢，政治的不確定性導致國際經濟波動不穩，政商挑戰處處。中國經濟發展進入新常態，中央政府於年內推出多項政策，以穩增長並適應和領航經濟轉型。縱然面對複雜的宏觀形勢，本集團迎難而上，加上受惠於中國體育行業的良好發展勢頭，我們於報告期內積極拓展業務網絡，穩步推進業務發展。

CHAIRMAN'S STATEMENT

主席報告

2016 was a year of expansion and fast growth for the Chinese sports industry. The state authorities launched a series of favorable policies and plans to help develop the sports industry, escalating sports and people's health to become a national strategy, and leading the sports industry in its structural reform, all in a bid to incorporate the concepts of nationwide physical fitness and health into Chinese people's life in an all-round manner. Moreover, the Group seized golden opportunities to largely expand its business network, particularly to accelerate the community development business in 2016. In this respect, the Group engaged in extensive negotiations and investments in the sports community and related projects, with efforts to develop its sports business in diversified approaches.

二零一六年為中國體育產業開拓版圖、快速成長的一年，隨著國家於二零一六年就促進體育產業發展而接連推出一系列利好政策和規劃，將體育和人民健康提升到國家戰略層面，引領體育領域進行結構性改革，目標是把全民健身和健康理念全方位融入國民生活。二零一六年，本集團亦把握黃金時機大力擴展業務網絡，尤其加快推進社區發展業務，廣泛開展體育社區及相關項目的磋商和投入，並開拓體育範疇多形式發展。



I am pleased to report to the Shareholders that the Group achieved substantial growth in its financial results in 2016. During the reporting period, consolidated revenue surged more than 2.7 times year-on-year to HK\$552.2 million; gross profit rose more than 3.7 times year-on-year to HK\$120.8 million; and net profit attributable to equity shareholders amounted to HK\$103.6 million, representing a significant turnaround compared with last year.

Community Development Business

The *Plan of Healthy China 2030* prioritises people's health among the PRC's national development strategies, and targets to have the occupancy of sporting facilities per capita area in the PRC to reach no less than 2.3 square meters by 2030 from 1.57 square meters in 2015. As such, the Group has further promoted its community development business by expanding its strategic plan

本人欣然向各位股東報告，本集團之二零一六年財務業績取得顯著增長。報告期內，綜合收益同比上升逾2.7倍至5.522億港元；毛利同比激增逾3.7倍至1.208億港元；權益股東應佔溢利淨額為1.036億港元，較去年同期顯著扭虧為盈。

社區發展業務

隨著《「健康中國2030」規劃綱要》把人民健康確認為國家優先發展戰略，目標把全國人均體育場地面積從二零一五年1.57平方米增至二零三零年的不低於2.3平方米，本集團於二零一六年起進一步推進社區發展業務，擴





since 2016. Meanwhile, by cooperating with our business partners, we leveraged our existing experience and resources in sports and community development business to push forward the investment in, development and operation of Li Ning Sports Parks and sports community development projects, while extending to relevant upstream and downstream business and networks as an integral part of the Group's further build-out of our community development business in 2016.

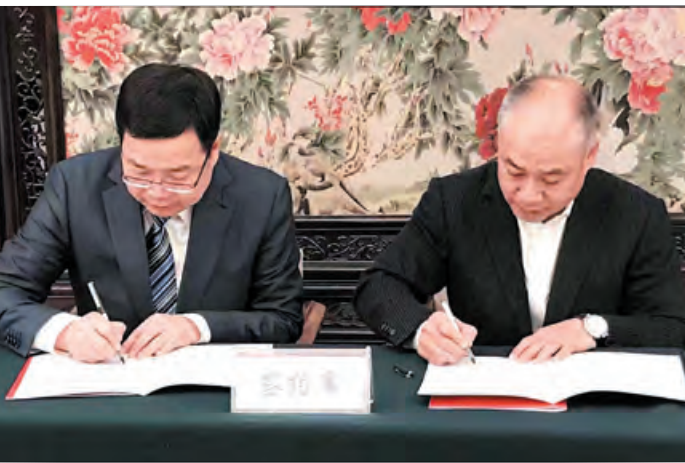
大其業務戰略規劃。作為本集團於二零一六年進一步拓建社區發展業務的重要部分，我們與合作夥伴攜手，利用我們現時擁有的體育及社區發展經驗和資源推進投資、開發、經營李寧體育園及體育社區發展項目，並同時延伸至相關上下游業務及網絡。

CHAIRMAN'S STATEMENT

主席報告

Benefiting from the state's preferential policies on sports industry development and the local governments' support of its sports community projects, the Group and its business partners are confident in the mid- to long-term development of the sports industry in the PRC and our community development business. In December 2016, the Group issued convertible notes in an amount of HK\$778 million to an indirect wholly-owned subsidiary of China Huarong Asset Management Co., Ltd., and intended to jointly set up a sports industry fund with Huarong Real Estate Co., Ltd, its related onshore entity, to invest in sports and cultural industry projects in the PRC. The cooperation was a milestone of strategic importance to the Group in its expansion of the community development business. We expect that the sports industry fund will enhance our investment and financing capacity, and facilitate our investment in and implementation of sports community projects that align with our business strategies in the PRC. The fund will also benefit both parties in seizing opportunities brought by the booming sports industry and preferential national policies, hence realise win-win cooperation. In addition to investing in and running Li Ning Sports Parks and potential community development projects in the PRC, the Group also optimised different business cooperation and investment according to the needs of business development and local conditions. Since the first half of 2016, the Group has diversified its business in the fields related to sports community development under the business model of "Sports + Communities", in a bid to enhance its capability as an urban supporting service provider.

受惠國家對體育產業發展而制定的優惠政策以及各地政府對本集團體育社區項目的支持，本集團和合作夥伴們對中國體育產業和社區發展業務的中長期發展充滿信心。其中，本集團於二零一六年十二月向中國華融資產管理股份有限公司之間接全資附屬公司發行7.78億港元可換股票據，並計劃與其境內相關主體華融置業有限責任公司共同發起設立一個體育產業基金，用以投資於中國的體育文化產業項目，為本集團擴展社區發展業務其中一個有戰略意義的里程碑。我們預期體育產業基金將強化本集團的投融資能力，有利我們於中國投資和執行符合業務策略的體育社區發展項目，亦利好雙方共同尋求投資於因體育產業急速發展和優惠國策所帶來的機遇，達至共贏。本集團一直於國內投資經營李寧體育園及潛在的社區發展項目，同時根據業務發展需要和所在地的環境優化不同的商業合作和投資，二零一六年上半年起，大力擴展體育社區發展相關範疇多樣化的業務，努力實踐「體育+社區」發展模式，務求加強本集團作為一個城市配套服務商的實力。



During the reporting period, we were in continuous discussion with local governments and business partners to plan the construction of Li Ning Sports Parks and related sports community projects in major Chinese cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Nanjing, Nantong and Haikou, in the hope of providing Chinese citizens with an urban activity and social platform integrating elements of sports, culture, healthcare, entertainment, recreation and consumption, and generating more returns for our Shareholders.

另一方面，我們於報告期內一直與不同的地方政府及合作夥伴磋商，努力籌劃於中國主要城市，包括北京、上海、廣州、深圳、杭州、南京、南通和海口等建設李寧體育園暨發展體育社區相關項目，期望為全國市民提供體育、文化、保健、娛樂、休閒、消費一體化的都市活動和社交平台，為股東創造更大收益。

Sports Business

We have been committed to drive establishing an integrated sports platform that encompasses spectating and participatory projects with our existing sports resources. Apart from this, we focus on the investment in well-received sports with huge development potential in the sports industry, such as basketball, running, badminton and table tennis. Through participating in commercial development, marketing, and talent management of school-wide and internationally renowned sports events and projects related to such sports aspects, we materialise and elevate the commercial values of the sports industry. These efforts also aimed at encouraging social participation in sporting activities and interaction in the community and in daily life, and enabling sports to sustainably become an integral part of people's life.

We are confident that sports activities not only benefit youths in their education, moral development and growth inspiration, but also make a far-reaching impact on developing their brand loyalty and sports-related consumption habits. In view of this, the Group has been sparing no effort in to promote youth sports, particularly sports leagues and projects that are well-received by the youths. The Group has been engaged in the commercial management and development of the School Basketball Leagues with the most established and widest coverage among schools in the PRC, namely, Chinese University Basketball Association (CUBA), Chinese High School Basketball League (CHBL) and Chinese Junior School Basketball

League (CJBL). During the reporting period, the Group joined hands with Li Ning Co, prominent sponsors, traditional media and online platforms to organise a series of creative

體育業務

我們一直致力利用豐富的體育資源推動建立一個涵蓋觀賞性及參與性項目的綜合體育平台，同時專注投資於較受大眾歡迎以及於體育產業中具發展潛力的運動領域，包括籃球、路跑、羽毛球和乒乓球，透過這些運動領域之相關項目參與校園和國際大型體育賽事的商業開發工作、體育營銷及體育人才管理，實現和提升體育產業的商業價值，同時鼓勵更多大眾於社區與日常生活中參與體育活動和交流，令體育運動於中國可持續發展為國民日常生活不可或缺的一環。

我們深信體育活動可以為青少年帶來教育、道德教化和成長激勵的效用，同時對青少年建立品牌忠誠度和培養體育消費習慣帶來深遠的影響。因此，本集團一直對推動發展青少年群眾運動，尤其是廣受青少年歡迎的體育賽事和項目不遺餘力，其中包括商業管理及運營中國學界中覆蓋最廣、最具規模的「校園籃球聯賽」—中國大學生籃球聯賽(CUBA)、中國高中籃球聯賽(CHBL)和中國初中籃球聯賽(CJBL)。報告期內，本集團與李寧公司、知名贊助商、傳統媒體和線上平台於場內場外進行一系列富創意性和迎合青少年文化的商業推廣活動，務求讓校園籃球聯賽滲透到校園文化當中，成功激發學生群的廣泛關注和踴躍參與。我們喜見CUBA自於二零一三年在本集團的商業運營起，無論於中國



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commercial promotion activities catering to youths. These activities, which aimed at integrating basketball leagues into campus culture, succeeded in attracting wide attention and active participation from students. We were pleased to see that CUBA has attained significant improvement in its attraction, brand recognition and core competitiveness against other Chinese sports events since its commercial development by the Group in 2013. Furthermore, CUBA eclipsed many Chinese sports events in terms of the number of spectators and influence of the league. Meanwhile, the state policy *13th Five-Year Plan of Sports for Youths* and *National Fitness Program (2016-2020)* underline the significance of promoting youth sports and sports skills training among the youths, and marketization of sports event organisation. These policies further boost our confidence on the enormous potential in developing our sports business, which enable us to achieve greater development and generate higher returns under such favorable state policies, and seek more potential investment and business opportunities to diversify our sports business.

體育賽事中的吸引力、品牌聲譽及核心競爭力等方面皆得到顯著提升，觀賽群眾及賽事影響力更於中國體育賽事中獨當一面。而最新出台的國策包括《青少年體育「十三五」規劃》及《全民健身計劃（2016-2020年）》也一再強調推行青少年體育普及的重要性，著墨促進青少年運動技能培訓和賽事組織市場化，這令我們更加相信本集團的體育業務發展潛力優厚，並將能把握到國策紅利下所帶來更大、更廣的發展和收益，也能為本集團體育範疇的多元發展尋求更多潛在的投資機遇及商業空間。



In 2016, the Group further expanded the commercial development of "Li-Ning 10K Running League", with the number of major cities covered increasing to 15 and the accumulative number of participants exceeding 42,000. In addition, the event has secured sponsorship from various commercial brands and support from our working partners, making it a landmark running event in the PRC with higher penetration and awareness. The creative idea of team competition was adopted in the event for the first time, which blended team spirit into social running, adding more fun to the running activity. Under the Group's commercial development in 2016, "Li-Ning 10K Running League" retained its title "The Best Running Tournament in the PRC" by *Runner's World*, an authoritative running magazine in the PRC. The event was also voted as "The Most Desirable Themed-Running Event" at Sina Sports' Running Festival, showing the wide recognition that the event received from both the media and the public.

本集團於二零一六年進一步拓展「李寧10公里路跑聯賽」的商業運營，覆蓋主要城市的數目增至十五個，累計參與跑者逾42,000人，並成功取得多家品牌贊助和合作夥伴的支持，使其成為更高覆蓋和更具關注度的中國標誌性路跑賽事。聯賽更首次引入具創意的跑團對抗賽事，將團隊概念融入跑步社交，提升了路跑的趣味性。在本集團的商業運營下，「李寧10公里路跑聯賽」於二零一六年再次榮膺國內權威跑步雜誌《跑者世界》頒發的「中國最佳路跑聯賽」稱號，並在新浪跑步盛典上被票選為「最想跑的主題跑」，顯示賽事已廣泛受到媒體與大眾認可。

INDUSTRY DEVELOPMENT

2016 has ushered in a stage of more intensive and detailed implementation of the policies, plans and supporting documents in respect of accelerating the development of the sports industry. Such implementation has both ensured policy support for the continuous development of the Chinese sports industry, and painted a concrete blueprint of healthy China to realise the goal of achieving national physical fitness. In particular, milestone documents such as the *13th Five-Year Plan of Sports Industry Development* provides that, during the 13th Five-Year Plan period, the total value of the Chinese sports industry shall exceed RMB3 trillion and represent 1% of GDP, of which the added value of sports service shall account for more than 30%, and sports consumption shall account for more than 2.5% of per-capita annual disposable income. The *National Fitness Program (2016-2020)* states that by 2020, 700 million people will take part in physical exercises at least once a week and the total sports consumption will reach RMB1.5 trillion, providing momentum for boosting the sports industry and domestic demand, and for creating new economic growth drivers. The *Guiding Opinion on Promoting Fitness and Recreation Industry* proposes that by 2025, the fitness and recreation industry value will reach RMB3 trillion, serving as a new engine of the economic growth in the PRC. Such opinion also encourages the integrated development of the fitness and recreation industry with other industries namely residential, culture, commercial and entertainment to build integrated fitness and recreation complexes.

行業發展

有關加快發展體育產業的政策規劃和配套文件在二零一六年進入了深化細化的階段，不僅為體育產業的持續發展帶來政策保障和助力，而且更全方位描繪出健康中國的藍圖，以達成全民健身的目標。其中重點文件包括《體育產業發展「十三五」規劃》提出「十三五」期間實現全國體育產業總規模超過3萬億元人民幣，在國內生產總值中比重達1%，其中體育服務業增加值佔比超過30%，體育消費額則佔人均居民可支配收入比例超過2.5%等目標；《全民健身計劃（2016-2020年）》提出到二零二零年每週參加一次及以上體育鍛煉的人數達到7億，體育消費總規模達到1.5萬億元人民幣，成為促進體育產業發展、拉動內需和形成新經濟增長點的動力源；以及《關於加快發展健身休閒產業的指導意見》提出到二零二五年，健身休閒產業總規模目標達到3萬億元人民幣，成為中國經濟增長新動能，並鼓勵產業與住宅、文化、商業、娛樂等綜合開發，打造健身休閒服務綜合體。



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The above said policies and plans make wide range of efforts in various aspects, which signify the Chinese government's determination in accelerating the all-round development of the sports industry. We trust that the Chinese authorities will attach greater importance and render greater support to the sports industry during the 13th Five-Year Plan period than ever before, and such reform initiatives will result in abundant opportunities to the sports industry. Moreover, such plans are believed to play an indispensable part in promoting group sports, increasing the amount of national fitness facilities such as community sports parks and multifunctional stadiums, establishing sports rehabilitation and health management centers, and developing sports and recreation communities. It is imperative to accelerate the construction of multifunctional public stadiums, sports services and facilities with extensive coverage nationwide, and have reputable corporations operating those stadiums and facilities during the 13th Five-Year Plan period.



前述政策規劃佈局範圍廣泛而且力度宏大，標誌著中國政府對於全方位加速發展體育產業的決心，我們相信尤其是十三五規劃時期中國當局對體育產業的重視和支持將比過往更加有力，改革舉措將為體育產業帶來機遇處處。這些規劃相信對於推動群眾項目之普及、增設社區體育公園和多功能運動場等全民健身設施、建立體育康復和健康管理中心、開發體育休閒社區等全民體育發展將不可或缺，而於十三五規劃期間推動建設多功能和高覆蓋的公共體育場館、服務和設施，並以具信譽的企業營運乃事在必行。

PROSPECTS

Benefiting from the fitness culture trend, we believe that more people will develop their own habit of doing physical exercises, and spend more time on leisure sports. As a result, the demand for more comprehensive and diverse community sports services and facilities will be accelerated. We trust that there will be a growing sports population in the PRC, and city dwellers are increasingly inclined to incorporate sports into their daily life. Embracing a golden era for the sports industry, the Group hopes to capitalise on the preferential national policies, seize potential opportunities arise in the sports market during the 13th Five-Year Plan period, and contribute to the sustainable development of the Chinese sports industry and national economic growth.

展望

受益於健身文化潮流的正面影響，我們相信更多民眾將會自行培養運動健身習慣，並投放更多時間在消閒運動上，對擁有更全面和多元的社區運動服務和設施的需求也將有增無已。因此，我們相信中國的運動人口將逐步遞增，國民將更趨向把運動融入日常生活。迎來當下體育產業的黃金時代之際，本集團期望能把握國家政策紅利和十三五規劃時期發展體育市場所帶來的潛在機遇，也為中國體育產業可持續發展及國家經濟增長帶來貢獻。



Looking ahead, we shall continue to stay committed to our jobs in 2017, with the primary goal of developing a larger business network with expanded projects and more business. We will expand and diversify our community development business, with such efforts as further optimising the operation of Li Ning Sports Park, and increasing sports population through organising group sports events with a focus on sports training and reliance on leisure sports projects. By doing so, we aim to promote sports and health in the communities while growing the Group's revenue. In addition, we will seek developing Li Ning Sports Parks and sports communities in more economically vibrant cities, and act on the opportunities of project investment and collaboration according to our business strategies for community development. In the upcoming year, we will also steadily develop the sports business, continue with its diversification, and identify and invest in more sports-related commercial projects with development potential, so as to raise the commercial value of our sports resources.

APPRECIATION

On behalf of the Board, I would like to thank our Shareholders and business partners for their trust in and resolute support to the Group. My deepest appreciation also goes to the management and all the staff for their dedication, professionalism and contribution to the Group over the past year. In the upcoming year, we will continue to focus on materialising and expanding the Group's business strategies on sports and community development, in a bid to deliver more returns to our Shareholders.

Li Ning

Chairman, Chief Executive Officer and Executive Director
23 March 2017, Hong Kong

繼往開來，本集團於二零一七年將繼續謹守崗位，以擴充項目、業務量和業務網絡為首要目標，大力擴展我們的社區發展業務版圖並使其更多元化，包括進一步優化李寧體育園的營運，以群體主題活動的組織，並以體育培訓為核心、體育休閒項目為依托，增強體育參與群眾基礎，於社區推廣體育健康同時促進集團收入增長。另外，我們將繼續尋求於更多經濟活躍的城市開發李寧體育園暨發展體育社區，並實現社區發展業務策略的項目投資和協作機會。同時，我們將於來年穩步發展體育業務，並繼續開拓體育範疇多元發展，尋求更多具有發展潛力的體育相關商業項目並予以投入，以提升旗下體育資源的商業價值。

致謝

本人謹代表董事會同仁感謝各位股東及業務夥伴對本集團的信賴和不懈支持，並向管理團隊和全體員工在過去一年作出之努力、專業和貢獻致以由衷謝意。我們將於來年繼續專注實現並努力開拓本集團的體育及社區發展業務戰略，為股東帶來更多碩果。

主席、行政總裁兼執行董事

李寧

二零一七年三月二十三日，香港



COMMUNU

DEVELOP



社區發展



COMMUNITY DEVELOPMENT

The Group has been advocating community development business integrated with sports elements and healthy lifestyle. By leveraging our extensive experience and resources in sports and community development, the Group aims to build communities themed at sportive, healthy and leisure lifestyle for people across the country, hoping to enlarge the mass base of sports participation. Meanwhile, the Group is committed to building an integrated commercial sports platform by developing sports community and related commercial projects in the PRC.

In 2016, the Group strived to strengthen our business networks and expand our business scope to comprehensively implement our business strategies on community development. Meanwhile, we actively negotiated with the local governments and our partners on investing in and the development of sports communities and supporting projects in the vicinity. Commercial investment in potential projects derived has also been explored and planned.

社區發展

本集團一直提倡融合運動及健康生活方式的社區發展業務，利用我們豐富的體育及社區發展的經驗和資源，為全國人民打造體育、健康和悠閒生活並重的社區，冀望增強體育參與群眾基礎，同時於中國發展體育社區及相關商業項目，以建立一體化的綜合體育商業平台。

二零一六年間，本集團致力開拓業務網絡並擴展業務範疇，以推進全方位實踐社區發展業務戰略。同時，我們積極與地方政府和合作夥伴就投資發展體育社區和周邊配套項目開展談判，並探討和計劃落實對衍生的潛在項目進行商業投入。



During the reporting period, various commercial institutions have been approached by the Group to identify the most appropriate and quality business partners with whom we can establish sustained cooperative relationships and develop our upstream and downstream businesses and networks. The Group progressively conducted commercial cooperation and investment with them based on the needs of our community development business, thereby acquiring and materialising the supporting projects and business opportunities derived from the development of sports communities and other community development projects in the PRC, so as to further expand the Group's community development business segment and pave the way for extending to the upstream and downstream businesses.

The strategy of expansion into the upstream and downstream industry networks is an integral part of the Group's further build-out of our community development business in 2016. It is complementary to the existing development of sports parks, sports communities and related projects, and beneficial to promote horizontal integration and vertical expansion of the business of the Group. During the reporting period, we actively expanded and optimised the construction materials business network and managed to establish good working relationships with various construction materials suppliers and contractors, so as to lay a solid foundation for our construction of and investment in sports community projects in different cities. Our construction materials were sold to, amongst others, established and reputable enterprises, which included PRC-listed companies and enterprises managed by the State, who were all potential business partners of the Group with whom we may further cooperate to drive the expansion of our community development business. Through provision of construction materials to such potential business partners, the Group has fostered good and sustainable relationships with them, strengthening our position in forming future cooperative alliances with them for community development. Revenue from the community development segment recorded a significant surge during the reporting period, for major reasons which included, the sales of products through the expansion of its business network in tandem with the development of this business segment.

We are also exploring the possibility of forming a joint venture company with a landscape engineering company, which is expected to bring synergies for further cooperations on the Group's construction materials business, building and landscaping projects, sports parks, sports communities and potential projects, and help develop a business model that will contribute to sustainable profit for the community development business.



本集團於報告期內與各個商業機構進行磋商，務求篩選最合適及優質的業務夥伴，以建立可持續的合作關係及拓展相關上下游業務及網絡，並逐步按本集團的社區發展業務需要進行商業合作和投資，以獲取和實踐於中國發展體育社區及不同類型的社區發展項目所衍生的配套項目和商機，目標為進一步拓展本集團的社區發展業務板塊，以及延伸至上下游產業並進行鋪墊。

開發產業上下游網絡之策略乃本集團於二零一六年進一步開拓社區發展業務不可或缺的一環，其與體育園、體育社區及相關項目的現有發展等可產生相輔相成的作用，並能推動本集團業務橫向整合和縱向擴展。於報告期間，我們積極擴展和優化建材業務網絡，並與不同的建築材料供應商及承建商建立了良好的合作關係，為建設和投資於不同城市的體育社區項目打穩基礎。我們向具規模及信譽良好的企業銷售建築材料，其中包括中國上市公司及國有企業，而該等企業均為本集團之潛在業務合作夥伴，本集團或會與其進一步合作以促進社區發展業務的擴張。透過向該等潛在業務合作夥伴提供建築材料，本集團與其建立了良好及可持續的關係，有助本集團於未來就社區開發與其建立合作聯盟方面時之商討。期內社區發展分部收益取得明顯增長，其中一個主要原因乃隨著本集團發展此業務分部而擴闊其業務網絡的產品銷售所致。

我們亦正與一家園林景觀工程公司研究共同成立合資公司，期望能為本集團的建材業務、建築和園林綠化項目、體育園、體育社區以及潛在項目的進一步合作帶來協同效益，並成為社區發展業務中一個可持續帶來盈利的業務模式。



BUSINESS REVIEW

業務回顧

By selecting seasoned working partners whose business is complementary to the Group, and through establishing working partnerships of mutual trust and conducting business with them, the Group will be able to learn about the quality of the products and services of its partners and ensure their project management meets both national and international standards. Therefore, the Group will be able to leverage and benefit from the established business networks, ensure the quality of the projects and effectively control the progress, costs and risks of the same when cooperating with them in developing sports community projects, thereby enhancing the competitiveness of the Group. In the long run, it will facilitate the Group securing comparatively sizable projects and provide the Group with support to carry out additional related projects simultaneously, and thus expanding its market share, increasing its revenue streams and improving its return on projects.

To accelerate the growth of our community development business, the Group has actively negotiated and discussed with the local governments, potential business and financial partners on various financing solutions to support the development of the business since 2016. Such financing solutions include but not limited to jointly launching funds and adopting the public-private partnership (PPP) model, as well as cooperating with business partners from different areas of the sports industry chain to conduct in-depth development of sports community projects, with an aim to acquire, participate in and invest in different kinds of sports industry projects in the PRC more effectively, and to introduce new, sustainable income sources to the Group, as well as to strengthen the Group's bargaining power which can help drive the development of different projects.

通過篩選擁有豐富行業經驗以及業務較能與本集團互補的合作夥伴，並與其建立互信的合作關係和進行業務往來，本集團將能夠瞭解合作夥伴的產品和服務品質，以及其項目管理水準乃符合國內及國際標準。當本集團與其合作發展體育社區項目時，我們將能利用和受惠於已開拓的業務網絡，並能確保項目的品質，以及更有效控制項目的開發進度、成本與風險，從而提升本集團的競爭力。這將長遠地有助本集團取得較大型項目的機會，以及支持本集團同時開展更多相關項目，擴大市場份額、增加收益來源及提升項目的回報率。

為了加速社區發展業務拓展步伐，自二零一六年起，本集團與地方政府、潛在商業及財務夥伴就多種支持發展業務的融資方案積極進行談判及研究，其中包括但不限於共同發起基金及以政府和社會資本合作(PPP)模式，並連繫產業鏈上不同範疇的業務夥伴作深度合作開發體育社區項目，務求更有效獲取、參與及投資於中國不同類型的體育產業項目，同時為本集團開闢新的可持續收入來源，以及提高本集團的話語權以助推動不同項目的發展。



As one of above measures and an important strategy adopted by the Group to facilitate the growth of its community development business, the Group is planning to jointly launch a sports industry fund with Huarong Real Estate Co., Ltd. to invest in sports and cultural industries projects in the PRC. With such, the Group issued convertible notes in the amount of HK\$778 million to an indirect wholly-owned subsidiary of China Huarong Asset Management Co., Ltd. in December 2016, and part of the proceeds raised from the issuance are intended to be used for investing into the sports industry fund.

During the reporting period, the Group has commenced preparatory work on the land adjacent to Yangzhou Li Ning Sports Park for the commercial and residential development of Yangzhou Sports Community. We also completed the project design, pre-sale strategy formulation and construction foundation work. Yangzhou Li Ning Sports Park, the first sports park managed and operated by the Group since its opening in October 2015, has actively organised group sports and leisure activities, and held over 120 sports and recreational activities and events during the reporting period. It has become a new landmark for sports and social interaction in the Yangzhou neighborhood and has created a growth driver for the Group.

其中一個舉措乃本集團計劃與華融置業有限責任公司共同發起設立體育產業基金，用以投資於中國的體育文化產業項目，為本集團擴展社區發展業務其中一個重要戰略，而本集團已於二零一六年十二月通過向中國華融資產管理股份有限公司之間接全資附屬公司發行7.78億港元可換股票據，其中部份資金擬用於支持成立此項體育產業基金。

本集團於報告期間對毗鄰揚州李寧體育園作開發揚州體育社區之用的商住土地項目已開展發展預備工作，並已完成項目的方案設計、前期銷售策劃及工程的相關前期準備。而首個由本集團管理和營運的揚州李寧體育園自二零一五年十月開幕以來積極組織群眾體育悠閒項目，於報告期內承辦了120多項體育、文娛活動和賽事，成為了揚州地區運動和社區交流的新地標，也為本集團帶來增長動力。





We have devoted our efforts to establish sports parks and sports communities in major economically vibrant cities in the PRC such as Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Nanjing, Nantong and Haikou during the reporting period, in addition to continually expanding the operation of Yangzhou Li Ning Sports Park. Meanwhile, we actively conducted negotiations with various local governments and business partners, in an effort to explore more collaboration opportunities for projects of developing sports park, national sport facilities and sports community, and seize potential opportunities brought by the preferential national policies and the sports industry development during the 13th Five-Year Plan period in order to provide all citizens with a social platform that integrates sports, culture, healthcare, entertainment and recreation activities into urban life.

除了繼續拓展揚州李寧體育園的營運，我們於報告期內亦努力籌劃於中國主要經濟活躍之城市，包括北京、上海、廣州、深圳、杭州、南京、南通和海口等建設體育園暨體育社區項目，並積極與不同的地方政府及合作夥伴進行磋商，務求探尋更多包括體育園、全民體育設施和體育社區發展項目的合作機會，以期望為全國人民提供體育、文化、保健、娛樂、休閒一體化的都市活動和社交平台，同時把握國家優惠政策和十三五規劃時期發展體育市場所帶來的潛在機遇。



- ▲ Location of Li Ning Sports Park managed and operated by the Group
 本集團管理和營運的李寧體育園所在位置
- ▲ Locations of Li Ning Sports Park and sports community projects under negotiation
 正在洽談的李寧體育園或體育社區項目所在位置
- ▲ Locations of Li Ning Sports Park and sports community projects that entered into cooperation framework agreement
 已就發展李寧體育園或體育社區項目簽署合作框架協議的所在位置



SPORTS



體育



2016年道达尔·汤姆斯杯暨尤伯杯赛
TOTAL BWF THOMAS AND UBER CUP FINALS 2016

SPORTS

The Group is committed to driving the establishment of an integrated sports platform by leveraging the existing resources of its sports business, and capture and maximise the commercial values of the sports resources under our management, and attract social participation in sporting activities through commercial management of popular sporting events and competitions, event production, sports talent management, as well as providing sports related consulting services.

SCHOOL BASKETBALL LEAGUES

In 2016, the Group continued to carry out exclusive commercial development and commercial engagement for the School Basketball Leagues in the PRC, namely, Chinese University Basketball Association (CUBA), Chinese High School Basketball League (CHBL) and Chinese Junior School Basketball League (CJBL).

體育

本集團一直致力利用體育業務的現有資源推動建立一個綜合體育平台，透過籌辦熱門體育活動及賽事、項目製作、管理體育人才和提供體育相關諮詢服務，實現和擷取旗下管理之體育資源最大的商業價值，同時吸引大眾參與體育活動。

校園籃球聯賽

本集團於二零一六年繼續為中國校園籃球聯賽，包括中國大學生籃球聯賽(CUBA)、中國高中籃球聯賽(CHBL)和中國初中籃球聯賽(CJBL)進行獨家商業開發及商業運營。





During the reporting period, the Group engaged in strategic planning and conducted marketing initiatives on key schools, zones and players. Meanwhile, the Group collaborated with Li Ning Co and various renowned sponsors to carry out innovative promotional campaigns inside and outside the stadiums that catered to the event, trendy fashion in the school campus and prevailing youth cultures, which attracted numerous traditional media, sports TV channel websites and social media platforms to conduct in-depth reports that widely covered the School Basketball Leagues, and successfully reached a huge number of recipients.

報告期內，本集團對重點學校、賽區、球員進行戰略規劃和打造，並與李寧公司及多個知名贊助商於賽場內外進行創新和切合賽事及青少年校園和文化潮流的商業營銷活動，吸引到各大傳統媒體、體育視頻網站及社交媒體平台對校園籃球聯賽進行了高覆蓋的深度報導，觸達受眾數量龐大。





A themed carnival and charity relay activity was organised for "Master Kong Braised Beef Noodle", a Chinese food brand, with CUBA key players interacting with students, and a Wechat platform named "Kong Fans Community" was intensively developed with innovative contents and energetic elements, attracting legion of fans and turning them into potential consumers.

為中國食品品牌「康師傅紅燒牛肉麵」籌辦與CUBA球星跟學生互動的主題嘉年華活動及愛心慈善接力項目，並為品牌深度打造「康粉社區」微信平台，以創新內容和活力風格吸引大批擁躉並轉化為潛在消費者。



CUBA players participated in a brand promotional campaign of the Chinese beverage brand "Master Kong Ice Tea", while intensive news were released online throughout the event, resulted in extensive discussions on social media platforms. Related discussion topics topped the list on Weibo sports channel online discussion on the date of 2015-16 CUBA Finals.

中國飲料品牌「康師傅冰紅茶」安排CUBA球員出席品牌活動和配合線上媒體發佈等方式，開啟其於社交媒體的深度話題，其話題討論於二零一五至一六年度總決賽當日位列微博體育榜榜首。

JD Finance, a PRC-based financial institution, being the sole online payment service provider of booking CUBA tickets and the only crowd-funding platform of gifts to retired basketball players in all-star games, succeeded in attracting a great number of newly enrolled members by utilising its school promotional materials of CUBA.

國內金融機構「京東金融」作為CUBA購票線上唯一支付入口及全明星賽球星退役禮物眾籌唯一平台，並利用CUBA校園宣傳資源，成功吸引大批新註冊會員。

NetEase and Blizzard Entertainment, an entertainment games developer, integrated CUBA features into its online games and showcased the CUBA features in its promotional materials and cosplay show in the event, and brought the online game players together to form cheering teams for the CUBA players. In addition, a CUBA carnival was launched to tailor-make trial game experience in campus, unlocking the fans base of both the sponsor and CUBA.

遊戲娛樂公司「網易暴雪」結合CUBA和電競遊戲，除了顯示於宣傳品和角色扮演演出的演出外，更召集玩家組成加油團親臨CUBA比賽現場為球員喝彩，並於新賽季加入CUBA嘉年華打造校園遊戲試玩體驗，並打通雙方支持者資源。



Regarded as the most established and most popular sports leagues among schools and the younger generation in the PRC, the School Basketball Leagues under our commercial development have made further progress on the integration of inter-media communication with commercial engagement during the reporting period, and succeeded in realising and elevating its commercial values.



作為中國學界及年青一代最具規模及最受歡迎的體育賽事，校園籃球聯賽於本集團的商業推廣下於年內進一步實行跨媒體傳播與商業結合，成功實現及大幅提升了賽事的商業價值。



The brand value and core competitiveness of the Chinese sporting event intellectual properties (IP) of the School Basketball Leagues have seen substantial growth since the Group's commercial development in 2013. In the 2015-16 Season, CUBA attracted 6,588 players from 549 teams in 10 major zones, among the 33 zones that covered municipalities, provinces and autonomous regions in the PRC where the Group owes the commercial development rights. Moreover, CUBA ranked the 3rd in "The Most Influential Sports League of the Year 2015" of Sina Weibo in early 2016, following Chinese Football Association Super League and NBA, demonstrating its dominant position in scale, influence and commercial value among its peers.

自二零一三年本集團掌控其商業運營後，校園籃球聯賽於中國體育賽事版權(IP)中的品牌價值及核心競爭力等方面有顯著提升。CUBA於二零一五至一六年度賽季擁有覆蓋全國33個省、市和自治區的賽區，重點推廣10個賽區，共549支參賽隊伍、6,588名運動員參賽，更於二零一六年年初榮膺新浪微博二零一五年度體育賽事機構影響力第三名，排名僅次於中國足球超級聯賽以及美國職業籃球聯賽NBA，顯示出賽事的規模、影響力及商業價值於同儕中皆取得先驅位置。



RUNNING

The Group has been undertaking the commercial development and coordination of "Li-Ning 10K Running League" since 2015, and sparing no effort on expanding its scale and contents in 2016. From March to October during the year, the coverage of the running league has expanded to 15 major cities in the PRC, included Guangzhou, Chengdu, Changsha, Wuhan, Zhengzhou, Suzhou, Shanghai, Jinan, Dalian, Taiyuan, Kunming, Xi'an, Lanzhou, Qingdao and Beijing, attracted participation of over 42,000 runners in total across the cities.



JINAN 濟南



KUNMING 昆明

路跑

本集團自二零一五年開始參與「李寧10公里路跑聯賽」的商業開發和運營，並於二零一六年竭力拓展賽事規模和內容。從三月到十月，賽事覆蓋增加至全國十五個主要城市，包括廣州、成都、長沙、武漢、鄭州、蘇州、上海、濟南、大連、太原、昆明、西安、蘭州、青島和北京，年內參與跑者共逾42,000人。



GUANGZHOU 廣州



XI'AN 西安





CHANGSHA 長沙

為了提升路跑的趣味性和交流，李寧10公里路跑聯賽於二零一六年的賽事為個別跑步圈提供跑團對抗的平台，吸引到共逾百個跑團報名和參與，成功提升了賽事在跑者群體中的認知度和影響力，同時有助本集團利用跑團資料進一步推廣路跑聯賽，以深挖相關的商業價值。另外，跑場內設置互動體驗區及成績合影牆讓跑者參與互動遊戲及創造拍照機會留念，以增加參賽者體驗感，帶領路跑互動風尚。



CHENGDU 成都



In order to enrich the enjoyment and interaction of running, a platform was created to individual running clubs to engage in team competition in 2016's Li-Ning 10K Running League, which attracted over a hundred groups to enroll and participate, and succeeded in gaining higher recognition and awareness among the running communities. With such, the Group could also utilise the data collected from the running clubs for further promoting the running league and exploring its commercial values. Meanwhile, interactive zones providing dynamic game experience and running results photo-wall creating photo opportunities were set up in running arenas, enriching the runners' onsite experience and making interactive running in vogue.



SUZHOU 蘇州



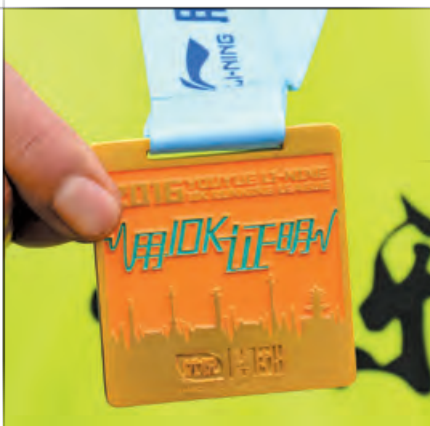
DALIAN 大連



BUSINESS REVIEW

業務回顧

Apart from having Master Kong Youyue purified drinking water as the title sponsor, “2016 Youyue Li-Ning 10K Running League” also succeeded in securing sponsorship from various brands and corporations of different industries, such as Beijing Capital Land, JD Finance, MetLife and 9Fbank.com, etc, and getting support from collaborative partners under the Group’s vigorous commercial development. As a result, potential commercial values of such event were materialised and enhanced. Li-Ning 10K Running League was voted as “The Most Desirable Themed-Running Event” at Sina Sports’ 2015 annual event at the beginning of 2016, and has been honored with the title “The Best Running Tournament in the PRC” by *Runner’s World*, an authoritative running magazine in the PRC for three consecutive years, reflecting the event is well-received by the industry and the public under the Group’s commercial development.



在本集團積極進行商業推廣下，「2016年優悅·李寧10公里路跑聯賽」除了得到康師傅優悅飲用水的冠名贊助外，賽事還取得多家不同行業的品牌及機構贊助以及合作夥伴的支援，包括首創置業、京東金融、中美大都會保險和玖富金融等，成功實現及提升了賽事的潛在商業價值。李寧10公里路跑聯賽於二零一六年年初被新浪體育公投為二零一五年年度「最想跑的主題跑」，以及連續第三年榮膺國內權威跑步雜誌《跑者世界》頒發的「中國最佳路跑聯賽」稱號，足證賽事在本集團的商業運營下受到業界與大眾的廣泛認可。



OTHER SPORTS TOURNAMENT MANAGEMENT

During the reporting period, the Group engaged in the commercial development and management of 2016 Thomas & Uber Cup, a world-class badminton tournament held in Kunshan, the PRC.

其他體育賽事運營

報告期內，本集團對二零一六年湯姆斯杯及尤伯杯於中國昆山舉辦之世界級羽毛球比賽進行商業開發和運營。

SPORTS TALENT MANAGEMENT

The Group provides talent management services with renowned athletes in the PRC, and continued to engage in strategic partnership with the national badminton team during the reporting period. We arranged our athletic talents to participate in selected and diversified sports-related commercial activities, such as attending TV reality shows, media interviews and sports marketing events to gain public exposure. These athletes with professional and healthy image create sports celebrity effect and impact positively on the public in doing physical exercises, while the commercial values of these athletes will also be materialised and enhanced. The Group will continue to seize opportunities to sign up national team of different fields and athletes in the PRC so as to consolidate and enrich our sports portfolio.

體育人才管理

本集團於報告期內為知名中國運動員提供人才管理服務，亦與國家羽毛球隊繼續保持戰略合作夥伴關係，安排他們參與合適和多元的體育相關商業活動以爭取曝光，如電視真人秀節目、媒體訪談和體育活動等。這些運動員集專業及健康形象於一身，營造出體育明星效應，



對帶動公眾運動風氣產生積極影響，其商業價值亦同時得到實現及提升。本集團將繼續爭取與其他不同體育領域的中國國家隊及運動員合作，以鞏固並豐富我們的體育資源。

INVESTMENTS

The Group endured its efforts to drive the resources integration of its existing operation and assets, and actively explored derivative projects with development potential and in tandem with the Group's business development during the reporting period. Meanwhile, the risks of the projects we invested in were monitored and under control. The business resource of its 29%-owned CITIC Land facilitated the Group to implement its business strategy on community development during the reporting period. We expected that the Group's investment in CITIC Land will enable us to reap returns derived from the property development and other business opportunities from CITIC Land, and strengthen the Group's capability to invest and participate in various types of development projects in the PRC.



The acquisition of 10% equity interest in Double Happiness Group at RMB124,992,000 was completed during 2016. Through the acquisition, it is expected that the Group can benefit from the resources allocation of table tennis equipment and other sports accessories, industry leadership with Double Happiness Group own brand "DHS", as well as its business network derived from the sponsorship in sports tournaments. Meanwhile, we will strive to create values and enhance profits for the Group and its shareholders by participating in the integration of business resources of Double Happiness Group.



投資

本集團於報告期內努力推動現有業務與資產的資源整合，積極尋求更多具有發展潛力與能配合集團發展的衍生項目並進行商業投入，同時對投資項目進行風險把關。其中，本集團於報告期內通過持有29%股權的中信置業的業務資源協助本集團實施社區發展的業務策略。同時，我們預期憑藉於中信置業的投資，本集團亦可分佔其在房地產及其他業務發展機遇中的利益，並加強本集團投資及參與中國不同類型發展項目的能力。



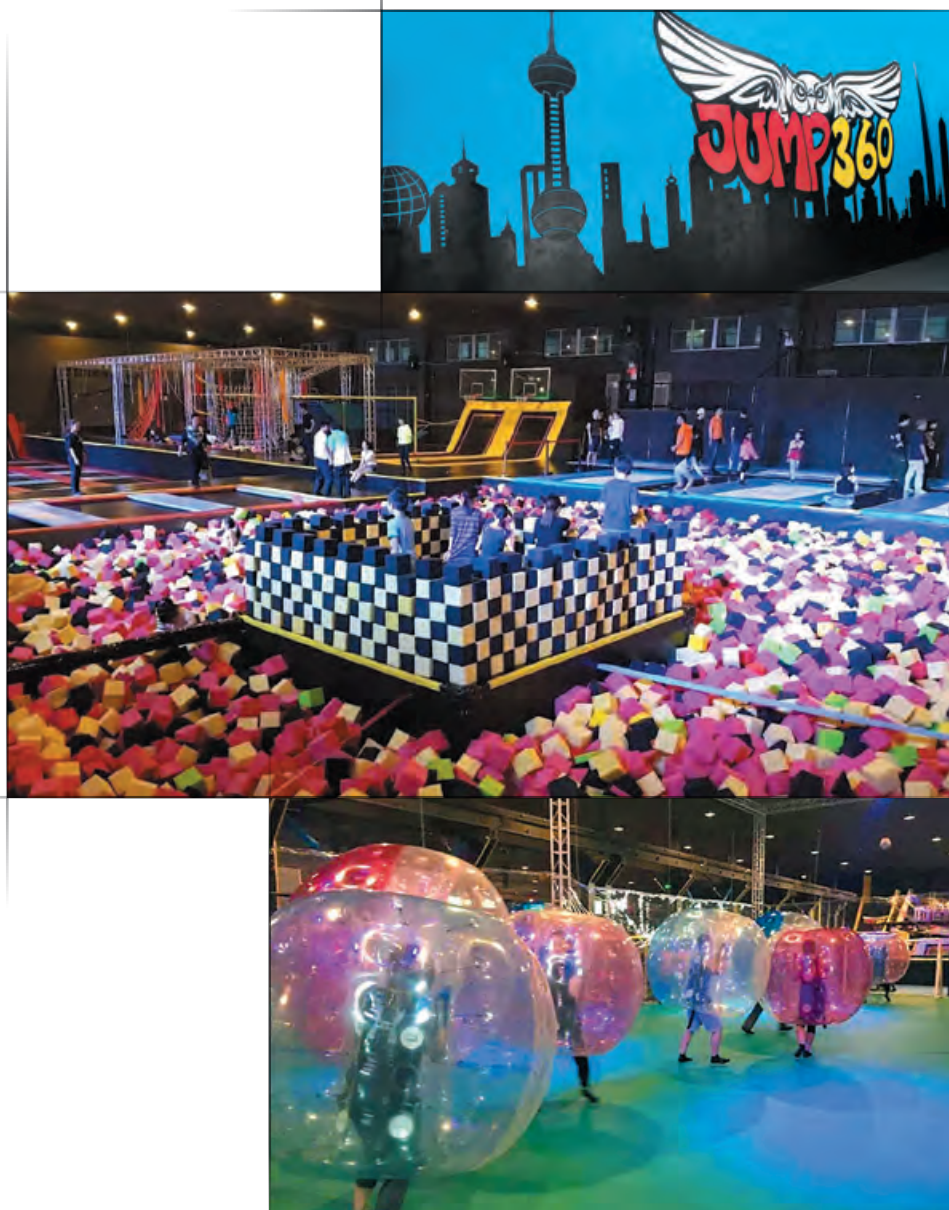
我們於年內亦完成了以代價人民幣124,992,000元收購紅雙喜集團10%股權的交易。本集團預期借著對紅雙喜集團進行股權收購，將可從其自有品牌「紅雙喜」的乒乓球用品和其他體育配件的資源配置及行業領頭優勢上，以及從其贊助體育賽事方面的網絡獲益。同時，本集團將研究通過參與紅雙喜集團業務資源的整合，為本集團及股東創造價值，提升盈利。

BUSINESS REVIEW

業務回顧

During the reporting period, the Group continuously pushed forward the investment in Jump 360, one of the largest indoor trampoline parks in Asia, which is regarded as an initiative to enrich and complement the sports portfolio of the Group. Currently settled in Shanghai, Jump 360 provides a wide range of large-scale specialised sports facilities suitable for all ages such as trampoline, extreme dodge ball, volleyball, obstacle course, green and safe kids zone and maze castle, as well as catering and resting area and venue rental service in providing an established, all-round sporting and recreational venue. The investment in Jump 360 is expected to diversify and complement the sports resources of the Group, attract more people to participate in sports activities, and seek new growth drivers.

另一方面，本集團於報告期間持續推進於目前經營全亞洲最大之一的室內彈跳公園Jump 360的投資項目，此為豐富及完善本集團旗下體育資產組合的另一舉措。Jump 360現時落戶上海，設有蹦床、極限躲避球、排球、障礙超越訓練場、綠色兒童安全區和迷宮城堡區等多項適合各年齡層的大型特色運動設施，並結合餐飲休息區和場地租借服務，提供一個具規模的全方位特式運動休閒場所。投資於Jump 360預期能令本集團的體育資源更趨多樣化及全面，並能吸引更多群眾參與體育活動，同時為本集團尋求新的利潤增長點。



Meanwhile, the Group strived to explore diversified development of sports engagement during the reporting period, including physical rehabilitation and athletic training. We are currently in negotiations with a famous athletic physical rehabilitation expert in a bid to establish athletic physical rehabilitation centers in Li Ning Sports Park and major cities in the PRC, aiming to provide scientific athletic physical rehabilitation training and health management service for the community. In addition, the Group has been conducting continuous discussions with potential working partners to actively explore the possibility of developing football training program in communities during the reporting period.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees, customers and suppliers are crucial to the success of the Group. As such, the Company has maintained a smooth communication with all stakeholders to establish mutual trust, in pursuit of outstanding environmental, social and governance performance.

The Group adopts a people-oriented approach to formulate its human resource policy, to provide employees with reasonable remuneration and welfare and make adjustments when appropriate. Moreover, in addition to requiring employees to comply with occupational safety rules and procedures, the Group also cares for the well-being of employees by launching various staff caring programs for employees to relax. The Group also offers employees with extensive training programs to enhance their lateral skills, enabling them to have better development opportunities in the long run.

The Group strives to provide goods and services of the best quality to our customers. By listening to customers' feedback, the Group has established effective communication channels, and maintains a cordial relationship with our customers. The Group believes that the success of the Group lies in quality of service. Hence, the Group is committed to building an integrated sports platform featured with spectating and participatory projects, aiming to meet the needs of our customers with quality sports resources and get the public involved in sports events.

The Group dedicates itself to establishing a long-term partnership with suppliers. To maintain a cordial relationship, it is crucial that we ensure the products and services provided by suppliers meet the specified requirements. The Group has established strict procurement standards, performed regular quality inspection for the sake of controlling the quality of products and services from the source.

本集團於報告期內更致力以不同模式開拓體育範疇內的多形式發展，包括體能康復和體育培訓。我們正與著名運動體能康復專家洽商合作於李寧體育園及主要中國城市設立運動體能康復中心，為社區提供科學化的運動體能康復訓練及健康管理服務。此外，本集團正積極研究發展社區足球培訓項目，並於報告期內跟潛在合作夥伴持續進行有關磋商。

與僱員、客戶及供應商的重要關係

員工、客戶及供應商對本集團的成功尤關重要。為此，本公司一直著意與各利益相關方保持良好的溝通及交流，建立互信的關係，以追求卓越的環境、社會及管治表現。

本集團採取以人為本的方針制定人力資源政策，為員工提供合理報酬及福利，並適時進行調整。另外，本集團也照顧員工的身心健康，除了要求員工恪守職業安全規則及程式外，也設計了不同的員工關愛活動，讓員工舒展身心。本集團亦為員工提供豐富的培訓專案，提升員工的綜合技能，讓他們長遠而言有更佳的發展機會。

本集團務求為客戶提供最優質的商品及服務。本集團用心聆聽客戶聲音，已建立有效的溝通渠道，與客戶保持良好關係。本集團相信集團的成功取決於服務品質。本集團打造兼具觀賞性及參與性項目的綜合體育平台，以優質的體育資源滿足客戶所需，讓大眾共同投入體育項目。

本集團致力與供應商建立長期的合作夥伴關係。要維持良好的合作關係，我們必先確保供應商的產品和服務達到指定要求。本集團已建立嚴格的採購標準，並定期進行品質檢驗，從源頭控制產品及服務品質。

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a responsible corporate citizen, the Group attaches high importance to environmental issues. Though the Group is not a high-pollution enterprise, it actively integrates the concepts of environmental protection and green building into different business segments as practicable as possible.

The Group devotes itself to promoting energy conservation while minimising energy and resource consumed in all activities, products and services. The Group also imposes strict control over waste water, waste gas, noise and solid waste, and has gradually implemented recycling activities across the Company, such as “Green Collection”, to donate the reusable items to those in need. In order to optimise the Group’s environmental protection, we have started collecting the data in this respect to prepare for the conduct of environmental protection in future.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group’s operations are mainly carried out by the Company’s subsidiaries in the PRC while the Company itself is listed on the Stock Exchange. In order to minimise the environmental, social and governance risks, the Group operates its business in a manner that satisfies the relevant laws and regulations in respect of employee benefits, safety and environment. During the reporting period of 2016, we have complied with in material respects the relevant laws and regulations where it operates in the PRC and the listing rules of Hong Kong.

For more information about the measures adopted by the Group for environmental protection and regulatory compliance during this financial year, please refer to the first environmental, social and governance report to be issued by the Group. This report will be available for viewing and downloading from the websites of the Group and Hong Kong Stock Exchange after its publication.

PROSPECTS

National policies on facilitating the reforms in the sports industry and the development of sports venues in the PRC were launched successively in the 4th quarter of 2016 and the beginning of 2017, among which the *Opinions on Further Expanding the Consumption in Tourism, Culture, Sports, Healthcare, Elderly Care, Education and Training* promulgated by the State Council in November 2016 put forward the boosting of sports-related consumption; promoting reform in professional league led by football, basketball and volleyball; improving efficiency in utilisation of sports venues; activating venue resources; and pushing forward multi-usage of sports venues under commercial operation.

In addition, a key document titled *The Implementation Plan for the Projects on Popularisation of Public Sports in the 13th Five-Year Plan Period* (the “Plan”) was promulgated by the National Development and Reform Commission and General Sports Administration in January 2017. According to the latest data released by the General Sports Administration, the occupancy of sporting facilities per

環保政策及表現

作為負責任的企業公民，本集團高度關注環境保護議題。縱使本集團不屬於高污染的企業，也積極把環境保護、綠色建築等概念於可行情況下融入於各個業務板塊中。

本集團積極提倡節約能源，同時儘量減少所有活動、產品及服務中的能源及資源消耗。本集團亦對廢水、廢氣、噪音及固體廢棄物嚴加控制，並逐步在公司推行回收活動，如「綠色收集」活動，把可以再以利用的物件贈予有需要人士。為了優化本集團的環保整合治理工作，我們開始執行這方面的資料統計，為日後的環保治理工作籌備。

遵守法律及法規

本集團的業務主要由位於中國的附屬公司開展，而本公司為聯交所上市公司。本集團的營運本着符合各項有關勞工福利、安全和環境等範疇的法規，把環境、社會及管治的風險降至最低。於二零一六年的報告期內，本集團已遵守於中國營運地區在重大方面的相關法律及法規及香港上市規則。

更多有關本集團在本財政年度中環保及法規表現的相關資訊，請參閱本集團即將發佈的首份環境、社會及管治報告。該報告發佈後，可在本集團及香港聯交所網頁瀏覽和下載。

展望

針對體育產業提速改革、助推中國體育場館發展的國策在二零一六年第四季及二零一七年之始相繼推出，其中包括國務院於二零一六年十一月印發《關於進一步擴大旅遊文化體育健康養老教育培訓等領域消費的意見》，於體育方面提出大力促進體育消費；推進以足球、籃球、排球帶動的職業聯賽改革；提高體育場館使用效率，盤活存量資源，並運用商業運營模式推動體育場館多層次開利用。

此外，發改委及體育總局於二零一七年一月印發關鍵文案《「十三五」公共體育普及工程實施方案》（「方案」）。根據體育總局最新資料顯示，至二零一五年底中國人均體育場地面積至少達到1.57平方米，而方案強調到

capita area in the PRC has reached at least 1.57 square meters by the end of 2015, and should reach 1.8 square meters by 2020 as emphasised in the Plan. According to the Plan, a public sports service network with reasonable deployment of resources, extensive coverage, great variety, and strong inclusiveness that basically satisfies the sports and fitness needs of the public should be formed. The Plan stated that the construction of public sporting venues and facilities should be included in urban and rural planning, overall land utilisation planning and the annual land usage plan, whilst enterprises, individuals and foreign capital should be encouraged to invest in the construction and operations of various sports venues. Furthermore, specialised funding for the construction of public sports service facilities should be provided through means of PPP, construction by the public sector and operation by the private sector and government purchases, etc.

The release of the above-mentioned policies and the implementation of policies and plans for further development of the sports industry in 2016 showed the determination of the competent authorities to expedite the construction of nationwide sports venues and facilities in the ensuing year. Participation in the construction, operation and management of nationwide sports venues and facilities by the social force, including means of PPP, under the leadership of the government will be one of the indispensable measures in the reforms of sports venues. Backed with the support of national policies, the Group will accelerate the development of sports parks and sports community projects nationwide, and put commercial investments into effect in such projects with appropriate investment and financing models in the coming year.

2016 saw huge changes in the political environment of various countries. On one hand, we anticipated that 2017 will be a year of significant fluctuation for global and regional economy and capital markets amidst global political uncertainties, with the international macro environment remain complicated. On the other hand, according to the *World Economic Outlook* released by the International Monetary Fund, *Global Economic Prospects* released by the World Bank and *The World Economic Situation and Prospects 2017* released by the United Nations, the growth rate of the PRC economy in 2017 is expected to be 6.5%. In spite of the potential pressure of economic slowdown in the PRC, the country is now undergoing an economic transformation, and we believed that domestic consumption and service-oriented industries including the sports industry will still be able to realise upward development thanks to the continuous support of national policies. In view of international political and economic conditions and domestic industry conditions which entail both challenges and opportunities, the Group will continue to adapt to the situations, and seize potential opportunities arising from the favourable national policies and continuous expansion of the Chinese sports industry, so as to implement the business strategy of community development. Meanwhile, the Group will diversify its business scope to expand its sports resources portfolio and deploy its business to the entire sports industry chain, with an aim to release the commercial values along the industry chain and thereby creating sustainable returns for our shareholders.

二零二零年，人均體育場地面積達到1.8平方米，形成佈局合理、覆蓋面廣、類型多樣、普惠性強、基本滿足群眾體育健身需求的公共體育服務網絡。方案闡述將公共體育場地設施建設納入城鄉規劃、土地利用總體規劃和年度用地計劃，並鼓勵企業、個人和境外資本投資建設和運營各類體育場地，以及採用PPP、公建民營和政府購買服務等方式對公共體育服務設施建設予以專項補助。

從上述最新政策的發佈，加上二零一六年各項針對推進體育產業發展的深化政策和規劃之推行可見，當局對於來年加快拓展全國體育場地設施等資源建設乃勢在必行，而以政府主導、社會力量包括PPP模式等參與覆蓋全國的體育場館和設施的建設、運營和管理將是體育場館改革的必然舉措之一。背靠國策支持，本集團將於來年加快於全國推進體育園及體育社區發展項目，並儘快落實以不同的投融資模式對相關項目進行商業投入。

二零一六年多國政治環境經歷龐大變化，因此我們預料全球政治氣候的不穩定性將為二零一七年環球和地區的經濟走勢和資本市場帶來顯著波動，來年的國際環境將繼續維持複雜。另一方面，國際貨幣基金組織發佈的《世界經濟展望》報告、世界銀行發佈的《全球經濟展望》報告和聯合國發佈的《2017年世界經濟形勢與展望》分別預測，二零一七年中國經濟的增速將為6.5%。我們相信中國雖然面對經濟放緩的潛在壓力，但同時經濟正在逐步轉型，包括體育產業的內需消費和服務主導的行業仍將受惠於持續的國策扶持而取得上行發展。面對著挑戰與機遇並存的國際政、經局勢和國內行業環境，本集團將繼續審時度勢，同時把握優惠國策及中國體育產業持續擴展所帶來的潛在契機，竭力落實社區發展業務策略，同時發展業務範疇多樣化以擴展體育資源組合，目標向整個體育產業鏈拓展佈局，以釋放產業鏈的商業價值，為股東締造可持續回報。

FINANCIAL REVIEW

財務回顧

RESULTS

For the year ended 31 December 2016, the Group's consolidated revenue was HK\$552.2 million (2015: HK\$147.4 million), representing a significant increase of 274.6%. The almost threefold increase in revenue was mainly driven by revenue derived from sports talent management, the commercial rights secured by the Group in relation to certain basketball and running leagues in the PRC, the sales of construction materials and new revenue streams in relation to sports park operations. Gross profit of the Group for the year was HK\$120.8 million (2015: HK\$25.3 million), representing an astounding increase of HK\$95.5 million or 377.5% as compared to the year of 2015.

The Group's other revenue and other net income for the year amounted to HK\$41.4 million (2015: HK\$19.4 million). Other revenue and other net income during the year was mainly attributable to government grants of HK\$35.3 million and interest income while in the year of 2015, other revenue and other net income was mainly attributable to an one-off net underwriting commission fee income of HK\$8.8 million for acting as one of the underwriters of the 2015 Li Ning Open Offer, and interest income.

Selling and distribution expenses for the year amounted to HK\$16.6 million (2015: HK\$27.9 million), representing a significant decrease of HK\$11.3 million or 40.5% as compared to the year of 2015. The decrease was due mainly to reduced marketing and promotional expenditures and lowered staff costs.

Administrative expenses and other operating expenses ("Administrative Expenses") incurred in the year totaling HK\$119.0 million (2015: HK\$119.4 million), which is comparable with previous year. Administrative Expenses included non-cash items which amounted to HK\$34.4 million (2015: HK\$35.2 million), mainly representing fair value loss of investment properties, share options expenses and depreciation of property, plant and equipment, etc. Excluding these major non-cash items, Administrative Expenses for the year would be HK\$84.6 million (2015: HK\$84.2 million).

During the year, the Group shared profits of associates and a joint venture amounting to HK\$95.6 million (2015: share of losses of HK\$78.1 million). Li Ning Co is accounted for as one of the associates of the Group. The Group has adopted the provision contained in HKAS 28 whereby it is permitted to include the attributable share of associate's results based on the financial statements drawn up to a non-coterminous period end where the difference must be no greater than three months. During the year, the Group shared the results of Li Ning Co based on its adjusted financial results for the twelve months ended 30 September 2016 adjusted by any significant events or transactions for the period from 1 October 2016 to 31 December 2016. There is no non-coterminous period end for other associates and joint venture.

業績

截至二零一六年十二月三十一日止年度，本集團之綜合收益為552,200,000港元（二零一五年：147,400,000港元），大幅增加274.6%。收益增長近三倍主要乃受來自體育人才管理、本集團於中國就其若干籃球聯賽及路跑活動的商業推廣權、建築材料銷售錄得之收益及有關體育園業務的新收益流所帶動。年內本集團之毛利為120,800,000港元（二零一五年：25,300,000港元），較二零一五年大幅增加95,500,000港元或377.5%。

本集團於年內錄得其他收益及其他淨收入為41,400,000港元（二零一五年：19,400,000港元）。於年內，其他收益及其他淨收入主要源於政府補助35,300,000港元及利息收入，而於二零一五年，其他收益及其他淨收入主要源於擔任二零一五年李寧公開發售其中一名包銷商而收取的一次性包銷佣金收入淨額8,800,000港元及利息收入。

年內之銷售及分銷開支為16,600,000港元（二零一五年：27,900,000港元），較二零一五年大幅減少11,300,000港元或40.5%。該減幅主要由於營銷及推廣開支減少及員工成本降低。

年內產生之行政費用及其他經營開支（「行政費用」）為119,000,000港元（二零一五年：119,400,000港元），跟去年相若。行政費用之非現金項目為34,400,000港元（二零一五年：35,200,000港元），主要包括投資物業、購股權開支以及物業、廠房及設備之折舊等。撇除該等主要非現金項目後，年內之行政費用應為84,600,000港元（二零一五年：84,200,000港元）。

於年內，本集團應佔聯營公司及合營企業溢利為95,600,000港元（二零一五年：應佔虧損78,100,000港元）。李寧公司作為本集團之聯營公司入賬。本集團已採納香港會計準則第28號所載條文，據此，其獲准根據聯營公司不同結算日期（但差距不得超過三個月）之財務報表計入應佔聯營公司之業績。於年內，本集團根據李寧公司截至二零一六年九月三十日止十二個月之經調整財務業績（已就二零一六年十月一日至二零一六年十二月三十一日期間之任何重大事件或交易作出調整）分佔其業績。其他聯營公司及合營企業並沒有不同的結算日期。

During the year, the Group has recorded a net profit attributable to equity shareholders of HK\$103.6 million comparing to a net loss attributable to equity shareholders of HK\$179.7 million for the year 2015, representing a significant turnaround of HK\$283.3 million. The significant turnaround of the Group's results was mainly due to the substantial improvements in revenue and gross profit, decrease in operating expenses and significant turnaround from losses to profits in sharing of results of associates and a joint venture.

SEGMENT

Community Development

Our Community Development segment comprises business of property development for sales and investment; research and development, manufacturing, marketing and sales of construction materials; operation of sports parks, development of communities and provision of consultancy and subcontracting services.

The Group has been dedicating its effort to promote a sportive and healthy lifestyle in the community. Echoing the PRC government's strategy to promote nationwide physical fitness, the Group actively seeks cooperation with different prospective contracting parties, including local governments, property development companies, construction and landscaping companies, and established financial institutions. The Group is filtering cooperation opportunities to invest and operate sports park projects, including potential property development projects such as sports community development and sports parks, and sports-related commercial opportunities that promote healthier living and sports awareness in the PRC. The Group will continue to invest in development and related opportunities on sports communities with enormous growth prospects in the PRC. It is the Group's long-term strategy to build a comprehensive community development network, including both hardware and software elements, in order to develop high quality, environmentally-friendly and profitable communities. We trust that the expected vertical and horizontal expansion and integration of this business segment will generate revenue and deliver returns to our stakeholders.

In July 2015, the Group had successfully acquired the land use right with a site area of approximately 23,334 square meters for a total consideration of approximately RMB168.4 million (equivalent to approximately HK\$210.2 million). The land is located in Guangling Xincheng, Yangzhou, Jiangsu Province of the PRC and adjacent to the Yangzhou Li Ning Sports Park. Yangzhou Li Ning Sports Park is the first sports park managed and operated by the Group.

於年內，本集團錄得權益股東應佔溢利淨額103,600,000港元，而二零一五年則錄得權益股東應佔虧損淨額179,700,000港元，相當於大幅扭轉283,300,000港元。本集團業績明顯轉虧為盈乃主要由於收益及毛利增加、經營開支減少及應佔聯營公司及合營企業業績大幅轉虧為盈。

分部

社區發展

社區發展分部業務包括待售物業開發及投資、建材之研發、製造、市場推廣及銷售、經營體育園、開發社區以及提供諮詢及分包服務。

本集團一直致力於社區中宣傳體育及健康的生活方式。為響應中國政府的全民健身戰略，本集團積極與地方政府、房地產開發公司、建築及園境建設公司、以及具規模的金融機構等不同的潛在訂約方進行磋商。本集團致力於篩選投資經營體育園項目之合作機會，包括體育社區發展、體育園等潛在房地產開發項目的合作機會，以及推廣健康生活及體育意識之體育相關的商機。本集團將繼續投資於中國擁有巨大增長前景的體育社區的及相關機遇。本集團之長期策略為建立全面的社區發展網絡，其中包括軟件及硬件元素，以發展高質量、環境友好及具盈利能力的社區。我們相信此業務分部的預期縱向及橫向擴張和整合將能帶來收益，並為利益相關者創造回報。

本集團於二零一五年七月以總代價約人民幣168,400,000元（約等值210,200,000港元）成功收購面積約23,334平方米的土地使用權。該地塊座落於中國江蘇省揚州市廣陵新城，並與揚州李寧體育園相鄰，而揚州李寧體育園為首個由本集團管理及運營的體育園。

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The community development segment generated revenue totaling HK\$395.0 million (2015: HK\$35.4 million) for the year ended 31 December 2016. The surge in revenue was attributable to the revenue derived from the operation of sports park, consultancy services, and the sales of construction materials as the Group expands its business network in tandem with the development of this segment. Taking into account the expenses of potential community development projects incurred, this segment reported an operating profit of HK\$38.6 million (2015: operating loss of HK\$41.5 million) during the year. The significant turnaround is a result of the organic growth in revenue and gross margin of the segment during the year.

Sports

The sports segment continued its business which encompasses event production and coordination of sports competitions, sports talent management, and sports and athletic related consulting. For the year ended 31 December 2016, our sports segment generated revenue totaling HK\$157.2 million (2015: HK\$111.9 million), representing an encouraging increase of 40.5%. Out of the total revenue generated by our sports segment, HK\$114.2 million (2015: HK\$101.1 million) were related to sports content production and distribution, such as the secured commercial rights regarding the School Basketball Leagues in the PRC, namely, Chinese University Basketball Association (CUBA), Chinese High School Basketball League (CHBL) and Chinese Junior School Basketball League (CJBL), 2016 Li Ning 10K Running League and the 2016 Thomas & Uber Cup, a worldclass badminton tournament held in Kunshan, the PRC. In addition, our sports talent management income for the year amounted to HK\$43.1 million (2015: HK\$10.8 million) which represented a significant increase of HK\$32.3 million or 299.1% as compared to the year of 2015. The sports segment recorded an operating profit of HK\$49.8 million (2015: operating loss of HK\$6.4 million) which was attributable to the boost in revenue and gross profit and new commercial engagements during the year.

The Group continued to provide talent management services for commercial engagements for individual athletes and national teams. The Group has succeeded in realising the commercial values of our managed sports talents by arranging them to participate in selected and diversified commercial activities and gaining public exposure. It is the Group's strategy to drive the establishment of an integrated sports platform by leveraging the existing resources of its sports business. The Group will therefore continue its effort to capture and maximise the commercial values of the sports resources under our management, and encourage social participation in sporting activities through commercial management of popular sporting events and competitions, sports talent management, as well as providing sports marketing and consulting services, and engaging in community development with a sports theme.

社區發展分部於截至二零一六年十二月三十一日止年度產生收益395,000,000港元(二零一五年: 35,400,000港元)。收益的大幅增加乃源於經營體育園和諮詢服務產生的收益，以及隨著本集團發展此業務分部而擴展其業務網絡的建築材料銷售所得之收益。連同潛在社區發展項目產生之開支，此分部於年內錄得經營溢利38,600,000港元(二零一五年: 經營虧損41,500,000港元)。該明顯的轉虧為盈乃因於年內分部收益及毛利的有機增長所致。

體育

體育分部延續其經營業務，包括項目製作及籌辦體育競賽、體育人才管理以及體育及運動相關諮詢。於截至二零一六年十二月三十一日止年度，本集團體育分部產生收益157,200,000港元(二零一五年: 111,900,000港元)，大幅增加40.5%。於體育分部產生的總收益中，其中114,200,000港元(二零一五年: 101,100,000港元)乃與體育內容製作及配送有關，如就中國校園籃球聯賽(即中國大學生籃球聯賽(CUBA)、中國高中籃球聯賽(CHBL)及中國初中籃球聯賽(CJBL))、二零一六年李寧10公里路跑聯賽及二零一六年湯姆斯盃及尤伯盃(於中國昆山舉辦之世界級羽毛球比賽)獲得的商業推廣權。此外，本集團於年內之體育人才管理收入達43,100,000港元(二零一五年: 10,800,000港元)，較二零一五年大幅增長32,300,000港元或299.1%。體育分部錄得經營溢利49,800,000港元(二零一五年: 經營虧損6,400,000港元)，乃由於年內收益及毛利增加以及開展新商業業務。

本集團繼續為個別運動員及國家隊的商業工作提供人才管理服務，透過安排旗下體育人才參與合適和多元化的商業活動及爭取曝光，成功實現其商業價值。本集團的策略是利用體育業務的現有資源推動建立一個綜合體育平台。因此，本集團將繼續捕捉和擷取本集團管理之體育資源最大的商業價值，透過對熱門體育活動和賽事的商業管理、體育人才管理、提供體育營銷及諮詢服務，以及參與體育主題社區發展，鼓勵社會大眾參與體育活動。

Financial Position

As at 31 December 2016, the net assets value of the Group decreased to HK\$3,741.8 million from HK\$3,764.8 million as at 31 December 2015. The decrease was mainly due to the decrease in exchange fluctuation reserve of HK\$237.0 million which was offset by the profit for the year of HK\$108.1 million; the equity component of convertible notes issued in December 2016 in the amount of HK\$90.4 million and the proceeds of HK\$8.0 million received from the issuance of shares upon exercise of share options.

The total non-current assets of the Group slightly decreased from HK\$3,536.3 million as at 31 December 2015 to HK\$3,525.8 million as at 31 December 2016. The decrease was mainly brought about by exchange translation difference of HK\$232.1 million; decrease in fair value of investment properties of HK\$21.6 million which was partially offset by the investment in Double Happiness Group amounting to HK\$144.0 million and share of profit of associates and a joint venture of HK\$95.6 million. Among the non-current assets as at 31 December 2016, there were investment properties held in Shenyang, the PRC, which was stated at fair value of HK\$239.9 million (2015: HK\$279.8 million).

Current assets of the Group recorded an increase by HK\$799.2 million from HK\$781.5 million as at the beginning of the year to HK\$1,580.7 million as at the end of the year. The key components of the current assets at the reporting date were cash and bank deposits of HK\$804.7 million (2015: HK\$306.7 million (including pledged deposits of HK\$27.1 million)), stocks of properties and trade and other receivables. The significant increase in the Group's cash and bank deposits balance was mainly due to the cash inflows from proceeds received from the issuance of convertible notes and the effect was partially offset by the cash used in the Group's operating and investing activities during the year. The increase in trade receivables was in line with the Group's surge in revenue as a result of growth in business.

The total current liabilities of the Group as at 31 December 2016 were HK\$635.6 million, representing an increase of HK\$314.9 million from that as at 31 December 2015. As at 31 December 2016, a non-current bank borrowing of HK\$231.7 million as at 31 December 2015 has been classified as current liabilities based on its maturity date. As a result of business expansion, other current liabilities also increased. As at 31 December 2016, the key component of non-current liabilities was the carrying amount of HK\$690.4 million in relation to the liability component of the convertible notes issued in December 2016.

財務狀況

於二零一六年十二月三十一日，本集團之資產淨值由二零一五年十二月三十一日的3,764,800,000港元減少至3,741,800,000港元。該減少乃主要由匯兌波動儲備之減少237,000,000港元，但被於年內錄得之溢利108,100,000港元、於二零一六年十二月發行之可換股票據權益部分90,400,000港元及於購股權獲行使時發行股份收取之所得款項8,000,000港元所抵銷。

本集團之非流動資產總值由二零一五年十二月三十一日的3,536,300,000港元輕微下降至二零一六年十二月三十一日的3,525,800,000港元。該下降乃主要由於匯兌差異232,100,000港元、投資物業公平值減少21,600,000港元並部分由於紅雙喜集團之投資144,000,000港元以及分佔聯營公司及一間合營企業溢利95,600,000港元所抵銷。於二零一六年十二月三十一日，非流動資產包括所持位於中國瀋陽且按公平值239,900,000港元列賬之投資物業（二零一五年：279,800,000港元）。

本集團錄得流動資產由年初781,500,000港元增加799,200,000港元至年末的1,580,700,000港元。於報告日期，流動資產之主要部分為現金及銀行存款804,700,000港元（二零一五年：306,700,000港元（包括抵押存款27,100,000港元）），庫存物業以及貿易及其他應收款項。本集團現金及銀行存款結餘大幅增加乃主要由於發行可換股票據收取之所得款項帶來之現金流入（其影響部分由本集團年內經營及投資活動所用現金所抵銷）所致。貿易應收款項增加與本集團因業務增長而引致的收益激增為一致。

於二零一六年十二月三十一日，本集團流動負債總額為635,600,000港元，較二零一五年十二月三十一日增加314,900,000港元。於二零一六年十二月三十一日，一項於二零一五年十二月三十一日之非流動銀行借貸231,700,000港元根據其到期日被分類為流動負債。由於業務擴張，其他流動負債亦有所增加。於二零一六年十二月三十一日，非流動負債之主要部分為於二零一六年十二月發行之可換股票據的負債部分，其賬面值為690,400,000港元。

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Liquidity and Financial Resources

The Group recorded a net cash outflows from operations for the current year of HK\$113.8 million, representing a decrease of HK\$132.9 million compared to last year (2015: HK\$246.7 million). Decrease in operating cash outflows was mainly due to the fact that a land use right in the amount of HK\$209.7 million was acquired in 2015 for property development for sale while there was no similar transaction in 2016. A net cash outflows in investing activities of HK\$141.6 million (2015: HK\$456.9 million) for the current year, representing a decrease of HK\$315.3 million compared to last year. The investing cash outflow in 2016 was mainly due to HK\$140.0 million paid to acquire 10% equity interests in Double Happiness Group, while in 2015, cash outflows in investing activities were in relation to final payment for our investment in CITIC Land and acquisition of LN Offer Securities in the aggregate amount of HK\$640.0 million, which were partially offset by the interest received of HK\$13.1 million and repayment of loan from an associate of HK\$187.5 million. In December 2016, the Group completed the issuance of convertible notes and received gross proceeds of HK\$778.0 million. As a result, the cash and cash equivalent of the Group as at 31 December 2016 increased by HK\$525.0 million from the beginning of the year.

The Group had banking facilities of HK\$233.0 million (2015: HK\$233.0 million), all of which has been utilised (2015: all have been utilised) as at 31 December 2016. The Group's gearing ratio was approximately 0.07 (2015: 0.03) as at 31 December 2016. The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total bank and other borrowings less cash and bank balances (including pledged deposit). The current ratio (ratio of current assets to current liabilities) of the Group as at 31 December 2016 was approximately 2.5 (2015: 2.4). The Group's gearing level and liquidity position were healthy as at the reporting date. It is the Group's strategy to maintain a healthy and effective gearing ratio in a range of 0 to 1.

Financial Management Policy and Foreign Currency Risk

The Group's finance division at its headquarter in Hong Kong manages the financial risks of the Group. The key objectives of the Group's treasury policies are to manage the Group's onshore and offshore fund to support and facilitate the Group's future business and investment plans; to manage its exposure to fluctuations in foreign currency exchange rates and to reach the goals of corporate cash management with lowered funding cost. It is the Group's policy not to engage in any speculative activities. As the Group operates primarily in Hong Kong and the PRC, most of the revenue and business transactions are settled in either HK\$ or RMB. Accordingly, the majority of the Group's net current assets were denominated in either HK\$ or RMB. Deposits placed in various banks are mainly denominated in these two currencies. The Group maintains its proportion of deposits in RMB and HK\$ in line with its future business and investment plans in Hong Kong and in the PRC. The policies in place to manage foreign currency risk have been followed by the Group for several years and are considered to be effective with the current foreign currency risk still manageable. The Group has assessed its foreign exchange rate risk exposure and has not entered into any foreign exchange hedging arrangement during the year.

流動資金及財務資源

本集團於本年度錄得由經營活動產生之現金流出淨額為113,800,000港元，較去年減少132,900,000港元（二零一五年：246,700,000港元）。經營現金流出減少乃主要由於二零一五年收購價值209,700,000港元之土地使用權作待售物業開發用途而二零一六年並無類似交易。本年度錄得投資活動現金流出淨額141,600,000港元（二零一五年：456,900,000港元），較去年減少315,300,000港元。二零一六年投資現金流出乃主要由於支付140,000,000港元以收購紅雙喜集團10%之股權，而於二零一五年，投資活動現金流出乃有關投資中信置業之最終付款及收購李寧發售證券之總額640,000,000港元，該等款項已由收取的利息13,100,000港元及一間聯營公司償還貸款187,500,000港元所部分抵銷。於二零一六年十二月，本集團完成發行可換股票據並收取所得款項總額778,000,000港元。因此，本集團於二零一六年十二月三十一日之現金及現金等價物較年初增加525,000,000港元。

本集團已獲得銀行融資233,000,000港元（二零一五年：233,000,000港元），全部均已於二零一六年十二月三十一日動用（二零一五年：已全部動用）。於二零一六年十二月三十一日，本集團之資產負債比率約為0.07（二零一五年：0.03）。本集團將資產負債比率界定為債務淨額與股權加債務淨額之比率，其中債務淨額指銀行及其他借貸總額減現金及銀行結餘（包括抵押存款）。於二零一六年十二月三十一日，本集團之流動比率（流動資產對流動負債之比率）約為2.5倍（二零一五年：2.4倍）。於報告日期，本集團之資產與負債水平及流動資金狀況穩健。本集團之策略為保持穩健及有效之資產負債比率介乎0至1之間。

財務管理政策及外幣風險

本集團香港總辦事處之財務部管理本集團之財務風險。本集團庫務政策主要目標之一為管理本集團在岸及離岸資金以為本集團未來業務及投資計劃提供支持；管理其外幣匯率波動之風險，以實現以較低資金成本進行企業現金管理的目標。本集團之政策為不參與任何投機活動。由於本集團主要於香港及中國營運，故大部分收益及買賣交易乃以港元或人民幣結算。因此，本集團大部分之流動資產淨值乃以港元或人民幣計值。存置於各銀行之存款主要以該兩種貨幣計值。本集團根據香港及中國未來業務及投資計劃而維持人民幣及港元存款比例。本集團多年來一直遵守外幣風險管理政策，並認為該等政策行之有效及現時之外幣風險仍處於可控制範圍內。本集團已評估其外匯風險，惟年內並無作出任何外匯對沖安排。

Charge on Assets

As at 31 December 2016, interests in an associate with carrying amount of approximately HK\$1,524.0 million had been charged as security for a bank borrowing of a subsidiary and convertible notes issued by the Company while as at 31 December 2015, a charge over bank deposit of a subsidiary in the amount of approximately HK\$27.1 million and interests in an associate with carrying amount of approximately HK\$996.1 million had been charged as security for a bank borrowing of the subsidiary.

Commitments for Property Development/Capital Expenditure

As at 31 December 2016, the Group had commitments totaling HK\$37.4 million in relation to property development in the PRC and capital contribution of associates which were contracted but not provided for. As at 31 December 2015, the Group had commitments totaling HK\$164.9 million in relation to property development in the PRC and proposed acquisition of 10% equity interest in Double Happiness Group which were contracted but not provided for.

Material Transactions

The Group entered into the following material transactions:

- On 23 October 2015, the Group entered into a share transfer agreement with LN Group and proposed to acquire 10% equity interest in Double Happiness Group at approximately RMB125.0 million upon satisfaction of certain conditions. On the same date, the Group also entered into the option agreement with LN Group, pursuant to which LN Group is granted the call option to purchase, and the Group is granted the put option to sell, the option shares on the exercise date subject to the conditions under the option agreement. The exercise price for the options is calculated based on the initial purchase consideration plus 6.5% interest per annum after deducting the relevant cash dividend entitlements from the completion date to the exercise date. The exercise date will be the last date on the fourth year following the completion date.

Double Happiness Group is principally engaged in the manufacturing, research and development, marketing and sale of principally table tennis and badminton equipment under its own brand and other sports accessories. It is expected that investment in Double Happiness Group will enrich the Group's portfolio of sports assets, enhance the presence and perceived image of the Group in the PRC sports industry, and entail closer cooperation between the Group and LN Group in terms of strategy alignment and resources deployment.

Further details of the above were set out in the Company's announcement dated 25 October 2015. The transaction was completed on 23 December 2016 and Double Happiness Group became an associate of the Group.

資產抵押

於二零一六年十二月三十一日，賬面值約1,524,000,000港元之一間聯營公司之權益已抵押作為一間附屬公司銀行借貸及本公司所發行之可換股票據之擔保，而於二零一五年十二月三十一日，一間附屬公司約27,100,000港元之銀行存款抵押及賬面值約996,100,000港元之一間聯營公司之權益已抵押作為一間附屬公司銀行借貸之擔保。

房地產開發／資本開支承擔

於二零一六年十二月三十一日，本集團就於中國之物業開發及聯營公司之注資擁有合共37,400,000港元之已訂約但未撥備承擔。於二零一五年十二月三十一日，本集團就於中國之物業開發及建議收購紅雙喜集團之10%股權擁有合共164,900,000港元之已訂約但未撥備承擔。

重大交易

本集團已訂立以下重大交易：

- 於二零一五年十月二十三日，本集團與李寧集團訂立股份轉讓協議，擬收購紅雙喜集團10%股權，代價約人民幣125,000,000元並於若干條件獲達成後支付。同日，本集團亦與李寧集團訂立股份期權協議，據此，李寧集團獲授予認購權於行權日購買，而本集團獲授予認沽權於行權日出售期權股份，惟須受股份期權協議項下之條件所規限。期權的行權價是按初始購買代價加6.5%年利率，再扣減自完成日至行權日有關的現金股利而計算的。行權日將為完成日後第四年的最後一日。

紅雙喜集團主要從事製造、研發、營銷及銷售其自有品牌的乒乓球及羽毛球用品以及其他體育配件。投資紅雙喜集團預期將豐富本集團的運動資產組合，並提高本集團於中國體育行業的地位和形象，以及為本集團與李寧集團在戰略調整和資源配置的層面帶來更密切的合作。

有關上文之進一步詳情載於本公司日期為二零一五年十月二十五日之公告。該交易已於二零一六年十二月二十三日完成，紅雙喜集團已成為本集團之聯營公司。

FINANCIAL REVIEW

財務回顧

2. On 13 December 2016, the Group completed the issuance of redeemable convertible notes (the "Note") in the aggregate principal amount of HK\$778,000,000 with an initial conversion price of HK\$0.840 per ordinary share of the Company (subject to adjustments). The Note was issued on 16 December 2016 (the "Issue Date") which will be due on the fifth anniversary of the Issue Date, i.e. 16 December 2021 (the "Maturity Date"). The Note bore an initial interest of 5% per annum payable quarterly in arrears after the Issue Date. Unless previously converted, redeemed or cancelled, the Note will be redeemed on the Maturity Date, at a redemption price equal to the aggregate of:

- (i) the outstanding principal amount of the Note;
- (ii) the outstanding interest up to the date of redemption;
- (iii) the outstanding default interest (if any); and
- (iv) any additional amount that would make up an internal rate of return on the amount of the Note in (i) above at 10.5% per annum (having included all interests paid together with that payable in (ii) and (iii) above), calculated during the period from the Issue Date up to (and including) the Maturity Date.

The Note is secured by interest in an associate with an estimated carrying amount of approximately HK\$687.3 million as at 31 December 2016. Further details of the above were set out in the Company's announcement dated 5 December 2016.

Up to 31 December 2016, out of the total proceeds received, approximately HK\$140.0 million, HK\$57.5 million and HK\$0.4 million, respectively, had been used in acquisition of DHS, applied towards general working capital of the Group and used in interest payment, respectively.

2. 於二零一六年十二月十三日，本集團完成本金總額778,000,000港元之可贖回可換股票據（「票據」）之發行，初步換股價為每股本公司普通股0.840港元（可予調整）。票據已於二零一六年十二月十六日（「發行日」）發行，並將於發行日之第五週年（即二零二一年十二月十六日，「到期日」）到期。票據初步按年利率5%計息，須於票據發行日起計每三(3)個月付息一次。除獲提前轉換、贖回或註銷外，票據將於到期日按相等於下列各項總和之價格贖回：

- (i) 票據之尚未行使本金額；
- (ii) 截至贖回日期尚未支付之利息；
- (iii) 尚未支付之罰息（如有）；及
- (iv) 以使上文(i)項票據金額將按年利率10.5%計算的內部收益率（已包括所有已付利息以及上文(ii)及(iii)項應付利息在內）被贖回之任何額外金額，由發行日起至（及包括）到期日計算。

於二零一六年十二月三十一日，票據以估計賬面值為約687,300,000港元之聯營公司之權益作為抵押。上文所述事項的進一步詳情載於本公司日期為二零一六年十二月五日之公告內。

截至二零一六年十二月三十一日，已收取之所得款項總額中，分別為數約140,000,000港元、57,500,000港元及400,000港元的部分所得款項已分別用作收購DHS撥資款項、本集團的一般營運資金及利息付款。

Subsequent events

- On 20 January 2017, the Company granted share options (the "Options") to certain individuals (the "Grantees") to subscribe for a total of 369,300,000 ordinary shares of HK\$0.05 each of the Company (the "Shares"), under the share option scheme adopted pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 29 June 2010 (the "Share Option Scheme"). The Options shall entitle the Grantees to subscribe for the Shares at an exercise price HK\$0.80 per Share. Among the Options granted, (i) 184,650,000 Options are vested on 20 January 2017; (ii) 92,325,000 Options shall vest on 20 January 2018; and (iii) 92,325,000 Options shall vest on 20 January 2019. All of the Options shall be exercisable for a period of two years after vested. Among the Options granted, a total of 183,000,000 were granted to the directors of the Company. Details of the grant of Options are set out in the Company's announcement dated 20 January 2017. As at the date of this report, the Company is in the course of assessing the fair values of the Options granted and the financial effect of such Options.
- On 3 February 2017, Li Ning Co issued 168,629,032 new ordinary shares upon the conversion of convertible bonds in the principal amount of RMB561.0 million issued by Li Ning Co. The Group's equity interests in Li Ning Co have been diluted from approximately 24.3% to approximately 22.6% and a loss on deemed partial disposal will be recorded in the first quarter of 2017. As at the date of this report, the Company is in the course of assessing the financial effect of such deemed partial disposal.

Employees and Remuneration Policies

Staff remuneration comprised of monthly salaries, mandatory provident fund contributions, medical benefits, housing benefits, education allowances and discretionary share options issued based on their contribution to the Group. Staff costs (including Directors' remuneration) for the year ended 31 December 2016 amounted to HK\$48.8 million (2015: HK\$64.1 million). The Group also engages professional consultants to ensure the competitiveness of the remuneration policy which, in turn, would support the business growth of the Group. As at 31 December 2016, the Group employed 232 full-time employees (2015: 223) and their remuneration was calculated with reference to the market rates.

期後事項

- 於二零一七年一月二十日，本公司已根據本公司於二零一零年六月二十九日舉行的股東特別大會上通過普通決議案採納的購股權計劃（「購股權計劃」），向若干人士（「承授人」）授出購股權（「購股權」），以認購合共369,300,000股本公司每股面值0.05港元之普通股（「股份」）。購股權賦予承授人權利，可按每股股份0.80港元之行使價認購股份。授出的購股權中，(i)184,650,000份購股權已於二零一七年一月二十日歸屬；(ii)92,325,000份購股權將於二零一八年一月二十日歸屬；及(iii)92,325,000份購股權將於二零一九年一月二十日歸屬。該等購股權均可在歸屬後於兩年內行使。授出的購股權中，共有183,000,000份購股權乃授予本公司董事。有關授出購股權之詳情載於本公司日期為二零一七年一月二十日之公告。於本報告日期，本公司正評估已授出之購股權之公平值以及該等購股權之財務影響。
- 於二零一七年二月三日，李寧公司因其發行本金額人民幣561,000,000元的可換股債券獲轉換而發行168,629,032股新普通股。本集團於李寧公司之股權比例已由約24.3%攤薄至約22.6%，而視作部分出售之虧損將於二零一七年第一季內入賬。於本報告日期，本公司正評估該視作部分出售之財務影響。

僱員及薪酬政策

員工酬金包括月薪、強制性公積金供款、醫療福利、住房福利、教育津貼及按其對本集團貢獻而發行之酌情購股權。截至二零一六年十二月三十一日止年度，員工成本（包括董事酬金）為48,800,000港元（二零一五年：64,100,000港元）。本集團亦委聘專業顧問，以確保制定具競爭力之薪酬政策以支持本集團之業務增長。於二零一六年十二月三十一日，本集團聘用232名（二零一五年：223名）全職僱員，彼等之薪酬乃參考市場水平釐定。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

董事及高級管理人員簡歷

MR. LI NING

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. Li Ning, aged 54, has been the chairman of the Company (the "Chairman"), an executive Director and a member of the executive committee of the Company since June 2010. Mr. Li was also appointed as the chairman of the nomination committee and the chief executive officer (the "Chief Executive Officer") of the Company with effect from 15 March 2012 and 22 May 2013 respectively. He is a director of various subsidiaries of the Company. Mr. Li is the founder of the LI-NING brand and currently the executive chairman, interim chief executive officer and an executive director of Li Ning Co. He is primarily responsible for formulating the overall corporate strategies and planning of LN Group and perform the duties of chief executive officer of Li Ning Co with support from its incumbent senior management. Mr. Li is the younger brother of Mr. Li Chun, a retired non-executive Director and the uncle of Mr. Li Qilin, who is an executive Director.

Mr. Li is one of the most outstanding athletes in the 20th century. In the 6th World Cup Gymnastics Competition in 1982, Mr. Li unprecedentedly won six gold medals in men's artistic gymnastics events and was named the "Prince of Gymnastics" ("體操王子") in the PRC. In the 23rd Los Angeles Olympic Games in 1984, Mr. Li won three gold, two silver and one bronze medals, making him the athlete winning the most medals of that Olympic Games. In 1987, Mr. Li became the Asian member of Athlete's Commission of the International Olympic Committee. From 1993 to 2000, Mr. Li served as a member of the Men's Artistic Gymnastics Technical Committee of the Federation Internationale De Gymnastique. He is currently an honorary member of the Federation Internationale De Gymnastique. In 1999, Mr. Li was voted one of the "World's Most Excellent Athletes in the 20th Century" by the World Sports Correspondent Association.

After retiring in 1989 from his athlete career, Mr. Li initiated the idea of LI-NING brand with the goal of creating the first national sports goods brand in the PRC. He has dedicated the past over 20 years to the development of the business of LN Group, achieving great contribution to the development of the PRC's sports goods industry.

Mr. Li holds a bachelor's degree in law from School of Law of Peking University (北京大學), an executive M.B.A. degree from Guanghua School of Management of Peking University (北京大學光華管理學院), an honorary doctorate in technology from Loughborough University in the United Kingdom and an honorary degree of doctor of humanities from The Hong Kong Polytechnic University. In June 2010, Mr. Li was also conferred honorary fellowship from The Hong Kong University of Science and Technology.

Mr. Li has also been actively involved in charities via his "Li Ning Foundation" (李寧基金) and his genuine support to the active and retired Chinese athletes and coaches in establishing "The Chinese Athletes Educational Foundation" (中國運動員教育基金), which aims at providing subsidies for further education and trainings for athletes and to support educational development in impoverished and remote areas in the PRC. In October 2009, Mr. Li was appointed by the United Nations World Food Programme (WFP) as China's "WFP Goodwill Ambassador Against Hunger".

李寧先生

主席·行政總裁兼執行董事

李寧先生，五十四歲，自二零一零年六月起出任本公司主席（「主席」）及本公司執行董事兼執行委員會成員。李先生亦分別於二零一二年三月十五日獲委任為本公司提名委員會主席及於二零一三年五月二十二日獲委任為本公司行政總裁（「行政總裁」）。彼為本公司多家附屬公司之董事。李先生為李寧品牌創立人，目前為李寧公司的執行主席、代理行政總裁兼執行董事。彼主要負責制訂李寧集團之整體企業策略及規劃並在李寧公司現任高級管理層之支持下履行李寧公司行政總裁之職責。李先生為已退任之非執行董事李進先生之胞弟及執行董事李麒麟先生之叔父。

李先生為二十世紀最傑出運動員之一。在一九八二年舉行之第六屆世界體操錦標賽，李先生在男子體操項目奪得六面金牌，締造世界體操壇歷史，並在中國獲得「體操王子」美譽。於一九八四年舉行之第二十三屆洛杉磯奧運會，李先生取得三金兩銀一銅佳績，成為當屆贏得最多獎牌之運動員。於一九八七年，李先生成為國際奧委會運動員委員會之亞洲區委員。一九九三年至二零零零年，李先生為國際體操聯合會男子體操技術委員會委員，現任國際體操聯合會榮譽委員。於一九九九年，李先生獲世界體育記者協會選為「二十世紀世界最佳運動員」。

於一九八九年退出體壇後，李先生構思推出李寧品牌，並以創立首個中國國家級體育用品品牌為目標。彼於過往二十多年一直致力發展李寧集團業務，為中國體育用品行業之發展作出卓越貢獻。

李先生持有北京大學法學院法律學士學位、北京大學光華管理學院行政人員工商管理碩士學位、英國Loughborough University技術榮譽博士學位以及香港理工大學榮譽人文學博士學位。於二零一零年六月，李先生亦獲得香港科技大學頒授榮譽院士。

李先生亦透過「李寧基金」積極參與慈善活動，並幫助現役及退役中國運動員及教練成立「中國運動員教育基金」，為運動員提供學習進修及培訓資助，並支持中國貧困及偏遠地區的教育發展。二零零九年十月，李先生被聯合國世界糧食計劃署(WFP)任命為中國「WFP反饑餓親善大使」。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

董事及高級管理人員簡歷

MR. CHAN LING

CHIEF OPERATING OFFICER AND EXECUTIVE DIRECTOR

Mr. Chan Ling, aged 45, is an executive Director, an authorised representative and the compliance officer of the Company and a member of each of the executive committee and the remuneration committee of the Company. Mr. Chan was also appointed as the chief operating officer of the Company with effect from 22 May 2013. Mr. Chan had been a member and the chairman of the nomination committee of the Company since 2 June 2010 and 23 June 2010 respectively, and ceased to hold any office of this committee on 15 March 2012. Mr. Chan joined the Group in June 2010 and is a director of Viva China Sports Holding Limited, Viva China Community Development Holdings Limited and various subsidiaries of the Company. Mr. Chan was the chief executive officer of "The Chinese Athletes Educational Foundation". He has over 10 years of working experience in the media industry and in the sports agency industry.

MR. LI CHUNYANG

EXECUTIVE DIRECTOR

Mr. Li Chunyang, aged 48, is an executive Director and a member of the executive committee of the Company. Mr. Li joined the Group in June 2010 and is a director of 非凡領越體育發展(北京)有限公司, Viva China Community Development Holdings Limited and various subsidiaries of the Company. Mr. Li graduated from Peking University in 2004 with a bachelor's degree in Economics. He was one of the founders of "The Chinese Athletes Educational Foundation". In 1989 and 1991, he won the World Gymnastics Championships.

MR. LI QILIN

EXECUTIVE DIRECTOR

Mr. Li Qilin, aged 30, was appointed as a non-executive Director of the Company in June 2013. Mr. Li has been re-designated from a non-executive Director to an executive Director and appointed as a member of the executive committee of the Company with effect from 13 November 2015. Mr. Li joined the Group in June 2013. Mr. Li is the general manager of a subsidiary of the Company. Mr. Li has been a director of Lead Ahead, a substantial shareholder of the Company, since June 2010.

Mr. Li has considerable experience in financial services industry and was an analyst of Persistent Asset Management Limited during the period from January 2010 to July 2013. Mr. Li is the son of Mr. Li Chun, a retired non-executive Director and the nephew of Mr. Li Ning, the Chairman, the Chief Executive Officer and an executive Director.

陳寧先生

營運總裁兼執行董事

陳寧先生，四十五歲，為本公司執行董事、授權代表兼監察主任以及本公司執行委員會及薪酬委員會之成員。陳先生亦於二零一三年五月二十二日獲委任為本公司營運總裁。陳先生分別自二零一零年六月二日及二零一零年六月二十三日起擔任本公司提名委員會成員及主席，並於二零一二年三月十五日不再擔任該委員會任何職務。陳先生於二零一零年六月加入本集團，並為非凡中國體育控股有限公司、非凡中國社區開發控股有限公司及本公司多家附屬公司之董事。陳先生曾任「中國運動員教育基金」總幹事。彼於媒體行業及體育經紀人行業擁有逾十年工作經驗。

李春陽先生

執行董事

李春陽先生，四十八歲，為本公司執行董事兼執行委員會成員，於二零一零年六月加入本集團，並為非凡領越體育發展(北京)有限公司、非凡中國社區開發控股有限公司及本公司多家附屬公司之董事。李先生於二零零四年畢業於北京大學，獲得金融專業學士學位。彼為「中國運動員教育基金」創辦人之一。於一九八九年及一九九一年，彼取得世界體操錦標賽冠軍。

李麒麟先生

執行董事

李麒麟先生，三十歲，於二零一三年六月獲委任為本公司非執行董事。自二零一五年十一月十三日起李先生由非執行董事調任為執行董事，並獲委任為本公司執行委員會成員。李先生於二零一三年六月加入本集團。李先生於本公司一間附屬公司擔任總經理。自二零一零年六月以來，李先生一直擔任本公司主要股東Lead Ahead的董事。

李先生於金融服務行業擁有豐富經驗，並於二零一零年一月至二零一三年七月期間擔任恆盛資產管理有限公司之分析師。李先生乃已退任非執行董事李進先生之兒子及主席、行政總裁兼執行董事李寧先生之侄子。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

董事及高級管理人員簡歷

MR. CHAN JAMES

NON-EXECUTIVE DIRECTOR

Mr. Chan James, aged 63, is a non-executive Director of the Company. Mr. Chan joined the Group in June 2013. He is an executive director, the project director and a member of the executive committee of Pacific Century Premium Developments Limited* ("PCPD", Stock Code: 0432). PCPD is mainly engaged in developing and managing premium property and infrastructure projects, as well as investing in premium-grade buildings, in the Asia-Pacific region and is majority-owned by PCCW Limited* ("PCCW", Stock Code: 0008). Mr. Chan is responsible for managing various property projects of PCPD and its subsidiaries. He was responsible for the project execution of the Cyberport project and has overall responsibility for all aspects of the construction works.

Prior to joining PCCW in October 2002, Mr. Chan was a practicing architect, with comprehensive experience in design, planning and land matters, design development and construction management of major investment properties, including a wide range of industrial and warehousing, commercial, retail and residential developments in Hong Kong and overseas. He possesses a wide spectrum of experience in the property industry.

He has been an independent non-executive director of Beijing Properties (Holdings) Limited* (Stock Code: 0925) since June 2011. He is also a member of the board of governors of The Independent Schools Foundation Academy.

Mr. Chan holds a bachelor of arts in architectural studies degree from the University of Hong Kong, a bachelor of architecture degree from University of Dundee in Scotland and an executive master of business administration degree from Tsinghua University. He is qualified as the Authorised Person (List I) and Registered Architect in Hong Kong, and is a member of The Hong Kong Institute of Architects, The Royal Institute of British Architects and The Australian Institute of Architects.

MR. MA WING MAN

NON-EXECUTIVE DIRECTOR

Mr. Ma Wing Man, aged 51, is a non-executive Director and a member of the audit committee of the Company. Mr. Ma joined the Group in June 2010. Mr. Ma was a member of the nomination committee of the Company during the period from 2 June 2010 to 15 March 2012. Mr. Ma has over 20 years of experience in finance and administration. Mr. Ma has been employed by "Li Ning Foundation" as the financial controller since 2005. From 1992 to 2005, Mr. Ma had been employed first as accountant and later as financial and accounting manager of Jianlibao Holdings (H.K.) Company Limited. From 1989 to 1991, Mr. Ma was employed as assistant accountant by Wong's Circuits (PTH) Limited, which was a subsidiary of Wong's International Holdings Limited* (Stock Code: 0099).

* The shares of these companies are listed on the Stock Exchange

陳進思先生

非執行董事

陳進思先生，六十三歲，為本公司非執行董事。陳先生於二零一三年六月加入本集團。彼為盈科大衍地產發展有限公司*（「盈大地產」，股份代號：0432）之執行董事兼項目總監及執行委員會成員。盈大地產之主要業務為於亞太區發展及管理優質物業及基建項目，以及投資頂級物業，且由電訊盈科有限公司*（「電訊盈科」，股份代號：0008）持有大部分股權。陳先生負責管理盈大地產及其附屬公司之多個物業發展計劃。彼曾負責執行數碼港計劃，肩負起有關建築工程各方面的整體責任。

陳先生於二零零二年十月加入電訊盈科前任職建築師，熟悉投資物業組合的設計、規劃及土地事務、設計開發及建築管理，當中包括香港及海外眾多工業及倉庫、商業、零售及住宅物業發展項目。彼在物業界擁有豐富經驗。

彼自二零一一年六月起獲委任為北京建設（控股）有限公司*（股份代號：0925）之獨立非執行董事。彼亦為弘立書院校董。

陳先生持有香港大學建築學文學士學位、蘇格蘭鄧地大學建築學士學位以及清華大學高級管理人員工商管理碩士學位，並擁有建築師名單的認可人士及香港註冊建築師資格，現為香港建築師學會會員、英國皇家建築師學會會員及澳洲建築師學會會員。

馬詠文先生

非執行董事

馬詠文先生，五十一歲，為本公司非執行董事及審核委員會成員，彼於二零一零年六月加入本集團。馬先生於二零一零年六月二日至二零一二年三月十五日期間曾擔任本公司提名委員會成員。馬先生於財務及行政管理方面具備逾20年經驗。馬先生自二零零五年起獲「李寧基金」聘任為財務總監。於一九九二年至二零零五年，馬先生最初獲健力寶集團（香港）有限公司聘任為會計主任，隨後擔任財務及會計經理。於一九八九年至一九九一年，馬先生獲王氏電路（PTH）有限公司聘任為助理會計主任，王氏電路（PTH）有限公司當時為王氏國際集團有限公司*（股份代號：0099）的附屬公司。

* 該等公司之股份於聯交所上市

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

董事及高級管理人員簡歷

Mr. Ma graduated from Hong Kong Shue Yan College (predecessor of Hong Kong Shue Yan University) in 1989 with a diploma in business administration. In 1993, he obtained a diploma in accounting from School of Professional and Continuing Education, University of Hong Kong. In 1998, he obtained a professional diploma for financial controllers & finance directors of foreign investment & foreign enterprise in China, which was jointly awarded by School of Management Zhongshan University, China and The Hong Kong Management Association. In 2003, he obtained a bachelor of business administration degree with honours in accounting from the Open University of Hong Kong.

MR. CHEN JOHNNY

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Chen Johnny, aged 57, has been an independent non-executive Director, the chairman of the audit committee of the Company and a member of the remuneration committee of the Company since June 2010. He was also appointed as a member of the nomination committee of the Company with effect from 15 March 2013. He is currently senior advisor of each of LionRock Capital Limited and Reignwood Group and an Adjunct Associate Professor of the Department of Finance and the Department of Management, Hong Kong University of Science and Technology. From 2005 to 2007, Mr. Chen was the chief executive officer of Greater China region of Zurich Insurance Group ("Zurich"). From 2007 to 2010, Mr. Chen was the chief executive officer of Greater China and South East Asia of Zurich. From 2010 to 2013, Mr. Chen was the chief executive officer of Asia Pacific General Insurance of Zurich Financial Services Ltd. From 2012 to 2014, Mr. Chen was also a member of the leadership team and the Asia Pacific executive committee of Zurich. In 2013, Mr. Chen was appointed as the chairman of the Life and General Insurance businesses of Zurich in China until his departure in 2014. During his 10 years of service with Zurich, Mr. Chen assisted the expansion of Zurich in China and in the Asia Pacific business regions.

Prior to joining Zurich, Mr. Chen was an executive member of the Greater China management board and of the operating committee of PricewaterhouseCoopers ("PwC"). He was also the managing partner of PwC's Beijing office. During his tenure of service in PwC, Mr. Chen contributed to the firm's strategic development, particularly in the China Market.

馬先生於一九八九年畢業於香港樹仁學院（香港樹仁大學前身），獲得工商管理文憑。於一九九三年，彼獲得香港大學專業進修學院的會計學文憑。於一九九八年，彼獲中國中山大學管理學院與香港管理專業協會聯合頒發的中國外商投資企業財務總監及財務主管深造文憑。於二零零三年，彼獲香港公開大學的工商管理榮譽學士（會計）學位。

陳志宏先生

獨立非執行董事

陳志宏先生，五十七歲，自二零一零年六月起一直出任本公司獨立非執行董事、審核委員會主席及薪酬委員會成員。自二零一三年三月十五日起，彼亦獲委任為本公司提名委員會成員。彼現為萊恩資本有限公司及華彬集團的高級顧問，以及香港科技大學財務學系及管理學系之兼任副教授。陳先生於二零零五年至二零零七年擔任蘇黎世保險集團（「蘇黎世」）大中華區行政總裁。陳先生於二零零七年至二零一零年擔任蘇黎世大中華區及東南亞區行政總裁。陳先生於二零一零年至二零一三年擔任蘇黎世金融服務集團亞太區財產保險行政總裁。陳先生於二零一二年至二零一四年期間亦曾為蘇黎世領導團隊及亞太區行政管理層的成員。陳先生於二零一三年獲委任為蘇黎世之人壽與財產保險業務中國區主席，直至其於二零一四年離任。於蘇黎世任職10年期間，陳先生協助蘇黎世於中國及亞太地區區域擴張業務。

於加入蘇黎世之前，陳先生為羅兵咸永道會計師事務所（「羅兵咸」）大中華管理董事會及營運委員會成員，以及羅兵咸北京辦事處的主理合夥人。於羅兵咸任職期間，陳先生對該事務所的戰略性發展（尤其在中國市場方面）貢獻良多。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

董事及高級管理人員簡歷

Mr. Chen has been appointed as an independent non-executive director of Stella International Holdings Limited* (Stock Code: 1836), Uni-President China Holdings Ltd.* (Stock Code: 220), China Minsheng Financial Holding Corporation Limited* (Stock Code: 245) and Alibaba Pictures Group Limited* (Stock Code: 1060) with effect from 6 February, 2009, 1 December 2015, 11 December 2015 and 29 January 2016 respectively. Mr. Chen was a non-executive director of New China Life Insurance Company Ltd.* (Stock Code: 1336) during the period from 2005 to 14 January 2014. The shares of New China Life Insurance Company Ltd. commenced listing on the Stock Exchange on 15 December 2011.

Mr. Chen received a master's degree in accounting from the University of Rhode Island and is a U.S. qualified certified public accountant.

MR. LIEN JOWN JING, VINCENT

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lien Jown Jing, Vincent, aged 56, is an independent non-executive Director and a member of both the audit committee and the remuneration committee of the Company. Mr. Lien joined the Group in June 2013. He has served as independent non-executive director of CT Environmental Group Limited* (Stock Code: 1363) since 15 April 2014. On 16 April 2013, he has been appointed as a non-executive director of Primeline Energy Holdings Inc. (TSX Venture Exchange trading symbol: PEH), the shares of which are listed on the TSX Venture Exchange in Canada. Mr. Lien was an independent non-executive director of Focus Media Network Limited* (Stock Code: 8112) during the period from June 2011 to April 2015, Up Energy Development Group Limited* (Stock Code: 0307) from April 2011 to January 2016 and ILFS Wind Power Limited, a Singapore company, from September 2013 to September 2016. Mr. Lien was the chairman and an independent non-executive director of Loyz Energy Limited, a company listed in Singapore, during the period from November 2013 to November 2014.

* The shares of these companies are listed on the Stock Exchange

陳先生已獲委任為九興控股有限公司* (股份代號：1836)、統一企業中國控股有限公司* (股份代號：220)、中國民生金融控股有限公司* (股份代號：245)及阿里巴巴影業集團有限公司* (股份代號：1060)之獨立非執行董事，分別自二零零九年二月六日、二零一五年十二月一日、二零一五年十二月十一日及二零一六年一月二十九日起生效。陳先生於二零零五年至二零一四年一月十四日期間擔任新華人壽保險股份有限公司* (股份代號：1336)的非執行董事，新華人壽保險股份有限公司之股份於二零一一年十二月十五日開始在聯交所上市。

陳先生獲得羅德島大學頒發的會計學專業碩士學位，並為美國合資格執業會計師。

連宗正先生

獨立非執行董事

連宗正先生，五十六歲，為本公司獨立非執行董事以及審核委員會及薪酬委員會之成員。連先生於二零一三年六月加入本集團。彼自二零一四年四月十五日起擔任中滔環保集團有限公司* (股份代號：1363)之獨立非執行董事。於二零一三年四月十六日，彼獲委任為Primeline Energy Holdings Inc. (多倫多證券交易所創業板代號：PEH)之非執行董事，該公司股份於加拿大多倫多證券交易所創業板上市。連先生於二零一一年六月至二零一五年四月期間擔任Focus Media Network Limited* (股份代號：8112)之獨立非執行董事、自二零一一年四月至二零一六年一月期間擔任優派能源發展集團有限公司* (股份代號：0307)之獨立非執行董事及自二零一三年九月至二零一六年九月期間擔任新加坡公司ILFS Wind Power Limited之獨立非執行董事。連先生於二零一三年十一月至二零一四年十一月期間擔任新加坡上市之公司Loyz Energy Limited之主席及獨立非執行董事。

* 該等公司之股份於聯交所上市

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

董事及高級管理人員簡歷

Mr. Lien is currently a director of Wah Hin & Company, a Singapore incorporated private investment holding company and the Maritime and Port Authority of Singapore. He has over 25 years of experience in the banking industry, specializing in corporate finance and capital management in Hong Kong, the PRC, Singapore and South-east Asia. Mr. Lien held various senior positions at several major multinational banking institutions including Swiss Bank Corporation and Bankers Trust & Company. He was the managing director in the financial institutions & public sector division of ABN AMRO Bank.

Mr. Lien obtained a bachelor degree in business administration from the University of New Brunswick in 1986.

MR. NG SAU KEI, WILFRED

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Ng Sau Kei, Wilfred, aged 52, has been an independent non-executive Director and a member of both the audit committee and the remuneration committee of the Company since June 2010. Mr. Ng was appointed as a member of the nomination committee and the chairman of remuneration committee of the Company with effect from 15 March 2012 and 15 March 2013 respectively. Mr. Ng joined the Group in June 2010. Mr. Ng was an independent non-executive director of China Wah Yan Healthcare Limited* (Stock Code: 648, formerly known as China Renji Medical Group Limited) during the period from 30 April 2007 to 1 October 2008.

Mr. Ng holds positions in various charitable and social organisations. He is a member of the advisory board of Yanchai Hospital, of which he was the chairman of the board of directors during the term of year 2009-2010. He is also the president of the Handball Association, Hong Kong, China.

Mr. Ng also serves as a member of certain advisory committees of the HKSAR Government, namely the Sports Commission and The Fight Crime Committee. He was awarded the Medal of Honour in 2004 and the Silver Bauhinia Star in 2010 and appointed as an unofficial Justice of the Peace in 2007 by the HKSAR Government. In May 2011, Mr. Ng received a Hon. Doctor of Laws degree from the University of Western Ontario.

* The shares of this company is listed on the Stock Exchange

連先生目前於新加坡註冊成立之私人投資控股公司Wah Hin & Company及於新加坡海事及港務管理局擔任董事。彼具有超過25年銀行業經驗，專門於香港、中國、新加坡及東南亞進行企業融資及資本管理。連先生曾於數間主要跨國銀行機構包括瑞士銀行公司及Bankers Trust & Company擔任多項高級職位。彼曾擔任荷蘭銀行之金融機構及公共事業分部董事總經理。

連先生於一九八六年獲得University of New Brunswick頒授工商管理學士學位。

吳守基先生

獨立非執行董事

吳守基先生，五十二歲，於二零一零年六月起一直出任本公司獨立非執行董事以及審核委員會及薪酬委員會之成員。吳先生分別於二零一二年三月十五日及二零一三年三月十五日獲委任為本公司提名委員會成員及薪酬委員會主席。吳先生於二零一零年六月加入本集團。吳先生於二零零七年四月三十日至二零零八年十月一日期間擔任中國華仁醫療有限公司*（前稱中國仁濟醫療集團有限公司，股份代號：648）的獨立非執行董事。

吳先生於多個公益慈善及社會團體擔任公職，彼曾於二零零九年至二零一零年任職年度擔任仁濟醫院董事局主席，現任仁濟醫院顧問局成員。彼亦為中國香港手球總會會長。

吳先生亦為香港特區政府若干諮詢委員會委員，當中包括體育委員會和撲滅罪行委員會。吳先生於二零零四年獲香港特區政府頒發榮譽勳章，再於二零一零年獲頒發銀紫荊勳章，及於二零零七年獲任命為非官守太平紳士。吳先生於二零一一年五月獲西安大略大學(University of Western Ontario)頒發榮譽法律博士學位。

* 此公司之股份於聯交所上市

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

董事及高級管理人員簡歷

SENIOR MANAGEMENT

Mr. Li Ning, Mr. Chan Ling, Mr. Li Chunyang and Mr. Li Qilin, being the executive Directors, are also the senior management of the Group.

DISCLOSURE ON CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in details of the Directors' information subsequent to the date of the interim report of the Company for the six months ended 30 June 2016 are set out below:

高級管理人員

執行董事李寧先生、陳寧先生、李春陽先生及李麒麟先生亦為本集團高級管理人員。

有關董事資料變動之披露

根據創業板上市規則第17.50A(1)條，於本公司截至二零一六年六月三十日止六個月之中期報告日期後，董事資料變動詳情載列如下：

Name 姓名	Details of Changes 變動詳情
Mr. Li Qilin 李麒麟先生	Under the service agreement between the Company and Mr. Li Qilin as an executive Director, Mr. Li is entitled to receive an annual director's fee of HK\$150,000 and a fixed salary of HK\$1,300,000 in aggregate per annum with effect from 1 January 2017 which were determined by with reference to his duties, responsibilities and performance. 根據本公司與執行董事李麒麟先生訂立之服務合約，李先生有權合共收取董事袍金每年150,000港元及固定年薪1,300,000港元，此乃經參考其職務、責任及表現而釐定，並於二零一七年一月一日起生效。
Mr. Lien Jown Jing, Vincent 連宗正先生	resigned as an independent non-executive director of ILFS Wind Power Limited, a Singapore company, on 22 September 2016. 於二零一六年九月二十二日辭任新加坡公司ILFS Wind Power Limited之獨立非執行董事。

REPORT OF THE DIRECTORS

董事會報告

The Directors present their report and the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The Company and its subsidiaries are principally engaged in (i) sports talent management and competition/event production and management and provision of sports consultancy service; and (ii) property and community development, research and development, manufacturing, marketing and sales of construction materials, operation of sports park and consultancy and sub-contracting services.

The principal activities and other particulars of the principal subsidiaries of the Company as at 31 December 2016 are set out in note 36 to the financial statements.

Further discussion and analysis of the business review required by Schedule 5 to the Hong Kong Companies Ordinance for the year ended 31 December 2016 is set out in the Chairman's Statement, the Business Review and the Financial Review of this annual report. This discussion forms part of this Report of the Directors.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2016 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 95 to 174.

The Directors did not declare an interim dividend and did not recommend the payment of a final dividend for the year ended 31 December 2016.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Company and the Group during the year are set out in note 12 to the financial statements.

董事謹此提呈截至二零一六年十二月三十一日止年度之董事會報告及經審核財務報表。

主要業務及業務回顧

本公司之主要業務為投資控股。本公司及其附屬公司主要從事(i)體育人材管理及賽事／項目製作及管理以及提供體育諮詢服務；及(ii)物業與社區發展、建材之研發、生產、市場推廣及銷售、經營體育園及諮詢以及分包服務。

本公司主要附屬公司於二零一六年十二月三十一日之主要業務及其他詳情，已載於財務報表附註36。

香港公司條例附表5要求對截至二零一六年十二月三十一日止年度之業務回顧的進一步討論及分析載於本年報之主席報告、業務回顧及財務回顧中。此討論構成本董事會報告的一部分。

業績及股息

本集團截至二零一六年十二月三十一日止年度之溢利及本公司與本集團於該日之業務狀況，載於財務報表第95至174頁內。

董事會並無宣派中期股息，及不建議就截至二零一六年十二月三十一日止年度派付末期股息。

物業、廠房及設備

本公司及本集團於年內之物業、廠房及設備變動詳情，載於財務報表附註12。

REPORT OF THE DIRECTORS

董事會報告

SHARE CAPITAL

During the year, the Company issued 16,068,000 Shares upon exercise of share options pursuant to the Company's share option scheme. The consideration received in aggregate for issue of shares upon the aforesaid exercise of share options amounted to HK\$8,034,000.

In December 2016, the Company had issued to Lake Tai Investment Holdings Limited ("Lake Tai", an indirect wholly-owned subsidiary of China Huarong Asset Management Co., Ltd. ("China Huarong")) the convertible note in the aggregate principal amount of HK\$778,000,000 (the "Convertible Note") bearing an interest at the rate of 5% per annum and Lake Tai had paid HK\$778,000,000 for subscription of the Convertible Note pursuant to the subscription agreement dated 5 December 2016 entered into between the Company and Lake Tai (the "Subscription Agreement"). The issuance of the Convertible Note was beneficial to the Group by enhancing its financing capability and flexibility to timely seize investment and collaboration opportunities of potential community development projects for further developing Li Ning Sports Parks, national sport facilities, sports community and other related projects brought by the preferential national policies and the sports industry development during the 13th Five-Year Plan period. The issuance of the Convertible Note also marked a closer relationship of the Company with the group of China Huarong for further collaboration and business development since the Group intended to pursue the opportunity to jointly establish the sports industry fund with the group of China Huarong for the purpose of investing in the Group's various sports-related projects. The Convertible Note is convertible in full at the initial conversion price of HK\$0.840 per Share into a maximum of 926,190,476 Shares at any time during the conversion period, provided that the conversion rights may not be exercised, if following such exercise, the Company's minimum public float in Shares cannot be maintained, or if such exercise is prohibited by the Hong Kong Code on Takeovers and Mergers. The details of the issuance of the Convertible Note were set out in the Company's announcement dated 5 December 2016. No Shares were issued under the Subscription Agreement and the Convertible Note during the year and up to the date of this report.

Details of the share capital, the perpetual convertible bonds and the convertible note during the year are set out in notes 27, 29 and 25 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this report, no equity-linked agreements were entered into by the Group, or existed during the year.

股本

年內，本公司於根據本公司購股權計劃獲行使購股權後發行16,068,000股股份。於上述購股權獲行使後發行股份之已收代價合共為8,034,000港元。

根據本公司與Lake Tai Investment Holdings Limited (「Lake Tai」，為中國華融資產管理股份有限公司(「中國華融」)之間接全資附屬公司)訂立之日期為二零一六年十二月五日之認購協議(「認購協議」)，本公司於二零一六年十二月向Lake Tai發行本金總額為778,000,000港元、按年利率5%計息之可換股票據(「可換股票據」)，而Lake Tai已就認購可換股票據支付778,000,000港元。發行可換股票據可促進本集團的融資能力及靈活性，讓其適時捕捉有潛質的社區發展項目投資及合作機會，以進一步發展李寧體育園、全國體育設施、體育社區及其他因國家優惠政策及於第十三個五年計劃期間的體育產業發展所帶來的相關項目，從而為本集團帶來裨益。另外，由於本集團計劃探求與中國華融集團聯合設立體育產業基金之機會，以投資於本集團各項與體育相關的項目，發行可換股票據標誌著本公司與中國華融集團開展更緊密關係，以作進一步合作及業務發展。可換股票據可於轉換期內任何時間按初步換股價每股股份0.840港元悉數兌換為最多926,190,476股股份，如因任何換股權之行使而導致本公司未能維持股份最低公眾持股量，或該行使為香港收購及合併守則所禁止，則不得行使該等換股權。有關發行可換股票據之詳情載於本公司日期為二零一六年十二月五日之公告。於本年度及直至本報告日期，概無根據認購協議及可換股票據發行股份。

本公司於年內之股本、永久性可換股債券及可換股票據詳情載於財務報表附註27、29及25。

權益掛鈎協議

除本報告所披露者外，本集團於年內概無訂立或存在任何權益掛鈎協議。

RESERVES

As at 31 December 2016, the Company's reserves available for distribution to Shareholders comprising share premium account less accumulated losses, amounted to approximately HK\$2,030,527,000 (2015: HK\$2,068,323,000).

Details of movements in the reserves of the Company and the Group during the year are set out in note 37 to the financial statements and in the consolidated statement of changes in equity on page 98 respectively.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers (including LN Group) accounted for approximately 64% of the total sales for the year and sales to the largest customer included therein accounted for approximately 19% of the total sales.

Purchases from the Group's five largest suppliers accounted for approximately 58% the total purchases for the year and purchases from the largest supplier included therein accounted for approximately 17% of the total purchases.

As at 31 December 2016, Mr. Li Ning, the Chairman, the Chief Executive Officer and an executive Director, was also deemed under Part XV of the SFO to be interested in 2,561,120 LN Shares held by Alpha Talent Management Limited (a company wholly-owned by Mr. Li Ning), 3,311,006 LN Shares held as personal interest, 1,509,470 share options granted under the 2004 share option scheme of Li Ning Co at an exercise price of HK\$6.35 per LN Share and 4,753,900 unvested restricted LN Shares under the restricted share award scheme of Li Ning Co, which in aggregate amounted to 12,135,496 LN Shares and underlying LN Shares (representing approximately 0.61% shareholding interest in the share capital of Li Ning Co as at 31 December 2016). Mr. Li Ning is also the executive chairman, the interim chief executive officer and an executive director of Li Ning Co.

Save as disclosed above for the purpose of the Chapter 18 of the GEM Listing Rules, none of the Directors, their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had an interest in the major customers or suppliers of the Group.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 177 of this annual report.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in the jurisdiction of the Cayman Islands in which the Company is incorporated.

儲備

於二零一六年十二月三十一日，本公司可向股東分派之儲備包括股份溢價賬減累計虧損約為2,030,527,000港元（二零一五年：2,068,323,000港元）。

本公司及本集團於年內之儲備變動詳情，分別載於財務報表附註37及第98頁之綜合權益變動表內。

主要客戶及供應商

於回顧年內，本集團對五大客戶（包括李寧集團）作出之銷售額佔年內銷售總額約64%，當中對最大客戶作出之銷售額則約佔銷售總額19%。

本集團向五大供應商作出之採購額佔本年度採購總額約58%，當中對最大供應商作出之採購額則約佔採購總額17%。

於二零一六年十二月三十一日，根據證券及期貨條例第XV部，主席、行政總裁及執行董事李寧先生亦被視為於Alpha Talent Management Limited（由李寧先生全資擁有之公司）持有之2,561,120股李寧股份、持作個人權益之3,311,006股李寧股份、於根據李寧公司二零零四年購股權計劃按行使價每股李寧股份6.35港元授出之1,509,470份購股權及根據李寧公司限制性股份獎勵計劃之4,753,900股未歸屬限制性李寧股份（合共12,135,496股李寧股份及相關李寧股份，於二零一六年十二月三十一日約佔李寧公司股本中之股權0.61%）中擁有權益。李寧先生亦為李寧公司之執行主席、代理行政總裁及執行董事。

除上文就創業板上市規則第18章作出之披露者外，概無董事、彼等任何緊密聯繫人或就董事所知擁有本公司已發行股本5%以上之任何股東，擁有本集團主要客戶及供應商任何權益。

集團財務概要

本集團於過去五個財政年度之業績及資產與負債概要，載於本年報第177頁。

優先購買權

本公司註冊所在地開曼群島司法權區並無優先購買權之規定。

REPORT OF THE DIRECTORS

董事會報告

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year.

DIRECTORS

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

Executive Directors

Mr. Li Ning (*Chairman & Chief Executive Officer*)

Mr. Chan Ling (*Chief Operating Officer*)

Mr. Li Chunyang

Mr. Li Qilin

Non-executive Directors

Mr. Chan James

Mr. Ma Wing Man

Independent non-executive Directors

Mr. Chen Johnny

Mr. Lien Jown Jing, Vincent

Mr. Ng Sau Kei, Wilfred

The terms of office of each Director are subject to retirement by rotation in accordance with the Company's articles of association.

At the forthcoming annual general meeting, Mr. Chan Ling, Mr. Li Chunyang and Mr. Chen Johnny will retire as Directors by rotation and, being eligible, offers themselves for re-election in accordance with articles 108(A) and 108(B) of the articles of association of the Company and pursuant to Appendix 15 of the GEM Listing Rules. Further particulars of the Directors to be re-elected at the forthcoming annual general meeting are set out in the circular to the shareholders sent together with this annual report. All other existing Directors shall continue in office.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 46 to 52 of the annual report.

購回、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內概無購回、出售或贖回任何本公司上市證券。

董事

在年內及截至本報告日期止之董事如下：

執行董事

李寧先生 (主席兼行政總裁)

陳寧先生 (營運總裁)

李春陽先生

李麒麟先生

非執行董事

陳進思先生

馬詠文先生

獨立非執行董事

陳志宏先生

連宗正先生

吳守基先生

各董事的任期須根據本公司之組織章程細則輪值告退。

於應屆股東週年大會，根據本公司組織章程細則第108(A)及108(B)條以及根據創業板上市規則附錄15，陳寧先生、李春陽先生及陳志宏先生將輪值告退，彼等均合資格並願意膺選連任董事。於應屆股東週年大會重選董事之更多詳情，載於隨本年報向股東一併寄發之通函內。其餘所有現任董事均留任。

董事及高級管理人員簡歷

董事及本集團高級管理人員之簡歷詳情，載於本年報第46至52頁。

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Particulars of the emoluments of the Directors on a named basis for the year are set out in note 8 to the financial statements.

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's or any of its subsidiaries was a party, and in which a Director or its connected entities had a material interest (whether directly or indirectly) subsisting at the end of the year or at any time during the year.

SHARE OPTION SCHEME

On 29 June 2010, the Company passed an ordinary resolution to adopt a share option scheme (the "Scheme") for the purpose of providing incentives to participants to contribute to the Group and/or to enable the Group to recruit high-calibre employees and/or attract human resources that are valuable to the Group. Participants of the Scheme include employee, officer, agent, consultant, business associate or representative of the Company or any subsidiary or otherwise contributes to the success of the Group, including any executive, non-executive or independent non-executive director of the Company or any subsidiary who, as the Board or a committee comprising Directors and members of the senior management of the Company (the "Committee") (as the case may be) may determine in its absolute discretion, is regarded as valuable human resources of the Group based on his working experience, knowledge in the industry and other relevant factors, and subject to such conditions as the Board or the Committee (as the case may be) may think fit. The Scheme will remain in force for period of 10 years commencing on 29 June 2010.

董事之服務合約

擬於應屆股東週年大會重選連任之董事概無與本公司訂立本公司不得在一年內毋須作出賠償（法定賠償除外）而終止之服務合約。

本年度董事之酬金詳情以具名形式載於財務報表附註8。

獲准許彌償條文

根據本公司組織章程細則，每名董事就其執行職務或與此有關或在其他有關方面可能蒙受或招致之一切損失或責任，均有權從本公司資產中獲得彌償。

年內，本公司已為董事及本集團行政人員安排適當之董事及行政人員責任險。

董事於交易、安排或合約之重大權益

除本報告所披露者外，於年終及年內任何期間，本公司或其任何附屬公司並無訂立與本集團業務有重大關係且董事或其關連實體直接或間接擁有重大權益之其他交易、安排或合約。

購股權計劃

於二零一零年六月二十九日，本公司通過一項普通決議案以採納一項購股權計劃（「該計劃」），旨在向為本集團作出貢獻之參與者提供獎勵及／或使本集團可招攬優秀僱員及／或吸引對本集團有價值之人力資源。該計劃之參與者包括本公司或任何附屬公司之僱員、高級職員、代理、顧問、業務伙伴或代表或對本集團成就有所貢獻之其他人士，包括本公司或任何附屬公司任何執行、非執行或獨立非執行董事，而董事會或由本公司董事及高級管理人員組成之委員會（「委員會」）（視情況而定）經考慮其工作經驗、行業知識及其他相關因素以及董事會或委員會（視情況而定）可能認為合適之條件後，可全權酌情決定有關人士是否屬本集團寶貴人力資源。該計劃將於二零一零年六月二十九日起計十年內有效。

REPORT OF THE DIRECTORS

董事會報告

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the number of Shares in issue from time to time. In addition, the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the nominal amount of all the Shares in issue as at the date of adoption of the Scheme (the "Scheme Mandate Limit"). The Company may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of the shareholders in general meeting. Once refreshed, the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and all other share option schemes of the Company under the limit, as refreshed, must not exceed 10% of the number of Shares in issue as at the date of approval of the refreshment by the Shareholders. The Scheme Mandate Limit amounted to 607,639,472 Shares following the approval of refreshment by the Shareholders on 4 November 2013. As at the date of this report, the total number of Shares available for issue under the Scheme is 689,472, representing 0.01% of the existing number of issued Shares.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue as at the proposed date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options under the Scheme may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board or the Committee, save that such period shall not be more than 10 years from the date of grant. Unless the Board may otherwise determine, there is no minimum period required under the Scheme for the holding of an option before it can be exercised.

The exercise price of share options is determinable by the Board or the Committee, but shall be at least the highest of (i) the Stock Exchange closing price of the Shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of the Shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

因行使根據該計劃及本公司任何其他購股權計劃所授出惟尚未行使之所有尚未行使購股權而可予發行之股份數目整體上限，合共不得超過不時已發行股份數目之30%。此外，因行使根據該計劃及本公司任何其他購股權計劃將予授出之所有購股權而可予發行之股份總數，合共不得超過採納該計劃當日所有已發行股份面值之10%（「計劃授權上限」）。本公司可不時透過於股東大會上獲得股東批准以更新計劃授權上限。計劃授權上限一經更新，因行使根據該計劃及本公司所有其他購股權計劃將予授出之所有購股權而可予發行之股份總數，根據經更新上限不得超過股東批准更新當日已發行股份數目之10%。經股東於二零一三年十一月四日批准更新後，計劃授權上限為607,639,472股股份。於本報告日期，於該計劃項下可予發行之股份總數為689,472股，相當於現有已發行股份數目之0.01%。

於任何12個月期間內根據購股權可發行予該計劃項下各合資格參與者之股份數目，最多不得超過本公司於建議授出日期已發行股份之1%。任何進一步授出超出此上限之購股權須於股東大會獲得股東批准。

根據該計劃授出購股權之要約可於要約日期起計28日內獲接納，而承授人須就此支付合共1港元之象徵式代價。已授出購股權之行使期由董事會或委員會釐定，惟有關期間不得超過授出日期起計十年。除非董事會另行議決，該計劃並無規定在行使前須持有購股權之最短期限。

購股權之行使價由董事會或委員會釐定，惟不得低於下列各項之最高者：(i)股份於購股權授出日期在聯交所之收市價；(ii)股份於緊接授出日期前五個交易日在聯交所之平均收市價；及(iii)股份面值。

購股權並無賦予持有人收取股息或於股東大會投票之權利。

Movement of the share options under the Scheme outstanding as at the end of the reporting year are as follows:

於報告年度結算日，該計劃項下尚未行使購股權之變動如下：

	Date of Grant 授出日期	Number of Share Options 購股權數目			Balance as at 31.12.2016 於 二零一六年 十二月三十一日 結餘
		Balance as at 1.1.2016 於 二零一六年 一月一日 結餘	Exercised during the year 於年內行使	Cancelled/ lapsed during the year 於年內 註銷/失效	
Directors 董事					
LI Ning 李寧	02.07.2013	6,000,000	–	(1,500,000)	4,500,000 ^{(2)(a)}
CHAN Ling 陳寧	02.07.2010	6,000,000	–	(2,000,000)	4,000,000 ^{(1)(a)}
	02.07.2013	60,000,000	–	(15,000,000)	45,000,000 ^{(2)(b)}
LI Chunyang 李春陽	02.07.2010	6,000,000	–	(2,000,000)	4,000,000 ^{(1)(a)}
	02.07.2013	52,000,000	–	(13,000,000)	39,000,000 ^{(2)(c)}
LI Qilin 李麒麟	02.07.2013	6,000,000	–	–	6,000,000 ⁽³⁾
CHAN James 陳進思	02.07.2013	15,000,000	–	–	15,000,000 ⁽³⁾
MA Wing Man 馬詠文	02.07.2010	1,000,000	–	(333,333)	666,667 ^{(1)(b)}
	02.07.2013	4,752,000	(564,000)	–	4,188,000 ^{(2)(d)}
CHEN Johnny 陳志宏	02.07.2010	1,000,000	–	(333,333)	666,667 ^{(1)(b)}
	02.07.2013	6,000,000	(1,500,000)	–	4,500,000 ^{(2)(a)}
LIEN Jown Jing, Vincent 連宗正	02.07.2013	6,000,000	–	–	6,000,000 ⁽³⁾
NG Sau Kei, Wilfred 吳守基	02.07.2010	1,000,000	–	(333,333)	666,667 ^{(1)(b)}
	02.07.2013	6,000,000	–	(1,500,000)	4,500,000 ^{(2)(a)}
		176,752,000	(2,064,000) ^{(13)(a)}	(35,999,999)	138,688,001
Other employees 其他僱員					
In aggregate 合計	02.07.2010	3,400,000	–	(1,133,333)	2,266,667 ⁽⁴⁾
In aggregate 合計	06.09.2010	3,600,000	–	(400,000)	3,200,000 ⁽⁵⁾
In aggregate 合計	20.09.2011	6,166,667	–	(3,066,667)	3,100,000 ⁽⁶⁾
In aggregate 合計	02.07.2013	90,500,000	(3,900,000)	(16,628,000)	69,972,000 ⁽⁷⁾
In aggregate 合計	20.06.2014	21,540,000	–	(820,000)	20,720,000 ⁽⁸⁾
		125,206,667	(3,900,000) ^{(13)(b)}	(22,048,000)	99,258,667
Other grantees 其他承授人					
In aggregate 合計	06.09.2010	2,400,000	–	(800,000)	1,600,000 ⁽⁹⁾
In aggregate 合計	20.09.2011	3,216,000	–	(1,800,000)	1,416,000 ⁽¹⁰⁾
In aggregate 合計	02.07.2013	114,500,000	(10,104,000)	(15,896,000)	88,500,000 ⁽¹¹⁾
In aggregate 合計	20.06.2014	13,000,000	–	(10,000,000)	3,000,000 ⁽¹²⁾
		133,116,000	(10,104,000) ^{(13)(c)}	(28,496,000)	94,516,000
		435,074,667	(16,068,000)	(86,543,999)	332,462,668

REPORT OF THE DIRECTORS

董事會報告

Notes:

(1) (a) The share options as at 1 January 2016 comprised the following: (i) 2,000,000 share options with exercisable period from 2 July 2011 to 1 July 2016; (ii) 2,000,000 share options with exercisable period from 2 July 2012 to 1 July 2017; and (iii) 2,000,000 share options with exercisable period from 2 July 2013 to 1 July 2018. The number of share options under (i), (ii) and (iii) of this note was 0, 2,000,000, and 2,000,000 respectively as at 31 December 2016.

(b) The share options as at 1 January 2016 comprised the following: (i) 333,333 share options with exercisable period from 2 July 2011 to 1 July 2016; (ii) 333,333 share options with exercisable period from 2 July 2012 to 1 July 2017; and (iii) 333,334 share options with exercisable period from 2 July 2013 to 1 July 2018. The number of share options under (i), (ii) and (iii) of this note was 0, 333,333 and 333,334 respectively as at 31 December 2016.

(2) (a) The share options as at 1 January 2016 comprised the following: (i) 1,500,000 share options with exercisable period from 2 July 2013 to 1 July 2016; (ii) 1,500,000 share options with exercisable period from 2 July 2014 to 1 July 2017; (iii) 1,500,000 share options with exercisable period from 2 July 2015 to 1 July 2018; and (iv) 1,500,000 share options with exercisable period from 2 July 2016 to 1 July 2019. The number of share options under (i), (ii), (iii) and (iv) of this note was 0, 1,500,000, 1,500,000 and 1,500,000 respectively as at 31 December 2016.

附註：

(1) (a) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一一年七月二日至二零一六年七月一日之2,000,000份購股權；(ii)行使期為二零一二年七月二日至二零一七年七月一日之2,000,000份購股權；及(iii)行使期為二零一三年七月二日至二零一八年七月一日之2,000,000份購股權。本附註(i)、(ii)及(iii)項之購股權數目於二零一六年十二月三十一日分別為0份、2,000,000份及2,000,000份。

(b) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一一年七月二日至二零一六年七月一日之333,333份購股權；(ii)行使期為二零一二年七月二日至二零一七年七月一日之333,333份購股權；及(iii)行使期為二零一三年七月二日至二零一八年七月一日之333,334份購股權。本附註(i)、(ii)及(iii)項之購股權數目於二零一六年十二月三十一日分別為0份、333,333份及333,334份。

(2) (a) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一三年七月二日至二零一六年七月一日之1,500,000份購股權；(ii)行使期為二零一四年七月二日至二零一七年七月一日之1,500,000份購股權；(iii)行使期為二零一五年七月二日至二零一八年七月一日之1,500,000份購股權；及(iv)行使期為二零一六年七月二日至二零一九年七月一日之1,500,000份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為0份、1,500,000份、1,500,000份及1,500,000份。

- (b) The share options as at 1 January 2016 comprised the following: (i) 15,000,000 share options with exercisable period from 2 July 2013 to 1 July 2016; (ii) 15,000,000 share options with exercisable period from 2 July 2014 to 1 July 2017; (iii) 15,000,000 share options with exercisable period from 2 July 2015 to 1 July 2018; and (iv) 15,000,000 share options with exercisable period from 2 July 2016 to 1 July 2019. The number of share options under (i), (ii), (iii) and (iv) of this note was 0, 15,000,000, 15,000,000 and 15,000,000 respectively as at 31 December 2016.
- (b) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一三年七月二日至二零一六年七月一日之15,000,000份購股權；(ii)行使期為二零一四年七月二日至二零一七年七月一日之15,000,000份購股權；(iii)行使期為二零一五年七月二日至二零一八年七月一日之15,000,000份購股權；及(iv)行使期為二零一六年七月二日至二零一九年七月一日之15,000,000份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為0份、15,000,000份、15,000,000份及15,000,000份。
- (c) The share options as at 1 January 2016 comprised the following: (i) 13,000,000 share options with exercisable period from 2 July 2013 to 1 July 2016; (ii) 13,000,000 share options with exercisable period from 2 July 2014 to 1 July 2017; (iii) 13,000,000 share options with exercisable period from 2 July 2015 to 1 July 2018; and (iv) 13,000,000 share options with exercisable period from 2 July 2016 to 1 July 2019. The number of share options under (i), (ii), (iii) and (iv) of this note was 0, 13,000,000, 13,000,000 and 13,000,000 respectively as at 31 December 2016.
- (c) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一三年七月二日至二零一六年七月一日之13,000,000份購股權；(ii)行使期為二零一四年七月二日至二零一七年七月一日之13,000,000份購股權；(iii)行使期為二零一五年七月二日至二零一八年七月一日之13,000,000份購股權；及(iv)行使期為二零一六年七月二日至二零一九年七月一日之13,000,000份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為0份、13,000,000份、13,000,000份及13,000,000份。
- (d) The share options as at 1 January 2016 comprised the following: (i) 564,000 share options with exercisable period from 2 July 2013 to 1 July 2016; (ii) 1,500,000 share options with exercisable period from 2 July 2014 to 1 July 2017; (iii) 1,188,000 share options with exercisable period from 2 July 2015 to 1 July 2018; and (iv) 1,500,000 share options with exercisable period from 2 July 2016 to 1 July 2019. The number of share options under (i), (ii), (iii) and (iv) of this note was 0, 1,500,000, 1,188,000 and 1,500,000 respectively as at 31 December 2016.
- (d) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一三年七月二日至二零一六年七月一日之564,000份購股權；(ii)行使期為二零一四年七月二日至二零一七年七月一日之1,500,000份購股權；(iii)行使期為二零一五年七月二日至二零一八年七月一日之1,188,000份購股權；及(iv)行使期為二零一六年七月二日至二零一九年七月一日之1,500,000份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為0份、1,500,000份、1,188,000份及1,500,000份。
- (3) The share options are exercisable for a period of 3 years after vested subject to the vesting schedule in tranches of one-third each on 2 July 2014, 2 July 2015 and 2 July 2016 respectively.
- (3) 購股權可於歸屬後三年內行使，惟須分別於二零一四年七月二日、二零一五年七月二日及二零一六年七月二日按歸屬時間分批各歸屬三分之一。

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- (4) The share options as at 1 January 2016 comprised the following: (i) 1,133,333 share options with exercisable period from 2 July 2011 to 1 July 2016; (ii) 1,133,333 share options with exercisable period from 2 July 2012 to 1 July 2017; and (iii) 1,133,334 share options with exercisable period from 2 July 2013 to 1 July 2018. The number of share options under (i), (ii) and (iii) of this note was 0, 1,133,333 and 1,133,334 respectively as at 31 December 2016.
- (4) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一一年七月二日至二零一六年七月一日之1,133,333份購股權；(ii)行使期為二零一二年七月二日至二零一七年七月一日之1,133,333份購股權；及(iii)行使期為二零一三年七月二日至二零一八年七月一日之1,133,334份購股權。本附註(i)、(ii)及(iii)項之購股權數目於二零一六年十二月三十一日分別為0份、1,133,333份及1,133,334份。
- (5) The share options as at 1 January 2016 comprised the following: (i) 400,000 share options with exercisable period from 6 September 2011 to 5 September 2016; (ii) 400,000 share options with exercisable period from 6 September 2012 to 5 September 2017; (iii) 400,000 share options with exercisable period from 6 September 2013 to 5 September 2018; (iv) 1,200,000 share options with exercisable period from 6 September 2014 to 5 September 2019; and (v) 1,200,000 share options with exercisable period from 6 September 2015 to 5 September 2020. The number of share options under (i), (ii), (iii), (iv) and (v) of this note was 0, 400,000, 400,000, 1,200,000 and 1,200,000 respectively as at 31 December 2016.
- (5) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一一年九月六日至二零一六年九月五日之400,000份購股權；(ii)行使期為二零一二年九月六日至二零一七年九月五日之400,000份購股權；(iii)行使期為二零一三年九月六日至二零一八年九月五日之400,000份購股權；(iv)行使期為二零一四年九月六日至二零一九年九月五日之1,200,000份購股權；及(v)行使期為二零一五年九月六日至二零二零年九月五日之1,200,000份購股權。本附註(i)、(ii)、(iii)、(iv)及(v)項之購股權數目於二零一六年十二月三十一日分別為0份、400,000份、400,000份、1,200,000份及1,200,000份。
- (6) The share options as at 1 January 2016 comprised the following: (i) 3,066,667 share options with exercisable period from 20 September 2014 to 19 September 2016; and (ii) 3,100,000 share options with exercisable period from 20 September 2015 to 19 September 2017. The number of share options under (i) and (ii) by this note was 0 and 3,100,000 respectively as at 31 December 2016.
- (6) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一四年九月二十日至二零一六年九月十九日之3,066,667份購股權；及(ii)行使期為二零一五年九月二十日至二零一七年九月十九日之3,100,000份購股權。本附註(i)及(ii)項之購股權數目於二零一六年十二月三十一日分別為0份及3,100,000份。
- (7) The share options as at 1 January 2016 comprised the following: (i) 20,000,000 share options with exercisable period from 2 July 2013 to 1 July 2016; (ii) 23,500,000 share options with exercisable period from 2 July 2014 to 1 July 2017; (iii) 23,500,000 share options with exercisable period from 2 July 2015 to 1 July 2018; and (iv) 23,500,000 share options with exercisable period from 2 July 2016 to 1 July 2019. The number of share options under (i), (ii), (iii) and (iv) of this note was 0, 22,972,000, 23,500,000 and 23,500,000 respectively as at 31 December 2016.
- (7) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一三年七月二日至二零一六年七月一日之20,000,000份購股權；(ii)行使期為二零一四年七月二日至二零一七年七月一日之23,500,000份購股權；(iii)行使期為二零一五年七月二日至二零一八年七月一日之23,500,000份購股權；及(iv)行使期為二零一六年七月二日至二零一九年七月一日之23,500,000份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為0份、22,972,000份、23,500,000份及23,500,000份。

- (8) The share options as at 1 January 2016 comprised the following: (i) 5,140,000 share options with exercisable period from 20 June 2014 to 19 June 2017; (ii) 5,466,666 share options with exercisable period from 20 June 2015 to 19 June 2018; (iii) 5,466,667 share options with exercisable period from 20 June 2016 to 19 June 2019; and (iv) 5,466,667 share options with exercisable period from 20 June 2017 to 19 June 2020. The number of share options under (i), (ii), (iii) and (iv) of this note was 5,120,000, 5,200,000, 5,200,000 and 5,200,000 respectively as at 31 December 2016.
- (8) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一四年六月二十日至二零一七年六月十九日之5,140,000份購股權；(ii)行使期為二零一五年六月二十日至二零一八年六月十九日之5,466,666份購股權；(iii)行使期為二零一六年六月二十日至二零一九年六月十九日之5,466,667份購股權；及(iv)行使期為二零一七年六月二十日至二零二零年六月十九日之5,466,667份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為5,120,000份、5,200,000份、5,200,000份及5,200,000份。
- (9) The share options as at 1 January 2016 comprised the following: (i) 800,000 share options with exercisable period from 6 September 2011 to 5 September 2016; (ii) 800,000 share options with exercisable period from 6 September 2012 to 5 September 2017; and (iii) 800,000 share options with exercisable period from 6 September 2013 to 5 September 2018. The number of share options under (i), (ii) and (iii) of this note was 0, 800,000 and 800,000 respectively as at 31 December 2016.
- (9) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一一年九月六日至二零一六年九月五日之800,000份購股權；(ii)行使期為二零一二年九月六日至二零一七年九月五日之800,000份購股權；及(iii)行使期為二零一三年九月六日至二零一八年九月五日之800,000份購股權。本附註(i)、(ii)及(iii)項之購股權數目於二零一六年十二月三十一日分別為0份、800,000份及800,000份。
- (10) The share options as at 1 January 2016 comprised the following: (i) 1,800,000 share options with exercisable period from 20 September 2014 to 19 September 2016; and (ii) 1,416,000 share options with exercisable period from 20 September 2015 to 19 September 2017. The number of share options under (i) and (ii) of this note was 0 and 1,416,000 respectively as at 31 December 2016.
- (10) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一四年九月二十日至二零一六年九月十九日之1,800,000份購股權；及(ii)行使期為二零一五年九月二十日至二零一七年九月十九日之1,416,000份購股權。本附註(i)及(ii)項之購股權數目於二零一六年十二月三十一日分別為0份及1,416,000份。
- (11) The share options as at 1 January 2016 comprised the following: (i) 26,000,000 share options with exercisable period from 2 July 2013 to 1 July 2016; (ii) 29,500,000 share options with exercisable period from 2 July 2014 to 1 July 2017; (iii) 29,500,000 share options with exercisable period from 2 July 2015 to 1 July 2018; and (iv) 29,500,000 share options with exercisable period from 2 July 2016 to 1 July 2019. The number of share options under (i), (ii), (iii) and (iv) of this note was 0, 29,500,000, 29,500,000 and 29,500,000 respectively as at 31 December 2016.
- (11) 於二零一六年一月一日之購股權包括下列各項：(i)行使期為二零一三年七月二日至二零一六年七月一日之26,000,000份購股權；(ii)行使期為二零一四年七月二日至二零一七年七月一日之29,500,000份購股權；(iii)行使期為二零一五年七月二日至二零一八年七月一日之29,500,000份購股權；及(iv)行使期為二零一六年七月二日至二零一九年七月一日之29,500,000份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為0份、29,500,000份、29,500,000份及29,500,000份。

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(12) The share options as at 1 January 2016 comprised the following: (i) 1,000,000 share options with exercisable period from 20 June 2014 to 19 June 2017; (ii) 4,000,000 share options with exercisable period from 20 June 2015 to 19 June 2018; (iii) 4,000,000 share options with exercisable period from 20 June 2016 to 19 June 2019; and (iv) 4,000,000 share options with exercisable period from 20 June 2017 to 19 June 2020. The number of share options under (i), (ii), (iii) and (iv) of this note was 1,000,000, 1,000,000, 1,000,000 and 0 respectively as at 31 December 2016.

(13) (a) The weighted average closing price immediately before the dates on which the share options were exercised was HK\$0.65.

(b) The weighted average closing price immediately before the dates on which the share options were exercised was HK\$0.66.

(c) The weighted average closing price immediately before the dates on which the share options were exercised was HK\$0.65.

(14) The exercise prices of the share options are as follows:

Date of Grant 授出日期	Exercise Price per Share (HK\$) 每股行使價 (港元)
02.07.2010	3.90
06.09.2010	4.15
20.09.2011	0.75
02.07.2013	0.50
20.06.2014	0.80

(15) No share options were granted during the year ended 31 December 2016.

(12) 於二零一六年一月一日之購股權包括下列各項：
(i)行使期為二零一四年六月二十日至二零一七年六月十九日之1,000,000份購股權；(ii)行使期為二零一五年六月二十日至二零一八年六月十九日之4,000,000份購股權；(iii)行使期為二零一六年六月二十日至二零一九年六月十九日之4,000,000份購股權；及(iv)行使期為二零一七年六月二十日至二零二零年六月十九日之4,000,000份購股權。本附註(i)、(ii)、(iii)及(iv)項之購股權數目於二零一六年十二月三十一日分別為1,000,000份、1,000,000份、1,000,000份及0份。

(13) (a) 於緊接購股權獲行使日期前之加權平均收市價為0.65港元。

(b) 於緊接購股權獲行使日期前之加權平均收市價為0.66港元。

(c) 於緊接購股權獲行使日期前之加權平均收市價為0.65港元。

(14) 購股權之行使價如下：

(15) 於截至二零一六年十二月三十一日止年度內概無購股權被授出。

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2016, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Positions in the Shares, underlying Shares and debenture of the Company

董事及行政總裁於本公司及其相聯法團之股份及相關股份及債權證之權益及淡倉

於二零一六年十二月三十一日，本公司之董事及行政總裁於本公司及其相聯法團（定義見「證券及期貨條例」第XV部）之股份、相關股份及債權證中，擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉（包括本公司董事及行政總裁根據證券及期貨條例有關條文被視為或當作擁有之權益及淡倉），或必須及已記錄於本公司根據證券及期貨條例第352條所存置登記冊之權益及淡倉，或根據創業板上市規則第5.46至5.67條所述有關董事買賣之規定標準須知會本公司及聯交所之權益及淡倉如下：

於本公司股份、相關股份及債權證之好倉

Name of Director 董事姓名	Capacity 身份	Number of Shares/underlying Shares held 所持股份／相關股份數目			Number of share options held ⁽³⁾ 所持購股權數目 ⁽³⁾	Total interests 權益總額	Approximate percentage of shareholding as at 31 December 2016 於二零一六年十二月三十一日所持股權概約百分比
		Nature of Interest 權益性質		Corporate interests 公司權益			
		Personal interests 個人權益					
Mr. Li Ning 李寧先生	Beneficial owner 實益擁有人	20,008,000	-	4,500,000	} 8,236,951,151(L)	93.98%	
	Interest of controlled corporation 受控制法團權益	-	8,212,443,151 ⁽¹⁾	-			
	Interest of controlled corporation 受控制法團權益	-	544,241,573 ⁽¹⁾	-			544,241,573(S)
Mr. CHAN Ling 陳寧先生	Beneficial owner 實益擁有人	60,607,669	-	49,000,000	109,607,669(L)	1.25%	
Mr. Li Chunyang 李春陽先生	Beneficial owner 實益擁有人	13,067,669	-	43,000,000	56,067,669(L)	0.64%	
Mr. Li Qilin 李麒麟先生	Beneficiary of trusts 信託受益人	6,080,022,769 ⁽²⁾	-	-	6,086,022,769(L)	69.44%	
	Beneficial owner 實益擁有人	-	-	6,000,000			

REPORT OF THE DIRECTORS

董事會報告

Name of Director	Capacity	Number of Shares/underlying Shares held 所持股份／相關股份數目		Number of share options held ⁽³⁾	Total interests	Approximate percentage of shareholding as at 31 December 2016 於二零一六年十二月三十一日所持股權概約百分比
		Nature of Interest 權益性質				
董事姓名	身份	Personal interests 個人權益	Corporate interests 公司權益	所持購股權數目 ⁽³⁾	權益總額	
Mr. CHAN James 陳進思先生	Beneficial owner 實益擁有人	–	–	15,000,000	15,000,000(L)	0.17%
Mr. MA Wing Man 馬詠文先生	Beneficial owner 實益擁有人	600,000	–	4,854,667	5,454,667(L)	0.06%
Mr. CHEN Johnny 陳志宏先生	Beneficial owner 實益擁有人	600,000	–	5,166,667	5,766,667(L)	0.07%
Mr. LIEN Jown Jing, Vincent 連宗正先生	Beneficial owner 實益擁有人	–	–	6,000,000	6,000,000(L)	0.07%
Mr. NG Sau Kei, Wilfred 吳守基先生	Beneficial owner 實益擁有人	3,400,000	–	5,166,667	8,566,667(L)	0.10%

(L) and (S) represent long position and short position respectively

(L)及(S)分別指好倉及淡倉

Notes:

附註:

1. Mr. Li Ning is deemed to be interested in the long positions of 8,212,443,151 Shares in aggregate through his interests in Lead Ahead Limited ("Lead Ahead"), Victory Mind Assets Limited ("Victory Mind Assets") and Dragon City Management (PTC) Limited ("Dragon City"), respectively and the short position of 544,241,573 Shares through his interests in Lead Ahead, as follows:

1. 李寧先生透過以下於Lead Ahead Limited (「Lead Ahead」)、Victory Mind Assets Limited (「Victory Mind Assets」)及Dragon City Management (PTC) Limited (「Dragon City」)分別持有權益而被視為擁有合共8,212,443,151股股份好倉之權益及透過於Lead Ahead持有權益而被視為擁有544,241,573股股份淡倉之權益:

- (a) the long position of 2,132,420,382 Shares and the short position of 544,241,573 Shares are held by Lead Ahead, which is owned as to 60% by Mr. Li Ning and 40% by Mr. Li Chun. Mr. Li Ning is also a director of Lead Ahead;
- (b) the long position of 2,728,582,769 Shares in which Victory Mind Assets is interested in comprises (i) 1,680,022,769 Shares held by Victory Mind Assets and (ii) 1,048,560,000 Shares which may be issued on the basis of a full exercise of conversion rights at a conversion price of HK\$0.325 per Share attaching to the convertible bonds issued to Victory Mind Assets by the Company in November 2013. Victory Mind Assets is owned as to 57% by Ace Leader Holdings Limited ("Ace Leader") and 38% by Jumbo Top Group Limited ("Jumbo Top"). All shares of Ace Leader are held by TMF (Cayman) Ltd. ("TMF") in its capacity as trustee of a discretionary trust. Mr. Li Ning is the settlor of the trust and is therefore deemed to be interested in such 2,728,582,769 Shares. Mr. Li Ning is a director of each of Victory Mind Assets and Ace Leader; and

- (a) 2,132,420,382股股份好倉及544,241,573股股份淡倉由Lead Ahead持有，而Lead Ahead由李寧先生及李進先生分別擁有60%及40%股權。李寧先生亦為Lead Ahead之董事；
- (b) Victory Mind Assets擁有2,728,582,769股股份好倉權益，當中包括(i)Victory Mind Assets所持有之1,680,022,769股股份及(ii)因本公司於二零一三年十一月向Victory Mind Assets發行之可換股債券所附帶之轉換權按轉換價每股股份0.325港元獲悉數行使而可予發行之1,048,560,000股股份。Victory Mind Assets分別由Ace Leader Holdings Limited (「Ace Leader」)及Jumbo Top Group Limited (「Jumbo Top」)擁有57%及38%。Ace Leader全部股份由TMF (Cayman) Ltd. (「TMF」)以酌情信託之受託人身份持有。李寧先生為該信託之信託創立人，因此被視為於上述2,728,582,769股股份中擁有權益。李寧先生為Victory Mind Assets及Ace Leader各自之董事；及

(c) the long position of 3,351,440,000 Shares in which Dragon City is interested in comprises (i) 2,000,000,000 Shares held by Dragon City and (ii) 1,351,440,000 Shares which may be issued on the basis of a full exercise of conversion rights at a conversion price of HK\$0.325 per Share attaching to the convertible bonds issued to Dragon City by the Company in November 2013. Dragon City is interested in such 3,351,440,000 Shares in its capacity as trustee of a unit trust, the units of which are owned as to 60% by Cititrust (Cayman) Limited ("Cititrust") and as to 40% by Cititrust, each as the trustee of separate trust. Mr. Li Ning is the 60% shareholder of Dragon City and a founder of the unit trust and is therefore deemed to be interested in such 3,351,440,000 Shares. Mr. Li Ning is a director of Dragon City.

2. See note 1(b) and note 1(c) under "Interests and short positions of substantial shareholders and other persons in the share capital of the Company" below.
3. These represented the share options granted by the Company to the respective Directors, the details of which are provided in the section headed "Share Option Scheme" in this report.

Save as disclosed above, none of the Directors nor the chief executive of the Company had, as at 31 December 2016, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(c) Dragon City擁有3,351,440,000股股份好倉權益，當中包括(i)Dragon City持有之2,000,000,000股股份及(ii)因本公司於二零一三年十一月向Dragon City發行之可換股債券所附之轉換權按轉換價每股股份0.325港元獲悉數行使而可予發行之1,351,440,000股股份。Dragon City以單位信託之受託人身份持有該等3,351,440,000股股份權益，而上述信託之單位由Cititrust (Cayman) Limited (「Cititrust」)及Cititrust作為獨立信託受託人而擁有60%及40%。李寧先生為持有Dragon City 60%權益之股東及單位信託之創立人，因此被視為於該等3,351,440,000股股份中擁有權益。李寧先生為Dragon City之董事。

2. 見下文「主要股東及其他人士於本公司股本之權益及淡倉」項下之附註1(b)及附註1(c)。
3. 此即本公司向董事各自授出之購股權，有關詳情載述於本報告「購股權計劃」一節。

除上文披露者外，於二零一六年十二月三十一日，本公司董事及行政總裁概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有任何根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例有關條文彼被視為或當作擁有之權益或淡倉），或必須及已記錄於本公司根據證券及期貨條例第352條所存置登記冊之權益或淡倉，或根據創業板上市規則第5.46條至第5.67條所述有關董事買賣之規定標準須知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to a sale and purchase agreement dated 12 October 2012 (the "Acquisition Agreement") entered into between the Company and Victory Mind Assets and Dragon City as the vendors (the "Vendors"), the acquisition by the Company of 266,374,000 LN Shares, representing approximately 25.227% of the then issued share capital of Li Ning Co was completed in December 2012, for the aggregate consideration of HK\$1,358,507,400, which was satisfied by the issuance to Victory Mind Assets, one of the Vendors, 1,780,022,769 Shares and to Dragon City, the other Vendor, unlisted initial convertible bonds in the principal amount of HK\$780,000,000 (the "Initial Convertible Bonds") which are convertible at an initial conversion price of HK\$0.325 per Share, subject to adjustment provided under the terms and conditions of the Initial Convertible Bonds. All Initial Convertible Bonds were converted into 2,400,000,000 Shares on 6 June 2014.

Pursuant to the Acquisition Agreement and the deed dated 30 August 2013 entered into between the Company and the Vendors (the "Deed"), the Company issued unlisted earn-out convertible bonds (the "Earn-out Convertible Bonds") in the principal amount of HK\$340,782,000 to Victory Mind Assets and the Earn-out Convertible Bonds in the principal amount of HK\$439,218,000 to Dragon City in November 2013. The Earn-out Convertible Bonds are convertible into 2,400,000,000 Shares at an initial conversion price of HK\$0.325 per Share. The Vendors shall be subject to certain undertaking under which a portion of the Earn-out Convertible Bonds may be returned to the Company in the event that certain performance targets of LN Group are not met.

Victory Mind Assets is indirectly held by the corporate trustee of two discretionary trusts, the beneficiaries of which include the respective family members of Mr. Li Ning, an executive Director, the Chairman and the Chief Executive Officer, his brother, Mr. Li Chun and Mr. Li Qilin, an executive Director. Dragon City is the trustee of a unit trust, the units of which are owned by two family trusts, the beneficiaries of which include the respective family members of Mr. Li Ning, Mr. Li Chun and Mr. Li Qilin. Mr. Li Qilin is the son of Mr. Li Chun and the nephew of Mr. Li Ning.

Save as disclosed above and in the paragraph headed "Share Option Scheme" of this report, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors, or were any such rights exercised by them; or was the Company or any of its subsidiaries, or any holding company, or any of its fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

董事購買股份或債權證之權利

根據本公司與Victory Mind Assets及Dragon City (作為賣方) (「賣方」)於二零一二年十月十二日訂立之買賣協議(「收購協議」)，本公司按總代價1,358,507,400港元收購266,374,000股李寧股份，約佔李寧公司當時已發行股本約25.227% (已於二零一二年十二月完成)。相關代價已分別透過向Victory Mind Assets (其中一名賣方)發行1,780,022,769股股份及向Dragon City (另一名賣方)發行本金額為780,000,000港元之首批非上市可換股債券(「首批可換股債券」)(初步轉換價為每股股份0.325港元，惟須根據首批可換股債券之條款及條件予以調整)方式進行支付。首批可換股債券已於二零一四年六月六日悉數兌換為2,400,000,000股股份。

根據收購協議及本公司與賣方於二零一三年八月三十日訂立之契據(「契據」)，本公司於二零一三年十一月向Victory Mind Assets發行本金額為340,782,000港元之非上市盈利能力可換股債券(「盈利能力可換股債券」)及向Dragon City發行本金額為439,218,000港元之盈利能力可換股債券。盈利能力可換股債券可按初步轉換價每股股份0.325港元轉換為2,400,000,000股股份。賣方受若干承諾所規限，據此，倘李寧集團之若干表現目標未獲達成，則部分盈利能力可換股債券可能須退還予本公司。

Victory Mind Assets由兩個酌情信託的公司受託人間接持有，兩個酌情信託之受益人均包括李寧先生(執行董事、主席兼行政總裁)、其兄長李進先生及執行董事李麒麟先生各自之家族成員。Dragon City是一個單位信託之受託人，該信託之單位由兩個家族信託擁有，而兩個家族信託之受益人均包括李寧先生、李進先生及李麒麟先生各自之家族成員。李麒麟先生為李進先生之兒子及李寧先生之侄子。

除上文及本報告「購股權計劃」一段所披露者外，本公司於年內任何時間概無授予任何董事可藉購入本公司股份或債權證而得益之權利，或彼等概無行使任何該等權利；或本公司或其任何附屬公司或其任何控股公司或其任何同系附屬公司亦概無訂立任何安排致使董事可購入任何其他法人團體之該等權利。

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

Save as disclosed in this report, at no time during the year had the Company or any of its subsidiaries, and the controlling shareholders or any of its subsidiaries entered into any contract of significance or any contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2016, so far as was known to the Directors, the interests and short positions of the persons (other than the interests and short positions of the Directors or chief executive of the Company as disclosed above) in the shares and/or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company are set out below:

Interests in the Shares and underlying Shares

Capacity	Number of Shares/underlying Shares held	Approximate percentage of shareholdings as at 31 December 2016	
身份	所持股份／ 相關股份之數目	於二零一六年 十二月三十一日 所持股權 概約百分比	
Substantial Shareholders			
主要股東			
Mr. LI Chun ⁽¹⁾ 李進先生 ⁽¹⁾	Interest of controlled corporation 受控制法團權益	8,212,443,151(L) 544,241,573(S)	93.70% 6.21%
Lead Ahead ⁽²⁾	Beneficial owner 實益擁有人	2,132,420,382(L) 544,241,573(S)	24.33% 6.21%
Victory Mind Assets ⁽³⁾	Beneficial owner 實益擁有人	2,728,582,769(L)	31.13%
Ace Leader ⁽³⁾	Interest of controlled corporation 受控制法團權益	2,728,582,769(L)	31.13%
Jumbo Top ⁽³⁾	Interest of controlled corporation 受控制法團權益	2,728,582,769(L)	31.13%

控股股東於合約之權益

除本報告所披露者外，本公司或其任何附屬公司與控股股東或其任何附屬公司於年內任何時間，概無訂立任何重大合約或由控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務之任何重大合約。

主要股東及其他人士於本公司股本之權益及淡倉

於二零一六年十二月三十一日，據董事所知，除上文所披露之本公司董事或行政總裁擁有之權益及淡倉外，以下人士於本公司股份及／或相關股份中擁有記錄於本公司根據證券及期貨條例第336條須存置之登記冊或已另行知會本公司之權益及淡倉：

於股份及相關股份之權益

REPORT OF THE DIRECTORS

董事會報告

	Capacity	Number of Shares/underlying Shares held	Approximate percentage of shareholdings as at 31 December 2016 於二零一六年十二月三十一日 所持股權 概約百分比
	身份	所持股份/ 相關股份之數目	
TMF ⁽³⁾	Trustee 受託人	2,728,582,769(L)	31.13%
Dragon City ⁽⁴⁾	Trustee 受託人	3,351,440,000(L)	38.24%
Cititrust ⁽⁴⁾	Trustee 受託人	3,351,440,000(L)	38.24%
Other Persons 其他人士			
China Construction Bank Corporation 中國建設銀行 股份有限公司	Interest of controlled corporation 受控制法團權益 Person having a security interests in shares 於股份持有保證權益之人士	544,241,573 3,512,443,151	
		4,056,684,724 ⁽⁵⁾ (L)	46.29%
Central Huijin Investment Ltd. 中央匯金投資 有限責任公司	Interest of controlled corporation 受控制法團權益 Person having a security interests in shares 於股份持有保證權益之人士	544,241,573 3,512,443,151	
		4,056,684,724 ⁽⁵⁾ (L)	46.29%
Ministry of Finance of the People's Republic of China 中華人民共和國財政部	Interest of controlled corporation 受控制法團權益	926,190,476 ⁽⁶⁾ (L)	10.57%
Mr. MA Chi Seng 馬志成先生	Beneficial owner 實益擁有人	545,000,000 ⁽⁷⁾ (L)	6.22%

(L) and (S) represent long position and short position respectively

(L)及(S)分別指好倉及淡倉

Notes:

1. Mr. Li Chun is deemed to be interested in the long positions of 8,212,443,151 Shares in aggregate through his interests in Lead Ahead, Victory Mind Assets and Dragon City, respectively and the short position of 544,241,573 Shares through his interests in Lead Ahead, as follows:
- (a) the long position of 2,132,420,382 Shares and the short position of 544,241,573 Shares are held by Lead Ahead, which is owned as to 60% by Mr. Li Ning and 40% by Mr. Li Chun;
- (b) the long position of 2,728,582,769 Shares in which Victory Mind Assets is interested in comprises (i) 1,680,022,769 Shares held by Victory Mind Assets and (ii) 1,048,560,000 Shares which may be issued on the basis of a full exercise of conversion rights at a conversion price of HK\$0.325 per Share attaching to the convertible bonds issued to Victory Mind Assets by the Company in November 2013. Victory Mind Assets is owned as to 57% by Ace Leader and 38% by Jumbo Top. All shares of Jumbo Top are held by TMF in its capacity as trustee of a discretionary trust. Mr. Li Chun is the settlor of the trust and is therefore deemed to be interested in such 2,728,582,769 Shares. Mr. Li Qilin is a beneficiary of the trust and is also therefore deemed to be interested in such 2,728,582,769 Shares. Mr. Li Chun is also a director of each of Victory Mind Assets and Jumbo Top; and
- (c) the long position of 3,351,440,000 Shares in which Dragon City is interested in comprises (i) 2,000,000,000 Shares held by Dragon City and (ii) 1,351,440,000 Shares which may be issued on the basis of a full exercise of conversion rights at a conversion price of HK\$0.325 per Share attaching to the convertible bonds issued to Dragon City by the Company in November 2013. Dragon City is interested in such 3,351,440,000 Shares in its capacity as trustee of a unit trust, the units of which are owned as to 60% by Cititrust and as to 40% by Cititrust, each as the trustee of a separate trust. Mr. Li Qilin is a beneficiary of one of the said separate trusts and is also therefore deemed to be interested in such 3,351,440,000 Shares. Mr. Li Chun is taken to be interested in 40% of the shares of Dragon City and is therefore deemed to be interested in such 3,351,440,000 Shares. Mr. Li Chun is a director of Dragon City.

附註：

1. 李進先生透過以下於Lead Ahead、Victory Mind Assets及Dragon City分別持有權益而被視為擁有合共8,212,443,151股股份好倉之權益及透過於Lead Ahead持有權益而被視為擁有544,241,573股股份淡倉之權益：
- (a) 2,132,420,382股股份好倉及544,241,573股股份淡倉由Lead Ahead持有，而Lead Ahead由李寧先生及李進先生分別擁有60%及40%股權；
- (b) Victory Mind Assets擁有2,728,582,769股股份好倉權益，當中包括(i)Victory Mind Assets所持有之1,680,022,769股股份及(ii)因本公司於二零一三年十一月向Victory Mind Assets發行之可換股債券所附帶之轉換權按轉換價每股股份0.325港元獲悉數行使而可予發行之1,048,560,000股股份。Victory Mind Assets分別由Ace Leader及Jumbo Top擁有57%及38%權益。Jumbo Top全部股份由TMF以酌情信託之受託人身份持有。李進先生為該信託之信託創立人，因此被視為於上述2,728,582,769股股份中擁有權益。李麒麟先生為該信託之受益人，因此亦被視為於上述2,728,582,769股股份中擁有權益。李進先生亦為Victory Mind Assets及Jumbo Top各自之董事；及
- (c) Dragon City擁有3,351,440,000股股份好倉權益，當中包括(i)Dragon City持有之2,000,000,000股股份及(ii)因本公司於二零一三年十一月向Dragon City發行之可換股債券所附之轉換權按轉換價每股股份0.325港元獲悉數行使而可予發行之1,351,440,000股股份。上述3,351,440,000股股份由Dragon City作為單位信託之受託人而擁有權益，而上述信託之單位由Cititrust作為獨立信託受託人而擁有60%及40%權益。李麒麟先生為上述其中一個獨立信託之受益人，因此亦被視為於上述3,351,440,000股股份中擁有權益。李進先生被視為擁有Dragon City之40%的股份權益，因此被視為於上述3,351,440,000股股份中擁有權益。李進先生為Dragon City之董事。

REPORT OF THE DIRECTORS

董事會報告

- Lead Ahead is owned as to 60% by Mr. Li Ning and 40% by his brother, Mr. Li Chun. Mr. Li Ning is also a director of Lead Ahead.
- See note 1(b) under "Interests and short positions of directors and the chief executive in the shares and underlying shares and debentures of the Company and its associated corporations" and note 1(b) above. For avoidance of doubt and double counting, it should be noted that Ace Leader, Jumbo Top and TMF are deemed to be interested in the 2,728,582,769 Shares which Victory Mind Assets is interested in.
- See note 1(c) under "Interests and short positions of directors and the chief executive in the shares and underlying shares and debentures of the Company and its associated corporations" and note 1(c) above. Cititrust is deemed to be interested in the 3,351,440,000 Shares which Dragon City is interested in.
- Such long position includes unlisted and physically settled derivative interests in 544,241,573 underlying Shares and is held by Cheer Hope Holdings Limited ("Cheer Hope"). Cheer Hope is wholly-owned by CCBI Investments Limited which is in turn wholly-owned by CCB International (Holdings) Limited ("CCB International"). CCB International is wholly-owned by CCB Financial Holdings Limited ("CCB Financial") and CCB Financial is wholly-owned by CCB International Group Holdings Limited ("CCB Holdings"). CCB Holdings is wholly-owned by China Construction Bank Corporation ("CCBC") which is in turn owned as to 57.31% by Central Huijin Investment Ltd ("Huijin"). Huijin is deemed to be interested in the 4,056,684,724 Shares which CCBC is interested in.
- According to the corporate substantial shareholder notice filed to the Stock Exchange by Ministry of Finance of the People's Republic of China ("MOF"), MOF is deemed to be interested in such long position of unlisted and physically settled derivative interests in 926,190,476 underlying Shares held by Lake Tai Investment Holdings Limited which is in turn wholly-owned by Huarong (HK) International Holdings Limited. China Huarong International Holdings Limited is owned as to 88.10% and 11.90% by Huarong Real Estate Co., Ltd. ("Huarong Real Estate") and Huarong Zhiyuan Investment & Management Co., Ltd. ("Huarong Zhiyuan") respectively. Both Huarong Real Estate and Huarong Zhiyuan are wholly-owned by China Huarong Asset Management Co., Ltd. which is in turn owned as to 77.49% by MOF.
- Mr. Ma Chi Seng is interested in 500,000,000 Shares and the share options of the Company entitling to subscribe for a total of 45,000,000 Shares.
- Lead Ahead由李寧先生及其胞兄李進先生分別擁有60%及40%股權。李寧先生亦為Lead Ahead之董事。
- 見「董事及行政總裁於本公司及其相聯法團之股份及相關股份及債權證之權益及淡倉」一節附註1(b)及上文附註1(b)。為免生疑問及重複計算，謹請留意Ace Leader、Jumbo Top及TMF被視為於Victory Mind Assets所擁有權益之2,728,582,769股股份中擁有權益。
- 見「董事及行政總裁於本公司及其相聯法團之股份及相關股份及債權證之權益及淡倉」一節附註1(c)及上文附註1(c)。Cititrust被視為於Dragon City所擁有權益之3,351,440,000股股份中擁有權益。
- 此好倉包括於544,241,573股相關股份之非上市及以實物交收之衍生工具權益並由Cheer Hope Holdings Limited（「Cheer Hope」）持有。Cheer Hope由CCBI Investments Limited全資擁有，而CCBI Investments Limited則由建銀國際（控股）有限公司（「建銀國際」）全資擁有。建銀國際由建行金融控股有限公司（「建行金融」）全資擁有及建行金融由建行國際集團控股有限公司（「建行控股」）全資擁有。建行控股由中國建設銀行股份有限公司（「中國建設銀行」）全資擁有，而中國建設銀行則由中央匯金投資有限責任公司（「匯金」）擁有57.31%權益。匯金被視為於中國建設銀行擁有權益之4,056,684,724股股份中擁有權益。
- 根據中華人民共和國財政部（「財政部」）向聯交所提交之法團大股東通知書，財政部被視作於Lake Tai Investment Holdings Limited持有之該等926,190,476股相關股份之非上市及以實物交收之衍生工具權益中擁有好倉權益，而Lake Tai Investment Holdings Limited則由華融（香港）國際控股有限公司全資擁有。中國華融國際控股有限公司分別由華融置業有限責任公司（「華融置業」）及華融致遠投資管理有限責任公司（「華融致遠」）擁有88.10%及11.90%權益。華融置業及華融致遠均由中國華融資產管理股份有限公司全資擁有，而中國華融資產管理股份有限公司則由財政部擁有77.49%權益。
- 馬志成先生於500,000,000股股份及本公司購股權（賦予權利可認購合共45,000,000股股份）中擁有權益。

As at 31 December 2016, save as disclosed above, so far as was known to the Directors, no other person (other than the Directors or chief executive of the Company) had any interests or short position in the shares and/or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as notified to the Company.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

GROUP'S EMOLUMENT POLICY

The emolument policy of the employees of the Group is formulated on the basis of their merit, qualifications and competence and it is the Group's policy to compensate each employee fairly and equitably. The Group has a system for measuring employees' performance against agreed-upon goals with specific performance standards. Performance discussion is carried out on an ongoing basis and a formal evaluation is conducted once a year to review employees' overall performance, achievements, and areas in need of improvement. Salary review would be based on individual's performance and subject to Group's discretion.

The determination of remuneration packages of the Directors takes into consideration of the factors such as time commitment and responsibilities of the Directors and by reference to the level of emoluments normally paid by a listed company in Hong Kong to directors of comparable calibre and job responsibilities so as to ensure a fair and competitive remuneration package as is fit and appropriate. The details of remuneration payable to the Directors and senior management are set out in note 8 to the financial statements.

The existing share option scheme was adopted by the Company in 2010 as an incentive to directors and eligible participants, details of the scheme are set out in the paragraph headed "Share Option Scheme" on pages 57 to 64 of this annual report.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining a high standard of corporate governance and a detailed corporate governance report is set out on pages 75 to 84 of this annual report.

The compliance officer of the Company is Mr. Chan Ling whose biographical details are set out on page 47 of this annual report. Ms. Kong Kwok Ha is the company secretary of the Company. Ms. Kong is the general counsel of the Company. She is a qualified solicitor in Hong Kong and has more than 20 years of experience in the legal profession.

於二零一六年十二月三十一日，除上文披露者外，就董事所知，概無其他人士（除董事或本公司行政總裁外）於本公司股份及／或相關股份中，擁有任何本公司根據證券及期貨條例第336條規定須存置之登記冊記錄或已另行知會本公司之權益或淡倉。

管理合約

年內概無簽署或存在任何涉及本集團全部或任何重大部分業務之管理及行政之合約。

本集團之薪酬政策

本集團僱員之薪酬政策乃根據彼等成績、資歷及能力而釐定，而本集團的政策為致力讓每位僱員得到公平合理的待遇。本集團設有釐定僱員表現的系統，以特定表現準則釐定僱員是否達到預設目標。本集團持續進行表現檢討，並每年進行一次正式評估，以審核僱員整體表現、成績及改進空間。本集團將根據個人表現酌情進行薪酬檢討。

釐定董事薪酬待遇時考慮到董事投入的時間及職責等因素，並參考香港上市公司一般向具有相若能力及職責之董事支付的薪酬水平，以確保公平而具競爭力的薪酬待遇合適恰當。應付董事及高級管理人員之薪酬詳情載於財務報表附註8。

本公司於二零一零年採納現有購股權計劃，以獎勵董事及合資格參與人士。計劃詳情載於本年報第57頁至64頁「購股權計劃」一段。

企業管治

本公司致力於實現及維持高水準之企業管治，企業管治報告之詳情載於本年報第75至84頁。

本公司監察主任為陳寧先生，其履歷詳情載於本年報第47頁。江國霞女士為本公司之公司秘書。江女士為本公司之法律顧問。彼具備香港律師資格，並在法律界擁有逾20年經驗。

REPORT OF THE DIRECTORS

董事會報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition to the discussions on the Group's environmental policies and performance in the Business Review of this annual report, an environmental, social and governance report which explains how the Company complies with the environmental, social and governance reporting guide in Appendix 20 to the GEM Listing Rules will be issued separately by the Company.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the year ended 31 December 2016, the Directors are not aware of any business or interest of the Directors, the controlling shareholders and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the GEM Listing Rules.

AUDITOR

The financial statements of the Company for the year under review have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board

Li Ning

Chairman and Chief Executive Officer

Hong Kong, 23 March 2017

環境、社會及管治報告

除於本年報業務回顧中有關本集團之環境政策及表現之討論外，本公司將另行發佈闡明本公司如何遵守創業板上市規則附錄20中之環境、社會及管治報告指引之環境、社會及管治報告。

董事於競爭業務之權益

截至二零一六年十二月三十一日止年度，各董事並無察覺到各董事、控股股東及彼等各自之緊密聯繫人（定義見創業板上市規則）擁有與本集團業務競爭或可能與之競爭之任何業務或權益，而該等人士亦無擁有與本集團有利益沖突或可能與之有利益沖突之任何其他權益。

公眾持股量

根據本公司獲得之公開資料及就董事所深知，於本年報刊發日期，本公司已發行股份之公眾持股量符合創業板上市規則指定水平。

核數師

本公司於回顧年度內之財務報表經羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所將告退，並合資格及願意應聘連任。本公司將於應屆股東週年大會提呈決議案，建議續聘羅兵咸永道會計師事務所為本公司核數師。

承董事會命

主席及行政總裁

李寧

香港，二零一七年三月二十三日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to achieving and maintaining a high standard of corporate governance. Throughout the financial year ended 31 December 2016, the Company had complied with the code provisions in the Corporate Governance Code ("CG Code") as set out in Appendix 15 of the GEM Listing Rules, save for the disclosure below.

The code provision A.2.1 of the CG Code stipulates that the role of the chairman and the chief executive officer should be separated and should not be performed by the same individual. Mr. Li Ning holds both the positions of the Chairman and the Chief Executive Officer. Taking into account of Mr. Li's expertise and insight of the sports field, having these two roles performed by Mr. Li enables more effective and efficient overall business planning and implementation of business decisions and strategies of the Group. The Board believes that the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and adequate independent element in the composition of the Board, with one-third of them being independent non-executive Directors.

In respect of the code provision A.6.7 of the CG Code, independent non-executive Directors and other non-executive Directors should attend the general meetings of the Company. One of the independent non-executive Directors was unable to attend the annual general meeting of the Company held on 6 June 2016 due to overseas engagement.

The application of the relevant principles of the CG Code is stated in the following sections.

BOARD OF DIRECTORS

The Company is governed by the Board, which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board set strategies and directions for the Group's affairs and activities with a view to develop its business and to enhance shareholders' value.

There is a clear division of responsibilities between the Board and the management. Decisions on important matters are specifically reserved to the Board while decisions on the Group's general operations are delegated to the management. Important matters include those affecting the Group's strategic policies, risk management and internal control systems, major investment and funding decisions and major commitments relating to the Group's operations.

本公司致力提倡及維持高水平之企業管治。除下文披露者外，於截至二零一六年十二月三十一日止財政年度全年，本公司一直遵守創業板上市規則附錄15所載企業管治守則（「企業管治守則」）之守則條文。

企業管治守則第A.2.1條守則條文規定，主席及行政總裁之角色分開及不應由同一人擔任。李寧先生擔任主席兼行政總裁之職務。經考慮李先生之豐富知識專長及運動領域之眼光後，此兩個職務由李先生擔任，令整個業務規劃及實施本集團之業務決策及策略更切實有效及更具效率。董事會相信權力及授權之平衡乃由董事會之運作確保，當中成員皆富經驗及有才幹之人士，且董事會組合具備充分之獨立元素，其中三分之一為獨立非執行董事。

根據企業管治守則第A.6.7條守則條文，獨立非執行董事及其他非執行董事應出席本公司股東大會。一名獨立非執行董事由於海外事務未克出席本公司於二零一六年六月六日舉行之股東週年大會。

本公司應用企業管治守則有關原則於下節載列。

董事會

本公司由董事會管治，董事會有責任領導及監控本公司。董事藉指引及監察本集團事務共同負責使本集團達成成功。董事會制訂本集團事務及業務之策略及方向，以發展業務及提升股東價值。

董事會與管理層間職能清晰劃分。重大事項之決策留待董事會處理，而本集團日常運作之決策則授權管理層處理。重大事項包括影響本集團之策略措施、內部監控及風險管理系統、重大投資及撥款決策以及有關本集團運作之重大承擔。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board currently comprises of four executive Directors (the “Executive Directors”), two non-executive Directors (the “Non-executive Directors”) and three independent non-executive Directors (the “Independent Non-executive Directors”). The Board has a balance of skills and experience and a balanced composition of Executive Directors and Non-executive Directors.

Chairman and Chief Executive Officer

Mr. Li Ning has been the Chairman since 2010 and takes the lead to oversee the Board functions and the direction of the Group. Mr. Li Ning took the role of Chief Executive Officer with effect from 22 May 2013 to further align the management expertise of the Board to complement with the Group’s core strategies to pursue opportunities along the sports value chain.

Non-Executive Directors

All Non-executive Directors and Independent Non-executive Directors are appointed for a term of three years. In addition, all Directors are subject to retirement by rotation at least once every three years in accordance with the Company’s articles of association.

Independent Non-Executive Directors

The current Independent Non-executive Directors are Mr. Chen Johnny, Mr. Lien Jown Jing, Vincent and Mr. Ng Sau Kei, Wilfred. The Independent Non-executive Directors help the management to formulate the Group’s development strategies, ensure the Board prepares its financial and other mandatory reports in strict compliance with required standards, and ensure the Company maintains appropriate system to protect the interests of the Company and the Shareholders. The Company received the annual confirmation from the Independent Non-executive Directors in respect of their independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considered all the Independent Non-executive Directors to be independent.

董事會目前包括四名執行董事（「執行董事」）、兩名非執行董事（「非執行董事」）及三名獨立非執行董事（「獨立非執行董事」）。董事會在執行董事與非執行董事之技能及經驗以及組成之間取得平衡。

主席及行政總裁

李寧先生自二零一零年起擔任主席並負責領導董事會發揮功能及監督本集團的發展方向。李寧先生於二零一三年五月二十二日起擔任行政總裁以進一步整合董事會之管理專長，以完善本集團之核心策略，沿著體育價值鏈尋找機遇。

非執行董事

所有非執行董事及獨立非執行董事均委任為期三年。此外，所有董事須根據本公司之組織章程細則輪值告退，至少每三年輪值告退一次。

獨立非執行董事

現任獨立非執行董事為陳志宏先生、連宗正先生及吳守基先生。獨立非執行董事協助管理層制定本集團發展策略，確保董事會嚴格遵照規定標準編製財務及其他法定報告，並確保本公司秉持恰當制度，保障本公司及股東利益。本公司接獲獨立非執行董事根據創業板上市規則第5.09條就彼等之獨立身份作出的年度確認。本公司認為全體獨立非執行董事均屬獨立人士。

Board Composition and Board Processes

Directors make their best efforts to contribute to the formulation of strategy, policies and decision-making by attending the Board meetings in person or via telephone conference facilities. During regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Group, monitor financial performance and review the financial results of the Group. Additional Board meetings may be convened for considering and approving other significant matters. Apart from formal meetings, matters requiring Board approval were arranged by means of circulation of written resolutions.

The composition of the Board together with the information in relation to the number of meetings of the Board and each of its committees, namely, the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") and the executive committee (the "Executive Committee"), and the general meeting of the Company held during the year 2016 and the attendance of each Director are set out in the following table:

		Meetings held in 2016 於二零一六年舉行之會議					Annual General Meeting 股東 週年大會
		Board	Audit Committee	Remuneration Committee	Nomination Committee	Executive Committee	
		董事會	審核委員會	薪酬委員會	提名委員會	執行委員會	
Number of meetings	會議次數	5	4	1	1	1	1
Executive Directors	執行董事						
Mr. Li Ning (<i>Chairman & Chief Executive Officer</i>) ²	李寧先生 (主席兼行政總裁) ²	5/5			1/1	1/1	1/1
Mr. Chan Ling (<i>Chief Operating Officer</i>)	陳寧先生 (營運總裁)	5/5		1/1		1/1	1/1
Mr. Li Chunyang	李春陽先生	5/5				1/1	1/1
Mr. Li Qilin ²	李麒麟先生 ²	5/5				1/1	1/1
Non-executive Directors	非執行董事						
Mr. Chan James	陳進思先生	4/5					1/1
Mr. Ma Wing Man	馬詠文先生	5/5	4/4				1/1
Independent Non-executive Directors	獨立非執行董事						
Mr. Chen Johnny	陳志宏先生	4/5	4/4	1/1	1/1		1/1
Mr. Lien Jown Jing, Vincent	連宗正先生	4/5	3/4	1/1			0/1
Mr. Ng Sau Kei, Wilfred	吳守基先生	5/5	4/4	1/1	1/1		1/1

Notes:

- The attendance figure represents actual attendance/the number of meetings a Director is entitled to attend.
- Mr. Li Qilin is the nephew of Mr. Li Ning, the Chairman, the Chief Executive Officer and an Executive Director.

董事會組成及董事會會議程序

董事透過親身出席董事會會議或通過電話會議方式為制定策略、政策及作出決策竭力貢獻。於董事會定期會議期間，董事討論及制定本集團之整體策略，監督本集團之財務表現及檢討財務業績。就考慮及批准其他重大事項，可能會召開額外之董事會會議。除正式會議外，可透過傳閱書面決議案之方式安排要求董事會批准之事宜。

董事會組成連同本公司於二零一六年舉行之董事會及其各委員會（即審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）、提名委員會（「提名委員會」）及執行委員會（「執行委員會」）之會議次數以及股東大會之有關資料及各董事出席情況載於下表：

Meetings held in 2016 於二零一六年舉行之會議

		Board	Audit Committee	Remuneration Committee	Nomination Committee	Executive Committee	Annual General Meeting 股東 週年大會
		董事會	審核委員會	薪酬委員會	提名委員會	執行委員會	
Number of meetings	會議次數	5	4	1	1	1	1
Executive Directors	執行董事						
Mr. Li Ning (<i>Chairman & Chief Executive Officer</i>) ²	李寧先生 (主席兼行政總裁) ²	5/5			1/1	1/1	1/1
Mr. Chan Ling (<i>Chief Operating Officer</i>)	陳寧先生 (營運總裁)	5/5		1/1		1/1	1/1
Mr. Li Chunyang	李春陽先生	5/5				1/1	1/1
Mr. Li Qilin ²	李麒麟先生 ²	5/5				1/1	1/1
Non-executive Directors	非執行董事						
Mr. Chan James	陳進思先生	4/5					1/1
Mr. Ma Wing Man	馬詠文先生	5/5	4/4				1/1
Independent Non-executive Directors	獨立非執行董事						
Mr. Chen Johnny	陳志宏先生	4/5	4/4	1/1	1/1		1/1
Mr. Lien Jown Jing, Vincent	連宗正先生	4/5	3/4	1/1			0/1
Mr. Ng Sau Kei, Wilfred	吳守基先生	5/5	4/4	1/1	1/1		1/1

附註：

- 出席次數指董事實際出席之次數／有權出席之會議之次數。
- 李麒麟先生為主席、行政總裁兼執行董事李寧先生之侄子。

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors' Continuous Professional Development

The Directors are encouraged to enroll in relevant professional development programme to ensure that they are aware of their responsibilities under the legal and regulatory requirements applicable to the Company. During the year, the Company has provided the materials on directors' duties, corporate governance and updates on laws and regulations for continuous professional development of their knowledge and skills in performance of their functions. In September 2016, a management workshop was conducted by the external professional consultant of the Company for the Directors on compliance of the requirements of the GEM Listing Rules on environmental, social and governance report.

The Company has maintained records of training received by the Directors. To summarise, the Directors received trainings on the following areas to update and develop their skills and knowledge during the year:

董事之持續專業發展

本公司鼓勵董事參與相關專業發展計劃，以確保彼等知悉適用於本公司之法律及監管規定下之責任。於年內，本公司向董事提供有關董事職責、企業管治及最新法律及法規之材料，旨在促進彼等履行職能之知識及技能的持續專業發展。於二零一六年九月，本公司之外聘專業顧問就董事遵守創業板上市規則有關環境、社會及管治報告規定之情況舉行管理層研討會。

本公司存有董事接受培訓之記錄。總括而言，董事於年內曾接受以下方面的培訓以更新及拓展其技能及知識：

Training on corporate
governance, regulatory
development and
other relevant topics
企業管治、法規發展及
其他相關專題培訓

Executive Directors

Mr. Li Ning (*Chairman & Chief Executive Officer*)
Mr. Chan Ling (*Chief Operating Officer*)
Mr. Li Chunyang
Mr. Li Qilin

執行董事

李寧先生 (*主席兼行政總裁*)
陳寧先生 (*營運總裁*)
李春陽先生
李麒麟先生

✓
✓
✓
✓

Non-executive Directors

Mr. Chan James
Mr. Ma Wing Man

非執行董事

陳進思先生
馬詠文先生

✓
✓

Independent Non-executive Directors

Mr. Chen Johnny
Mr. Lien Jown Jing, Vincent
Mr. Ng Sau Kei, Wilfred

獨立非執行董事

陳志宏先生
連宗正先生
吳守基先生

✓
✓
✓

Directors' Securities Transactions

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard") as the code for dealing in securities of the Company by the Directors.

The Company has made specific enquiry with all Directors, and the Directors have confirmed compliance with the Required Standard during the year ended 31 December 2016.

Specific employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with the same Required Standard. No incident of non-compliance was noted by the Company for the year ended 31 December 2016.

董事進行證券交易

本公司已採納創業板上市規則第5.48條至第5.67條所載規則（「交易必守標準」），作為董事買賣本公司證券之守則。

本公司已向全體董事作出具體查詢，而董事亦已確認於截至二零一六年十二月三十一日止年度一直遵守交易必守標準。

可能擁有本集團未刊發內幕消息之個別僱員亦須遵守相同之交易必守標準。本公司於截至二零一六年十二月三十一日止年度概無發現有未遵守事件。

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee as integral elements of good corporate governance and to oversee relevant aspects of the Company's affairs. The authorities and duties of the committees are set out in their respective terms of reference. More details of these committees are set out in separate sections in this report.

The terms of reference adopted by the Board for the Audit Committee, the Remuneration Committee and the Nomination Committee in accordance with the requirements of the CG Code are published on the websites of the Company and the Stock Exchange.

Nomination Committee

The Nomination Committee was established by the Board with written terms of reference. The Nomination Committee is responsible for identifying potential new Directors and recommends to the Board for decision. The current Nomination Committee is chaired by Mr. Li Ning, the Chairman and Executive Director. The other members of the Nomination Committee are Mr. Chen Johnny and Mr. Ng Sau Kei, Wilfred, both are Independent Non-executive Directors.

Under the articles of association of the Company, all Directors are subject to retirement by rotation and re-election by Shareholders every three years. A Director appointed by the Board is subject to election by shareholders at the first annual general meeting after his appointment in case of the appointment of additional Director or at the first general meeting after his appointment in case of filling of casual vacancy.

During the year, the Nomination Committee has reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors.

The Company recognises the importance of board diversity which is beneficial for the enhancement of the Company's performance. The Board has adopted a board diversity policy (the "Board Diversity Policy") in accordance with the requirement set out in Code Provision A.5.6 of the CG Code with effect from 12 August 2013 and discussed all measurable objectives set for implementing the policy. With the adoption of the Board Diversity Policy, the Nomination Committee's role was expanded to include monitoring the implementation of the policy and review the same as appropriate.

Summary and Measurable Objectives of the Board Diversity Policy

The Nomination Committee reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors. In designing and reviewing the Board's composition, the Nomination Committee will consider from a number of aspects. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

董事委員會

董事會已成立審核委員會、薪酬委員會、提名委員會及執行委員會，作為良好企業管治之整體部分以監督本公司有關方面之事務。該等委員會之授權及職責載於彼等各自之職權範圍內。該等委員會之更多詳情載於本報告之獨立章節內。

董事會根據企業管治守則之規定就審核委員會、薪酬委員會及提名委員會採納之職權範圍刊載於本公司及聯交所之網站。

提名委員會

董事會已成立提名委員會並制定書面職權範圍。提名委員會負責物色潛在新董事及向董事會建議以供決定。現時提名委員會由主席兼執行董事李寧先生擔任主席。提名委員會之其他成員為兩名獨立非執行董事陳志宏先生及吳守基先生。

根據本公司之組織章程細則，所有董事均須每三年輪值退任一次及接受股東重選。董事會所委任之董事須於其獲委任後之首次股東週年大會上（就委任新增董事而言）或於彼獲委任後之首次股東大會上（就填補臨時空缺而言）接受股東選舉。

年內，提名委員會已檢討董事會之架構、規模及組成，並評估獨立非執行董事之獨立性。

本公司認同董事會多元化之重要性，其有利於提升本公司之表現。董事會已根據企業管治守則之守則條文第A.5.6條所載之規定採納董事會多元化政策（「董事會多元化政策」），自二零一三年八月十二日起生效，並討論為落實該政策所設定之所有可計量目標。隨著採納董事會多元化政策，提名委員會之職責已擴大至包括監察該政策之實施並適當檢討該政策。

董事會多元化政策之概要及可計量目標

提名委員會代表董事會檢討及評估董事會組成並就委任新董事提出建議。於設定及檢討董事會之組合時，提名委員會將考慮多個方面。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

CORPORATE GOVERNANCE REPORT

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Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board.

During the year, the Nomination Committee reviewed the diversity of the Board from perspectives, including gender, age, professional background, business experience, length of service and directorship with other listed companies. The Nomination Committee considered that the Board possessed a balance of skill and expertise and a diverse mix appropriate for the business of the Company and will review the composition and diversity of the Board if and when necessary.

Remuneration Committee

The Company established the Remuneration Committee on 1 August 2005 with written terms of reference. The Remuneration Committee is primarily responsible for making recommendations to the Board regarding the Group's policy and structure for remuneration of all Directors and senior management. The Board has adopted the operation model, where the Remuneration Committee has duties to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management.

The Remuneration Committee currently comprises three Independent Non-executive Directors, Mr. Ng Sau Kei, Wilfred (chairman of the Remuneration Committee), Mr. Lien Jown Jing, Vincent and Mr. Chen Johnny and one Executive Director, Mr. Chan Ling.

The determination of remuneration packages of the Directors takes into consideration of the factors such as time commitment and responsibilities of the Directors and by reference to the level of emoluments normally paid by a listed company in Hong Kong to directors of comparable calibre and job responsibilities so as to ensure a fair and competitive remuneration package as is fit and appropriate. During the year, the Remuneration Committee reviewed the remuneration packages of the Directors and determined the remuneration packages of the Executive Directors.

Executive Committee

The Executive Committee was established by the Board with specific terms of reference. The committee currently comprises four Executive Directors, Mr. Li Ning (chairman of the Executive Committee), Mr. Chan Ling, Mr. Li Chunyang and Mr. Li Qilin. The primary duties of the Executive Committee are to propose and implement business strategies and plans for the Group, monitor the operations of Group companies and approve matters relating to their day-to-day operations.

The Executive Committee is responsible for performing the corporate governance duties which include the development and review of the Company's policies and practices on corporate governance, review and monitor the training and continuous professional development of Directors and senior management

候選人之甄選將根據一系列多元化範疇進行，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。最終將根據所推選候選人的長處及可為董事會提供的貢獻而作出決定。

年內，提名委員會已從多個方面檢討董事會之多元性，包括性別、年齡、專業背景、業務經驗、服務年期及於其他上市公司擔任之董事職務。提名委員會認為董事會具備有利於本公司業務發展之各種技能、專長及多元化組合，並於尚需要時會檢討董事會之組成及多元性。

薪酬委員會

本公司已於二零零五年八月一日成立薪酬委員會並制定書面職權範圍。薪酬委員會主要負責就本集團有關所有董事及高級管理人員薪酬之政策及架構向董事會提出推薦建議。董事會已採納運作模式，當中薪酬委員會獲轉授責任釐定每名執行董事及高級管理人員之薪酬待遇。

薪酬委員會現時由三名獨立非執行董事吳守基先生（薪酬委員會主席）、連宗正先生及陳志宏先生以及一名執行董事陳寧先生組成。

釐定董事之薪酬待遇會考慮各項因素（如董事之時間承擔及責任）並參考香港上市公司一般向具相若才幹及工作責任之董事支付之酬金水平，以確保一個合宜及恰當之公正兼具競爭力之薪酬待遇。年內，薪酬委員會已檢討董事之薪酬待遇並釐定執行董事之薪酬待遇。

執行委員會

董事會已成立執行委員會並制定特別職權範圍。該委員會現由四名執行董事李寧先生（執行委員會主席）、陳寧先生、李春陽先生及李麒麟先生組成。執行委員會之主要職責是為本集團建議及落實業務策略及計劃、監察本集團各公司之營運及批准與其日常營運有關之事宜。

執行委員會負責履行企業管治職責，其包括制定及檢討本公司之企業管治政策及常規、檢討及監察董事及高級管理人員之培訓及持續專業發展以及檢討本公司之企業管治守則

and review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company. During the year, the members of the Executive Committee considered and reviewed the compliance and disclosure in the corporate governance report of the Company as required under the GEM Listing Rules.

The Executive Committee also has duty to design, implement and monitor the risk management and internal control systems and to provide confirmation to the Board on the effectiveness of the risk management and internal control systems of the Company.

Audit Committee

The Audit Committee was formed on 17 March 2000 with written terms of reference. The primary duties of the Audit Committee are to review the Company's financial statements, annual reports, half-year reports, quarterly reports and risk management and internal control systems and to provide advice and comments thereon to the Board.

The Audit Committee currently comprises three Independent Non-executive Directors, Mr. Chen Johnny (chairman of the Audit Committee), Mr. Lien Jown Jing, Vincent and Mr. Ng Sau Kei, Wilfred and one Non-executive Director, Mr. Ma Wing Man. This annual report has been reviewed by the Audit Committee.

During the year, the committee members met together to review the quarterly reports, half-year report and annual report before submission to the Board. The financial controller of the Company was also invited to attend these meetings in order to give a full account of the financial statements of the Group. The Audit Committee also reviewed (i) the changes in accounting standards and their impact on the Company's financial reporting and (ii) the risk management and internal audit plan and reports.

COMPANY SECRETARY

Ms. Kong Kwok Ha was appointed by the Board in place of Mr. Ho Kim Ching as the company secretary of the Company with effect from 6 April 2016. During the year, Ms. Kong has duly complied with the relevant professional training requirement under Rule 5.15 of the GEM Listing Rules.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the accounts of the Company.

In preparing the accounts for the year ended 31 December 2016, the Directors have selected suitable accounting policies and applied them consistently, approved adoption of all Hong Kong Financial Reporting Standards, made judgments and estimates that are appropriate, and prepared the accounts on a going concern basis.

The responsibilities of the external auditor about their financial reporting are set out in the independent auditor's report on pages 85 to 94 of this annual report.

遵守情況及本公司企業管治報告內之披露。年內，執行委員會成員已按創業板上市規則之規定省覽及檢討本公司企業管治報告內之合規及披露。

執行委員會亦負責設計、實行並監管風險管理及內部監控系統並向董事會確認本公司之風險管理及內部監控制度之效能。

審核委員會

審核委員會已於二零零零年三月十七日成立，並已訂立書面職權範圍。審核委員會之主要職責為審閱本公司之財務報表、年度報告、半年度報告、季度報告及風險管理及內部監控系統，以及就此向董事會提供建議及發表意見。

審核委員會現時包括三名獨立非執行董事陳志宏先生（審核委員會主席）、連宗正先生及吳守基先生以及一名非執行董事馬詠文先生。審核委員會已審閱本年報。

委員會成員於年內舉行會議審閱季度報告、半年度報告及年度報告後提交董事會。本公司財務總監亦獲邀出席此等會議以清楚說明本集團財務報表。審核委員會亦已審閱(i)會計準則之變動及其對本公司財務報告之影響及(ii)風險管理及內部審計計劃及報告。

公司秘書

江國霞女士已代替何劍菁先生自二零一六年四月六日起獲董事會委任為本公司之公司秘書。於年內，彼已遵守創業板上市規則第5.15條有關專業培訓之規定。

問責及核數

各董事確認彼等編製本公司賬目之責任。

董事編製截至二零一六年十二月三十一日止年度賬目時，已選擇合適會計政策，並貫徹應用，另批准採納所有香港財務報告準則、作出合適判斷及估計以及以持續經營基準編製賬目。

外聘核數師之財務申報責任載於本年報第85至94頁之獨立核數師報告。

AUDITOR'S REMUNERATION

During the year ended 31 December 2016, the total fee paid and payable to PricewaterhouseCoopers in relation to the audit and other services for the financial year ended 31 December 2016, amounted to HK\$1,975,000 and HK\$2,494,000 respectively. The sum for other services included HK\$1,507,000 for accountant's report in relation to the acquisition of 10% equity interest in Double Happiness Group, completed in 2016, HK\$837,000 for the agreed upon procedures performed on the Group's interim results for the six months ended 30 June 2016 and the quarterly results for the three months ended 31 March 2016 and the nine months ended 30 September 2016 and HK\$150,000 for tax services.

RISK MANAGEMENT AND INTERNAL CONTROL

The management has the responsibility to maintain appropriate and effective risk management and internal control systems, and the Board has the responsibility to review and monitor the effectiveness of the Group's risk management and internal control systems at least annually covering financial, operational and compliance controls, to ensure that the systems in place are adequate and effective.

The Group's risk management and internal control systems are, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the reporting period, the Group has engaged Protiviti Hong Kong Co. Limited ("Protiviti"), the internal audit consultant, to devise a risk management system based on the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of Treadway Commission in the US in 2013, namely, control environment, risk assessment, control activities, information and communication and monitoring activities. During the risk assessment process, Protiviti interviewed the relevant personnel and identified the business objectives and significant risks of the Group. They evaluated and analysed the likelihood and impact of the risks by crafting a risk matrix. A risk management report prepared by Protiviti which sets out the risks, issues and recommended action plan and incorporates the risk matrix was presented to the Board for review and endorsement. The Board considered that significant risks of the Group were managed within the acceptable level and the management will continue to monitor the residual risks and report to the Board on an ongoing basis.

核數師酬金

於截至二零一六年十二月三十一日止年度，就截至二零一六年十二月三十一日止財政年度核數及其他服務向羅兵咸永道會計師事務所已付及應付之酬金總額分別達1,975,000港元及2,494,000港元。有關其他服務的費用包括有關收購紅雙喜集團10%股權（此收購於二零一六年完成）之會計師報告之1,507,000港元、有關本集團截至二零一六年六月三十日止六個月之中期業績及截至二零一六年三月三十一日止三個月及截至二零一六年九月三十日止九個月之季度業績進行之協定程序之837,000港元及有關稅務服務之150,000港元。

風險管理及內部監控

管理層負責維持合適及有效之風險管理及內部監控系統，而董事會負責至少每年檢討及監察本集團的風險管理及內部監控系統（涵蓋財務、運營及合規監控等）之有效性，以確保現時系統之足夠性及有效性。

然而，本集團之風險管理及內部監控系統旨在管理而非消除不能達成業務目標的風險，並僅可對重大錯誤陳述或損失提供合理但並非絕對之保證。

於報告期間，本集團已聘用內部審核顧問甫瀚香港有限公司（「甫瀚」）根據美國Committee of Sponsoring Organizations of Treadway Commission於二零一三年發佈之《內部控制整體框架》，設置風險管理系統，即監控環境、風險評估、監控活動、信息的溝通與交流以及對活動之監察。於風險評估過程中，甫瀚與有關人員進行面談，並確定本集團之業務目標及主要風險。彼等透過制定風險矩陣評估及分析風險的可能性及影響。甫瀚編製之載有風險、問題及建議行動計劃的風險管理報告連同風險矩陣乃向董事會提呈以供審閱及背書。董事會認為本集團已將重大風險控制於可接受範圍，且管理層將繼續以持續基準對餘下風險進行監察，並向董事會作出報告。

The management and various departments conduct periodic self-assessment of the effectiveness of the internal control policies and procedures. Protiviti is also engaged to prepare control self-assessment report to assess the effectiveness of the Group's management of designated risks which are revenue cycle control management and purchase cycle control management.

The Board, supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Group and for reviewing its effectiveness. Based on the reviews performed by the management, comment from the Audit Committee and recommendations for areas of improvement from external auditor and internal audit consultant, the Board is of the view that the Group's risk management and internal control systems are adequate for the year ended 31 December 2016.

The Company maintains a framework for the handling and dissemination of inside information and the disclosure policy of the framework sets out the procedures and internal controls to ensure inside information remains confidential until the such information is appropriately disclosed and the announcement of such information is made in a timely manner in compliance with the SFO and the GEM Listing Rules.

SHAREHOLDERS' RIGHTS AND INVESTORS' RELATIONS

The Group is committed to maintaining a high level of transparency and employs a policy of open and timely disclosure of relevant information to the Shareholders and the investors. The Board strives to encourage and maintain constant dialogue with its shareholders through various means.

Procedures for requisitioning an extraordinary general meeting and for putting forward proposals at general meetings

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company may, by written requisition to the Board or the company secretary of the Company signed and deposited in accordance with Article 64 of the Company's articles of association, require an extraordinary general meeting to be called by the Directors for the transaction of any business specified in the requisition.

Shareholder(s) may propose a candidate for election as a Director at any general meetings of the Company by a requisition signed by the Shareholder (other than the person to be proposed) of his intention to propose such person for election as a Director together with a notice signed by the person to be proposed of his willingness to be elected in accordance with Article 113 of the Company's articles of association.

The articles of association of the Company set out the procedures for the Shareholders to convene general meetings, to move a resolution at general meetings and to propose a person for election as a Director are available for viewing at the Company's corporate website www.vivachina.hk.

管理層及多個部門定期就內部監控政策及程序之效力進行自我評估。甫瀚亦獲委聘以就評估本集團管理指定風險（收入週期控制管理及採購週期控制管理）之有效性編製監控自我評估報告。

董事會在審核委員會的協助下直接負責本集團的風險管理及內部監控系統並審閱其有效性。根據管理層進行之審閱、審核委員會之意見及外聘核數師以及內部審核顧問就需完善之方面作出之推薦建議，董事會認為，本集團截至二零一六年十二月三十一日止年度已採納充足的風險管理及內部監控制度。

本公司設有處理及發佈內幕消息之架構，此架構之披露政策載有程序及內部監控，以確保內幕消息維持保密直至該等消息獲妥善披露及有關該等消息之公告能根據證券及期貨條例以及創業板上市規則及時作出。

股東權益及投資者關係

本集團致力維持高水平之透明度，並採用向其股東和投資者公開及時地披露相關資料之政策。董事會努力透過不同方式促進與維持與其股東進行持續對話。

要求召開股東特別大會及於股東大會上提呈建議之程序

股東於遞呈要求日期持有本公司繳足股本不低於十分之一並有權於本公司股東大會上投票，則可根據本公司組織章程細則第64條向董事會或本公司公司秘書遞呈經簽名之書面要求，要求董事召開股東特別大會，以處理要求當中所載列任何事項。

根據本公司組織章程細則第113條，股東可於本公司任何股東大會提名出任董事職務之人選，方式為透過遞呈經該名股東（不得為該獲提呈人士）簽署有關其提名該出選董事職務人選意向之要求書，連同經獲提名人簽署表明其參選意願之通告。

本公司組織章程細則載列股東召開股東大會、於股東大會動議決議案及提呈出選董事職務人士之程序於本公司之公司網站 www.vivachina.hk可供參閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures by which enquiries may be put to the Board

General meetings of the Company provide a direct forum of communication between Shareholders and the Board. Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact is as follow:

Address: Room 3602-06, 36/F, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong
Telephone: 37961111
Fax: 37961100

The company secretary of the Company shall forward the Shareholders' enquiries to the Board, where appropriate to answer the Shareholders' questions.

Communication with Shareholders

An annual general meeting of the Company was held on 6 June 2016 (the "2016 AGM"). A notice convening the 2016 AGM contained in the circular dated 31 March 2016 was despatched to the Shareholders together with the Annual Report 2015. The Chairman of the Board and members of the committees of the Company (as appropriate) attended the 2016 AGM to answer the questions from the Shareholders. PricewaterhouseCoopers, the external auditor of the Company, attended the 2016 AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. The Chairman explained detailed procedures for conducting a poll.

All the resolutions proposed at the 2016 AGM, including (i) the adoption of the audited financial statements and the reports of the Directors and the auditor of the Company for the year ended 31 December 2015; (ii) the re-election of certain Directors and the authorisation to the Board to fix the Directors' remunerations; (iii) the re-appointment of auditor of the Company and the authorisation to the Board to fix its remuneration; and (iv) the granting to Directors the general mandates to issue and repurchase Shares, were passed by the Shareholders by way of poll. The poll results of the 2016 AGM were published on the websites of the Stock Exchange and the Company.

Changes in the Constitutional Documents

There was no significant change in the constitutional documents of the Company during the year 2016.

A notice for the forthcoming annual general meeting of the Company will be published on the websites of the Stock Exchange and the Company and despatched together with the Annual Report 2016 to the Shareholders as soon as practicable in accordance with the articles of association of the Company and the CG Code.

向董事會進行查詢之程序

本公司之股東大會載有股東與董事會之間溝通之直接平台。股東可隨時透過本公司之公司秘書向董事會提出書面查詢，而公司秘書之聯絡方式如下：

地址：香港干諾道中200號信德中心招商局大廈36樓3602-06室
電話：37961111
傳真：37961100

本公司之公司秘書將會向董事會提交股東之查詢，且於適時答覆股東之疑問。

與股東之溝通

本公司已於二零一六年六月六日舉行股東週年大會（「二零一六年股東週年大會」）。日期為二零一六年三月三十一日之通函所載之召開二零一六年股東週年大會之通告已連同二零一五年年度報告寄發予股東。董事會主席及本公司各委員會之成員（如適用）已出席二零一六年股東週年大會以解答股東之提問。本公司之外聘核數師羅兵咸永道會計師事務所已出席二零一六年股東週年大會以解答有關進行審核、編製核數師報告及其內容、會計政策及核數師獨立性之提問。主席已解釋進行投票表決之詳細程序。

於二零一六年股東週年大會上提呈之所有決議案，包括(i)採納截至二零一五年十二月三十一日止年度之經審核財務報表及本公司董事會報告及核數師報告；(ii)重選若干董事及授權董事會釐定董事酬金；(iii)續聘本公司核數師及授權董事會釐定其酬金；及(iv)授予董事一般授權以發行及購回股份，均已獲股東以投票表決方式通過。二零一六年股東週年大會之投票表決之結果已刊登於聯交所及本公司之網站。

組織章程文件變動

於二零一六年內，本公司之組織章程文件並無重大變動。

本公司應屆股東週年大會之通告將刊載於聯交所及本公司網站，且將根據本公司之組織章程細則及企業管治守則於切實可行之情況下盡快連同二零一六年年度報告寄發予各股東。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

To the shareholders of Viva China Holdings Limited
(incorporated in Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Viva China Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 95 to 174, which comprise:

- the consolidated statement of financial position as at 31 December 2016;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

BASIS FOR OPINION

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

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

致非凡中國控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

非凡中國控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第95至174頁的綜合財務報表,包括:

- 於二零一六年十二月三十一日的綜合財務狀況表;
- 截至該日止年度的綜合損益及其他全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

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

意見的基礎

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

羅兵咸永道會計師事務所,
香港中環太子大廈廿二樓
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傳真: +852 2810 9888
www.pwchk.com

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Independence

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

- Revenue recognition
- Acquisition of 10% equity interest in Shanghai Double Happiness Co., Ltd. ("DHS")

Key Audit Matter 關鍵審計事項

Revenue recognition 收入確認

Refer to note 3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS, note 4 OPERATING SEGMENT INFORMATION and note 5 REVENUE, OTHER REVENUE AND OTHER NET INCOME to the consolidated financial statements

請參閱綜合財務報表附註3重大會計估計、假設及判斷、附註4經營分部資料、附註5收益、其他收益及其他淨收入

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 收入確認
- 收購上海紅雙喜股份有限公司(以下簡稱「紅雙喜」)百分之十權益

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We assessed the reasonableness of management's judgement with reference to the relevant accounting standards and consideration of relevant facts and circumstances. The audit procedures we performed mainly included:

根據相關會計準則並考慮相關事實和情況，我們對管理層判斷的合理性進行了評估。我們實施的審計程序主要包括：

Key Audit Matter**關鍵審計事項**

The Group recognised revenue of HK\$552 million for the year ended 31 December 2016. The significant increase of revenue as compared with last year was mainly driven by the increase of revenue derived from sports content production and distribution, sports talent management, sale of goods and community development consultancy services.

截止2016年12月31日止年度，貴集團確認收入552百萬港元。相較去年同期收入的顯著增長是源於體育內容製作和推廣，體育人才管理，銷售商品及社區開發諮詢服務收入的增長。

Significant management judgement was involved in revenue recognition, such as determining whether the role of the Group in those transactions was acting as principal or as agent and whether to recognise revenue on a gross or net basis. The assessment included considering and weighing key features like who bears the primary responsibility, inventory risks and credit risks, and the way to establish prices.

上述收入確認涉及管理層的重大判斷，例如貴集團在這些交易中的角色是作為交易主體還是代理人以及應當用全額法還是淨額法確認相關收入。該等評估包括考慮和權衡例如貴集團是否承擔主要責任、是否承擔存貨風險和信用風險，以及是否有定價能力等關鍵特徵。

How our audit addressed the Key Audit Matter**我們的審計如何處理關鍵審計事項**

- We reviewed a sample of contracts, discussed with management, finance and business personnel of the Group to understand the business substance, transaction process and arrangement;
- 我們審閱了抽樣選取的合作，與貴集團管理層、財務部和業務部相關人員進行訪談，瞭解商業實質及交易流程和安排；
- For a sample of selected transactions, we examined the supporting documents, including sales orders, shipping documents, records of deliverables, invoices and cash receipts, where applicable;
- 針對抽樣選取的交易，我們在適用的情況下檢查了相關支持性文件，包括銷售訂單、發貨單、提供的服務成果記錄、發票和付款憑證等；
- We selected samples of customers to confirm the balances as of 31 December 2016, the main terms of the contracts and the amounts of transactions occurred during the year;
- 我們針對抽樣選取的客戶截至2016年12月31日的應收賬款餘額，合同主要條款和本年發生的交易額實施了函證程序。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Our audit focused on this area due to the magnitude of the increase in revenue, the sales and services contracts that the Group entered into in the current year and significant judgment involved.

我們的審計關注這一領域是考慮了收入增長規模，本年貴集團訂立的銷售和服務合同以及所涉及的重大判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We also performed the following procedures in relation to the judgement of the revenue recognition on a gross or net basis:

我們還針對收入按照全額法或淨額法確認的判斷實施了下列程序：

- We reviewed the contracts and discussed with legal counsel to assess the main terms, such as who is the primary obligor to provide goods or services to the customer, who has the inventory risks and who bears the customer's credit risk;
- 我們對合同進行了審閱，並與法律顧問溝通以評估其主要條款，例如誰是為客戶供貨或提供服務的主要義務人，誰承擔存貨風險，以及由誰承擔客戶的信用風險；
- For a selected sample of customers and suppliers, we checked their background and interviewed them to understand the key areas of their cooperation, such as how their relationships were established, how the price was negotiated and determined and the acceptance of goods delivered or service rendered;
- 針對抽樣選取的客戶和供應商，我們進行了背景調查，並通過與之訪談瞭解雙方合作過程中的主要方面，例如雙方如何建立起商業關係，價格的談判與確定以及對提供的貨物或服務的驗收；

Based on the procedures performed, we found the revenue recognised were supported by the audit evidences we obtained.

基於已實施的程序，我們認為我們取得的審計證據支持收入的確認。

Key Audit Matter
關鍵審計事項

Acquisition of 10% equity interest in Shanghai Double Happiness Co., Ltd. ("DHS")
收購上海紅雙喜股份有限公司(以下簡稱「紅雙喜」)百分之十權益

Refer to note 14 INTERESTS IN ASSOCIATES AND A JOINT VENTURE to the consolidated financial statements

請參閱綜合財務報表附註14於聯營公司及合營企業之權益

During the year, the Group completed the acquisition of 10% of equity interest in DHS ("Equity interest") from Li Ning Group for a consideration of RMB125 million ("Total Consideration") in accordance with the Share Transfer Agreement dated 23 October 2015. The Group and Li Ning Group have also entered into an option agreement on the same date, in which the Group is granted a put option to sell, and Li Ning Group is granted a call option to purchase, the Equity Interest at a fixed price to the extent that DHS has not been listed on any major stock exchanges within 4 years after the completion of the acquisition ("Conditions for Exercise").

本年度，貴集團根據2015年10月23日簽訂的股份轉讓協議完成了以對價125百萬人民幣（「總對價」）自李寧集團收購紅雙喜百分之十權益（「權益」）。同日，貴集團和李寧集團也訂立了一份期權協議，約定貴集團和李寧集團分別被授予一個看跌期權和看漲期權，即如果本交易完成後4年後紅雙喜仍未完成在任何主要證券交易所的上市，那麼貴集團和李寧集團可以分別按照固定的行權價格賣回或者買回百分之十的紅雙喜權益（「行權條件」）。

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

We evaluated the competence and objectivity of the external appraiser engaged by the Group. We assessed the valuation models used including the mechanics by comparing to market practices with the assistance from our valuation experts.

我們評估了貴集團聘請的外部評估師的專業勝任能力和客觀性。我們在內部評估專家的協助下，通過與市場通用方法的比較評估了所使用的估值模型包括其技術方法。

For the valuation of the options, we challenged management's key assumptions used in the valuation models by performing the following procedures:

在評估期權估值時，我們執行了如下程序來質疑估值模型中的管理層重要假設：

- We compared the expected volatility with the historical volatility of comparable companies;
- 我們將預期波動率與可比公司的歷史波動率進行比較；
- We assessed probability of Conditions for Exercise by comparing the DHS's conditions, including the projected financial position and performance with the initial public offering criteria and the exercise period with the average length of time needed for going public in major stock exchanges.
- 我們評估了行權條件實現的可能性，將紅雙喜包括預測財務狀況和財務表現等條件與首次公開發行的條件相對比，將行權期與在主要證券交易所上市所需平均時長相比較。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

The accounting for this acquisition requires significant management judgements. First the consideration of the Equity Interest has been calculated by subtracting the fair value of the options from the Total Consideration ("Step 1"), then the consideration of the Equity Interest has been allocated to the identifiable assets and liabilities of DHS based on the valuation of them ("Step 2"). The key judgements involved mainly relate to the valuations of the options in Step 1 and the valuations of the identifiable assets in Step 2. Those valuations have been performed by an independent external appraiser engaged by the Company.

此項收購的會計處理需要管理層的重大判斷。首先上述權益的對價由總對價減去期權的公平值得出（「步驟1」），然後將權益的對價分攤至紅雙喜經評估的可辨認資產和負債（「步驟2」）。涉及的關鍵判斷主要與步驟1中的期權估值和步驟2中的可辨認資產估值有關。評估由貴集團聘請的獨立外部評估師完成。

We focused on this area due to the level of judgements required in accounting for this acquisition.

我們關注這一領域是由於此項收購的會計處理所要求的管理層判斷的程度。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

For the valuation of identifiable assets, we assessed the completeness of assets and liabilities identified. We also challenged management's key assumptions applied in the valuation of the acquired tangible and intangible assets, in particular those assumptions related to the trade name, properties, and the land use rights.

針對可辨認資產的評估，我們評價了識別的資產和負債的完整性。我們也質疑了管理層在評估所獲取的有形和無形資產時所使用的關鍵假設，特別是與商標、物業和土地使用權有關的假設。

Based on the procedures performed, we found the valuation models adopted in arriving at the fair value of the options and assets acquired and the purchase price allocation were appropriate. The key assumptions used above to be supportable by available information and fell within an acceptable range.

基於所執行的程序，我們發現，用於評估期權和所取得資產的公平值及收購對價分攤所採用的估值模型是恰當的。以上所使用的關鍵假設能夠被相關信息所支持，且在可接受的區間內。

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

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

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

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

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

核數師就審計綜合財務報表承擔的責任

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

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Ping Fai.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 23 March 2017

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

出具本獨立核數師報告的審計項目合夥人吳炳輝。

羅兵咸永道會計師事務所

執業會計師

香港，二零一七年三月二十三日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	收益	5	552,208	147,355
Cost of sales	銷售成本		(431,387)	(122,065)
Gross profit	毛利		120,821	25,290
Other revenue and other net income	其他收益及其他淨收入	5	41,433	19,354
Selling and distribution expenses	銷售及分銷開支		(16,603)	(27,882)
Administrative and other operating expenses	行政及其他經營費用		(119,014)	(119,393)
Finance costs	財務成本	6	(10,079)	(1,798)
Share of profits/(losses) of associates and a joint venture	分佔聯營公司及合營企業之溢利/(虧損)	14	95,605	(78,122)
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	7	112,163	(182,551)
Income tax	所得稅	10	(4,067)	(601)
Profit/(loss) for the year	年內溢利/(虧損)		108,096	(183,152)
Other comprehensive income/(loss):	其他全面收益/(虧損):			
Items that may be reclassified subsequently to profit or loss, net of income tax of nil	其後可重新分類至損益之項目，扣除所得稅(無)			
– Share of other comprehensive loss of an associate	– 分佔聯營公司之其他全面虧損		(664)	(174)
– Reclassification adjustment upon deemed partial disposal of an associate	– 視作部分出售聯營公司時重新分類調整		4,197	196
– Exchange differences on translation of foreign operations	– 換算海外業務之匯兌差額		(244,473)	(159,120)
Other comprehensive loss for the year, net of income tax of nil	年內其他全面虧損，扣除所得稅(無)		(240,940)	(159,098)
Total comprehensive loss for the year	年內全面虧損總額		(132,844)	(342,250)
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損):			
– Equity shareholders of the Company	– 本公司權益股東		103,630	(179,657)
– Non-controlling interests	– 非控股權益		4,466	(3,495)
			108,096	(183,152)
Total comprehensive income/(loss) attributable to:	以下人士應佔全面收入/(虧損)總額:			
– Equity shareholders of the Company	– 本公司權益股東		(133,376)	(338,755)
– Non-controlling interests	– 非控股權益		532	(3,495)
			(132,844)	(342,250)
Profit/(loss) per share attributable to equity shareholders of the Company:	本公司權益股東應佔溢利/(虧損):			
Basic (HK cents)	基本(港仙)	11	0.93	(2.08)
Diluted (HK cents)	攤薄(港仙)	11	0.92	(2.08)

The notes on pages 101 to 174 are an integral part of these consolidated financial statements.

第101頁至第174頁所載之附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		2016 二零一六年		2015 二零一五年	
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元	
NON-CURRENT ASSETS		非流動資產			
Property, plant and equipment	物業、廠房及設備	12	15,536	19,397	
Investment properties	投資物業	13	239,940	279,754	
Interests in associates and a joint venture	於聯營公司及合營企業之權益	14	3,255,017	3,222,614	
Derivative financial instruments	衍生財務工具	14(f)	1,540	–	
Deposits and other receivables	按金及其他應收款項	18	1,715	7,357	
Deferred tax assets	遞延稅項資產	26	12,067	7,149	
Total non-current assets		非流動資產總值		3,525,815	
CURRENT ASSETS		流動資產			
Stock of properties	物業存貨	15	224,047	213,611	
Inventories	存貨	16	1,258	2,655	
Trade receivables	應收貿易款項	17	267,328	37,062	
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	18	283,381	221,470	
Pledged deposit	抵押存款	19	–	27,054	
Cash and bank balances	現金及銀行結餘	19	804,731	279,694	
Total current assets		流動資產總值		1,580,745	
CURRENT LIABILITIES		流動負債			
Trade payables	應付貿易款項	20	46,033	29,930	
Other payables, accruals and receipts in advance	其他應付款項、應計費用及預收款項	21	88,369	48,262	
Deferred income	遞延收入	22	33,480	–	
Bank and other loans	銀行及其他貸款	23	416,640	196,911	
Payable to a non-controlling interest	應付非控股權益	24	603	–	
Income tax payable	應付所得稅		50,509	45,624	
Total current liabilities		流動負債總額		635,634	
NET CURRENT ASSETS		流動資產淨值		945,111	
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債		4,470,926	
NON-CURRENT LIABILITIES		非流動負債			
Deferred income	遞延收入	22	38,272	–	
Bank loan	銀行貸款	23	–	231,678	
Payable to a non-controlling interest	應付非控股權益	24	452	645	
Convertible notes	可換股票據	25	690,440	–	
Total non-current liabilities		非流動負債總額		729,164	
NET ASSETS		資產淨值		3,741,762	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
EQUITY	權益		
Equity attributable to equity shareholders of the Company	本公司權益股東應佔權益		
Issued capital	已發行股本	27 438,218	437,415
Perpetual convertible bonds	永久性可換股債券	29 1,139,046	1,139,046
Reserves	儲備	30 2,141,053	2,165,393
		3,718,317	3,741,854
Non-controlling interests	非控股權益	23,445	22,913
TOTAL EQUITY		3,741,762	3,764,767

The financial statements were approved by the Board of Directors on 23 March 2017.

本財務報表已於二零一七年三月二十三日獲董事會批准。

Li Ning
李寧

Chairman and Chief Executive Officer
主席兼行政總裁

The notes on pages 101 to 174 are an integral part of these consolidated financial statements.

Chan Ling
陳寧

Executive Director and Chief Operating Officer
執行董事兼營運總裁

第101頁至第174頁所載之附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to equity shareholders of the Company 本公司權益股東應佔											
		Issued capital	Share premium account	Perpetual convertible bonds	Unlisted warrants reserve	Share option reserve	Exchange fluctuation reserve	Reserve funds	Convertible notes equity reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價賬	永久性可換股債券	認股權證	購股權儲備	匯兌波動儲備	儲備基金	可換股票據權益	累計虧損	總計	非控股權益	權益總額
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
1 January 2015	二零一五年一月一日	424,935	3,933,886	1,139,046	5,993	146,658	26,016	1,281	-	(1,804,781)	3,873,034	(6)	3,873,029
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(179,657)	(179,657)	(3,495)	(183,152)
Other comprehensive income/(loss) for the year:	年內其他全面收益/(虧損):												
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	(159,120)	-	-	-	(159,120)	-	(159,120)
Share of other comprehensive loss of associates	分佔聯營公司之其他全面虧損	-	-	-	-	-	(174)	-	-	-	(174)	-	(174)
Reclassification adjustment upon deemed partial disposal of an associate	視作部分出售聯營公司時重新分類調整	-	-	-	-	-	196	-	-	-	196	-	196
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	(159,098)	-	-	(179,657)	(338,755)	(3,495)	(342,250)
Shares issued upon exercise of share options	購股權獲行使時發行之股份	28(c)	10,980	186,742	-	(23,676)	-	-	-	-	174,046	-	174,046
Shares issued upon exercise of unlisted warrants	非上市認股權證獲行使時發行之股份	32	1,500	15,257	-	(257)	-	-	-	-	16,500	-	16,500
Equity-settled share option arrangements	以股權結算之購股權安排	28(a)	-	-	-	14,239	-	-	-	-	14,239	-	14,239
Transfer of share option reserve upon the forfeiture or expiry of share options	於購股權被沒收或屆滿時轉撥購股權儲備		-	-	-	(6,944)	-	-	-	6,944	-	-	-
Transfer of balance of warrants reserve upon the expiry of the unlisted warrants	於非上市認股權證屆滿時轉撥認股權證儲備結餘	32	-	-	-	(5,736)	-	-	-	5,736	-	-	-
Share of associates' reserve	分佔聯營公司之儲備		-	-	-	2,790	-	-	-	-	2,790	-	2,790
Capital contribution from non-controlling interests	非控股權益注資		-	-	-	-	-	-	-	-	-	26,413	26,413
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	437,415	4,135,885*	1,139,046	-*	133,067*	(133,082)*	1,281*	-*	(1,971,758)*	3,741,854	22,913	3,764,767
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	103,630	103,630	4,466	108,096
Other comprehensive income/(loss) for the year:	年內其他全面收益/(虧損):												
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	-	(240,539)	-	-	-	(240,539)	(3,934)	(244,473)
Share of other comprehensive loss of associates	分佔聯營公司之其他全面虧損	-	-	-	-	-	(664)	-	-	-	(664)	-	(664)
Reclassification adjustment upon deemed partial disposal of an associate	視作部分出售聯營公司時重新分類調整	-	-	-	-	-	4,197	-	-	-	4,197	-	4,197
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	-	-	-	-	-	(237,006)	-	-	103,630	(133,376)	532	(132,844)
Shares issued upon exercise of share options	購股權獲行使時發行之股份	28(c)	803	9,354	-	(2,123)	-	-	-	-	8,034	-	8,034
Equity component of convertible note	可換股票據之權益部份	25	-	-	-	-	-	-	90,392	-	90,392	-	90,392
Equity-settled share option arrangements	以股權結算之購股權安排	28(a)	-	-	-	2,896	-	-	-	-	2,896	-	2,896
Transfer of share option reserve upon the forfeiture or expiry of share options	於購股權被沒收或屆滿時轉撥購股權儲備		-	-	-	(17,111)	-	-	-	17,111	-	-	-
Share of associates' reserve	分佔聯營公司之儲備		-	-	-	8,517	-	232	-	(232)	8,517	-	8,517
At 31 December 2016	於二零一六年十二月三十一日	438,218	4,145,239*	1,139,046	-*	125,246*	(370,088)*	1,513*	90,392*	(1,851,249)*	3,718,317	23,445	3,741,762

* These reserve accounts comprise the consolidated reserves of HK\$2,141,053,000 (2015: HK\$2,165,393,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內之綜合儲備2,141,053,000港元(二零一五年: 2,165,393,000港元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	營運活動之現金流量			
Profit/(loss) before tax	除稅前溢利／(虧損)		112,163	(182,551)
Adjustments for:	調整：			
Finance costs	財務成本	6	10,079	1,798
Share of profits and losses of associates and a joint venture	分佔聯營公司及合營企業之溢利及虧損	14	(95,605)	78,122
Interest income	利息收入	5	(4,838)	(7,891)
Fair value loss/(gain) on investment properties	投資物業之公平值虧損／(利潤)	13	21,624	(2,405)
Fair value gain on derivative financial instruments	衍生財務工具之公平值利潤		(41)	-
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之利潤	7	-	(29)
Depreciation	折舊	12	3,751	6,850
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷		-	442
Unrealised underwriting profit	未變現包銷溢利		-	3,106
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	7	-	910
Equity-settled share option expenses	以股權結算之購股權開支	28(a)	2,896	14,239
			50,029	(87,409)
Decrease in inventories	存貨減少		1,397	9,197
Increase in stock of properties	物業存貨增加		(11,909)	(209,706)
(Increase)/decrease in trade receivables	應收貿易款項(增加)／減少		(230,266)	52,793
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加		(49,507)	(2,344)
Increase in long-term deposits paid	已付長期按金增加		-	(98)
Increase in trade payables	應付貿易款項增加		16,103	1,051
Increase/(decrease) in other payables, accruals and receipts in advance	其他應付款項、應計費用及預收款項增加／(減少)		40,107	(10,208)
Increase in deferred income	遞延收入增加		71,752	-
Cash used in operations	營運活動所用現金		(112,294)	(246,724)
Income tax paid	已付所得稅		(1,541)	-
Net cash flows used in operating activities	營運活動所用現金流量淨額		(113,835)	(246,724)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量			
Interest received	已收利息		2,772	13,146
Payments for acquisition of associates	收購聯營公司所付款項		(140,041)	(314,661)
Payment of transaction costs for acquisition of an associate	就收購一間聯營公司支付交易成本		(3,339)	-
Acquisition of perpetual convertible securities of an associate	收購聯營公司之永久性可換股證券		-	(325,387)
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	12	(1,001)	(17,012)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備之所得款項		-	42
Payments for additions to investment properties	增添投資物業之付款	13	-	(483)
Repayment from an associate	聯營公司之還款		-	187,500
Net cash flows used in investing activities	投資活動所用之現金流量淨額		(141,609)	(456,855)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Interest paid	已付利息	(17,551)	(2,803)
New bank and other loans	新的銀行及其他貸款	-	431,199
Repayment of bank loan	償還銀行貸款	-	(5,007)
Deposits pledged with banks	已抵押予 銀行之存款	-	(27,054)
Advance paid to a third party	預付三方款項	-	(199,907)
Proceeds from issue of convertible notes	發行可換股票據之 所得款項	25 778,000	-
Payment of transaction costs for issue of convertible notes	就發行可換股票據支付 交易成本	25 (987)	-
Proceeds from issue of ordinary shares upon exercise of share options and unlisted warrants	行使購股權及非上市認股 權證時發行普通股所得 款項	8,034	190,546
Capital contributions from non-controlling interests	來自非控股權益之注資	-	26,413
Advance from a non-controlling interest	非控股權益之墊款	483	645
Release of the pledged deposits	解除抵押存款	27,054	5,007
Net cash flows from financing activities	融資活動所得現金 流量淨額	795,033	419,039
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/ (減少)淨額	539,589	(284,540)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	279,694	578,434
Effect of foreign exchange rate changes, net	外匯匯率變動之影響淨額	(14,552)	(14,200)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終現金及現金等價物	804,731	279,694
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析		
Cash and bank balances	現金及銀行結餘	19 274,568	158,586
Non-pledged time deposits with original maturity of less than three months when acquired	收購時原定少於三個月內 到期之非抵押定期存款	19 530,163	121,108
Cash and bank balances as stated in the statement of financial position	於財務狀況表列賬之 現金及銀行結餘	19 804,731	279,694

The notes on pages 101 to 174 are an integral part of these consolidated financial statements.

第101頁至第174頁所載之附註為該等綜合財務報表之組成部分。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and the ordinary shares of which are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Principal activities

During the year, the Company and its subsidiaries (“Group”) were involved in the following principal activities:

- production and distribution of sports content, management and marketing of sports talents and provision of sports consultancy services; and
- property development for sales and investment, research and development, manufacturing, marketing and sales of construction materials, operation of sports parks, development of communities and provision of consultancy and subcontracting services.

Li Ning Company Limited (“Li Ning Co”), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2331), is an associated company of the Group, whose principal activities include brand development, design, manufacture, sale and distribution of sport-related footwear, apparel, equipment and accessories in the People’s Republic of China (the “PRC”).

CITIC Land Co., Ltd (“CITIC Land”), a company incorporated in the PRC with limited liability and a directly owned subsidiary of CITIC Group Corporation, is an associated company of the Group, whose principal activities include project investment, real estate development, hotel investment and management, property management, project contracting, and real estate consultancy.

Shanghai Double Happiness Co., Ltd. (the “Double Happiness”), a company incorporated in the PRC with limited liability, is an associated company of the Group, whose principal activities include manufacture, research and development, marketing and sale of principally table tennis and badminton equipment under its own “紅雙喜 (Double Happiness)” brand and other sports accessories.

These financial statements are presented in HK\$, unless otherwise stated.

1. 公司資料

本公司為一間於開曼群島註冊成立之有限公司，其普通股於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。

主要業務

年內，本公司及其附屬公司（「本集團」）從事下列主要業務：

- 體育內容製作及配送、體育人才管理及市場推廣及提供體育諮詢服務；及
- 待售物業開發及投資；建材之研發、製造、市場推廣及銷售、經營體育園、開發社區以及提供諮詢及分包服務。

李寧有限公司（「李寧公司」）（一間於開曼群島註冊成立之有限公司，其已發行股份於聯交所主板上市（股份代號：2331）為本集團之一間聯營公司，其主要業務範圍涵蓋於中華人民共和國（「中國」）從事之體育相關鞋類、服飾、器材及配件之品牌開發、設計、製造、銷售及分銷。

中信置業有限公司（「中信置業」，一間於中國註冊成立之有限公司及為中國中信集團有限公司直接擁有之附屬公司）為本集團之一間聯營公司，其主要業務範圍涵蓋項目投資、房地產開發、酒店投資管理、物業管理、工程承包及房地產諮詢。

上海紅雙喜股份有限公司（「紅雙喜」），為於中國註冊成立之有限公司、本集團之聯營公司。其主要業務範圍涵蓋製造、研發、營銷及銷售其自有「紅雙喜 (Double Happiness)」品牌下的主打產品乒乓球、羽毛球器材以及其他體育配件。

除另有指明者外，該等財務報表乃以港元呈列。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations ("HKFRSs"). The consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, as modified by the financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2016:

- Amendments to HKFRS 11, Accounting for acquisitions of interests in joint operations;
- Amendments to HKAS 16 and HKAS 38, Clarification of acceptable methods of depreciation and amortisation;
- Annual improvements to HKFRSs 2012 – 2014 cycle; and
- Amendments to HKAS 1, Disclosure initiative.

The adoption of these amendments and improvements to standards did not have significant impact on the results and financial position for the current and prior years.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2016 are not material to the Group.

2. 主要會計政策概要

編製該等綜合財務報表所應用之主要會計政策乃載於下文。除另有說明者外，該等政策已貫徹應用於所有呈列年度。

2.1 編製基準

該等綜合財務報表乃根據所有適用香港財務報告準則（包括所有香港財務報告準則、香港會計準則及詮釋）（「香港財務報告準則」）編製。綜合財務報表亦包括創業板證券上市規則及香港《公司條例》之適用披露規定。綜合財務報表乃按歷史成本慣例編製，並經按公平值計入損益之財務資產及財務負債（包括衍生工具）及投資物業（乃按公平值列賬）修訂。

編製符合香港財務報告準則之財務報表須運用若干重要會計估計，亦需要管理層在採用本集團會計政策之過程中作出判斷。涉及較高程度判斷或比較複雜之範疇，或就綜合財務報表而言屬重大之假設及估計之範疇於附註3中披露。

2.2 會計政策及披露變動

(a) 本集團採納之新訂及經修訂準則

本集團於二零一六年一月一日或之後開始之財政年度首次採納以下準則修訂：

- 香港財務報告準則第11號（修訂），收購合營業務權益之會計處理；
- 香港會計準則第16號及香港會計準則第38號（修訂），澄清折舊及攤銷的可接受方法；
- 香港財務報告準則二零一二年至二零一四年週期之年度改進；及
- 香港會計準則第1號（修訂），披露計劃

採納此等準則之修訂及改進並無對本年度與過往年度之業績及財務狀況構成重大影響。

於二零一六年一月一日開始之財政年度生效之其他準則、修訂及詮釋對本集團之影響不大。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2016 二零一六年十二月三十一日

(b) New standards and interpretations issued but not yet effective

The following are standards and amendments to existing standards that have been published and are relevant and mandatory for the Group's accounting periods beginning after 1 January 2016 or later periods, but have not been early adopted by the Group.

(b) 已頒佈但尚未生效之新訂準則及詮釋

以下為與本集團相關的已經公佈且在本集團二零一六年一月一日之後開始的會計期間或較後期間強制生效但尚未被本集團提早採納的準則及現有準則之修訂。

		Effective for accounting periods beginning on or after 於下列日期或之後開始之會計期間生效
HKFRS 15, Revenue from contracts with customers	香港財務報告準則第15號·與客戶所訂合約之收益	1 January 2018 二零一八年一月一日
HKFRS 9, Financial instruments	香港財務報告準則第9號·財務工具	1 January 2018 二零一八年一月一日
HKFRS 16, Leases	香港財務報告準則第16號·租賃	1 January 2019 二零一九年一月一日
HKFRS 15 Revenue from contracts with customers	香港財務報告準則第15號「與客戶所訂合約之收益」	
HKFRS 15 will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. HKFRS 15 specifies how and when the Group will recognise revenue as well as requiring the Group to provide users of financial statements with more informative and relevant disclosures. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	香港財務報告準則第15號將取代香港會計準則第18號(涵蓋就貨品和服務所訂合約的收入)和香港會計準則第11號(涵蓋建造合約)。新準則的原則為收入於貨品或服務的控制權轉移至客戶時確認。香港財務報告準則第15號明確規定本集團確認收入的方式及時間,並要求本集團為財務報表使用者提供更多資訊的相關披露。此準則容許全面追溯採納或經修改追溯方式採納。	
Management is currently analysing the impact of the new standard on the Group's financial statements and has initially identified areas which are likely to be affected, including determination of revenue recognition on a gross or net basis, identification of separate performance obligations, the determination of stand-alone selling price and its relative allocation. The Group will continue to assess the impact of the new rules on the Group's financial statements.	管理層現評估應用新準則本集團財務報表的影響,並初步確定下述處理很可能受到影響,包括決定收入確認採用全額法或是淨額法,識別單獨履約義務,確定單獨售價以及其相關分攤。管理層將持續評估新準則對本集團財務報表的影響。	
HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.	香港財務報告準則第15號必須在二零一八年一月一日或之後開始的財政年度採納。本集團預計不會在生效日期前採納此準則。	

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HKFRS 9 Financial instruments

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

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

HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and the "hedged ratio" to be the same as that used by management for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. As the Group does not have any current hedge relationships, the Group does not expect a significant impact on the accounting resulted from the adoption of HKFRS 9.

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

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

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

The new standard must be applied for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

香港財務報告準則第9號「財務工具」

此項新準則針對財務資產和財務負債的分類、計量和終止確認，並介紹對沖會計的新規定和財務資產的新減值模型。

由於新規定僅影響被指定為透過損益按公平價值列值的財務資產及負債的會計法，而本集團並無任何該等資產或負債，這將不會對本集團的有關資產及負債的會計處理有任何重大影響。終止確認規則引自香港會計準則第39號「財務工具：確認及計量」，沒有任何變動。

香港財務報告準則第9號通過替換對沖有效性明線測試降低了對對沖有效性的要求。其要求在對沖標的和對沖工具之間存在有經濟關係，並且對沖率與管理層用於風險管理目的比率一致。同期文檔的要求依然適用，但是與現在香港會計準則第39號的要求不同。由於本集團現階段沒有對沖關係，本集團預期採納香港財務報告準則第9號不會對其對沖會計有重大影響。

新減值模型要求按預期信貸損失確認減值撥備，而非僅發生的信貸損失（根據香港會計準則第39號）。其適用於按攤銷成本分類的財務資產、按公平價值計入其他全面收益計量的債務工具、香港財務報告準則第15號「與客戶所訂合約之收益」下的合約資產、應收租賃款、貸款承擔和若干財務擔保合約。儘管本集團尚未詳細評估新模型將如何影響其減值撥備，但有可能導致提早確認信貸損失。

新準則亦增加了披露規定和列報的改變。預期將改變本集團有關其財務工具的披露性質和範圍，尤其是在新準則採納的年度內。

因此，本集團不預期新指引會對其財務資產的分類和計量有重大影響。

新準則必須在二零一八年一月一日或之後開始的財政年度應用。本集團預計不會在生效日期前採納此準則。

HKFRS 16 Leases

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

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. The Group's current accounting policy for such leases is set out in note 2.3. As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$54,158,000 (2015: HK\$64,295,000) which are not reflected in the consolidated statement of financial position, see note 33(b). However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's results and classification of cash flows.

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

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

There are no other HKFRS or interpretation that are not yet effective that would be expected to have a material impact on the Group's results and financial position.

2.3 Summary of significant accounting policies

Consolidation

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

(a) Business combinations

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

香港財務報告準則第16號「租賃」

香港財務報告準則第16號將導致差不多所有租賃在財務狀況表內確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產（該租賃項目的使用權）與支付租金的財務負債被確認。唯一例外者為短期和低價值租賃。

對出租人的會計處理將不會有重大改變。

此準則將主要影響本集團經營租賃的會計處理。本集團有關租賃目前的會計政策列示於附註2.3。於二零一六年十二月三十一日，本集團有不可取消的經營租賃承擔54,158,000港元（二零一五年：64,295,000港元），其並未反映在綜合財務狀況表中，見附註33(b)。然而，本集團仍未釐定該等承擔將導致資產和負債就未來付款確認的程度，以及將如何影響本集團的業績和現金流量分類。

若干承擔或會由短期和低價值租賃所涵蓋，同時根據香港財務報告準則第16號，部分承擔可能與不符合資格作為香港財務報告準則第16號所指租賃之安排有關。

此新準則必須在二零一九年一月一日或之後開始的財政年度採納。目前，本集團預計不會在生效日期前採納此準則。

沒有其他尚未生效的香港財務報告準則或詮釋預期會對本集團之業績及財務狀況構成重大影響。

2.3 主要會計政策概要

綜合

附屬公司為本集團擁有控制權之實體（包括結構實體）。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司自收購日期（即控制權轉予本集團之日期）起綜合入賬，並自不再擁有控制權之日期起解除綜合入賬。

(a) 業務合併

本集團採用收購會計法計算業務合併。收購附屬公司之已轉讓代價為所轉讓資產、被收購方原擁有人所承擔負債及本集團發行之股權之公平值。所轉讓代價包括或然代價安排產生之任何資產及負債之公平值。收購相關成本於產生時列支。於業務合併收購之可識別資產以及承擔之負債及或然負債，初步按收購日期之公平值計量。

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

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

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

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

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

本集團按個別收購基準，確認被收購方的任何非控股權益。被收購方的非控股權益為現時擁有權權益，並賦予其持有人一旦清盤則按比例分佔實體的資產淨值，可按公平值或按現時擁有權權益分佔被收購方可識別資產淨值的確認金額比例計量。非控股權益的所有其他組成部分按其收購日期的公平值計量，除非香港財務報告準則規定必須以其他計量基準計量。

倘業務合併分階段達成，則收購方先前持有之被收購方股權之收購日期賬面值乃重新計量至於收購日期之公平值；因有關重新計量產生之任何收益或虧損均於損益內確認。

由收購方將予轉讓之任何或然代價於收購日期按公平值確認。根據香港會計準則第39號，視為資產或負債之或然代價公平值之其後變動於損益內確認。分類為權益之或然代價並無重新計量，而其後結算於權益中入賬。

所轉讓代價、於被收購方之任何非控股權益金額及任何先前持有之被收購方股權之收購日期公平值超逾所收購可識別資產淨值之公平值之差額乃入賬為商譽。如所轉讓代價、所確認非控股權益及已計量之先前持有權益之總額少於所收購附屬公司資產淨值之公平值（就議價購買而言），則差額直接於損益內確認。

集團內公司間交易、結餘及集團公司間交易之未變現收益均予以對銷。除非有證據顯示交易所轉讓資產出現減值，否則未變現虧損亦予以對銷。當有必要時，附屬公司所呈報之金額已予以調整以與本集團之會計政策一致。

(b) *於附屬公司所有權權益之變動（並無改變控制權）*

與非控股權益並不導致失去控制權之交易乃入賬為股本交易—即作為與附屬公司擁有人（以彼等作為擁有人之身份）之交易。任何已付代價之公平值與所取得之附屬公司資產淨值賬面值之相關份額之差額乃於權益內入賬。向非控股權益出售之收益或虧損亦於權益內入賬。

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

(c) 出售附屬公司

當本集團不再擁有控制權時，於實體之任何保留權益乃重新計量至其於失去控制權日期之公平值，而賬面值變動於損益內確認。就其後入賬列作聯營公司、合營企業或財務資產之保留權益而言，公平值乃初步賬面值。此外，先前就該實體於其他全面收益確認之任何金額乃按猶如本集團已直接出售相關資產或負債般入賬。此可能意味著於先前於其他全面收益確認之金額均重新分類至損益。

單獨財務報表

於附屬公司之投資乃按成本扣除減值入賬。成本包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息基準入賬。

倘自該等投資收取的股息超出宣派股息期間該附屬公司的全面收益總額，或倘獨立財務報表內的投資賬面值超出綜合財務報表所示被投資公司資產淨值（包括商譽）的賬面值，則於自該等投資收取股息時須對於該等附屬公司的投資進行減值測試。

聯營公司

聯營公司指本集團對其有重大影響力而無控制權之實體，通常附帶有20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益法，投資初始以成本確認，而賬面值則予以增加或減少，以確認投資者在收購日期後佔被投資方損益之比例。本集團於聯營公司之投資包括收購時已識別之商譽。收購於聯營公司之擁有權權益時，聯營公司成本與本集團應佔聯營公司可識別資產及負債公平值淨額之間的差額，入賬為商譽。

倘於聯營公司的所有權權益減少但仍保留重大影響力，先前於其他全面收益確認的金額僅按比例重新分類至損益（如適用）。

本集團收購後應佔的溢利或虧損於損益內確認，而收購後應佔其他全面收益變動於其他全面收益確認，並就投資賬面值作相應調整。倘本集團應佔聯營公司的虧損等於或超過所持聯營公司的權益（包括任何其他無抵押應收款項），除非本集團承擔法定或推定責任或已代聯營公司付款，否則不會確認進一步虧損。

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When the most recently available financial statements of an associate is different from the Group's reporting date, the Group may take advantage of the provision contained in HKAS 28 whereby it is permitted to include the attributable share of associate's results based on the financial statements drawn up to a non-coterminous period end where the difference must be no greater than three months. Adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the Group's consolidated financial statements.

Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in an associate, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associate is not individually tested for impairment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the profit or loss.

Gain or losses on dilution of equity interest in associates are recognised in the profit or loss.

Joint arrangements

Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

倘聯營公司最近期可得之財務報表與本集團之報告日期存在差異，本集團可利用香港會計準則第28號所載之條文，據此，其准許根據聯營公司不同截算日期（但差距不得超過三個月）之財務報表計入應佔聯營公司之業績。須就當日及本集團綜合財務報表日期之間發生之重大交易或事件之影響作出調整。

本集團與其聯營公司之間進行之交易產生之未變現收益及虧損須以本集團於聯營公司之投資為限予以對銷，惟倘若未變現虧損可證明獲轉讓資產有所減值時除外。收購聯營公司產生之商譽不予獨立進行減值測試。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於損益內「應佔以權益法入賬之投資溢利」確認有關金額。

於聯營公司之股權攤薄收益或虧損於損益內確認。

合營安排

根據香港財務報告準則第11號，於合營安排的投資視乎各投資者的合約權利及責任分類為共同經營或合營企業。本集團已評估其合營安排的性質，並將其釐定為合營企業。合營企業採用權益法入賬。

根據權益會計法，於合營企業的權益初步按成本確認，並隨後作出調整以確認本集團應佔收購後溢利或虧損及其他全面收益之變動。本集團於合營企業之投資包括於收購時已識別之商譽。於收購合營企業之所有權權益時，合營企業之成本與本集團應佔合營企業之已識別資產及負債之公平值淨額之任何差額入賬為商譽。倘若本集團應佔合營企業虧損等於或超過其於該合營企業的權益（包括任何實質上構成本集團於該合營企業投資淨值的長期權益），本集團不會確認進一步虧損，除非本集團代表該合營企業承擔責任或支付款項。

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management that makes strategic decisions.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

本集團與其合營企業交易之未變現收益按本集團所持合營企業權益為限予以對銷。除非有證據顯示交易中所轉讓資產出現減值，否則未變現虧損亦予以對銷。合營企業之會計政策已作必要修訂，以確保與本集團所採納之政策一致。

分部報告

經營分部以向主要經營決策者提供內部呈報一致的形式呈報。主要經營決策者被認定為作出戰略決策之管理層，負責分配資源及評估經營分部表現。

關連人士

任何一方如屬以下情況，即被視為本集團之關連人士：

- (a) 該方為個人或其近親並
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團行使重大影響力；或
 - (iii) 為本集團或本集團母公司之關鍵管理人員之成員；

或

- (b) 該方為下列任何條件適用之實體：
 - (i) 該實體與本集團為相同集團之成員公司；
 - (ii) 一個實體為另一實體（或另一實體之母公司、附屬公司或同系附屬公司）之聯營公司或合營企業；
 - (iii) 該實體與本集團為相同第三方之合營企業；
 - (iv) 一個實體為第三方實體之合營企業，而另一個實體為該第三方實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關之實體之僱員福利設立離職後福利計劃；
 - (vi) 該實體受(a)所指個人控制或共同控制；及
 - (vii) (a)(i)所指個人對該實體行使重大影響力或為該實體（或該實體母公司）之關鍵管理人員之成員。

一名人士的近親成員指在該人士與實體進行交易時預期可對其造成影響或受其影響的家族成員。

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Property, plant and equipment and depreciation

Property, plant and equipment primarily consist of buildings, leasehold improvements, machinery and office equipment, furniture and fixtures, and motor vehicles. They are stated at cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. The principal annual rates used for this purpose are as follows:

Buildings	2.5% to 5%
Leasehold improvements	Shorter of remaining lease term or 20%
Machinery and office equipment	7.5% to 33 $\frac{1}{3}$ %
Furniture and fixtures	9% to 33 $\frac{1}{3}$ %
Motor vehicles	9% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net income/(loss)' in the profit or loss.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. Such properties are measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

物業、廠房及設備及折舊

物業、廠房及設備主要包括樓宇、租賃物業裝修、機器及辦公室設備、傢具及裝置及汽車。其按成本減累計折舊及任何減值虧損列賬。歷史成本包括收購此等項目直接應佔開支。

僅當與項目有關之未來經濟利益可能流入本集團，以及該項目成本能可靠計算時，其後成本才會計入資產之賬面值或確認為獨立資產（倘適用）。已替代部分賬面值解除確認。所有其他維修及保養費於其產生之財政期間自損益扣除。

折舊乃於其估計可使用年期使用直線法分配其成本至其剩餘價值計算。就此所採用之主要年率如下：

樓宇	2.5%至5%
租賃物業裝修	餘下租賃期或20% (以較短者為準)
機器及辦公室設備	7.5%至33 $\frac{1}{3}$ %
傢具及裝置	9%至33 $\frac{1}{3}$ %
汽車	9%至25%

本集團在各報告期末檢討資產的剩餘價值及可使用年期，並按適當情況作出調整。當一項物業、廠房及設備項目之各部分擁有不同之可使用年期時，則該項目之成本將按合理基準在各部分間分配，且各部分將分開計算折舊。

倘若資產賬面值超過其估計可收回金額，則其賬面值將即時撇減至其可收回金額。

出售之收益及虧損透過將所得款項與賬面值作比較釐定，並於損益之「其他淨收入／（虧損）」內確認。

投資物業

投資物業乃指持作賺取長期租金收入或作為資本增值或兩者兼具之土地及樓宇（並非由本集團佔用）權益（包括一項符合投資物業定義之物業於經營租賃項下之租賃權益）。該等物業初始按成本（包括相關交易成本及（倘適用）借貸成本）計量。於初始確認後，投資物業按公平值列賬，相當於外聘估值師於各報告日期釐定之公開市值。公平值乃按活躍市價計算，並於必要情況下就特定資產在性質、位置或狀況方面的任何差別作出調整。

Property under construction or development for future use as an investment property is classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed.

Changes in fair values are recorded in the profit or loss as part of a valuation gain or loss in 'other net income/(loss)'. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

用作未來投資物業之在建或開發中物業分類為在建投資物業。倘公平值無法可靠釐定，在建投資物業將按成本計量，直至公平值可予釐定或竣工為止。

公平值變動乃於損益中入賬為「其他淨收入／（虧損）」之估值收益或虧損之一部分。報廢或出售投資物業之任何收益或虧損乃於報廢或出售之年內在損益內確認。

無形資產

(a) 商譽

商譽產生自收購附屬公司、聯營公司及合營企業，並相當於所轉讓代價超過本集團在被收購方之可識別資產、負債及或然負債之公平值淨額及被收購方之非控股權益公平值所佔權益之差額。

就減值測試而言，在業務合併中購入之商譽會分配至每個現金產生單元（「現金產生單元」）或現金產生單元組，預期可從合併中獲取協同利益。商譽被分配至每個單元或單元組指在實體內商譽被監控作內部管理用途之最低層次。商譽在經營分部層次進行監控。

對商譽之減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。附帶商譽的現金產生單元之賬面值與可收回數額（使用價值與公平值減出售成本較高者）比較。任何減值須即時確認為開支及不得在之後期間撥回。

(b) 無形資產（商譽除外）

個別收購之無形資產初步確認時按成本計量。在業務合併過程中收購之無形資產成本為該等資產於收購日期之公平值。無形資產之可使用年期被評估為有限或無限。可使用年期有限之無形資產其後會於其可使用經濟年期攤銷，並在無形資產可能出現減值時進行減值評估。可使用年期有限之無形資產之攤銷期及攤銷方法至少於每個財政年度結算日進行檢討。

不確定可使用年期之無形資產每年按個別或現金產生單元水平進行減值測試。該無形資產不作攤銷。不確定可使用年期之無形資產每年對可使用年期作檢討以釐定不確定年期評估是否繼續具有支持性。倘不繼續支持，則可使用年期評估由不確定變為有限按前瞻性基準入賬。

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Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current assets.

租賃

擁有權之絕大部分風險和回報由出租人保留之租賃分類為經營租賃。根據經營租賃作出之付款（扣除任何自出租人獲取之優惠）於租賃期內按直線法自損益扣除。

凡本集團持有擁有權之絕大部分風險及回報之物業、廠房及設備之租賃，均分類為融資租賃。融資租賃在租賃開始時按租賃物業之公平值及最低租賃付款現值兩者之較低者入賬。

每項租賃付款均分攤為負債及融資費用。相應租賃責任在扣除融資開支後計入其他長期應付款項內。財務成本之利息部分於租期內於損益扣除，使利息與每個期間之負債餘額達致常數定期利率。根據融資租賃取得之物業、廠房及設備於資產可使用年期及租期兩者之較短者內折舊。

非財務資產減值

具有無限可使用年期之無形資產或未可使用之無形資產毋須攤銷，但每年須進行減值測試。須予攤銷之資產，於事件或情況變動顯示賬面值可能不可收回時進行減值檢討。減值虧損於資產賬面值超出其可收回金額時就該金額確認。可收回金額以資產之公平值扣除銷售成本及使用價值兩者之間較高者為準。就評估減值而言，資產按可分開識別現金流量（現金產生單元）之最低層次組合。除商譽外，已蒙受減值之非財務資產在每個報告日期均就減值是否可以撥回進行檢討。

財務資產

分類

本集團將其財務資產分類為以下類別：透過損益按公平值列值、貸款及應收款項以及可供出售。分類視乎購入財務資產之目的而定。管理層應在初始確認時釐定財務資產之分類。

(a) 透過損益按公平值列值之財務資產

透過損益按公平值列值之財務資產乃持作交易的財務資產。倘收購之財務資產主要旨在於短期內售出，則於此類別分類。除指定為對沖者外，衍生工具亦分類為持作交易。於此類別之資產倘預期於12個月內結算，則分類為流動資產，否則一概分類為非流動資產。

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade receivables', 'prepayments, deposits and other receivables', 'pledged deposit' and 'cash and bank balances' in the statement of financial position (Notes 17, 18 and 19).

(c) Available-for-sale financial investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

All regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as 'gains and losses from investment securities'.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) 貸款及應收款項

貸款及應收款項乃具有固定或可確定付款金額，但並無活躍市場報價之非衍生財務資產。此等款項計入流動資產，惟於或預期將於報告期末後超過12個月結算之款項，則計入非流動資產。本集團之貸款及應收款項包括財務狀況表中之「應收貿易款項」、「預付款項、按金及其他應收款項」、「抵押存款」以及「現金及銀行結餘」（附註17、18及19）。

(c) 可供出售財務投資

可供出售財務資產為被指定作此類別或並無分類為任何其他類別之非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列在非流動資產內。

確認及計量

財務資產之所有日常買賣均於交易日（即本集團承諾買賣資產當日）確認。對於並非透過損益按公平值列值之所有財務資產，其投資初始按其公平值加交易成本確認。透過損益按公平值列值之財務資產初步按公平值確認，而交易成本則於損益內支銷。可供出售財務資產及透過損益按公平值列值之財務資產其後按公平值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

分類為可供出售之貨幣及非貨幣證券之公平值變動於其他全面收益內確認。

當分類為可供出售之證券被售出或減值時，於權益確認之累計公平值調整於損益內列為「投資證券之收益及虧損」。

終止確認財務資產

在下列情況下，財務資產（或一項財務資產之部分或一組同類財務資產之部分（視適用情況而定））將終止確認：

- 收取該項資產所得現金流量之權利已經屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，或須根據一項「轉付」安排，對第三方承擔全數支付（沒有嚴重延緩）已收取現金流量之責任，並(a)本集團已轉讓該資產絕大部分風險及回報；或(b)本集團並無轉讓或保留該資產絕大部分風險及回報，但已轉讓有關資產之控制權。

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Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated profit or loss.

財務工具之抵銷

於有法定可強制執行權利抵銷已確認金額，並擬按淨額基準結算，或同時變現資產及償還負債時，則財務資產及負債會互相抵銷，並在財務狀況表內以淨額列示。法定可強制執行權利不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須可強制執行。

財務資產減值

(a) 按攤銷成本列賬之資產

本集團於各報告期間結算日評估是否有客觀證據顯示一項財務資產或一組財務資產出現減值。只在有客觀證據顯示於初步確認該資產後發生一項或多項事件（一項「虧損事件」）導致出現減值，而該項虧損事件（或該等事件）對該項或該組財務資產之估計未來現金流量所造成影響能夠可靠地估計之情況下，該項或該組財務資產始會被視作減值及產生減值虧損。

減值證據可包括顯示一名或一群債務人正面臨重大財政困難、違約或拖欠利息或本金、彼等有可能破產或進行其他財務重組之跡象，以及有可觀察數據顯示估計未來現金流量出現可計量減少，例如欠款數目變動或出現與違約相關之經濟狀況。

對於貸款及應收賬款類別，虧損金額乃根據資產賬面值與按財務資產原實際利率貼現之估計未來現金流量（不包括仍未產生之未來信貸虧損）之現值兩者之差異計量。資產賬面值予以削減，而虧損金額則於綜合損益表中確認。如貸款或持有至到期投資有浮動利率，計量任何減值虧損之貼現率為按合同釐定之當前實際利率。在實際運作上，本集團可能採用可觀察之市價按工具之公平值為基準計量減值。

如在後續期間，減值虧損之數額減少，而此減少可客觀地聯繫至在確認減值後才發生之事件（例如債務人之信用評級有所改善），則之前已確認之減值虧損可在綜合損益中確認撥回。

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated profit or loss on equity instruments are not reversed through the consolidated profit or loss.

Derivative financial instruments

Derivative financial instruments of the Group include call and put options in connection with the acquisition of an associate and derivative financial asset in relation to advanced issuance of earn-out perpetual convertible bonds. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss.

Perpetual Convertible Bonds

Perpetual Convertible Bonds issued by the Group gives holders the right to convert these Perpetual Convertible Bonds into a fixed number of the Company's ordinary shares at any time at a fixed exercise price per share, subject to adjustments as provided in the terms and conditions of the bonds. The Perpetual Convertible Bonds have no maturity date and are not redeemable. They are treated as equity instruments and are not remeasured in subsequent years.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in convertible notes equity reserve. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(b) 分類為可供出售之資產

本集團於各報告期間結算日評估一項財務資產或一組財務資產有否出現客觀之減值證據。

就債務證券而言，倘出現任何該等憑證，其累計虧損（按收購成本與當前公平值兩者之差額扣除該財務資產先前於損益內確認之任何減值虧損計量）乃自權益剔除，並於損益內確認。如在後續期間，被分類為可供出售之債務工具之公平值增加，而增加可客觀地與減值虧損在損益內確認後發生之事件有關，則將減值虧損在綜合損益中撥回。

就股本投資而言，證券公平值之大幅或持續下跌至低於其成本亦為資產出現減值之憑證。倘出現任何該等憑證，其累計虧損（按收購成本與當前公平值兩者之差額扣除該財務資產先前於損益內確認之任何減值虧損計量）乃自權益剔除，並於損益內確認。於綜合損益確認的權益工具減值虧損不會透過綜合損益撥回。

衍生財務工具

本集團之衍生財務工具包括與收購聯營公司有關之認購及認沽權以及與提前發行盈利能力永久性可換股債券有關之衍生財務資產。有關衍生財務工具初步按訂立衍生合約之日之公平值確認，其後按公平值重新計量。當公平值為正數時，衍生工具將被列為資產，當公平值列為負數時，則被列為負債。因衍生工具公平值變動而產生之任何收益或虧損直接計入損益。

永久性可換股債券

本集團發行之永久性可換股債券賦予持有人權利於任何時候按每股固定行使價將該等永久性可換股債券兌換為固定數目之本公司普通股，惟須受該等債券之條款及條件所規定而作出之調整所限。永久性可換股債券並無到期日且為不可贖回。該等永久性可換股債券被視作股本工具論且不會於往後年度重新計量。

複合財務工具

複合財務工具的負債部分初步按並無權益轉換權的類似負債的公平值確認。權益部分初步按複合財務工具的整體公平值與負債部分的公平值之間之差額確認，並計入可換股票據權益儲備的股東權益。任何直接歸屬的交易成本按彼等初始賬面值的比例分配至負債及權益部分。

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Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. The convertible notes equity reserve will be transferred to share capital and share premium accounts upon conversion. Balance of convertible notes equity reserve will be transferred to accumulated profits or losses at the expiry of the conversion rights.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Stock of properties

Stock of properties are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion.

Costs of properties include acquisition costs, development expenditure, borrowing costs and other direct costs attributable to the properties. The carrying values of properties held by subsidiaries are adjusted in the consolidated financial statements to reflect the Group's actual costs incurred where appropriate.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade receivables and other receivables

Trade receivables are amounts due from customers for goods sold and services rendered in the ordinary course of business. If collection of trade receivables and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

於初步確認後，複合財務工具的負債部分採用實際利率法按攤銷成本計量。複合財務工具的權益部分於初始確認後不再重新計量。可換股票據權益儲備將於轉換時轉撥至股本及股份溢價賬。可換股票據權益儲備之結餘將於轉換權屆滿時轉撥至累計損益。

除非本集團有權無條件延遲償還負債至報告期末後至少十二個月，否則可換股工具的負債部份分類為流動負債。

物業存貨

物業存貨以按成本與可變現淨值兩者中之較低者入賬。可變現淨值已考慮到最終預期變現之價格及預期竣工成本。

物業成本包括購入成本、發展開支、借貸成本及其他直接費用。附屬公司持有物業之賬面值在綜合財務報表內經適當調整，以反映本集團實際產生之成本。

存貨

存貨乃按成本與可變現淨值兩者中之較低者入賬。成本採用加權平均成本法計算。製成品及在製品之成本包括原材料、直接勞工、其他直接成本及與生產相關之經常性開支（按一般經營能力）。可變現淨值乃按於日常業務過程中之估計售價減適用可變銷售開支計算。

應收貿易款項及其他應收款項

應收貿易款項為於日常業務過程中就已售貨品及已提供服務應收客戶之款項。倘應收貿易款項及其他應收款項預期於一年或之內收回，則被分類為流動資產。否則，則以非流動資產呈列。

應收貿易款項及其他應收款項初步按公平價值確認，其後則以實際利率法按攤銷成本計量，並須扣除減值撥備。

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Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款及原到期日為三個月或以內之其他短期高流通性投資。

應付貿易款項

應付貿易款項為於日常業務過程中向供應商購買貨品或服務之付款責任。倘應付貿易款項於一年或一年之內到期，則被分類為流動負債，否則，則以非流動負債呈列。

應付貿易款項初步按公平值確認，其後以實際利率法按攤銷成本計量。

撥備

當因過往事件而產生即期責任（法定或推定）並可能須於日後撥出資源解決應付責任時，倘能可靠估計有關責任之數額，則就此確認撥備。

倘出現多項類似責任，會否導致資源流出以解決應付責任乃經考慮責任的整體類別後釐定。即使同類別責任中任何一項可能導致資源流出的機會不大，仍會確認撥備。

撥備乃按預計解決應付責任所需開支的現值，使用反映當時市場對貨幣時間價值及應付責任的具體風險的評估的除稅前稅率而計量。因時間流逝而增加的撥備確認為利息開支。

借貸

借貸初步按公平值扣除所產生交易成本確認。借貸其後按攤銷成本列賬，所得款項（經扣除交易成本）與贖回價值間的任何差額於借貸期間使用實際利率法在損益內確認。

在貸款將很有可能部分或全部提取的情況下，就設立貸款融資時支付的費用確認為貸款的交易成本。在此情況下，該費用將遞延至提取貸款為止。在並無跡象顯示該貸款將很有可能部分或全部提取的情況下，該費用會資本化作為流動資金服務的預付款項，並於有關融資期間內予以攤銷。

除非本集團有權無條件延遲償還負債至報告期末後至少十二個月，否則借貸分類為流動負債。

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Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

Income tax

Income tax comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

(b) Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

借貸成本

收購、建設或生產合資格資產（為需要長時間準備以供擬定用途或銷售之資產）直接應佔之一般及特定借貸成本乃計入該等資產之成本內，直至該等資產大致上可作擬定用途或銷售時為止。

備用作合資格資產開支之特定借貸之臨時投資所賺取投資收入乃自合資格撥充資本之借貸成本中扣除。

所有其他借貸成本於其產生期間支銷。

所得稅

所得稅包括即期及遞延稅項。稅項於損益內確認，除非其與其他全面收益或直接於權益確認之項目相關。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

(a) 即期所得稅

本期及過往期間之即期稅項資產及負債，乃根據於報告期末前已頒佈或實質頒佈之稅率（及稅法），經計及本集團經營業務所在國家之現行詮釋及慣例，按預期自稅務機關收回或向其繳付之金額計量。

(b) 遞延稅項

遞延稅項採用負債法，就資產及負債之計稅基準與其作財務申報用途之賬面值之間於報告期末之所有臨時差額作出撥備。

所有應課稅臨時差額均確認為遞延稅項負債，惟：

- 遞延稅項負債因初始確認一項交易（並非業務合併，且於進行交易時對會計溢利或應課稅損益並無影響）所涉及商譽或資產或負債而出現則不在此列；及
- 就與於附屬公司、聯營公司及合營企業之投資有關之應課稅臨時差額而言，倘能控制有關臨時差額之撥回時間及有關臨時差額可能於可見將來不會撥回，則亦不在此列。

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Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from sports events and competitions produced or organised, when the events and competitions are completed;

所有可抵扣臨時差額、承前未動用稅項抵免及任何未動用稅項虧損均確認為遞延稅項資產，而遞延稅項資產於可能取得應課稅溢利供動用以抵銷可抵扣臨時差額、承前未動用稅項抵免及未動用稅項虧損時予以確認，惟：

- 與可抵扣臨時差額有關之遞延稅項資產因初始確認一項交易（並非業務合併，且於進行交易時對會計溢利或應課稅損益並無影響）所涉及資產或負債而出現則不在此列；及
- 就與附屬公司、聯營公司及合營企業之投資有關之可抵扣臨時差額而言，則僅在有關臨時差額可能於可見將來撥回，並有應課稅溢利供動用以抵銷臨時差額之情況下，方會確認遞延稅項資產。

遞延稅項資產之賬面值於各報告期末檢討，倘不再可能有足夠應課稅溢利以供動用全部或部分遞延稅項資產，則遞延稅項資產之賬面值將相應減少。未確認遞延稅項資產於各報告期末重新評估，倘可能有足夠應課稅溢利以收回全部或部分遞延稅項資產，則確認有關遞延稅項資產。

遞延稅項資產及負債乃根據於報告期末前已頒佈或實質頒佈之稅率（及稅法），按預期變現有關資產或清償有關負債期間適用之稅率計量。

當有合法可強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延稅項資產及負債涉及相同稅務機關向同一應課稅實體或不同應課稅實體徵收之所得稅但擬按淨額基準結算結餘，則可將遞延稅項資產與負債互相抵銷。

收益確認

當本集團可能獲得經濟利益並且收益能可靠計量時，會以下列基準確認收益：

- (a) 來自製作及組織體育活動及比賽之收益於有關活動及比賽完成時確認；

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(b) from sports talent management and marketing services and consultancy services, when services are rendered or on a time apportionment basis in accordance with the agreements or contracts entered into with sponsors and clients;

(c) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(d) from community development consultancy services, when services are rendered or on a time apportionment basis in accordance with the agreements or contracts entered into with clients;

(e) from sports park facilities hiring income, when the tickets are surrendered or used by the customer or when passes are amortised using straight-line method over the period of their validity;

(f) rental income, on a straight line basis over the lease terms;

(g) interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

(b) 來自體育人才管理及市場推廣服務以及諮詢服務之收益於提供服務完成時或根據與贊助商及客戶所訂立協議或合約按時間比例基準確認；

(c) 銷售貨品之收益乃於擁有權之重大風險及回報已轉移至買方時予以確認，前提是本集團對所售貨品既不維持參與程度一般被視為牽涉擁有權之管理，亦不擁有實際控制權；

(d) 來自社區發展諮詢服務之收益於提供服務完成時或根據與客戶所訂立協議或合約按時間比例基準確認；

(e) 來自體育園設施租用收入之收益乃於客戶交回或使用門票時或門票採用直線法於其有效期內攤銷時確認；

(f) 租金收入按直線法於租期內確認；

(g) 利息收入採用實際利息法確認。倘貸款及應收款項出現減值，本集團會將賬面值減至可收回款額，即估計未來現金流量按該工具的原實際利率折現值，並繼續將折現部分逐期結轉為利息收入。已減值貸款及應收款項的利息收入利用原實際利率確認。

政府補貼

政府補貼在合理確定將會收取補貼及本集團將遵守一切所附條件時，按其公平值確認。

與成本有關的政府補貼遞延入賬，並按擬補償的成本配對，於所需期間於損益內確認。

與物業、廠房及設備有關之政府補貼列入非流動負債作為遞延政府補貼，並按有關資產之預計年期以直線法計入損益。

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options or shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options or shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

*Other employee benefits**Pension scheme*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

以股份為基礎之付款

本集團設有多項以股權結算及以股份為基礎之償付計劃，據此，實體收取來自僱員之服務作為本集團股本工具（購股權）之代價。為換取購股權或股份而提供之僱員服務之公平值確認為開支。將支銷之總額乃參考所授購股權或股份之公平值釐定：

- 包括任何市場表現條件（如實體之股價）；
- 不包括任何服務及非市場表現歸屬條件（如盈利能力、銷售增長目標及僱員在某特定時期於實體留任）之影響；及
- 包括任何非歸屬條件（如規定僱員儲蓄或在某特定時期持有股份）之影響。

於各報告期末，本集團根據非市場表現及服務條件修訂預期歸屬購股權數目的估計。本集團會於損益確認修訂原來估計（如有）的影響，並相應調整權益。

於購股權獲行使時，本公司會發行新股。於購股權獲行使時，扣除任何直接應佔交易成本所收取的所得款項計入股本（面值）及股份溢價。

*其他僱員福利**退休金計劃*

本集團根據強制性公積金計劃條例，為其香港之所有僱員提供定額供款之強制性公積金退休福利計劃（「強積金計劃」）。供款乃根據僱員基本薪金之百分比計算，並於有關款項根據強積金計劃之規則須予支付時自損益扣除。強積金計劃之資產乃獨立於本集團之資產，由獨立管理之基金分開持有。

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The employees of the Group's subsidiaries which operate in the PRC are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

Foreign currency translation

(a) Functional and presentation currency

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(b) Transactions and balances

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the foreign exchange rates ruling at the translation dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the translations. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

本集團於中國經營之附屬公司之僱員須參加由當地市政府所運作之中央退休金計劃。該等附屬公司須按其薪金成本之若干百分比向該等中央退休金計劃供款。有關供款於根據該等中央退休金計劃之規則須支付時自損益扣除。

外幣換算

(a) 功能及呈報貨幣

本財務報表以港元呈列，港元為本公司之功能及呈報貨幣。本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內之項目均以該實體經營所在主要經濟環境的貨幣（「功能貨幣」）計量。

(b) 交易及結餘

年內的外幣交易按交易日之匯率換算。以外幣計值的貨幣資產及負債乃按於報告期末之匯率換算。除來自用作對沖於其他全面收益確認的海外業務投資淨額之外幣借貸外，匯兌收益及虧損於損益確認。

以外幣計值按歷史成本計量之非貨幣資產及負債，採用交易日之匯率換算。以外幣計值按公平值列賬之非貨幣資產及負債，採用計量公平值當日之匯率換算。

海外業務之業績乃按與交易日之匯率相若之匯率換算為港元。財務狀況表下之項目（包括合併於二零零五年一月一日或之後所收購的海外業務所產生之商譽）按報告期末之收市匯率換算為港元。所產生之匯兌差額於其他全面收益中確認及獨立累計於匯兌儲備之權益中。合併於二零零五年一月一日之前所收購的海外業務所產生之商譽按收購該海外業務當日適用之匯率換算。

於出售海外業務時，與該海外業務有關之累計匯兌差額會在確認出售之溢利或虧損時從權益重新分類至損益。

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(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(c) 集團公司

所有集團實體（並無來自嚴重通貨膨脹經濟體的貨幣）的業績及財務狀況的功能貨幣如有別於呈報貨幣，均按以下方式換算為呈報貨幣：

(i) 於各財務狀況表呈列的資產及負債乃按有關財務狀況表結算日的收市匯率換算；

(ii) 各損益的收入及開支乃按平均匯率換算（除非該平均匯率並不合理地接近有關交易當日匯率的累積影響，在該情況下，收入及開支按有關交易當日的匯率換算）；及

(iii) 所有因此而產生的匯兌差額於其他全面收益中確認。

收購境外實體產生的商譽及公平值調整視為該境外實體的資產和負債，並以收市匯率換算。由此產生的匯兌差額於其他全面收益確認。

(d) 出售海外業務及部分出售

於出售海外業務（即出售本集團於一項海外業務之全部權益，或涉及失去包含海外業務的附屬公司控制權之出售，或涉及失去包含海外業務之合營企業共同控制權之出售，或涉及失去對包含海外業務之聯營公司重大影響力之出售）時，本公司擁有人應佔就有關業務於權益累計之所有匯兌差額重新分類至損益。

倘出售部分權益不會導致本集團失去對包含海外業務之附屬公司的控制權，則按比例所分佔之累計匯兌差額重新撥歸至非控股權益，且不會於損益確認。就所有其他部分權益出售（即本集團於聯營公司或合營企業之擁有權權益減少，而並無導致本集團失去重大影響力或共同控制權）而言，按比例所分佔之累計匯兌差額重新分類至損益。

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Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Unlisted warrants

Unlisted warrants issued by the Company that will be settled by a fixed amount of cash for a fixed number of the Company's own equity instruments are equity instruments. The net proceeds received from the issue of unlisted warrants are recognised in equity (unlisted warrants reserve). The unlisted warrants reserve will be transferred to share capital and share premium accounts upon the exercise of the unlisted warrants. Balance of unlisted warrants reserve in relation to the unexercised warrants will be transferred to accumulated profits or losses at the expiry of the warrants period.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

普通股

普通股分類列為權益。發行新股或購股權直接應佔的增量成本，列入權益作為所得款項的扣減（扣除稅項）。

倘任何集團公司購買本公司之權益股本（庫存股），包括任何直接應佔增量成本（扣除所得稅）之已付代價於本公司股權持有人應佔權益內扣除，直至股份獲註銷或重新發行為止。倘該等股份其後重新發行，則任何已收代價（減去任何直接應佔的新增交易成本及相關所得稅影響）計入本公司股權持有人應佔權益中。

非上市認股權證

由本公司發行，並將以定額現金結算以換取本公司定額權益工具的非上市認股權證，屬於權益工具。發行非上市認股權證的所得款項淨額於權益（非上市認股權證儲備）內確認。非上市認股權證獲行使時，非上市認股權證儲備將轉撥至股本及股份溢價賬。有關未行使認股權證之非上市認股權證儲備之結餘將於認股權證期間屆滿時轉撥至累計損益。

3. 重大會計估計、假設及判斷

管理層在編製本集團之財務報表時，須作出判斷、估計及假設，而該等判斷、估計及假設對所呈報收益、開支、資產及負債之金額及隨附披露資料以及或然負債之披露資料均會產生影響。有關假設及估計存在不確定因素，可能導致出現須對日後受影響資產或負債之賬面值作出重大調整之結果。

判斷

應用本集團會計政策過程中，管理層曾作以下對財務報表所確認數額有最重大影響之判斷（除涉及估計者外）：

Revenue recognition

The main revenue streams of the Group include revenue from sports content production and distribution, sports talent management, sale of goods and community development consultancy services. As required by HKAS 18 "Revenue", revenue from the sale of goods and rendering of services can only be recognised when all the specific conditions have been satisfied. The Group's accounting policy in relation to revenue recognition is disclosed in note 2.3. In addition, the illustrative example of HKAS 18 requires the Group to determine whether the Group is acting as a principal or an agent on these type of activities, the Group made assessment based on indicators of (a) who is primarily responsible for providing the goods or services; (b) who has inventory risk; (c) who bears credit risk; and (d) who has latitude to establish prices. Based on a comprehensive assessment of all the facts and circumstances, judgement is made on an individual contract basis to determine whether revenue can be recognised during the year and whether revenue should be recognised on a gross or net basis.

Acquisition of 10% equity interest in Double Happiness

During the year ended 31 December 2016, the Group completed the acquisition of 10% equity interest in Double Happiness at RMB124,992,000 in accordance with the share transfer agreement dated 23 October 2015. The Group also entered into the option agreement with LN Group, pursuant to which LN Group is granted the call option to purchase, and the Group is granted the put option to sell, the option shares on the exercise date subject to the conditions under the option agreement. Judgement is required to determine the fair values of the options, the assets acquired, the liabilities assumed, and the purchase consideration of the 10% equity interest, and on the allocation of the purchase consideration to the identifiable assets and liabilities. The consideration of the 10% equity interest has been calculated by subtracting the fair value of the options from the total consideration (i.e. RMB124,992,000), then the consideration of the 10% equity interest has been allocated to the identifiable assets and liabilities of Double Happiness. If the purchase consideration exceeds the Group's share of the fair value of the net assets acquired then the incremental amount paid is accounted for as goodwill. If the purchase price consideration is lower than the Group's share of the fair value of the net assets acquired then the difference is recorded as a gain in the profit or loss. Allocation of the purchase consideration between finite lived assets and indefinite lived assets such as goodwill and trademark affects the subsequent results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill and trademark, are not amortised.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

收益確認

本集團之主要收益來源包括體育內容製作及配送、體育人才管理、銷售貨品及社區發展諮詢服務。根據香港會計準則第18號「收益」規定，銷售貨品及提供服務之收益僅於所有特定條件獲達成時方可確認。本集團有關收益確認之會計政策於附註2.3內披露。此外，香港會計準則第18號之示例說明要求本集團須判定其是否擔任此類活動之委託人或代理人，而本集團根據下列指標作出評估(a)誰是主要負責提供貨品及服務之一方；(b)誰是擁有存貨風險之一方；(c)誰是面臨信貸風險之一方；及(d)誰是擁有定價限制之一方。根據對所有事實及情況作出之全面評估，按個別合同為基準，以判斷能否於年內確認收益及應否按總額或淨額基準確認收益。

收購紅雙喜10%股本權益

截至二零一六年十二月三十一日止年度，本集團根據日期為二零一五年十月二十三日之股份轉讓協議以人民幣124,992,000元完成收購紅雙喜10%股本權益。本集團亦與李寧集團訂立股份期權協議，據此，李寧集團獲授予認購權於行權日購買，及本集團獲授予認沽權於行權日出售期權股份，惟須受股份期權協議項下之條件所規限。釐定期權之公平值、所收購之資產、所承擔之負債及10%股本權益之購買代價以及分配購買代價至可識別資產及負債時須作出判斷。10%股本權益之代價已按照總代價（即人民幣124,992,000元）減期權之公平值計算，而10%股本權益之代價已分配至紅雙喜之可識別資產及負債。倘購買代價超過本集團分佔所收購資產淨值之公平值，則已付多餘金額入賬為商譽。倘購買代價低於本集團分佔所收購資產淨值之公平值，則差額於損益中入賬為收益。由於具有有限年期之無形資產被攤銷，而具不確定年期之無形資產（包括商譽及商標）未被攤銷，分配具有有限年期之資產及具不確定年期之資產（如商譽及商標）間之購買代價影響本集團之其後業績。

投資物業與業主自用物業之分類

本集團會評定某物業是否合資格列作投資物業，並就作出此判斷制定標準。投資物業指持作賺取租金或為資本增值或作兩種用途之物業。因此，本集團考慮一項物業產生之現金流量是否基本上與本集團持有之其他資產無關。

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Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

Notes 13, 14, 25, 26, 28, and 29 contain information about the assumptions and their risk factors relating to estimation of fair value of investment properties, interests in associates and a joint venture and related call and put options, convertible notes, deferred tax assets, fair value of share options granted and fair value of derivative financial asset in relation to advanced issuance of earn-out perpetual convertible bonds, other key sources of estimation uncertainty are as follow:

(i) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period in accordance with the accounting policies stated in note 2.3. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Both calculations require the use of estimates. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the non-current assets (such as future sales forecast, expected capital expenditure and working capital requirements) and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position.

部分物業包含持作賺取租金或作資本增值用途之部分，以及另一持作用於生產或供應貨品或服務或作行政用途之部分。倘該等部分可分開出售（或根據融資租約分開租出），則本集團會將該等部分分開記賬。倘該等部分不能分開出售，則物業僅於非重大部分持作用於生產或供應貨品或服務或作行政用途時，方屬投資物業。至於配套設備是否重大，致使某物業不合資格列作投資物業，則應就個別物業作出判斷。

估計之不明朗因素

附註13、14、25、26、28及29載有與估計投資物業公平值、於聯營公司及合營企業之權益、有關認購及認沽權、可換股票據、遞延稅項資產、所授購股權之公平值及關於提前發行盈利能力永久性可換股債券的衍生財務資產之公平值有關之假設及其風險因素之資料，估計之不明朗因素之其他主要來源如下：

(i) 非財務資產（不包括商譽）減值

本集團於各報告期根據附註2.3所述之會計政策評估所有非財務資產是否存在任何減值跡象。具不確定年期之無形資產每年及於存在減值跡象時進行減值測試。倘其他非財務資產於賬面值存在不可收回跡象時進行減值測試。資產或現金產生單位之賬面值超逾其可收回金額（即其公平值減銷售成本與其使用價值中之較高者）時，即出現減值。兩種計算均須使用估計。公平值減銷售成本乃按類似資產以公平交易方式從具法律約束力之銷售交易中可獲得數據、或可觀察市價減出售資產之增量成本計算。在估計資產的可收回金額時，須作出多項假設，包括非流動資產有關的未來現金流量（如未來銷售預測、預計資本開支及營運資金需求）及貼現率。倘未來事項不符合該等假設，則可收回金額將須予以修訂，而此舉可能會影響本集團的經營業績或財務狀況。

(ii) Depreciation

The Group's management exercises its judgement in estimating the useful lives of the depreciable assets. The estimated useful lives reflect the management's estimate of the periods the Group intends to derive future economic benefits from the use of these assets.

The Group depreciates the property, plant and equipment in accordance with the accounting policies stated in note 2.3 to the financial statements. The carrying amount of property, plant and equipment is disclosed in note 12 to the financial statements.

4. OPERATING SEGMENT INFORMATION

The management is the Group's chief operating decision-maker. The management reviews the Group's internal reports periodically in order to assess performance and allocate resources.

The management considers the business from a product/service perspective. The management separately considers the different products and services offered, and for the year ended 31 December 2016, the Group is organised into two reportable operating segments as follows:

- (a) the sports-related business segment engages in the production and distribution of sports content, management and marketing of sports talents and provision of sports consultancy service; and
- (b) the community development segment engages in property development for sales and investment, research and development, manufacturing, marketing and sales of construction materials, operation of sports parks, development of communities and provision of consultancy and subcontracting services.

(ii) 折舊

本集團管理層在估計可折舊資產之可使用年期時行使其判斷。估計可使用年期反映管理層所估計本集團擬自使用該等資產帶來日後經濟利益之期間。

本集團根據財務報表附註2.3所述會計政策對物業、廠房及設備計算折舊。物業、廠房及設備之賬面值於財務報表附註12披露。

4. 經營分部資料

管理層乃本集團之主要經營決策者。管理層定期審閱本集團之內部報告，以評估表現及進行資源分配。

管理層從產品／服務角度考慮業務。管理層個別考慮所提供之不同產品及服務，而本集團於截至二零一六年十二月三十一日止年度設立以下兩個呈報經營分部：

- (a) 體育相關業務分部，從事體育內容製作及配送、體育人才管理及市場推廣以及提供體育諮詢服務；及
- (b) 社區開發分部，從事待售物業開發及投資、建材之研發、製造、市場推廣及銷售、經營體育園、開發社區以及提供諮詢及分包服務。

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Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that interest income, finance costs, equity-settled share option expenses, fair value changes on investment properties, share of profits and losses of associates and a joint venture as well as head office and corporate income and expenses are excluded from such measurement.

管理層分開監察本集團各經營分部之業績，以就資源分配及表現評估作出決定。分部表現乃根據可呈報分部溢利或虧損來進行評估，此乃計量除稅前經調整溢利或虧損之方法。除稅前經調整溢利或虧損之計量方法與本集團之除稅前溢利或虧損一致，惟利息收入、財務成本、以股權結算之購股權開支、投資物業之公平值變動、分佔聯營公司及合營企業之溢利及虧損以及總辦事處及企業收入及開支則不包括於該計量中。

Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度	Sports-related business 體育相關業務 HK\$'000 千港元	Community development 社區開發 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue:	分部收益：			
External	外部	157,236	394,972	552,208
Segment results	分部業績	49,844	38,583	88,427
<i>Reconciliation:</i>	<i>調節表：</i>			
Interest income	利息收入			4,838
Fair value loss on investment properties	投資物業之公平值虧損			(21,624)
Equity-settled share option expense	以股權結算之購股權開支			(2,896)
Corporate and other unallocated income	企業及其他未分配收入			1,251
Corporate and other unallocated expenses	企業及其他未分配開支			(43,359)
Share of profits/(losses) of associates and a joint venture	分佔聯營公司及合營企業之溢利/(虧損)			95,605
Finance costs	財務成本			(10,079)
Profit before income tax	除所得稅前溢利			112,163
Other segment information:	其他分部資料：			
Depreciation	折舊	901	2,745	3,646
Add: depreciation related to corporate	加：與企業有關之折舊			105
				3,751
Write-down of inventories	存貨撇銷	-	259	259
Capital expenditure	資本開支	44	888	932
Add: capital expenditure related to corporate	加：與企業有關之資本開支			143,449
				144,381

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Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度	Sports-related business 體育相關業務 HK\$'000 千港元	Community development 社區開發 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue:	分部收益:			
External	外部	111,908	35,447	147,355
Segment results	分部業績	(6,372)	(41,452)	(47,824)
<i>Reconciliation:</i>	<i>調節表:</i>			
Interest income	利息收入			7,891
Fair value gain on investment properties	投資物業之公平值利潤			2,405
Equity-settled share option expense	以股權結算之購股權開支			(14,239)
Corporate and other unallocated income	企業及其他未分配收入			9,058
Corporate and other unallocated expenses	企業及其他未分配開支			(59,922)
Share of profits/(losses) of associates and a joint venture	分佔聯營公司及合營企業之溢利 / (虧損)			(78,122)
Finance costs	財務成本			(1,798)
Loss before income tax	除所得稅前虧損			(182,551)
Other segment information:	其他分部資料:			
Depreciation	折舊	1,069	5,235	6,304
Add: depreciation related to corporate	加: 與企業有關之折舊			546
				6,850
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	442	442
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	910	910
Write-down of inventories	存貨撇銷	-	2,637	2,637
Capital expenditure	資本開支	837	16,630	17,467
Add: capital expenditure related to corporate	加: 與企業有關之資本開支			28
				17,495

Information about major customers

Revenue of approximately HK\$74,440,000 was derived from an individual customer of the sports-related business segment, while HK\$102,557,000, HK\$70,560,000, HK\$54,495,000 and HK\$54,234,000 were derived from four individual customers of the community development segment, respectively, for the year ended 31 December 2016.

Revenue of approximately HK\$80,224,000 and HK\$24,481,000 were derived from two individual customers of the sports-related business segment and community development segment, respectively for the year ended 31 December 2015.

主要客戶之資料

於截至二零一六年十二月三十一日止年度，約74,440,000港元之收益來自一名體育相關業務分部之個別客戶，而102,557,000港元、70,560,000港元、54,495,000港元及54,234,000港元之收益分別來自四名社區開發分部之個別客戶。

於截至二零一五年十二月三十一日止年度，約80,224,000港元及24,481,000港元之收益分別來自兩名體育相關業務分部及社區開發分部之個別客戶。

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5. REVENUE, OTHER REVENUE AND OTHER NET INCOME

Revenue, which is also the Group's turnover, represents (i) the net invoiced value of goods sold, net of value-added tax and after allowances for returns and trade discounts; (ii) the value of services rendered, net of value-added tax/business tax and government surcharges; (iii) considerations received and receivable for organising events and competitions; (iv) gross hiring income received and receivable from sports park facilities; and (v) gross rental income received and receivable from investment properties during the year.

An analysis of the Group's revenue, other revenue and other net income are as follows:

5. 收益、其他收益及其他淨收入

收益（亦即本集團之營業額）乃指年內：(i)銷售貨品之發票淨值（經扣除增值稅以及扣除退貨撥備及貿易折扣）；(ii)所提供服務價值（經扣除增值稅／營業稅及政府徵費）；(iii)已收及應收組織活動及比賽之代價；(iv)體育園設施已收及應收之租賃收入總額；及(v)自投資物業已收及應收之租金收入總額。

本集團收益、其他收益及其他淨收入之分析如下：

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue		收益		
Sports content production and distribution income		體育內容製作及配送收入	114,218	101,114
Sports talent management income		體育人才管理收入	43,054	10,795
Sale of goods		銷售貨品	353,075	33,273
Community development		社區發展		
consultancy service income		諮詢服務收入	32,988	-
Gross rental income		租金總收入	1,254	1,530
Sports park facilities hiring income		體育園設施之租賃收入	7,619	643
			552,208	147,355
Other Revenue		其他收益		
Government grants		政府補貼	35,344	-
Interest income		利息收入	4,838	7,891
Underwriting commission fee income realised		已變現之包銷佣金收入	-	8,802
Others		其他	-	227
			40,182	16,920
Other net income		其他淨收入		
Foreign exchange gain, net		匯兌收益淨額	1,210	-
Fair value gain on derivative financial instruments		衍生財務工具之 公平值利潤	41	-
Fair value gain on investment properties		投資物業之公平值利潤	-	2,405
Gain on disposal of property, plant and equipment		出售物業、廠房及設備 之利潤	-	29
			1,251	2,434
			41,433	19,354

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6. FINANCE COSTS

6. 財務成本

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Interest on bank and other loans	銀行及其他貸款利息	23	18,092	5,749
Interest on convertible notes	可換股票據利息	25	4,251	-
Less: interest expense capitalised into properties under development for sale	減：撥充資本至發展中之待售物業之利息開支	(a)	(12,264)	(3,951)
			10,079	1,798

Note:

(a) The finance costs have been capitalised at an average interest rate of 5.3% (2015: 4.6%) per annum.

附註：

(a) 財務成本已按5.3%（二零一五年：4.6%）之平均年利率資本化。

7. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

7. 除所得稅前溢利／（虧損）

本集團之除所得稅前溢利／虧損乃經扣除／（計入）下列各項達致：

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Cost of inventories sold	已售存貨成本		346,132	27,929
Cost of services provided	所提供服務成本		84,996	94,136
Depreciation	折舊	12	3,751	6,850
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷		-	442
Minimum lease payments under operating leases of land and buildings	土地及樓宇經營租約之最低租賃付款		9,590	10,732
Auditor's remuneration	核數師酬金			
– audit services	– 核數服務		1,975	2,448
– tax services	– 稅務服務		150	150
– other services	– 其他服務	(a)	2,344	716
Employee benefit expense (including directors' remuneration (Note 8)):	僱員福利開支（包括董事酬金（附註8））：			
– Wages and salaries	– 工資及薪金		43,651	49,137
– Equity-settled share option expenses	– 以股權結算之購股權開支		1,990	10,947
– Contributions to defined contribution retirement plans	– 定額供款退休計劃之供款		3,197	4,021
			48,838	64,105
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之利潤		-	(29)
Fair value loss/(gain) on investment properties	投資物業之公平值虧損／（利潤）	13	21,624	(2,405)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損		-	910
Foreign exchange (gain)/loss, net	匯兌（利潤）／虧損淨額		(1,210)	11,168
Fair value gain on derivative financial instruments	衍生財務工具之公平值利潤		(41)	-

Note:

(a) In 2016, other services included a professional fee of HK\$1,507,000 (2015: Nil) which has been capitalised in interest in an associate.

附註：

(a) 於二零一六年，其他服務包括1,507,000港元（二零一五年：無）之專業費用，其已被資本化為聯營公司之權益。

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8. DIRECTORS' REMUNERATION

Directors' remuneration for the year disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Fees	袍金	1,500	1,500
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	14,449	14,647
Equity-settled share option expenses	以股權結算之購股權開支	1,474	4,878
Pension scheme contributions	退休金計劃供款	72	57
		15,995	19,582
		17,495	21,082

In prior years, certain directors were granted share options, in respect of their services to the Group, under the share option schemes of the Company, further details of which are set out in note 28 to the financial statements. The fair values of such options, which have been recognised in profit or loss over the relevant vesting period, were determined as at the respective dates of grant and the amount included in the financial statements for the current year are included in the above directors' remuneration disclosures.

8. 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露之年度董事酬金如下：

於過往年度，若干董事就其為本集團提供服務而根據本公司購股權計劃獲授購股權，有關進一步詳情載於財務報表附註28。該等購股權之公平值於相關歸屬期間在損益確認，並於相關授出日期釐定，而計入本年度財務報表之款項已計入上文所披露之董事酬金內。

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An analysis of the directors' remuneration, is as follows:

董事酬金分析如下：

		Salaries, allowances and benefits in kind	Equity-settled share option expenses	Retirement scheme contributions	Total remuneration	
Fees		薪金、津貼及 實物福利	以股權結算之 購股權開支	退休金 計劃供款	酬金總計	
HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元		千港元	千港元	千港元	千港元	
2016	二零一六年					
Executive directors:	執行董事：					
Mr. Li Ning	李寧先生	150	10,993	51	18	11,212
Mr. Chan Ling	陳寧先生	150	1,800	514	18	2,482
Mr. Li Chunyang	李春陽先生	150	1,056	446	18	1,670
Mr. Li Qilin	李麒麟先生	150	600	69	18	837
		600	14,449	1,080	72	16,201
Non-executive directors:	非執行董事：					
Mr. Ma Wing Man	馬詠文先生	150	–	51	–	201
Mr. Chan James	陳進思先生	150	–	172	–	322
		300	–	223	–	523
Independent non-executive directors:	獨立非執行董事：					
Mr. Ng Sau Kei, Wilfred	吳守基先生	200	–	51	–	251
Mr. Chen Johnny	陳志宏先生	200	–	51	–	251
Mr. Lien Jown Jing, Vincent	連宗正先生	200	–	69	–	269
		600	–	171	–	771
		1,500	14,449	1,474	72	17,495

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		Fees	Salaries, allowances and benefits in kind	Equity-settled share option expenses	Retirement scheme contributions	Total remuneration
	Note	袍金	薪金、津貼及實物福利	以股權結算之購股權開支	退休金計劃供款	酬金總計
	附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2015	二零一五年					
Executive directors:	執行董事：					
Mr. Li Ning	李寧先生	150	11,657	170	18	11,995
Mr. Chan Ling	陳寧先生	150	1,800	1,702	18	3,670
Mr. Li Chunyang	李春陽先生	150	1,110	1,475	18	2,753
Mr. Li Qilin	李麒麟先生 (a)	150	80	227	3	460
		600	14,647	3,574	57	18,878
Non-executive directors:	非執行董事：					
Mr. Ma Wing Man	馬詠文先生	150	–	170	–	320
Mr. Chan James	陳進思先生	150	–	567	–	717
		300	–	737	–	1,037
Independent non-executive directors:	獨立非執行董事：					
Mr. Ng Sau Kei, Wilfred	吳守基先生	200	–	170	–	370
Mr. Chen Johnny	陳志宏先生	200	–	170	–	370
Mr. Lien Jown Jing, Vincent	連宗正先生	200	–	227	–	427
		600	–	567	–	1,167
		1,500	14,647	4,878	57	21,082

Note:

(a) Mr. Li Qilin was re-designated from a non-executive director to an executive director on 13 November 2015

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2015: Nil).

附註：

(a) 李麒麟先生於二零一五年十一月十三日由非執行董事調任為執行董事

年內概無董事放棄或同意放棄任何酬金之安排（二零一五年：無）。

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9. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included three directors (2015: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2015: two) highest paid individuals who are neither a director nor a chief executive of the Company are as follows:

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,810	2,417
Equity-settled share option expenses	以股權結算之購股權開支	815	3,014
Retirement scheme contributions	退休金計劃供款	36	129
		3,661	5,560

The number of the non-director and non-chief executive highest paid individuals whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2016 二零一六年	2015 二零一五年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	–	1
		2	2

In prior years, share options were granted to the non-director and non-chief executive highest paid individuals in respect of their services to the Group, further details of which are set out in note 28 to the financial statements. The fair value of such share options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid individuals remuneration disclosures.

9. 五名最高薪酬人士

年內五名最高薪酬人士包括三名董事（二零一五年：三名董事），其酬金詳情已載列於上文附註8。年內其餘兩名（二零一五年：兩名）非本公司董事或行政總裁之最高薪酬人士之酬金詳情如下：

薪酬屬以下範圍之非董事及非行政總裁之最高薪酬人士之人數如下：

於過往年度，已就非董事及非行政總裁之最高薪酬人士為本集團服務而向其授出購股權，有關進一步詳情載於財務報表附註28。該等購股權之公平值於歸屬期間在損益確認，並於授出日期釐定，而計入本年度財務報表之款項已計入上文所披露之非董事及非行政總裁之最高薪酬人士之酬金內。

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10. INCOME TAX

			2016 二零一六年	2015 二零一五年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Current – the PRC	本期間 – 中國		9,473	–
Deferred	遞延	26	(5,406)	601
			4,067	601

No provision for Hong Kong profits tax has been provided for the year ended 31 December 2016 as the Group did not generate any assessable profits arising in Hong Kong during the year (2015: Nil). The PRC corporate income tax provision in respect of operations in the PRC is calculated based on the statutory tax rate of 25% on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof (2015: Nil).

A reconciliation of the income tax charge applicable to profit/(loss) before income tax for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge is as follows:

10. 所得稅

本集團截至二零一六年十二月三十一日止年度並無於香港產生任何應課稅溢利，故並無就本年度作出香港利得稅撥備（二零一五年：無）。就中國業務作出之中國企業所得稅撥備乃根據相關現行法規、詮釋和慣例按本年度估計應課稅溢利以25%之法定稅率計算（二零一五年：無）。

本公司及其大部分附屬公司所處司法管轄區之適用於除所得稅前溢利／（虧損）之所得稅支出與稅項支出之對賬如下：

			2016 二零一六年	2015 二零一五年
			HK\$'000 千港元	HK\$'000 千港元
Profit/(loss) before income tax	除所得稅前溢利／（虧損）		112,163	(182,551)
At the statutory/applicable income tax rates of different jurisdictions	按不同司法管轄區之法定／適用所得稅率計算		33,223	(40,501)
Profits and losses attributable to associates and a joint venture	聯營公司及合營企業應佔溢利及虧損		(23,936)	19,543
Tax effect of income not subject to tax	毋須課稅收入之稅務影響		(5,846)	(3,007)
Tax effect of expenses not deductible for tax	不可扣稅開支之稅務影響		8,108	8,502
Tax effect of unused tax losses not recognised	未動用未確認稅項虧損之稅務影響		13,536	16,064
Tax effect of tax losses utilised	已動用稅項虧損之稅務影響		(21,018)	–
Income tax charge	所得稅支出		4,067	601

The share of income tax expense attributable to associates and a joint venture for the year amounting to HK\$14,142,000 (2015: HK\$16,655,000) is included in "Share of profits/(losses) of associates and a joint venture" in the profit or loss.

年內分佔聯營公司及一間合營企業應佔所得稅開支達14,142,000港元（二零一五年：16,655,000港元）乃計入損益之「分佔聯營公司及合營企業之溢利／（虧損）」。

11. PROFIT/LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts for the years ended 31 December 2016 and 2015 is based on the profit/(loss) for the year attributable to equity shareholders of the Company, and the weighted average number of ordinary shares in issue and participating equity instruments during the years.

The calculation of the diluted earnings per share amounts for the years ended 31 December 2016 is based on the profit/(loss) for the year attributable to equity shareholders of the Company and the weighted average number of ordinary shares after adjustment for the effect of deemed exercise of all dilutive potential ordinary shares at no consideration at the beginning of the period. The effect of the outstanding convertible notes (note 25) was not included in the computation of diluted earnings per share for 2016 as it was anti-dilutive.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2015 in respect of a dilution as the impact of the potential dilution effect of the associate's dilutive potential ordinary shares and the potential ordinary shares for the year ended 31 December 2015, either had anti-dilutive or no dilutive effect on the basic loss per share amounts presented.

11. 本公司權益股東應佔每股溢利／虧損

截至二零一六年及二零一五年十二月三十一日止年度之每股基本盈利金額乃根據本公司權益股東應佔年內溢利／（虧損）及年內已發行普通股及參與股本工具加權平均數計算。

截至二零一六年十二月三十一日止年度之每股攤薄盈利金額乃根據本公司權益股東應佔年內溢利／（虧損）及普通股加權平均數（已就視作於期初按零代價行使全部潛在攤薄普通股之影響作出調整）計算。由於可換股票據（附註25）具反攤薄效應，因此於計算二零一六年之每股攤薄盈利時並未計及尚未行使可換股票據之影響。

就攤薄影響而言，由於聯營公司具攤薄影響之潛在普通股之潛在攤薄效應及截至二零一五年十二月三十一日止年度的潛在普通股對所呈列之每股基本虧損金額具反攤薄效應或並無攤薄效應，故並無就截至二零一五年十二月三十一日止年度所呈列之每股基本虧損金額作出調整。

		2016 二零一六年	2015 二零一五年
Profit/(loss) attributable to equity shareholders of the Company, used in the basic and diluted earnings per share calculation (HK\$'000)	用於計算每股基本及攤薄盈利之本公司權益股東應佔溢利／（虧損）（千港元）	103,630	(179,657)
Number of ordinary shares	普通股數目		
Weighted average number of ordinary shares in issue and participating equity instruments used in the basic earnings per share calculation ('000)	用於計算每股基本盈利之已發行普通股及參與股本工具之加權平均數（千股）	11,156,562	8,621,781
Dilutive equivalent shares arising from potential ordinary shares ('000)	因潛在普通股所產生之攤薄股數（千股）	100,228	-
Weighted average number of ordinary shares and potential ordinary shares used in the diluted earnings per share calculation ('000)	用於計算每股攤薄盈利之普通股及潛在普通股加權平均數（千股）	11,256,790	8,621,781
Basic earnings/(loss) per share (HK cents)	每股基本盈利／（虧損）（港仙）	0.93	(2.08)
Diluted earnings/(loss) per share (HK cents)	每股攤薄盈利／（虧損）（港仙）	0.92	(2.08)

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12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Buildings	Leasehold improvements	Machinery and office equipment	Furniture and fixtures	Motor vehicles	Total
		樓宇	租賃物業裝修	機器及辦公室設備	傢俬及裝置	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
31 December 2016	二零一六年十二月三十一日						
At 1 January 2016:	於二零一六年一月一日:						
Cost	成本	-	19,450	14,022	783	7,161	41,416
Accumulated depreciation and impairment	累計折舊及減值	-	(8,159)	(8,644)	(624)	(4,592)	(22,019)
Net book amount	賬面淨值	-	11,291	5,378	159	2,569	19,397
Opening net book amount	年初賬面淨值	-	11,291	5,378	159	2,569	19,397
Additions	添置	-	-	621	26	354	1,001
Depreciation charge	折舊費	-	(2,099)	(590)	(84)	(978)	(3,751)
Currency translation differences	匯兌差額	-	(636)	(348)	(6)	(121)	(1,111)
Closing net book amount	年終賬面淨值	-	8,556	5,061	95	1,824	15,536
At 31 December 2016:	於二零一六年十二月三十一日:						
Cost	成本	-	18,339	11,506	717	7,047	37,609
Accumulated depreciation and impairment	累計折舊及減值	-	(9,783)	(6,445)	(622)	(5,223)	(22,073)
Net book amount	賬面淨值	-	8,556	5,061	95	1,824	15,536
31 December 2015	二零一五年十二月三十一日						
At 1 January 2015:	於二零一五年一月一日:						
Cost	成本	50,360	8,081	12,890	678	6,152	78,161
Accumulated depreciation and impairment	累計折舊及減值	(2,993)	(6,337)	(5,941)	(509)	(4,025)	(19,805)
Net book amount	賬面淨值	47,367	1,744	6,949	169	2,127	58,356
Opening net book amount	年初賬面淨值	47,367	1,744	6,949	169	2,127	58,356
Additions	添置	2,093	11,629	1,815	108	1,367	17,012
Disposal	出售	-	-	(13)	-	-	(13)
Transfer out to investment properties	轉出至投資物業	(46,015)	-	-	-	-	(46,015)
Depreciation charge	折舊費	(1,658)	(2,038)	(2,198)	(115)	(841)	(6,850)
Impairment	減值	-	-	(910)	-	-	(910)
Currency translation differences	匯兌差額	(1,787)	(44)	(265)	(3)	(84)	(2,183)
Closing net book amount	年終賬面淨值	-	11,291	5,378	159	2,569	19,397
At 31 December 2015:	於二零一五年十二月三十一日:						
Cost	成本	-	19,450	14,022	783	7,161	41,416
Accumulated depreciation and impairment	累計折舊及減值	-	(8,159)	(8,644)	(624)	(4,592)	(22,019)
Net book amount	賬面淨值	-	11,291	5,378	159	2,569	19,397

Note
附註

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13. INVESTMENT PROPERTIES

13. 投資物業

			Completed	Under construction	Land use rights held for future development of industrial buildings 持作未來開發工業樓宇之土地使用權 (Note (b)) (附註(b))	Total
		Notes 附註	完工 HK\$'000 千港元	在建 HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
Carrying amount at 1 January 2015	於二零一五年一月一日之賬面值		23,201	6,808	191,168	221,177
Additions	添置		483	–	–	483
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	12	46,015	–	–	46,015
Transfer from prepaid land lease payments	轉撥自預付土地租賃付款		20,156	–	–	20,156
Fair value gain	公平值利潤		2,323	82	–	2,405
Currency translation differences	匯兌差額		(1,461)	(310)	(8,711)	(10,482)
Carrying amount at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日之賬面值		90,717	6,580	182,457	279,754
Fair value loss	公平值虧損		(8,368)	(992)	(12,264)	(21,624)
Currency translation differences	匯兌差額		(5,855)	(417)	(11,918)	(18,190)
Carrying amount at 31 December 2016	於二零一六年十二月三十一日之賬面值		76,494	5,171	158,275	239,940

Amounts recognised in profit or loss for investment properties	就投資物業之損益確認之金額	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Rental income	租金收入	1,077	1,530

As at 31 December 2016, the Group had no unprovided contractual obligations for future repairs and maintenance (2015: Nil).

於二零一六年十二月三十一日，本集團並無已簽約但未撥備之將來維修及保養責任（二零一五年：無）。

Notes:

附註：

(a) The Group's investment properties are situated in the PRC and are held under medium term leases.

(a) 本集團之投資物業位於中國，並按中期租約持有。

(b) Land use rights held for future development of industrial buildings are used to earn rental income and/or for capital appreciation.

(b) 持作未來開發工業樓宇之土地使用權乃用以賺取租金收入及／或資本增值。

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(c) The fair values of the Group's investment properties are assessed by management based on the property valuation performed by Savills Valuation and Professional Services Limited, independent professionally qualified valuers. The carrying amount of investment properties at 31 December 2016 was HK\$239,940,000 (2015: HK\$279,754,000).

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2016 are as follows:

	Quoted prices in active markets for identical assets Level 1 相同資產 於活躍市場 之報價第一級 HK\$'000 千港元	Significant other observable inputs Level 2 其他重大可觀察 輸入數據第二級 HK\$'000 千港元	Significant unobservable inputs Level 3 重大不可觀察 輸入數據第三級 HK\$'000 千港元	Fair value as at 31 December 2016 於二零一六年 十二月三十一日 之公平值 HK\$'000 千港元
Industrial property units 工業物業單元	-	-	239,940	239,940

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2015 are as follows:

	Quoted prices in active markets for identical assets Level 1 相同資產 於活躍市場 之報價第一級 HK\$'000 千港元	Significant other observable inputs Level 2 其他重大可觀察 輸入數據第二級 HK\$'000 千港元	Significant unobservable inputs Level 3 重大不可觀察 輸入數據第三級 HK\$'000 千港元	Fair value as at 31 December 2015 於二零一五年 十二月三十一日 之公平值 HK\$'000 千港元
Industrial property units 工業物業單元	-	-	279,754	279,754

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers among the levels during the year.

The fair value of investment properties is determined by adopting the income capitalisation approach and made reference to available comparable market transactions. The valuation also takes into account the rental income of contractual tenancies, reversionary market rent after the expiry of tenancy in capitalisation (2016: RMB3.0 – 17.0 per sq.m. per month and 2015: RMB3.3 – 20.0 per sq.m. per month), capitalisation rate (2016: 6.25% and 2015: 6.5%), expected vacancy rate (2016 and 2015: 20%), interest rate (2016: 4.35% and 2015: 4.35%), developer's profit margin (2016 and 2015: 10%), latest development proposals and estimated construction costs to completion (2016 and 2015: RMB1,200 per sq.m.) etc. The assumptions have been adjusted for the quality and location of the properties. The fair value measurement is positively correlated to the market rent and negatively correlated to the capitalisation rate, expected vacancy rate, interest rate, estimated cost to completion and developer's profit margin.

(c) 管理層根據獨立專業合資格估值師第一太平戴維斯估值及專業顧問有限公司進行之物業估值評估本集團投資物業之公平值。於二零一六年十二月三十一日，投資物業之賬面值為239,940,000港元（二零一五年：279,754,000港元）。

本集團投資物業之詳情及於二零一六年十二月三十一日之公平值等級架構之資料如下：

本集團投資物業之詳情及於二零一五年十二月三十一日之公平值等級架構之資料如下：

本集團的政策為於發生轉移事件當日或狀況改變引致轉移時，確認於公平值等級架構間的轉入及轉出。於年內概無層級之間之轉撥。

投資物業之公平值乃透過採納收入資本化法並參考現有可資比較市場交易而釐定。估值亦考慮合約租期之租金收入、租期屆滿後之可回復市場租金資本化（二零一六年：每個月每平方米人民幣3.0元至人民幣17.0元及二零一五年：每個月每平方米人民幣3.3元至人民幣20.0元）、資本化率（二零一六年：6.25%及二零一五年：6.5%）、預期空置率（二零一六年及二零一五年：20%）、利率（二零一六年：4.35%及二零一五年：4.35%）、開發商之毛利率（二零一六年及二零一五年：10%）、最新發展方案及估計完工成本（二零一六年及二零一五年：每平方米人民幣1,200元）等。假設已就該等物業之質素及位置而調整。公平值計量與市場租金正相關，而與資本化率、預期空置率、利率、估計完工成本及開發商之毛利率為負相關。

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(d) As at 31 December 2016, certain portion of the investment properties has been substantially completed, for which the completion and acceptance certificates for construction works and the real estate title certificates have not yet been obtained by the Group. Accordingly, additional construction costs and any other associated charges may be incurred and payable to contractors and/or the relevant government authorities for the fulfillment of the completion and acceptance for construction works.

(e) Further particulars of the Group's investment properties are included on page 175.

(d) 於二零一六年十二月三十一日，若干部分之投資物業基本上已竣工，惟本集團均未取得建築工程竣工驗收證書以及房地產業權證書。因此可能會就完成建築工程之竣工驗收而產生應付承建商及／或相關政府機構之額外建築成本及任何其他附帶開支。

(e) 本集團投資物業之進一步詳情載於第175頁。

14. INTERESTS IN ASSOCIATES AND A JOINT VENTURE Interests in associates

		2016 二零一六年	2015 二零一五年
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Amount due from an associate	(a)	5,522	5,522
Share of net assets of associates		1,836,222	1,721,343
Goodwill		1,413,273	1,489,909
Carrying value	賬面值	3,255,017	3,216,774

14. 於聯營公司及合營企業之權益 於聯營公司之權益

Interest in a joint venture

於合營企業之權益

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Amount due from a joint venture		5,273	5,642
Share of net assets of a joint venture		(211)	198
		5,062	5,840
Less: current portion (included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position)	減：流動部分 (計入綜合財務狀況表內之「預付款項、按金及其他應收款項」)	(5,062)	-
		-	5,840
		3,255,017	3,222,614

Notes:

(a) The amount due from an associate are unsecured, interest-free, have no fixed terms of repayment but are expected to be settled more than one year from the reporting date.

(b) Including share of loss of HK\$409,000 (2015: share of profit of HK\$153,000) for the year ended 31 December 2016.

(c) Amount due from a joint venture of HK\$5,062,000 as at 31 December 2016 is classified as current assets and has been settled in 2017.

附註：

(a) 應收聯營公司之款項為無抵押、免息、無固定還款期，惟預期將自報告日期起計超過一年後結清。

(b) 包括分佔截至二零一六年十二月三十一日止年度之虧損409,000港元(二零一五年：分佔溢利153,000港元)。

(c) 於二零一六年十二月三十一日應收合營企業之款項5,062,000港元獲分類為流動資產且已於二零一七年收取。

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The following is a movement of interest in associates during the year:

以下為年內於聯營公司之權益變動：

		2016 二零一六年	2015 二零一五年
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	3,216,774	2,668,114
Costs incurred during the year	年內投入之成本	142,456	753,927
Advance to an associate	墊付予一間聯營公司之 款項	-	5,522
Share of profits/(losses) for the period	分佔期內溢利/(虧損)	96,014	(78,275)
Share of other comprehensive income	分佔其他全面收益	30	(174)
Elimination of underwriting fee income	抵減包銷費收入	-	(3,106)
Share of reserves	分佔儲備	8,517	2,790
Currency translation differences	匯兌差額	(208,774)	(132,024)
At 31 December	於十二月三十一日	3,255,017	3,216,774

Particulars of the Group's principal associates are as follows:

本集團之主要聯營公司之詳情如下：

Name	Notes	Place of incorporation/ registration/ 註冊成立/ 註冊地點	Percentage of ownership interest directly attributable to the Group 本集團直接應佔擁有 權權益之百分比	Principal activities
Li Ning Co	(d)	Cayman Islands	24.3%	Brand development, design, manufacture, sale and distribution of sport-related footwear, apparel, equipment and accessories in the PRC
李寧公司		開曼群島		於中國從事體育相關鞋類、服飾、器材及配件之品牌開發、設計、製造、銷售及分銷
CITIC Land	(e)	The PRC	29%	Project investment, real estate development, hotel investment and management, property management, project contracting, and real estate consultancy, etc.
中信置業		中國		項目投資、房地產開發、酒店投資管理、物業管理、工程承包及房地產諮詢等
Double Happiness	(f)	The PRC	10%	Manufacture, research and development, marketing and sale of principally table tennis and badminton equipment under its own "紅雙喜 (Double Happiness)" brand and other sports accessories
紅雙喜		中國		製造、研發、營銷及銷售其自有品牌「紅雙喜」的主要乒乓球及羽毛球用品及其他體育配件

Notes:

附註：

(d) On 12 October 2012, the Group entered into a sale and purchase agreement with two entities which are held by trusts and the beneficiaries of which included family members of Mr. Li Ning and Mr. Li Chun, his brother, for the acquisition of 266,374,000 shares of HK\$0.10 each in the share capital of Li Ning Co ("LN Shares"), representing approximately 25.2% equity interest in Li Ning Co as at the date of acquisition.

(d) 於二零一二年十月十二日，本集團與兩間實體（由信託及受益人（包括李寧先生及其胞兄李進先生各自之家族成員）持有）訂立買賣協議，以收購266,374,000股李寧公司股本中每股面值0.10港元之股份（「李寧股份」），於收購當日佔李寧公司之約25.2%股權。

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The purchase consideration for the acquisition was satisfied by (i) the issue of 1,780,220,769 ordinary shares credited as fully paid at issuance; (ii) the issue of initial perpetual convertible bonds with a principal amount of HK\$780,000,000 ("Initial Perpetual Convertible Bonds"); and (iii) the possible issuance of earn-out perpetual convertible bonds ("Earn-out Perpetual Convertible Bonds") based on the operating performance of Li Ning Co for the financial periods between 2013 and 2017, subject to a maximum principal amount of HK\$780,000,000 (the "Contingent Consideration"). Further details of the sale and purchase agreement were set out in the Company's announcement dated 12 October 2012 and the Company's circular dated 7 November 2012. The acquisition was completed on 4 December 2012 and a goodwill amounting to HK\$1,527,488,000, which arose from the excess of the purchase consideration over the Group's interests in the fair value of identifiable net assets of LN Group attributable to shareholders of LN Group at the date of acquisition was recognised for the year ended 31 December 2012, and included in "Interests in associates" in the consolidated statement of financial position.

Under the 2013 Li Ning Open Offer, the Group exercised its rights for subscription and excess application for the convertible securities in the principal amount of HK\$3.50 per unit of convertible securities. Approximately 146,759,000 units of convertible securities were allotted to the Group at the total consideration of approximately HK\$513,656,000. In this connection, the Group's equity interests in Li Ning Co has increased from approximately 25.2% to approximately 26.1% with effect from April 2013, assuming all holders of the convertible securities convert the convertible securities in full upon completion of the 2013 Li Ning Open Offer. The Group was one of the underwriters of the 2013 Li Ning Open Offer and its obligations under the related underwriting agreement had ceased forthwith upon completion of 2013 Li Ning Open Offer.

In December 2014, 33,000,000 units of the 2013 Convertible Securities in the principal amount of HK\$115,500,000 held by the Group were converted into 33,000,000 ordinary shares of Li Ning Co.

In December 2014, the Group entered into an underwriting agreement with Li Ning Co in respect of the open offer of offer securities for subscription, on the basis of 5 offer securities for every 12 existing ordinary shares held by the qualifying shareholders of Li Ning Co (the "2015 Li Ning Open Offer"), pursuant to which the Group had conditionally committed to underwrite up to a maximum of 183,192,543 offer securities (representing a maximum subscription price of approximately HK\$476,300,000), minus any offer securities acquired by the Group under successful excess application in the open offer, as determined pursuant to the underwriting agreement. All proposed subscriptions by the Group were in the form of convertible securities, with the initial conversion price of HK\$2.60 per new share issuable upon conversion. The Group also entered into an irrevocable undertaking to subscribe for its full assured entitlement of offer securities, for a maximum illustrative amount of approximately HK\$447,600,000. Further details of the above were set out in the Company's announcement dated 16 December 2014.

收購事項之購買代價由(i)發行1,780,220,769股普通股(於發行時入賬列作繳足);(ii)發行本金額為780,000,000港元之初始永久性可換股債券(「初始永久性可換股債券」);及(iii)可能發行盈利能力永久性可換股債券(「盈利能力永久性可換股債券」)(以李寧公司於二零一三年至二零一七年止財政期間之營運表現為依據,最高本金額為780,000,000港元)進行支付(「或然代價」)。買賣協議之進一步詳情載於本公司日期為二零一二年十月十二日之公告以及本公司日期為二零一二年十一月七日之通函。收購事項於二零一二年十二月四日完成及當中產生商譽1,527,488,000港元,乃購買代價超出本集團於李寧集團之股東於收購日期應佔李寧集團可資識別資產淨值之公平價值權益之差額並於截至二零一二年十二月三十一日止年度確認,並計入綜合財務狀況表之「於聯營公司之權益」。

根據二零一三年李寧公開發售,本集團行使其權利認購並額外申請可換股證券(每份可換股證券之本金額為3.50港元)。約146,759,000份可換股證券乃以總代價約513,656,000港元配發予本集團。就此而言,本集團於李寧公司之股權已於二零一三年四月起自約25.2%增加至約26.1%(假設所有可換股證券持有人於二零一三年李寧公開發售完成後悉數轉換可換股證券)。本集團為二零一三年李寧公開發售之包銷商之一,而其於相關包銷協議項下之責任於二零一三年李寧公開發售完成後已隨即終止。

於二零一四年十二月,本集團所持33,000,000份本金額為115,500,000港元的二零一三年可換股證券已轉換為33,000,000股李寧公司普通股。

於二零一四年十二月,本集團與李寧公司就公開發售發售證券以供認購(按李寧公司合資格股東每持有12股現有普通股獲發5份發售證券之基準)(「二零一五年李寧公開發售」)訂立一項包銷協議,據此,本集團已有條件承諾包銷最多183,192,543份發售證券(相當於最高認購價約476,300,000港元)減本集團於公開發售中成功額外申請所購買的任何發售證券(根據包銷協議所釐定者)。本集團所有建議認購事項均以可換股證券的形式進行,可換股證券可轉換為新股份,轉換時每股可發行新股份之初步轉換價為2.60港元。本集團亦已作出不可撤銷承諾,認購其全部發售證券的保證配額,最高說明性金額約為447,600,000港元。上述進一步詳情載於本公司日期為二零一四年十二月十六日之公告。

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The 2015 Li Ning Open Offer was completed in early 2015. Approximately 124,739,000 units of convertible securities were allotted to the Group with total consideration of approximately HK\$324,322,000. In this connection, the Group's equity interests in Li Ning Co has been diluted from approximately 26.1% to approximately 25.0% with effect from January 2015 and a loss on deemed partial disposal of HK\$46,379,000 has arisen.

The Group was allotted approximately 146,759,000 units of convertible securities (the "2013 Convertible Securities") under the open offer of convertible securities by Li Ning Co in the principal amount of HK\$3.5 each for every two existing ordinary shares held by the qualifying shareholders of Li Ning Co in 2013 ("2013 LN Open Offer").

Pursuant to the terms and conditions of the 2013 LN Open Offer, the conversion price of the 2013 Convertible Securities has been adjusted from HK\$3.5 per share to HK\$3.183 per share upon completion of 2015 Li Ning Open Offer. Based on the principal amount of the outstanding 2013 Convertible Securities of approximately HK\$398,156,000 held by the Group, the number of 2013 Convertible Securities held by the Group has been adjusted to approximately 125,088,000.

With effect from August 2016, the Group's equity interests in Li Ning Co has been diluted from approximately 25.0% to approximately 24.3% upon the conversion of convertible bonds issued by Li Ning Co in principal amount of RMB189,000,000, resulting in the issue of 56,810,850 new shares and a loss on deemed partial disposal of HK\$22,506,000 was recognised by the Group.

As at 31 December 2016, the market value of Li Ning Co's listed shares was HK\$4.87 (2015: HK\$4.2) per share. The number of Li Ning Co ordinary shares held by the Group as at 31 December 2016 was approximately 299,374,000 Shares (2015: 299,374,000 Shares) and the number of convertible securities held as at 31 December 2016 was approximately 249,827,000 units (2015: 249,827,000 units).

(e) In August 2015, the Group entered into a capital contribution agreement with CITIC Group, a wholly state-owned enterprise established in the PRC in 1979. Pursuant to the capital contribution agreement, the Group agreed to make a capital contribution of approximately RMB320,800,000 to CITIC Land, a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of CITIC Group to subscribe for 29% equity interest in the CITIC Land. Further details of the above were set out in the Company's announcement dated 14 August 2015.

The transaction was completed on 28 December 2015 and CITIC Land became an associate of the Group. A goodwill amounting to approximately HK\$80,558,000, which arose from the excess of the purchase consideration over the Group's interests in the fair value of identifiable net assets of CITIC Land attributable to shareholders of CITIC Land at the date of acquisition was recognised and included in "Interests in associates" in the consolidated statement of financial position. The fair value of the identifiable net assets is based on the valuation performed by American Appraisal China Limited ("American Appraisal").

二零一五年李寧公開發售已於二零一五年年初完成，約124,739,000份可換股證券已配發予本集團，總代價約為324,322,000港元。就此而言，自二零一五年一月起，本集團於李寧公司的股權已由約26.1%攤薄至約25.0%，並產生視作部分出售虧損46,379,000港元。

根據李寧公司於二零一三年以李寧公司合資格股東每持有兩股現有普通股獲發一份本金額3.5港元之可換股證券之基準進行之可換股證券公開發售（「二零一三年李寧公開發售」），本集團獲配發約146,759,000份可換股證券（「二零一三年可換股證券」）。

根據二零一三年李寧公開發售的條款及條件，二零一三年可換股證券的轉換價已於二零一五年李寧公開發售完成後從每股3.5港元調整至每股3.183港元。根據本集團所持尚未行使之二零一三年可換股證券之本金額約398,156,000港元，本集團所持二零一三年可換股證券數目已調整至約125,088,000份。

自二零一六年八月起，本集團於李寧公司之股權已由約25.0%攤薄至24.3%，原因為於轉換李寧公司發行之本金額約人民幣189,000,000元之可換股債券後導致發行56,810,850股新股份，且本集團確認產生視作部分出售權益之虧損22,506,000港元。

於二零一六年十二月三十一日，李寧公司上市股份之市價為每股4.87港元（二零一五年：每股4.2港元）。於二零一六年十二月三十一日，本集團持有之李寧公司普通股數目約為299,374,000股（二零一五年：299,374,000股），於二零一六年十二月三十一日所持可換股證券之數目約為249,827,000份（二零一五年：249,827,000份）。

(e) 於二零一五年八月，本集團與中信集團（一間於一九七九年在中國成立的國有獨資公司）訂立增資擴股協議。根據增資擴股協議，本集團同意對中信置業（一間於中國註冊成立之有限公司，為中信集團之直接全資附屬公司）增資約人民幣320,800,000元以認購中信置業29%股權。有關上文之進一步詳情載於本公司日期為二零一五年八月十四日之公告。

交易已於二零一五年十二月二十八日完成，及中信置業已成為本集團之一間聯營公司。於收購日期，因購買代價超出本集團於中信置業之股東應佔中信置業可識別資產淨值之公平值權益而產生之為數約80,558,000港元之商譽已確認並計入綜合財務狀況表之「於聯營公司之權益」。可識別資產淨值公平值乃根據美國評值有限公司（「美國評值」）進行之估值釐定。

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(f) On 23 October 2015, the Group entered into a share transfer agreement with LN Group. Pursuant to the share transfer agreement, the Group agreed to acquire 10% equity interest in Double Happiness at RMB124,992,000 (equivalent to approximately HK\$140,041,000) upon satisfaction of certain conditions.

On the same date, the Group also entered into the option agreement with LN Group, pursuant to which LN Group is granted the call option to purchase, and the Group is granted the put option to sell, the option shares on the exercise date subject to the conditions under the option agreement. The exercise price for the options is calculated based on the initial purchase consideration plus 6.5% interest per annum after deducting the relevant cash dividend entitlements from the completion date to the exercise date. The exercise date will be the last date on the fourth year following the completion date.

Further details of the above were set out in the Company's announcement dated 25 October 2015.

The transaction was completed on 23 December 2016 and Double Happiness became an associate of the Group. A goodwill amounting to approximately HK\$54,843,000, which arose from the excess of the purchase consideration over the sum of Group's interests in the fair value of identifiable net assets of Double Happiness attributable to shareholders of Double Happiness and the fair values of the put option and the call option at the date of acquisition was recognised and included in "Interests in associates" in the consolidated statement of financial position. The fair values of the options and identifiable net assets are based on the valuation performed by Savills Valuation and Professional Services Limited.

The options are accounted for as derivative financial instruments in the consolidated statement of financial position. As at 23 December 2016, the fair values of the put option and the call option were approximately HK\$3,589,000 and approximately HK\$2,078,000 respectively. As at 31 December 2016, the fair values of the put option and the call option were approximately HK\$3,586,000 and approximately HK\$2,046,000 respectively.

(f) 於二零一五年十月二十三日，本集團與李寧集團訂立股份轉讓協議。根據股份轉讓協議，本集團同意收購紅雙喜10%股權，代價人民幣124,992,000元（相當於約140,041,000港元），並於若干條件獲達成後支付。

同日，本集團亦與李寧集團訂立股份期權協議，據此，李寧集團獲授予認購權於行權日購買，而本集團獲授予認沽權於行權日出售期權股份，惟須受股份期權協議項下之條件所規限。期權的行權價是按初始購買代價加6.5%年利率，再扣減自完成日至行權日有關的現金股利而計算的。行權日將為完成日後第四年的最後一日。

有關上文之進一步詳情載於本公司日期為二零一五年十月二十五日之公告。

交易已於二零一六年十二月二十三日完成，而紅雙喜成為本集團之聯營公司。商譽約54,843,000港元（產生自購買代價超出紅雙喜股東於收購日期應佔紅雙喜可識別淨資產公平值權益及認沽權及認購權之公平值總和之差額）已獲確認，並計入綜合財務狀況表之「於聯營公司之權益」。期權之公平值及可識別資產淨值乃根據第一太平戴維斯估值及專業顧問有限公司進行之估值計算得出。

購股權於綜合財務報表內入賬為衍生財務工具。於二零一六年十二月二十三日，認沽權及認購權之公平值分別為約3,589,000港元及約2,078,000港元。於二零一六年十二月三十一日，認沽權及認購權之公平值分別為約3,586,000港元及約2,046,000港元。

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The fair values of the options as at 23 December 2016 and 31 December 2016 were estimated, using a binomial model, taking into account the terms and conditions, spot price and exercise price of the options. The following table lists the other key inputs to the model used:

		Valuation date 估值日期	
		23 December 2016 二零一六年 十二月二十三日	31 December 2016 二零一六年 十二月三十一日
Annual risk-free rate (%)	無風險年利率(%)	2.89	2.79
Expected volatility (%)	預期波幅(%)	51.25	51.29
Life of options (years)	購股權年期(年)	4.00	3.98
Probability of fulfilling all conditions for exercise (%)	達成所有行使條件之可能性(%)	6.3	6.3

The fair values of the put option and the call option were measured using significant unobservable inputs (level 3 of fair value hierarchy). During the year, there were no transfers among the levels.

The Group's shareholdings in Li Ning Co and CITIC Land are held through wholly-owned subsidiaries of the Company. The Group directly holds 10% equity interests in Double Happiness through wholly-owned subsidiaries of the Company and Li Ning Co, the Group's associate, holds 47.5% of the equity interests in Double Happiness.

There are no contingent liabilities relating to the Group's interest in the associates.

購股權於二零一六年十二月二十三日及二零一六年十二月三十一日之公平值乃使用二項式模式估計，並已考慮購股權之條款及條件、購股權之現貨價及行使價。下表載列該模式使用之其他主要數據：

認沽權及認購權之公平值乃使用重大不可觀察輸入數據（第3級公平值）計量。年內，公平值層級間並無進行轉移。

本集團於李寧公司及中信置業之股權乃透過本公司全資附屬公司持有。本集團透過本公司之全資附屬公司於紅雙喜直接持有10%股權，而本集團之聯營公司李寧公司於紅雙喜持有47.5%股權。

本集團概無任何與本集團於聯營公司的權益有關的或然負債。

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The following table illustrates the summarised financial information of the Group's principal associates extracted from its financial information or financial statements after adjusting for the impacts of adjustments made at the time of acquisition and adjustments for differences in accounting policies, if any (the ones extracted from Li Ning Co are after adjusting for the impacts of adjustments made at the time of acquisition and adjustments for differences in accounting policies, if any, and for non-coterminous periods between the Group and Li Ning Co):

下表闡述本集團主要聯營公司之概要財務資料，有關資料乃摘錄自其財務資料或財務報表（經就於收購時作出之調整影響作出調整及就會計政策差異（如有）作出調整）（該等摘錄自李寧公司之資料乃經就於收購時作出之調整影響作出調整及就本集團與李寧公司之間會計政策的差異（如有）及不相連會計期間作出調整）：

		2016 二零一六年			2015 二零一五年	
		Li Ning Co 李寧公司 HK\$'000	CITIC Land 中信置業 HK\$'000	Double Happiness 紅雙喜 HK\$'000	Li Ning Co 李寧公司 HK\$'000	CITIC Land 中信置業 HK\$'000
Gross amounts of the associates	聯營公司之總金額					
Current assets	流動資產	4,698,639	515,764	384,310	5,691,467	709,398
Non-current assets	非流動資產	4,403,867	1,098,317	1,078,065	3,898,231	1,154,552
Current liabilities	流動負債	2,914,872	562,279	406,704	2,475,344	134,625
Non-current liabilities	非流動負債	205,569	39,256	186,661	1,432,776	529,391
Net assets attributable to the equity shareholders	權益股東應佔資產淨值	5,979,218	1,012,546	869,010	5,495,794	1,199,934
Revenue for the period	期內收益	8,934,021	21,226	Note(g) 附註(g)	8,314,104	Note(h) 附註(h)
Profit/(loss) for the period	期內溢利／（虧損）	566,639	(110,675)	Note(g) 附註(g)	(143,644)	Note(h) 附註(h)
Other comprehensive income/(loss)	其他全面收益／（虧損）	128	–	Note(g) 附註(g)	(700)	Note(h) 附註(h)
Total comprehensive income/(loss)	全面收益／（虧損）總額	566,767	(110,675)	Note(g) 附註(g)	(144,344)	Note(h) 附註(h)
Reconciliation to the Group's interests in the associates	本集團於聯營公司的權益的對賬					
Gross amounts of net assets attributable to the equity shareholders of the associates	聯營公司權益股東應佔資產淨值總額	5,979,218	1,012,546	869,010	5,495,794	1,199,934
Group's effective interest	本集團實際權益	24.3%	29.0%	10.0%	25.0%	29.0%
Group's share of net assets of the associates	本集團應佔聯營公司的資產淨值	1,455,940	293,638	86,901	1,373,399	347,981
Goodwill	商譽	1,283,547	75,295	54,431	1,409,351	80,558
Carrying amount in the consolidated financial statements	於綜合財務報表的賬面值	2,739,487	368,933	141,332	2,782,750	428,539

Notes:

(g) The acquisition of 10% equity interest in Double Happiness was completed on 23 December 2016 and no share of post-acquisition profits and losses of Double Happiness was reflected for the year ended 31 December 2016 as the amounts involved were insignificant.

(h) The capital contribution in CITIC Land was completed on 28 December 2015 and no share of post-acquisition profits and losses of CITIC Land was reflected for the year ended 31 December 2015 as the amounts involved were insignificant.

附註：

(g) 收購紅雙喜10%股權已於二零一六年十二月二十三日完成，及由於所涉金額並不重大，故截至二零一六年十二月三十一日止年度並無反映分佔紅雙喜收購後溢利及虧損。

(h) 向中信置業注資已於二零一五年十二月二十八日完成，及由於所涉金額並不重大，故截至二零一五年十二月三十一日止年度並無反映分佔中信置業收購後溢利及虧損。

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The Group's consolidated financial statements for the year ended 31 December 2016 include the Group's share of the results and reserves of Li Ning Co for the twelve months ended 30 September 2016 and adjusted for any significant events or transactions for the period from 1 October 2016 to 31 December 2016. The Group's consolidated financial statements for the year ended 31 December 2015 include the Group's share of the results and reserves of Li Ning Co for the twelve months ended 30 September 2015 and adjusted for any significant events or transactions for the period from 1 October 2015 to 31 December 2015. The Group has adopted the provision contained in HKAS 28 whereby it is permitted to include the attributable share of associates' results based on accounts drawn up to a non-coterminous period end where the difference must be no greater than three months. There is no non-coterminous period end for other associates and joint venture.

本集團截至二零一六年十二月三十一日止年度之綜合財務報表包括本集團分佔李寧公司截至二零一六年九月三十日止十二個月之業績及儲備並就自二零一六年十月一日起至二零一六年十二月三十一日止期間之任何重大事件或交易作出調整。本集團截至二零一五年十二月三十一日止年度之綜合財務報表包括本集團分佔李寧公司截至二零一五年九月三十日止十二個月之業績及儲備並就自二零一五年十月一日起至二零一五年十二月三十一日止期間之任何重大事件或交易作出調整。本集團已採納香港會計準則第28號所載之條文，據此，其獲准計入聯營公司不相連期間末（但有關差距不得超過三個月）之賬目為基準之應佔聯營公司之業績。其他聯營公司及合營企業間無不相連期間末。

15. STOCK OF PROPERTIES

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Properties under development for sale	發展中之待售物業	224,047	213,611

The properties under development for sale are held outside Hong Kong with medium to long term lease. The development is expected to be completed after more than one year from the reporting date.

15. 物業存貨

發展中之待售物業乃於香港境外以中長期租賃持有。有關發展預期將於自報告日期起超過一年後完成。

16. INVENTORIES

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Raw materials	原材料	221	635
Finished goods	製成品	1,037	2,020
		1,258	2,655

Raw materials are written-down to their net realisable value as at 31 December 2016 while finished goods were written-down to their net realisable value as at 31 December 2015. The amount written-down as an expense for the year ended 31 December 2016 amounted to HK\$259,000 (2015: HK\$2,637,000).

16. 存貨

原材料撇減至其於二零一六年十二月三十一日之可變現淨值，而製成品撇減至其於二零一五年十二月三十一日之可變現淨值。截至二零一六年十二月三十一日止年度，撇減作為開支的金額為259,000港元（二零一五年：2,637,000港元）。

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17. TRADE RECEIVABLES

17. 應收貿易款項

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Trade Receivables	應收貿易款項	267,328	37,062

The Group's trading terms with its customers are mainly on credit, generally one month, extending up to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團主要按記賬方式與客戶交易，信貸期一般為一個月，主要客戶則最多可延長信貸期至六個月。每名客戶均有最高信貸限額。高級管理層定期檢討逾期結餘。本集團並無就其應收貿易款項結餘持有任何抵押品或其他增強信貸之保障。應收貿易款項為不計利息。

As at 31 December 2015, trade receivables included a contract retention in the amount of HK\$2,772,000 which is expected to be received after more than one year from the last reporting date. As at 31 December 2016, such amount is expected to be received within one year.

於二零一五年十二月三十一日，應收貿易款項包括預期將自上個報告日期起超過一年後收取之2,772,000港元之合約保證金。於二零一六年十二月三十一日，預期該等金額可於一年內收取。

An aged analysis of the trade receivables that are not considered to be impaired as at the end of the reporting period, based on the payment due date, is as follows:

於報告期末未作考慮減值之應收貿易款項按到期付款日期之賬齡分析如下：

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Neither past due nor impaired	並未逾期或減值	256,048	11,571
Less than 3 months past due	逾期少於三個月	3,497	18,798
3 to 6 months past due	逾期三至六個月	3,523	363
More than 6 months and less than a year past due	逾期超過六個月但少於一年	175	2,199
Over 1 year past due	逾期一年以上	4,085	4,131
		267,328	37,062

Receivables that were neither past due nor impaired relate to diversified customers with no recent history of default.

並未逾期或減值之應收款項與多名近期並無拖欠記錄之客戶有關。

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Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Included in the Group's trade receivables is an amount of HK\$195,000 (2015: HK\$17,475,000) due from an associate, which is repayable on similar credit terms to those offered by the Group to the major customers.

已逾期但無減值之應收款項與多名於本集團有良好記錄之獨立客戶有關。根據過往經驗，本公司董事認為該等客戶之信貸質素並無重大改變，而有關結餘仍被視為可全數收回，故毋須就該等結餘作出減值撥備。

本集團之應收貿易款項包括應收聯營公司款項195,000港元（二零一五年：17,475,000港元），其還款信貸期與本集團提供予主要客戶之信貸期相若。

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

18. 預付款項、按金及其他應收款項

				2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Prepayments	預付款項		21,087	4,400	4,400
Deposits and other receivables	按金及其他應收款項	(a)	62,387	17,163	17,163
Advance paid to a third party	墊付予第三方之款項	23	199,907	199,907	199,907
			283,381	221,470	221,470
Non-current deposits and other receivables	非流動按金及其他應收款項	(a)	1,715	7,357	7,357

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

Notes:

(a) The non-current deposits and other receivables as at 31 December 2015 included an interest bearing loan advance of HK\$5,642,000 to a joint venture partner which is repayable on demand but is expected to be settled more than one year from 31 December 2015 whereas the loan advance of HK\$5,273,000 to a joint venture partner as at 31 December 2016 is classified as current assets and has been settled in 2017.

上述資產並未逾期或減值。計入上述結餘之財務資產與近期並無拖欠記錄之應收款項有關。

附註：

(a) 於二零一五年十二月三十一日之非流動按金及其他應收款項包括向一名合營企業夥伴墊付之計息貸款5,642,000港元須按要求償還，惟該款項預期將於二零一五年十二月三十一日起一年後結清，而於二零一六年十二月三十一日之向一名合營企業夥伴墊付貸款5,273,000港元獲分類為流動資產且已於二零一七年結清。

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19. PLEDGED DEPOSIT, CASH AND BANK BALANCES

19. 抵押存款、現金及銀行結餘

			2016 二零一六年	2015 二零一五年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Cash and bank balances other than time deposits	定期存款以外之 現金及銀行結餘		274,568	158,586
Time deposits	定期存款		530,163	148,162
			804,731	306,748
Less: Pledged time deposit: For bank borrowings	減：已抵押定期存款： 為銀行借貸作抵押	23	-	(27,054)
Cash and bank balances	現金及銀行結餘		804,731	279,694

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK\$175,175,000 (2015: HK\$136,458,000), approximately HK\$173,138,000 (2015: HK\$69,977,000) of which was domiciled in the PRC. The RMB is not freely convertible into other currencies in the PRC, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣計值之現金及銀行結餘約為175,175,000港元（二零一五年：136,458,000港元），其中約173,138,000港元（二零一五年：69,977,000港元）存於中國。人民幣於中國不可自由兌換為其他貨幣。然而，根據《中國外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

Cash at banks other than time deposits earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one and three months depending on the short-term cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

銀行現金（定期存款除外）根據每日銀行存款利率按浮動利率賺取利息。短期定期存款為期一至三個月不等，視乎本集團短期現金需求而定，並按各自短期定期存款利率賺取利息。銀行結餘及抵押存款存放於最近無違約記錄且信譽良好之銀行。

20. TRADE PAYABLES

The trade payables of the Group as at 31 December 2016 and 2015 were all aged within three months, as determined based on the invoice date. They are non-interest-bearing and are normally settled on terms ranging from 30 to 60 days.

20. 應付貿易款項

根據發票日期計算，本集團於二零一六年及二零一五年十二月三十一日之應付貿易款項之賬齡均少於三個月。該等款項為免息及一般須於30至60日之期限內償還。

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21. OTHER PAYABLES, ACCRUALS AND RECEIPTS IN ADVANCE

21. 其他應付款項、應計費用及預收款項

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Accruals	應計費用	17,745	15,851
Other payables	其他應付款項	24,602	20,941
Receipts in advance	預收款項	46,022	11,470
		88,369	48,262

22. DEFERRED INCOME

The movements in deferred mainly income as stated under current and non-current liabilities are as follows:

22. 遞延收入

列入流動及非流動負債項下之遞延收入之變動如下：

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	-	-
Government grants received during the year	年內已收政府補貼	111,634	-
Credited to profit or loss	計入損益	(35,344)	-
Currency translation differences	匯兌差額	(4,538)	-
Carrying amount at 31 December	於十二月三十一日之賬面值	71,752	-
Less: current portion	減：流動部分	(33,480)	-
		38,272	-

Deferred income mainly represents government grants obtained for the purpose of subsidising a subsidiary's operation. Government grants received are initially recognised in the consolidated statement of financial position as deferred income and are amortised through profit or loss on a systematic basis over the periods in which the grants are intended to compensate.

遞延收入主要就補貼一家附屬公司之營運而取得之政府補貼。已收政府補貼初步於綜合財務狀況表內確認為遞延收入，並按系統基準於該補償之期間於損益中攤銷。

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23. BANK AND OTHER LOANS

23. 銀行及其他貸款

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Bank loan, secured	銀行貸款，有抵押	232,151	231,678
Other loan, secured	其他貸款，有抵押	184,489	196,911
		416,640	428,589
Less: Current portion	減：流動部分	(416,640)	(196,911)
		-	231,678

Bank loan as at 31 December 2016 and 31 December 2015 matures in August 2017 and bears floating rate of HIBOR plus basis.

於二零一六年十二月三十一日及二零一五年十二月三十一日之銀行貸款至二零一七年八月到期，按香港銀行同業拆息加指定息率之浮動利率計息。

As at 31 December 2016, loans included collateralised bank loan which is secured by interest in an associate with an estimated carrying amount of approximately HK\$836,610,000. As at 31 December 2015, the collateralised bank loan was secured by a pledged deposit of a subsidiary of HK\$27,054,000 and interest in an associate with an estimated carrying amount of approximately HK\$996,116,000. The other loan represented an entrusted loan from a third party, which is secured by an advance paid to a third party in the amount of approximately HK\$199,907,000 (2015: approximately HK\$199,907,000) (note 18).

於二零一六年十二月三十一日，貸款包括由於一間聯營公司之權益（估計賬面值約為836,610,000港元）作抵押之有抵押銀行貸款。於二零一五年十二月三十一日，有抵押銀行貸款由一間附屬公司之抵押存款27,054,000港元及於一間聯營公司之權益（估計賬面值約為996,116,000港元）作抵押。另一筆貸款為來自第三方之委託貸款，該貸款由為數約199,907,000港元（二零一五年：約199,907,000港元）之預付一名第三方墊款（附註18）作抵押。

The carrying amounts of bank and other loans approximate their fair values.

銀行貸款及其他貸款之賬面值與其公平值相若。

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24. PAYABLE TO A NON-CONTROLLING INTEREST

			2016 二零一六年	2015 二零一五年
Payable to a non-controlling interest	應付非控股權益	Notes 附註	HK\$'000 千港元 1,055	HK\$'000 千港元 645
Less: current portion	減：流動部分	(a)	(603)	—
		(b)	452	645

Notes:

(a) The amount payable to a non-controlling interest as at 31 December 2016 was unsecured, interest-free and repayable in November 2017.

(b) The amount payable to a non-controlling interest as at 31 December 2016 was unsecured, interest-free and repayable in January 2018. The amount payable to a non-controlling interest as at 31 December 2015 was unsecured, interest-free and repayable in November 2017.

25. CONVERTIBLE NOTES

On 13 December 2016, the Group completed the issuance of redeemable convertible notes (the "Note") in the aggregate principal amount of HK\$778,000,000 with an initial conversion price of HK\$0.840 per ordinary share of the Company (subject to adjustments). The Note was issued on 16 December 2016 (the "Issue Date") which will be due on the fifth anniversary of the Issue Date, i.e. 16 December 2021 (the "Maturity Date"). The Note bore an initial interest of 5% per annum payable quarterly in arrears after the Issue Date. Unless previously converted, redeemed or cancelled, the Note will be redeemed on the Maturity Date, at a redemption price equal to the aggregate of:

- (i) the outstanding principal amount of the Note;
- (ii) the outstanding interest up to the date of redemption;
- (iii) the outstanding default interest (if any); and
- (iv) any additional amount that would make up an internal rate of return on the amount of the Note in (i) above at 10.5% per annum (having included all interests paid together with that payable in (ii) and (iii) above), calculated during the period from the Issue Date up to (and including) the Maturity Date.

24. 應付非控股權益

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元 1,055	HK\$'000 千港元 645
		(a)	(603)	—
		(b)	452	645

附註：

(a) 於二零一六年十二月三十一日之應付非控股權益為無抵押、免息及須於二零一七年十一月償還。

(b) 於二零一六年十二月三十一日之應付非控股權益為無抵押、免息及須於二零一八年一月償還。於二零一五年十二月三十一日之應付非控股權益為無抵押、免息及須於二零一七年十一月償還。

25. 可換股票據

於二零一六年十二月十三日，本集團完成發行本金總額為778,000,000港元之可贖回可轉換票據（「票據」），初步換股價為每股本公司普通股0.840港元（可予調整）。票據於二零一六年十二月十六日（「發行日」）發行並將於發行日之第五週年當日（即二零二一年十二月十六日（「到期日」））到期。票據初步按年利率5%計息，須於票據發行日起計每三個月付息一次。除非提前轉換、贖回或註銷，否則票據將於到期日贖回，贖回價等於以下總和：

- (i) 票據之尚欠本金；
- (ii) 截至贖回日期之尚欠利息；
- (iii) 尚欠罰息（如有）；及
- (iv) 將補足上文(i)所述票據金額於發行日直至到期日（包括該日）按每年10.5%計算之內部收益（包括全部已付利息連同上文(ii)及(iii)應付者）的任何其他金額。

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The Note is secured by interest in an associate with an estimated carrying amount of approximately HK\$687,347,000 as at 31 December 2016. Further details of the above were set out in the Company's announcement dated 5 December 2016.

An aggregated net proceeds of approximately HK\$777,013,000 has been raised by the convertible notes during the year.

The fair values of the liability component and the equity conversion component were determined upon the issuance of the Note.

The fair value of the liability component as at the Issue Date was determined by reference to the valuation performed by American Appraisal using cash flows discounted at an effective market yield of 14.64% for a similar liability that does not have an equity conversion option. The residual amount, representing the value of equity conversion component, is included in shareholders' equity. The fair value of the liability component is approximate to its carrying amount as at 31 December 2016.

From 16 December 2016 to 31 December 2016, no noteholders have converted the Note into ordinary shares of the Company.

The Note issued during the year has been split into the liability and equity components as follows:

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Principal amount of the Note issued during the year	年內已發行票據之本金額	778,000	–
Issuing expenses	發行開支	(987)	–
Equity component	權益部分	(90,392)	–
Liability component at the Issue Date	於發行日之負債部分	686,621	–
Interest expense	利息開支	4,251	–
Interest paid	已付利息	(432)	–
Liability component at 31 December	於十二月三十一日之負債部分	690,440	–

The following table shows the remaining contractual maturities at the end of the year, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rate) and the earliest date the Group can be required to pay:

		2016 二零一六年			Carrying amount at 31 December 於十二月三十一日 之賬面值 HK\$'000 千港元
		More than 1 year but less than 2 years 超過一年 但少於兩年	More than 2 years but less than 5 years 超過兩年 但少於五年	Total	
		Within 1 year 一年內 HK\$'000 千港元	2 years 超過一年 但少於兩年 HK\$'000 千港元	5 years 超過兩年 但少於五年 HK\$'000 千港元	總計 HK\$'000 千港元
Convertible notes (liability component)	可換股票據(負債部分)	38,900	38,900	1,203,482	1,281,282

於二零一六年十二月三十一日，票據由估計賬面值為687,347,000港元之聯營公司之權益作抵押。上述事項之進一步詳情載列於本公司日期為二零一六年十二月五日之公告。

於年內透過可換股票據已籌集合共約777,013,000港元之所得款項淨額。

負債部分及權益轉換部分之公平值於票據發行時釐定。

負債部分於發行日之公平值乃參照美國評值以並無權益轉換權的類似負債使用折現現金流量按實際市場收益率14.64%進行之估值釐定。餘下款項(即權益轉換部分之價值)計入股東權益。負債部分之公平值與其於二零一六年十二月三十一日之賬面值相若。

於二零一六年十二月十六日至二零一六年十二月三十一日，概無票據持有人將票據轉換為本公司之普通股。

年內已發行票據已拆分為負債及權益部分如下：

下表列示年末基於合約未貼現現金流量(包括使用合約利率計算之利息付款)之剩餘合約到期日及本集團可予還款之最早日期：

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26. DEFERRED TAX ASSETS

Net deferred tax assets recognised in the consolidated statement of financial position are as follows:

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Deferred tax assets	遞延稅項資產	12,067	7,149

The movement in deferred tax assets during the year are as follows:

26. 遞延稅項資產

已於綜合財務狀況表確認之遞延稅項資產淨值如下：

年內遞延稅項資產之變動如下：

		Notes 附註	Fair value changes arising from valuation on investment properties 因投資 物業估值而 造成之 公平值變動 HK\$'000 千港元
1 January 2015	二零一五年一月一日		8,138
Charged to profit or loss	於損益扣除	10	(601)
Currency translation differences	匯兌差額		(388)
At 31 December 2015	二零一五年十二月三十一日		7,149
At 31 December 2015 and 1 January 2016	二零一五年十二月三十一日及 二零一六年一月一日		7,149
Credited to profit or loss	計入損益	10	5,406
Currency translation differences	匯兌差額		(488)
At 31 December 2016	二零一六年十二月三十一日		12,067

Notes:

(a) At 31 December 2016, the Group had tax losses arising in Hong Kong of approximately HK\$440,749,000 (2015: HK\$379,015,000), subject to the confirmation of tax losses from the Hong Kong Inland Revenue Department. These tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in the PRC of HK\$72,640,000 (2015: HK\$143,310,000) that will expire within five years to offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in companies that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

附註：

(a) 於二零一六年十二月三十一日，本集團於香港產生稅項虧損約440,749,000港元（二零一五年：379,015,000港元），惟須待香港稅務局確認稅項虧損，而該等稅項虧損可無限期用作抵銷有虧損公司之未來應課稅溢利。本集團亦於中國產生稅項虧損72,640,000港元（二零一五年：143,310,000港元），就抵銷未來應課稅溢利而言，有關虧損將於五年內失效。由於該等公司已持續虧損一段時間，而應課稅溢利可用於抵銷稅項虧損之機會不大，故並無就該等虧損確認遞延稅項資產。

本公司向其股東支付股息並無任何附帶所得稅影響。

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27. SHARE CAPITAL

Shares

27. 股本

股份

		2016 二零一六年		2015 二零一五年	
		No. of shares 股份數目	Nominal value 面值 HK\$'000 千港元	No. of shares 股份數目	Nominal value 面值 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.05 each ("Ordinary Shares")	每股面值0.05港元之 普通股(「普通股」)	20,000,000,000	1,000,000	20,000,000,000	1,000,000
Redeemable convertible preferred shares of HK\$0.01 each ("Preferred Shares")	每股面值0.01港元之 可贖回可轉換優先股 (「優先股」)	6,000,000,000	60,000	6,000,000,000	60,000
Total	總計	26,000,000,000	1,060,000	26,000,000,000	1,060,000
Issued and fully paid:	已發行及繳足：				
Ordinary Shares	普通股	8,764,360,726	438,218	8,748,292,726	437,415

A summary of the movements in the Company's issued capital during the years ended 31 December 2016 and 2015 is as follows:

截至二零一六年及二零一五年十二月三十一日止年度本公司已發行股本變動概述如下：

Issued Capital

已發行股本

		Number of Ordinary Shares in issue 已發行 普通股數目	Issued capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	二零一五年一月一日	8,498,696,726	424,935	3,933,886	4,358,821
Issue of ordinary shares	發行普通股	249,596,000	12,480	201,999	214,479
At 31 December 2015	二零一五年十二月三十一日	8,748,292,726	437,415	4,135,885	4,573,300
Issue of ordinary shares	發行普通股	16,068,000	803	9,354	10,157
At 31 December 2016	二零一六年十二月三十一日	8,764,360,726	438,218	4,145,239	4,583,457

Notes:

附註：

(a) 30,000,000 Ordinary Shares were issued upon exercise of certain unlisted warrants during the year of 2015 for proceeds totalling HK\$16,500,000 and 219,596,000 Ordinary Shares were issued upon exercise of certain share options during the year of 2015 for proceeds totalling HK\$174,046,000. The proceeds of such issues had been applied towards general working capital of the Group.

(a) 二零一五年內因若干非上市認股權證獲行使而發行30,000,000股普通股，獲得所得款項合共16,500,000港元及二零一五年內因若干購股權獲行使而發行219,596,000股普通股，獲得所得款項合共174,046,000港元。該等發行之所得款項已用作本集團之一般營運資金。

(b) 16,068,000 Ordinary Shares were issued upon exercise of certain share options during the year of 2016 for proceeds totalling HK\$8,034,000. The proceeds of such issues had been applied towards general working capital of the Group.

(b) 二零一六年內因若干購股權獲行使而發行16,068,000股普通股，獲得所得款項合共8,034,000港元。該等發行之所得款項已用作本集團之一般營運資金。

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28. SHARE OPTION SCHEME

On 29 June 2010, the Company passed an ordinary resolution to adopt a share option scheme (the "Scheme") for the purpose of providing incentives to participants to contribute to the Group and/or to enable the Group to recruit high-calibre employees and/or attract human resources that are valuable to the Group. Participants of the Scheme include employee, officer, agent, consultant, business associate or representative of the Company or any subsidiary or otherwise contributes to the success of the Group, including any executive, non-executive or independent non-executive director of the Company or any subsidiary, who, as the board of directors or a committee comprising directors and members of the senior management of the Company (the "Committee") (as the case may be) may determine in its absolute discretion, is regarded as valuable human resources of the Group based on his working experience, knowledge in the industry and other relevant factors, and subject to such conditions as the board of directors or the Committee (as the case may be) may think fit. The Scheme will remain in force for period of ten years commencing on 29 June 2010.

The overall limit on the number of Ordinary Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the number of Ordinary Shares in issue from time to time. In addition, the total number of Ordinary Shares which may be issued upon exercise of all options granted together with all options to be granted under the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the nominal amount of all the Ordinary Shares in issue as at the date of adoption of the Scheme (the "Scheme Mandate Limit"). The Company may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of the shareholders in general meeting. Once refreshed, the total number of Ordinary Shares which may be issued upon exercise of all options to be granted under the Scheme and all other share option schemes of the Company under the limit, as refreshed, must not exceed 10% of the number of Ordinary Shares in issue as at the date of approval of the refreshment by the Shareholders.

The Scheme Mandate Limit amounted to 607,639,472 Ordinary Shares following the approval of refreshment by the Shareholders on 4 November 2013.

As at the date of this report, the total number of Ordinary Shares available for issue under the Scheme is 689,472 representing 0.01% of the existing issued share capital of the Company. The maximum number of Ordinary Shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the Ordinary Shares of the Company in issue as at the proposed date of grant. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

28. 購股權計劃

於二零一零年六月二十九日，本公司通過普通決議案採納一項購股權計劃（「計劃」），旨在向為本集團作出貢獻之參與者提供獎勵及／或使本集團可招攬優秀僱員及／或吸引對本集團有價值之人力資源。計劃之參與者包括本公司或任何附屬公司之僱員、高級職員、代理、顧問、業務夥伴或代表或對本集團成就有所貢獻之其他人士，包括本公司或任何附屬公司任何執行、非執行或獨立非執行董事，而董事會或由本公司董事及高級管理人員組成之委員會（「委員會」）（視情況而定）經考慮其工作經驗、行業知識及其他相關因素以及董事會或委員會（視情況而定）可能認為合適之條件後，可全權酌情決定有關人士是否屬本集團寶貴人力資源。計劃將於二零一零年六月二十九日起計十年內有效。

因根據計劃及本公司任何其他購股權計劃所授出惟尚未行使之所有尚未行使購股權獲行使而可予發行之普通股數目之整體限制，合共不得超過不時已發行普通股數目之30%。此外，因根據計劃及本公司任何其他購股權計劃已授出及將予授出之所有購股權獲行使而可予發行之普通股總數，合共不得超過採納計劃當日所有已發行普通股面值之10%（「計劃授權上限」）。本公司可不時透過於股東大會上尋求股東批准以更新計劃授權上限。計劃授權上限一經更新，因根據計劃及本公司所有其他購股權計劃將予授出之所有購股權獲行使而可予發行之普通股總數，根據經更新上限不得超過股東批准更新當日已發行普通股數目之10%。

經股東於二零一三年十一月四日批准更新後，計劃授權上限為607,639,472股普通股。

於本報告日期，於計劃項下可予發行之普通股總數為689,472股，相當於本公司現有已發行股本之0.01%。於任何12個月期間內根據購股權可發行予計劃項下各合資格參與者之普通股數目，最多不得超過本公司於建議授出日期已發行普通股之1%。任何進一步授出超出此限額之購股權須於股東大會尋求股東批准。

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The offer of a grant of share options under the Scheme may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the board of directors or the Committee, save that such period shall not be more than 10 years from the date of grant. Unless the Board may otherwise determine, there is no minimum period required under the Scheme for the holding of an option before it can be exercised.

The exercise price of share options is determinable by the Board or the Committee, but shall be at least the highest of (i) the Stock Exchange closing price of the Ordinary Shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Ordinary Shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Ordinary Shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

根據計劃授出購股權之要約可於要約日期起計28日內獲接納，而承授人須就此支付合共1港元之象徵式代價。已授出購股權之行使期由董事會或委員會釐定，惟有關期間不得超過授出日期起計10年。除非董事會另行議決，計劃並無規定在行使前須持有購股權之最短期限。

購股權之行使價由董事會或委員會釐定，惟不得低於下列各項之最高者：(i) 普通股於購股權提呈日期在聯交所之收市價；(ii) 普通股於緊接授出日期前五個交易日在聯交所之平均收市價；及(iii) 普通股面值。

購股權並無賦予持有人收取股息或於股東大會投票之權利。

年內計劃項下尚未行使購股權如下：

			Weighted average exercise price 加權 平均行使價 (HK\$ per share) (每股港元)	Number of options 購股權數目 '000 千份
	Notes 附註			
At 1 January 2015		二零一五年一月一日	0.77	671,844
Forfeited/expired during the year	(b)	於年內沒收／到期	1.52	(17,173)
Exercised during the year	(c)	於年內行使	0.79	(219,596)
At 31 December 2015 and 1 January 2016		二零一五年十二月三十一日 及二零一六年一月一日	0.72	435,075
Forfeited/expired during the year	(b)	於年內沒收／到期	0.84	(86,544)
Exercised during the year	(c)	於年內行使	0.50	(16,068)
At 31 December 2016	(d)	二零一六年十二月三十一日	0.70	332,463

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Notes:

(a) Equity-settled share option expenses of HK\$2,896,000 (2015: HK\$14,239,000) was recognised in profit or loss during the year ended 31 December 2016 in respect of the share options granted under the Scheme.

(b) 86,544,000 (2015: 17,173,000) share options granted under the Scheme were forfeited/expired during the year ended 31 December 2016 upon the resignation of certain grantees during the year.

(c) 16,068,000 (2015: 219,596,000) share options granted under the Scheme were exercised during the year ended 31 December 2016.

(d) As at 31 December 2016, the Company had 332,463,000 share options outstanding under the Scheme, which represented approximately 3.8% of the Ordinary Shares in issue as at 31 December 2016.

(e) The exercise prices and exercise periods of the share options outstanding under the Scheme as at the end of the reporting period are as follows:

2016

Number of options 購股權數目 ('000) (千份)	Exercise price* 行使價* (HK\$ per share) (每股港元)	Exercise period 行使期間
6,133	3.9	2 Jul 2012 to 1 Jul 2017
6,134	3.9	2 Jul 2013 to 1 Jul 2018
1,200	4.15	6 Sep 2012 to 5 Sep 2017
1,200	4.15	6 Sep 2013 to 5 Sep 2018
1,200	4.15	6 Sep 2014 to 5 Sep 2019
1,200	4.15	6 Sep 2015 to 5 Sep 2020
4,516	0.75	20 Sep 2015 to 19 Sep 2017
95,472	0.5	2 Jul 2014 to 1 Jul 2017
95,688	0.5	2 Jul 2015 to 1 Jul 2018
96,000	0.5	2 Jul 2016 to 1 Jul 2019
6,120	0.8	20 Jun 2014 to 19 Jun 2017
6,200	0.8	20 Jun 2015 to 19 Jun 2018
6,200	0.8	20 Jun 2016 to 19 Jun 2019
5,200	0.8	20 Jun 2017 to 19 Jun 2020
332,463		

附註：

(a) 於截至二零一六年十二月三十一日止年度，就根據計劃所授出購股權在損益確認以股權結算之購股權開支2,896,000港元（二零一五年：14,239,000港元）。

(b) 於截至二零一六年十二月三十一日止年度，根據計劃授出之86,544,000份（二零一五年：17,173,000份）購股權已於年內若干承授人辭任後沒收／到期。

(c) 根據計劃授出之16,068,000份（二零一五年：219,596,000份）購股權已於截至二零一六年十二月三十一日止年度獲行使。

(d) 於二零一六年十二月三十一日，本公司有332,463,000份計劃項下之尚未行使購股權，相當於二零一六年十二月三十一日已發行普通股之約3.8%。

(e) 於報告期末計劃項下尚未行使購股權之行使價及行使期間如下：

二零一六年

二零一二年七月二日至二零一七年七月一日
二零一三年七月二日至二零一八年七月一日
二零一二年九月六日至二零一七年九月五日
二零一三年九月六日至二零一八年九月五日
二零一四年九月六日至二零一九年九月五日
二零一五年九月六日至二零二零年九月五日
二零一五年九月二十日至二零一七年九月十九日
二零一四年七月二日至二零一七年七月一日
二零一五年七月二日至二零一八年七月一日
二零一六年七月二日至二零一九年七月一日
二零一四年六月二十日至二零一七年六月十九日
二零一五年六月二十日至二零一八年六月十九日
二零一六年六月二十日至二零一九年六月十九日
二零一七年六月二十日至二零二零年六月十九日

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2015

二零一五年

Number of options 購股權數目 (‘000) (千份)	Exercise price* 行使價* (HK\$ per share) (每股港元)	Exercise period 行使期間	
6,133	3.9	2 Jul 2011 to 1 Jul 2016	二零一一年七月二日至二零一六年七月一日
6,133	3.9	2 Jul 2012 to 1 Jul 2017	二零一二年七月二日至二零一七年七月一日
6,134	3.9	2 Jul 2013 to 1 Jul 2018	二零一三年七月二日至二零一八年七月一日
1,200	4.15	6 Sep 2011 to 5 Sep 2016	二零一一年九月六日至二零一六年九月五日
1,200	4.15	6 Sep 2012 to 5 Sep 2017	二零一二年九月六日至二零一七年九月五日
1,200	4.15	6 Sep 2013 to 5 Sep 2018	二零一三年九月六日至二零一八年九月五日
1,200	4.15	6 Sep 2014 to 5 Sep 2019	二零一四年九月六日至二零一九年九月五日
1,200	4.15	6 Sep 2015 to 5 Sep 2020	二零一五年九月六日至二零二零年九月五日
4,867	0.75	20 Sep 2014 to 19 Sep 2016	二零一四年九月二十日至二零一六年九月十九日
4,516	0.75	20 Sep 2015 to 19 Sep 2017	二零一五年九月二十日至二零一七年九月十九日
79,064	0.5	2 Jul 2013 to 1 Jul 2016	二零一三年七月二日至二零一六年七月一日
96,000	0.5	2 Jul 2014 to 1 Jul 2017	二零一四年七月二日至二零一七年七月一日
95,688	0.5	2 Jul 2015 to 1 Jul 2018	二零一五年七月二日至二零一八年七月一日
96,000	0.5	2 Jul 2016 to 1 Jul 2019	二零一六年七月二日至二零一九年七月一日
6,140	0.8	20 Jun 2014 to 19 Jun 2017	二零一四年六月二十日至二零一七年六月十九日
9,466	0.8	20 Jun 2015 to 19 Jun 2018	二零一五年六月二十日至二零一八年六月十九日
9,467	0.8	20 Jun 2016 to 19 Jun 2019	二零一六年六月二十日至二零一九年六月十九日
9,467	0.8	20 Jun 2017 to 19 Jun 2020	二零一七年六月二十日至二零二零年六月十九日
<u>435,075</u>			

* The exercise prices of the share options are subject to adjustment in the event of any capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than issuance of Ordinary Shares as consideration in respect of a transaction)

At the end of the reporting period, the exercise in full of the outstanding share options under the Scheme would, under the present capital structure of the Company, result in the issue of 332,463,000 additional Ordinary Shares and additional share capital of HK\$16,623,000 and share premium of HK\$217,080,000, before taking into account any transfer of share option reserve to the share premium account.

* 購股權行使價可於進行任何資本化發行、供股、本公司股本合併、拆細或削減（發行普通股作為交易代價者除外）時作出調整

於報告期末，根據本公司現時之資本架構，計劃項下尚未行使購股權獲全數行使後，將額外發行332,463,000股普通股，錄得額外股本16,623,000港元及股份溢價217,080,000港元（不計及任何購股權儲備轉撥至股份溢價賬）。

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29. PERPETUAL CONVERTIBLE BONDS

The perpetual convertible bonds issued are as follows:

		2016 二零一六年	2015 二零一五年
Earn-out	盈利能力	HK\$'000 千港元 1,139,046	HK\$'000 千港元 1,139,046

Earn-Out Perpetual Convertible Bonds

On 30 August 2013, the Company entered into the Deed with Victory Mind Assets and Dragon City to advance the timetable for the possible issuance of Earn-Out Perpetual Convertible Bonds in relation to the acquisition of approximately 25.2% equity interest of Li Ning Co in December 2012 (note 14). The execution and performance of the Deed were approved in the extraordinary general meeting of shareholders on 4 November 2013. The Earn-Out Perpetual Convertible Bonds with a fair value of HK\$1,140,000,000 were issued in advance in November 2013 and were classified as equity and the related derivative financial liabilities were derecognised at the same time, the financial impact of which was based on the fair value of Earn-Out Perpetual Convertible Bonds upon the Deed becoming effective. As a result, the Group has recorded a loss of HK\$156,000,000 in 2013. Upon the completion of the advanced issuance, the holder of the perpetual convertible bonds are subject to certain undertakings based on the operating performance of Li Ning Co for the financial periods between 2013 and 2017, under which a portion of perpetual convertible bonds may have to be returned to the Company in the event that certain performance targets of LN Group are not met. The Company will continue to assess whether any and how much undertaken perpetual convertible bonds might be cancelled in the future and recognise a corresponding derivative financial asset, if any, at its fair value. Subsequent changes of fair value of such derivative financial asset will be recognised in profit or loss. Details of this transaction were set out in the Company's circular dated 17 October 2013. The related transaction costs amounting to approximately HK\$954,000 have been offset against the carrying amount of Earn-Out Perpetual Convertible Bonds in 2013.

As at 31 December 2016 and 2015, the fair value of the derivative financial assets determined to be closed to zero.

There was no movement on Earn-Out Perpetual Convertible Bonds during the years ended 31 December 2015 and 2016.

29. 永久性可換股債券

已發行之永久性可換股債券如下：

盈利能力永久性可換股債券

於二零一三年八月三十日，本公司與Victory Mind Assets及Dragon City訂立契據，以推前就於二零一二年十二月收購李寧公司約25.2%股權而可能發行盈利能力永久性可換股債券的時間表（附註14）。契據之簽立及履行於二零一三年十一月四日舉行的股東特別大會上已獲得批准。公平值為1,140,000,000港元之盈利能力永久性可換股債券已於二零一三年十一月提前發行，並歸類為權益，同時，相關衍生財務負債已終止確認，其財務影響乃根據於契據生效時的盈利能力永久性可換股債券之公平值計算。因此，本集團於二零一三年錄得虧損156,000,000港元。於預先發行完成後，永久性可換股債券持有人須受若干承諾所規限（以李寧公司於二零一三年至二零一七年財政期間之營運表現為依據），據此，倘李寧集團之若干表現目標未獲達成，則部分永久性可換股債券可能須退還予本公司。本公司將繼續評估是否有任何及多少已承諾永久性可換股債券可能於未來註銷及按其公平值確認相應衍生財務資產（如有）。有關衍生財務資產之公平值之隨後變動將於損益中確認。是項交易之詳情載於本公司日期為二零一三年十月十七日之通函內。於二零一三年，相關交易成本達約954,000港元已抵銷盈利能力永久性可換股債券之賬面值。

於二零一六年及二零一五年十二月三十一日，衍生財務資產的公平值釐定為接近零。

於截至二零一五年及二零一六年十二月三十一日止年度，盈利能力永久性可換股債券概無變動。

30. RESERVES

(i) The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity.

(ii) The share option reserve represents the fair value of share options vested which are yet to be exercised, as further explained in the accounting policy of share-based payments in note 2.3 to the financial statements. The amount will either be transferred to the share premium account when the related share options are exercised, or transferred to retained profits/accumulated losses should the related share options lapse or be forfeited.

(iii) Pursuant to the relevant laws and regulations for wholly-owned enterprise, a portion of the profits of the Group's wholly-owned subsidiary which is established in the PRC has been transferred to reserve funds which are restricted as to use.

31. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**Non-cash transactions**

In December 2015, deposits paid in previous years in the amount of HK\$119,400,000 has been used for the capital contribution in CITIC Land.

32. UNLISTED WARRANTS

On 26 May 2014, the Company entered into a warrant placing agreement (the "Warrant Placing Agreement") with RHB OSK Securities Hong Kong Limited (the "Placing Agent"), an independent third party. Pursuant to the Warrant Placing Agreement, the Placing Agent agreed to place up to 700,000,000 warrants at a consideration of HK\$0.01 each, the warrants conferring rights to subscribe for up to 700,000,000 Ordinary Shares of the Company at an exercise price of HK\$0.55 per share (subject to adjustment) to the warrant placees who and their respective ultimate beneficial owners are independent third parties. The warrants have an exercise period of 18 months. The warrant placing has been completed on 11 June 2014 and 700,000,000 warrants have been issued to six placees in accordance with the terms and conditions of the Warrant Placing Agreement. An aggregated net proceeds of approximately HK\$5,993,000 has been raised by the warrant placing in 2014 and the same will be utilised by the Group as general working capital.

30,000,000 Ordinary Shares were issued upon exercise of certain unlisted warrants during the year of 2015. Balance of unlisted warrants reserve in relation to the unexercised warrants has been transferred to accumulated losses at the expiry of the warrant period.

30. 儲備

(i) 本年度及上一年度本集團儲備金額及其中變動於綜合權益變動表內呈列。

(ii) 購股權儲備指已歸屬但未行使購股權之公平值，進一步詳情載於財務報表附註2.3所述以股份償付之會計政策。有關金額將於有關購股權獲行使時轉撥至股份溢價賬，或於有關購股權失效或被沒收時轉撥至保留溢利／累計虧損。

(iii) 根據全資擁有企業之相關法律及法規，本集團於中國成立之全資附屬公司部分溢利已轉入受限制用途之儲備基金。

31. 綜合現金流量表附註**非現金交易**

過往年度已付按金119,400,000港元已於二零一五年十二月注資中信置業。

32. 非上市認股權證

於二零一四年五月二十六日，本公司與獨立第三方興業僑豐證券有限公司（「配售代理」）訂立認股權證配售協議（「認股權證配售協議」）。根據認股權證配售協議，配售代理同意以每份0.01港元的代價配售最多700,000,000份認股權證，該等認股權證賦予認股權證承配人（承配人本身及彼等各自之最終實益擁有人均為獨立第三方）權利以行使價每股0.55港元（可予調整）認購最多700,000,000股本公司普通股。該等認股權證行使期為18個月。認股權證配售已於二零一四年六月十一日完成，且700,000,000份認股權證已根據認股權證配售協議的條款及條件向六名承配人發行。二零一四年認股權證配售籌得所得款項淨額合共約5,993,000港元，有關款項將由本集團用作一般營運資金。

於二零一五年內，30,000,000股普通股已於若干非上市認股權證獲行使時發行。餘下有關於認股權證期間屆滿時尚未行使之認股權證的非上市認股權證儲備已轉入累計虧損。

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33. OPERATING LEASE ARRANGEMENT

(a) As lessor

As at 31 December 2016, the Group leased certain portion of its investment properties (note 13) to independent third parties under operating lease arrangements, with each lease negotiated for a term of 3 to 10 years.

As at 31 December 2016, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	805	1,636
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	1,137	4,520
Over five years	五年以上	367	–
		2,309	6,156

(b) As lessee

The Group leases certain of its office properties and sports park under operating lease arrangements. Leases for properties are negotiated for initial terms ranging from six months to twenty years.

At 31 December 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	6,926	10,241
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	10,404	12,264
Over five years	五年以上	36,828	41,790
		54,158	64,295

33. 經營租約安排

(a) 作為出租人

於二零一六年十二月三十一日，本集團根據經營租約安排向獨立第三方出租其投資物業(附註13)的若干部分，各項租賃經磋商後為期三至十年。

於二零一六年十二月三十一日，本集團根據與租戶訂立於下列期限屆滿之不可撤銷經營租約於日後應收之最低租金總額如下：

(b) 作為承租人

本集團根據經營租約安排租賃其若干辦公室物業及體育園。初始物業租期經商議後介乎六個月至二十年之間。

於二零一六年十二月三十一日，本集團根據於下列期限屆滿之不可撤銷經營租約而於日後應付之最低租賃付款總額如下：

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34. COMMITMENTS FOR PROPERTY DEVELOPMENT/CAPITAL EXPENDITURE

As at 31 December 2016, the Group had the following commitments for property development and capital expenditure:

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Contracted, but not provided for:	已訂約但未撥備：		
Property development/construction work	房地產開發／建築工程	18,866	15,628
Capital contribution/acquisition of associates	注資／收購聯營公司	18,565	149,240
		37,431	164,868

34. 房地產開發／資本開支承擔

於二零一六年十二月三十一日，本集團擁有以下房地產開發及資本開支承擔：

35. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties in the ordinary course of business during the year:

		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Sponsorship income received and receivable from an associate	所收及應收一間聯營公司之贊助收入	72,555	78,669
Gross underwriting commission fee received from an associate	所收一間聯營公司之包銷佣金費用總額	–	11,908
Service income received from an associate	所收一間聯營公司之服務收入	40	1,555
Community development consultancy service income from an associate	所收一間聯營公司之社區發展諮詢服務收入	31,840	–
Office and car-park rental expense paid and payable to an associate	已付及應付一間聯營公司之辦公室及停車場租金開支	1,504	1,610

35. 關連人士披露

(a) 除此等財務報表其他部分所詳述之交易外，本集團年內日常業務過程中曾與關連人士進行以下重大交易：

(i) Sponsorship income in relation to some sports event and competition managed by the Group received and receivable from LN Group, which was charged in accordance with the terms negotiated between the related parties. Mr. Li Ning is a common director of the Company and LN Group.

(i) 贊助收入指就由本集團管理之若干體育項目及賽事向李寧集團收取及應收之費用，該等費用按經有關人士協定之條款收取。李寧先生為本公司及李寧集團之共同董事。

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(ii) The Group received a gross underwriting fee income amounted to HK\$11,908,000 during the year ended 31 December 2015. The gross underwriting commission fee income represented 2.5% of the principal amount of offer securities underwritten by the Group under the 2015 Li Ning Open Offer. It was determined after arm's length negotiations between the Group and LN Group with reference to current prevailing market rate. Approximately 124,739,000 units of convertible securities were allotted to the Group at the total consideration of approximately HK\$324,322,000. In this connection, the Group's equity interests in Li Ning Co has decreased from approximately 26.1% to approximately 25.0% with effect from January 2015, assuming all holders of the convertible securities convert the convertible securities in full upon completion of the 2015 Li Ning Open Offer. The Group was one of the underwriters of the 2015 Li Ning Open Offer and its obligations under the related underwriting agreement had ceased forthwith upon completion of 2015 Li Ning Open Offer.

Mr. Li Ning is a common director of the Company and Li Ning Co. The underwriting commission fee income, after elimination of the attributable portion of the unrealised transaction with LN Group and net of related expenses, amounted to HK\$8,802,000 was recorded as other revenue during the year ended 31 December 2015 (note 5).

(iii) Service income represented agency fee for service rendered in relation to the endorsement of brand products of LN Group. It was charged in accordance with the terms negotiated between the Group and LN Group. Mr. Li Ning is a common director of the Company and LN Group. Pursuant to the relevant agency contract entered with the sports talent appointed by LN Group for the provision of the aforesaid endorsement, the service income recognised by the Group was calculated based on certain percentage of the gross sponsorship fee on a time apportionment basis in accordance with the service agreement entered into with LN Group, over the relevant service period.

(iv) Consultancy service income represented consultancy services rendered by the Group in connection to a community development project in the PRC.

(v) During the twelve months ended 31 December 2016, the Group leased an office and certain car-parking spaces from LN Group. The lease rates were determined after arm's length negotiations between the Group and LN Group with reference to current prevailing market rate. Mr. Li Ning is a common director of the Company and LN Group.

(b) Other Transactions with related parties

During the year ended 31 December 2016, the Group has acquired 10% equity interest in Double Happiness at RMB124,992,000 and Double Happiness became an associate of the Group with effect from 23 December 2016. Further details of the transaction are included in note 14(f) to the financial statements.

(ii) 於截至二零一五年十二月三十一日止年度，本集團已收取總包銷費收入11,908,000港元。總包銷佣金費用收入相當於本集團根據二零一五年李寧公開發售包銷之發售證券本金額之2.5%。其乃由本集團與李寧集團參考現行市場水平後經公平磋商釐定。約124,739,000份可換股證券乃以總代價約324,322,000港元配發予本集團。就此而言，本集團於李寧公司之股權已於二零一五年一月起自約26.1%減少至約25.0%（假設所有可換股證券之持有人已於完成二零一五年李寧公開發售後悉數兌換可換股證券）。本集團為二零一五年李寧公開發售之包銷商之一，而其於相關包銷協議項下之責任於二零一五年李寧公開發售完成後已隨即終止。

李寧先生為本公司及李寧公司之共同董事。截至二零一五年十二月三十一日止年度之包銷佣金費用收入經撇除與李寧集團之未變現交易之應佔部分及扣除相關開支後為8,802,000港元，入賬列為其他收益（附註5）。

(iii) 服務收入指就代言李寧集團之品牌產品而提供之服務收取之代理費用，該費用按本集團與李寧集團協定之條款收取。李寧先生為本公司及李寧集團之共同董事。根據與李寧集團所委任之體育人才就提供上述代言而訂立之相關代理合約，本集團確認之服務收入乃在有關服務期間內，根據與李寧集團訂立之服務協議按時間分攤基準以贊助費總額之若干百分比計算。

(iv) 諮詢服務收入與本集團向於中國之社區開發項目提供之諮詢服務有關。

(v) 於截至二零一六年十二月三十一日止十二個月，本集團租用李寧集團之一間辦公室及若干停車位。此項租金乃由本集團與李寧集團參考現行市場水平經公平磋商後釐定。李寧先生為本公司及李寧集團之共同董事。

(b) 與關連人士進行之其他交易

截至二零一六年十二月三十一日止年度，本集團已按人民幣124,992,000元收購紅雙喜之10%股權且紅雙喜成為本集團之聯營公司，自二零一六年十二月二十三日起生效。有關該交易之進一步詳情載於財務報表附註14(f)。

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(c) Outstanding balances with related parties

Details of the Group's balances with related parties as included in trade receivables, prepayments, deposits and other receivables and payable to a non-controlling interest are disclosed in notes 17, 18 and 24 to the financial statements.

Included in receipts in advance is an amount of HK\$38,809,000 (2015: HK\$7,910,000) received from an associate, which is based on normal commercial terms offered by the Group to major customers.

(d) Compensation of key management personnel of the Group

Details of directors' emoluments and highest paid individuals are included in notes 8 and 9 to the financial statements, respectively.

Apart from payable to a non-controlling interest (note 24), which amounted to a continuing connected transaction but was fully exempted from the requirements under chapter 20 of the GEM Listing Rules, all other related party transactions set out in this note did not fall within the definition of "connected transaction" or "continuing connected transaction" in Chapter 20 of the GEM Listing Rules.

36. PARTICULARS OF SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016:

Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/註冊 及營業地點	Issued ordinary shares/capital 已發行 普通股/股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Viva China Holdings Ltd ("VCHL")	BVI 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股
Winner Rich Investment Limited 永利富投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	-	Investment holding 投資控股
Viva China Sports Holding Limited 非凡中國體育控股有限公司	Hong Kong 香港	HK\$520,000 520,000港元	100%	-	Investment holding and sports talent management 投資控股及體育人才管理
Viva China Community Development Holdings Limited 非凡中國社區開發控股有限公司	BVI 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股
Viva China Community Development (Yangzhou) Holdings Limited 非凡中國社區開發(揚州)控股有限公司	BVI 英屬處女群島	US\$20 20美元	-	70%	Investment holding 投資控股
Viva China Yangzhou Community Development Holdings Limited 非凡中國揚州社區開發控股有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	70%	Investment holding 投資控股
揚州非凡房地產開發有限公司	PRC 中國	RMB210,000,000 人民幣210,000,000元	-	70%	Property development 房地產開發
深圳市非凡體育文化產業發展有限公司	PRC 中國	RMB500,000 人民幣500,000元	-	70%	Sports event organisation and operation 體育活動組織及營運

(c) 關連人士之未付結餘

本集團計入應收貿易款項、預付款項、按金及其他應收款項以及應付非控股權益之關連人士結餘之詳情在財務報表附註17、18及24披露。

自一間聯營公司收取之款項38,809,000港元(二零一五年:7,910,000港元)乃計入預收款項,此乃根據本集團向主要客戶提供之正常商業條款釐定。

(d) 本集團主要管理人員之薪酬

有關董事酬金及最高薪人士之詳情,分別載於財務報表附註8及9。

除構成持續關連交易之應付非控股權益款項(附註24)獲悉數豁免創業板上市規則第20章項下之規定外,本附註所載所有其他關聯方交易並不屬於創業板上市規則第20章項下所定義「關連交易」或「持續關連交易」。

36. 附屬公司詳情

二零一六年十二月三十一日主要附屬公司詳情列示如下:

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Company name 公司名稱	Place of incorporation/ registration and operations 註冊成立/註冊及營業地點	Issued ordinary shares/capital 已發行普通股/股本	Percentage of equity attributable to the Company 本公司應佔股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
揚州非凡體育文化有限公司	PRC 中國	RMB300,000 人民幣300,000元	—	70%	Sports park management and operation 體育園管理及營運
珠海橫琴信成投資管理有限公司	PRC 中國	RMB100,000,000 人民幣100,000,000元	—	100%	Project investment and property development consultancy services 項目投資及房地產開發諮詢服務
非凡領越體育發展(北京)有限公司	PRC 中國	RMB82,100,000 人民幣82,100,000元	—	100%	Sports talent management, competition and event production and management, and sports consultancy service 體育人才管理、賽事及活動製作及管理及體育諮詢服務
瀋陽兆寰現代建築產業園有限公司	PRC 中國	RMB100,000,000 人民幣100,000,000元	—	100%	Properties holding and leasing of investment properties 持有物業及租賃投資物業
北京非凡領越房地產諮詢有限公司	PRC 中國	RMB25,000,000 人民幣25,000,000元	—	100%	Provision of development consultancy services 提供開發諮詢服務
珠海橫琴昌運盛世貿易有限公司	PRC 中國	RMB90,000,000* 人民幣90,000,000元*	—	100%	Marketing and sales of construction materials 建材之市場推廣及銷售
珠海橫琴非凡健源體育文化產業股權投資管理中心	PRC 中國	RMB125,000,000 人民幣125,000,000元	—	100%	Investment holding 投資控股

* The registered capital of 珠海橫琴昌運盛世貿易有限公司 is RMB150,000,000.

Apart from 珠海橫琴非凡健源體育文化產業股權投資管理中心 being registered as limited partnership, all the other principal subsidiaries of the Company are registered as limited liability companies.

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

* 珠海橫琴昌運盛世貿易有限公司之註冊資本為人民幣150,000,000元。

除珠海橫琴非凡健源體育文化產業股權投資管理中心註冊為有限合夥，所有本公司之其他主要附屬公司均註冊為有限公司。

上表載列本公司之附屬公司，董事認為，該等附屬公司為主要對年內業績構成影響或組成本集團資產淨值之主要部分。董事認為詳列其他附屬公司之資料會導致篇幅過於冗長。

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37. STATEMENT OF FINANCIAL POSITION AND RESERVE
MOVEMENT OF THE COMPANY

37. 本公司之財務狀況表及儲備變動

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	物業、廠房及設備		109	145
Investments in subsidiaries	於附屬公司之投資		3,568,879	2,924,615
Deposits	按金		1,715	1,715
Total non-current assets	非流動資產總值		3,570,703	2,926,475
CURRENT ASSETS		流動資產		
Due from subsidiaries	應收附屬公司款項		303,049	701,546
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		46,882	46,906
Pledged deposit	抵押存款		-	27,054
Cash and bank balances	現金及銀行結餘		601,680	107,517
Total current assets	流動資產總值		951,611	883,023
CURRENT LIABILITIES		流動負債		
Due to subsidiaries	應付附屬公司款項		35,414	51,228
Other payables and accruals	其他應付款項及應計費用		6,428	5,299
Total current liabilities	流動負債總額		41,842	56,527
NET CURRENT ASSETS		流動資產淨值	909,769	826,496
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	4,480,472	3,752,971
NON-CURRENT LIABILITY		非流動負債		
Convertible notes	可換股票據	25	690,440	-
Total non-current liability	非流動負債總額		690,440	-
NET ASSETS		資產淨值	3,790,032	3,752,971
EQUITY		權益		
Issued capital	已發行股本	27	438,218	437,415
Perpetual convertible bonds	永久性可換股債券	29	1,139,046	1,139,046
Reserves	儲備	(a)	2,212,768	2,176,510
TOTAL EQUITY	權益總額		3,790,032	3,752,971

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The Statement of financial position of the Company was approved by the board of directors on 23 March 2017.

Note:

(a) Reserve movement of the Company

		Share premium account	Unlisted Warrants Reserve	Share option reserve	Convertible notes equity reserve	Accumulated losses	Total
		股份溢價賬	非上市認股權證儲備	購股權儲備	可換股票據權益儲備	累計虧損	總計
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	3,933,886	5,993	124,568	-	(1,797,988)	2,266,459
Loss for the year and total comprehensive loss for the year	年內虧損及年內全面虧損總額	-	-	-	-	(282,254)	(282,254)
Shares issued upon exercise of share option	購股權獲行使時發行之股份	186,742	-	(23,676)	-	-	163,066
Share issued upon exercise of unlisted warrants	非上市認股權證獲行使時發行之股份	15,257	(257)	-	-	-	15,000
Equity-settled share option arrangements	以股權結算之購股權安排	-	-	14,239	-	-	14,239
Transfer of share option reserve upon the forfeiture or expiry of share options	於購股權被沒收或屆滿時轉撥購股權儲備	-	-	(6,944)	-	6,944	-
Transfer of balance of warrants reserve in relation to the unexercised warrants at the expiry of the warrants period	就於認股權證期間屆滿時未行使之認股權證轉撥認股權證儲備結餘	-	(5,736)	-	-	5,736	-
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及於二零一六年一月一日	4,135,885	-	108,187	-	(2,067,562)	2,176,510
Loss for the year and total comprehensive loss for the year	年內虧損及年內全面虧損總額	-	-	-	-	(64,261)	(64,261)
Shares issued upon exercise of share option	購股權獲行使時發行之股份	9,354	-	(2,123)	-	-	7,231
Equity component of convertible note	可換股票據之權益部分	-	-	-	90,392	-	90,392
Equity-settled share option arrangements	以股權結算之購股權安排	-	-	2,896	-	-	2,896
Transfer of share option reserve upon the forfeiture or expiry of share options	於購股權被沒收或屆滿時轉撥購股權儲備	-	-	(17,111)	-	17,111	-
At 31 December 2016	於二零一六年十二月三十一日	4,145,239	-	91,849	90,392	(2,114,712)	2,212,768

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本公司之財務狀況表已於二零一七年三月二十三日獲董事會批准。

附註：

(a) 本公司之儲備變動

	Share premium account	Unlisted Warrants Reserve	Share option reserve	Convertible notes equity reserve	Accumulated losses	Total
	股份溢價賬	非上市認股權證儲備	購股權儲備	可換股票據權益儲備	累計虧損	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015	3,933,886	5,993	124,568	-	(1,797,988)	2,266,459
Loss for the year and total comprehensive loss for the year	-	-	-	-	(282,254)	(282,254)
Shares issued upon exercise of share option	186,742	-	(23,676)	-	-	163,066
Share issued upon exercise of unlisted warrants	15,257	(257)	-	-	-	15,000
Equity-settled share option arrangements	-	-	14,239	-	-	14,239
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	(6,944)	-	6,944	-
Transfer of balance of warrants reserve in relation to the unexercised warrants at the expiry of the warrants period	-	(5,736)	-	-	5,736	-
At 31 December 2015 and 1 January 2016	4,135,885	-	108,187	-	(2,067,562)	2,176,510
Loss for the year and total comprehensive loss for the year	-	-	-	-	(64,261)	(64,261)
Shares issued upon exercise of share option	9,354	-	(2,123)	-	-	7,231
Equity component of convertible note	-	-	-	90,392	-	90,392
Equity-settled share option arrangements	-	-	2,896	-	-	2,896
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	(17,111)	-	17,111	-
At 31 December 2016	4,145,239	-	91,849	90,392	(2,114,712)	2,212,768

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The Group does not have written risk management policies and guidelines. However, the board of directors of the Company meets periodically to analyse and formulate measures to manage the Group's exposure to market risk (including foreign currency risk, interest risk and other price risk), liquidity risk and credit risk. Generally, the Group employs a conservative strategy regarding its risk management. As the Group's exposure to market risk (including foreign currency risk, interest risk and other price risk), liquidity risk and credit risk are kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed are discussed below.

Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has interest-bearing assets and liabilities in relation to cash at banks and bank and other loans and convertible notes, details of which are disclosed in notes 19, 23 and 25, respectively, to the financial statements. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates risk for the Group's cash at banks, bank and other loans and convertible notes are considered minimal.

Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument (excluding investment in associates) will fluctuate because of changes in foreign exchange rates. The Group operates in Hong Kong and the PRC. Most of the sales and trading transactions are settled in RMB. Deposits invested into various bank deposits are denominated in RMB and HK\$. As at the end of the reporting period, foreign currencies were translated into HK\$ at the closing rate. As at 31 December 2016, cash and bank balances denominated in RMB and domiciled outside the PRC amounted to HK\$2,037,000 (2015: HK\$66,480,000) and the remaining balance of HK\$802,694,000 (2015: HK\$213,214,000) was mainly denominated in HK\$ or denominated in RMB and domiciled in the PRC. The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to foreign currency risk at year end date.

If RMB appreciates/depreciates against HK\$ by 5%, the results, and equity of the Group would be increased/decreased by approximately HK\$101,800 (2015: HK\$3,324,000).

38. 財務風險管理目標及政策

本集團須就其於日常業務及投資活動中使用之財務工具承受財務風險。本集團並無書面風險管理政策及指引。然而，本公司董事會定期舉行會議，分析及制訂措施以管理本集團承受之市場風險（包括外幣風險、利率風險及其他價格風險）、流動資金風險及信貸風險。一般而言，本集團採用審慎風險管理策略。由於本集團承受之市場風險（包括外幣風險、利率風險及其他價格風險），故流動資金風險及信貸風險維持於低水平，本集團未曾採用任何衍生或其他工具以作對沖用途。本集團所承受之最重大財務風險於下文論述。

利率風險

利率風險乃與財務工具之公平值或現金流量會隨市場利率變動而出現波動之風險有關。本集團有計息資產及負債，涉及銀行現金、銀行及其他貸款及可換股票據。有關詳情分別於財務報表附註19、23及25披露。本集團之收入及營運現金流量大致上與市場利率變動無關。本集團並未使用任何財務工具對沖潛在利率波動。本集團銀行現金、銀行及其他貸款及可換股票據之利率風險被視為輕微。

外幣風險

貨幣風險指財務工具（不包括於聯營公司之投資）之公平值或未來現金流量會隨匯率變動而波動之風險。本集團於香港及中國營運。大部分銷售及買賣交易以人民幣結算。投資於多間銀行之存款以人民幣及港元計值。於報告期末，外幣按收市匯率換算為港元。於二零一六年十二月三十一日，以人民幣計值並存放於中國境外之現金及銀行結餘為2,037,000港元（二零一五年：66,480,000港元），而餘額802,694,000港元（二零一五年：213,214,000港元）則主要以港元計值或以人民幣計值並存放於中國境內。本集團於過去數年一直遵守外幣風險管理政策，並認為該等政策行之有效。

敏感度分析

下列敏感度分析已根據於年結日承受之外幣風險釐定。

倘人民幣兌港幣升值／貶值5%，則本集團業績及權益將增加／減少約101,800港元（二零一五年：3,324,000港元）。

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Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligations under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The carrying amounts of trade receivables, pledged deposit and cash and cash equivalents included in the face of the statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group generally has established long-term and stable relationships with its customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group generally allows credit period of one month extending up to six months to its major trade customers. The Group has no other significant concentration of credit risk in respect of its trade receivables. The Group maintains its pledged deposits and cash and cash equivalents with reputable banks in Hong Kong and the PRC, therefore the directors consider that the credit risk for such is minimal. The credit and investment policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables, other payables and accruals, bank and other loans, convertible notes and payable to a non-controlling interest, also in respect of its cash flow management.

The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term. The Group manages its liquidity needs on a consolidated basis by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day to day business. Liquidity needs are monitored in various time bands, on a day to day and week to week basis, as well as on the basis of a rolling 3 months projection. Long-term liquidity needs for a 180-day and 365-day lookout period are identified monthly. Net cash requirements are compared to available funds in order to determine headroom or any shortfalls. This analysis shows if available funds are expected to be sufficient over the lookout period. The Group maintains cash and short-term bank deposits to meet its liquidity requirements for 30 days at a minimum. Funding for longer term liquidity needs is additionally secured by an adequate amount of borrowings and the ability to sell longer term financial assets. The Group's liquidity is mainly dependent upon the cash received from its trade customers.

The directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future. The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

信貸風險

信貸風險指財務工具之交易對方未能根據財務工具之條款履行其責任，令本集團蒙受財務損失之風險。本集團承受之信貸風險主要來自於日常業務過程中向客戶授予之信貸。應收貿易款項、抵押存款以及現金及現金等價物之賬面值計入財務狀況表，代表本集團就其財務資產承受之最高信貸風險。

本集團普遍已與客戶建立長期穩定之關係。本集團已制定政策以確保向有良好信貸記錄之客戶銷售產品。本集團一般向其主要貿易客戶提供之信貸期介乎1個月至6個月不等。本集團毋須就其應收貿易款項承受其他重大集中信貸風險。本集團將其抵押存款及現金及現金等價物存於香港及中國信譽良好之銀行，故董事認為有關信貸風險屬輕微。本集團於過去數年一直遵守信貸投資政策，並認為已將本集團面臨之信貸風險有效限制至令人滿意的水平。

流動資金風險

流動資金風險與本集團未能達成其以現金或另一財務資產清償財務負債責任之風險有關。本集團在清償應付貿易款項、其他應付款項及應計費用、銀行及其他貸款、可換股票據及應付非控股權益款項以及現金流量管理方面承受流動資金風險。

本集團之目標在於維持流動資產及承諾資金於適當水平，以滿足其短期及長期流動資金需求。本集團透過審慎監察長期財務負債之還款期，以及預測日常業務現金流入及流出，以綜合基準管理其流動資金需要。流動資金需求按不同時段監察，包括按日及按星期，以及按3個月滾存預測。每月釐定180日及365日監察期，監察長期流動資金需要。現金淨額需求與可動用資金作比較，以釐定空間或任何差額。此分析顯示預期可動用資金於監察期間是否充足。本集團維持現金及短期銀行存款以應付最少30日之流動資金需求。應付長期流動資金需求之資金則由充足借貸及出售長期財務資產之能力另外提供。本集團流動資金主要取決於從其貿易客戶收取之現金。

本公司董事信納，本集團可悉數償還於可預見將來到期之財務負債。本集團於過去數年一直遵守流動資金政策，並認為該等政策可有效管理流動資金風險。

Apart from the non-current convertible notes disclosed in note 25 for the financial statements, the maturity profile of the Group's major financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is within one year or on demand.

The contractual undiscounted payments are approximate to their carrying amounts.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular, its cash resources and other liquid assets that readily generate cash. The Group's existing cash resources and other liquid assets significantly exceed the cash outflow requirements.

Fair value risk and disclosures

At 31 December 2016, the Group held certain derivative financial instruments which are carried in the financial statements at fair value, as further detailed in notes 14 and 29 to the financial statements. In respect of the derivative financial instruments, their fair values were measured based on a valuation technique for which any inputs which have a significant effect on the recorded fair value are based on significant unobservable data (the "Level 3 fair value hierarchy"). During the year ended 31 December 2016, there were no transfers among the levels (2015: Nil).

In respect of the Group's financial assets and liabilities as at 31 December 2016 and 2015 which are carried in the financial statements at other than fair value, in the opinion of the directors of the Company, the carrying amounts of these financial assets and liabilities are reasonable approximation of their respective fair values as these financial instruments are due to be received or settled within one year. Accordingly, no disclosure of the fair values of these financial instruments is made.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group actively and regularly reviews and manages its capital structure to ensure optimal structure and shareholder returns, taking into consideration the future capital requirements of the Group, prevailing and projected capital expenditure, projected strategic investment opportunities and economic conditions.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 2015.

除於財務報表附註25披露之非即期可換股票據外，根據合約未貼現款項劃分之本集團之主要財務負債到期情況於報告期末為一年或按要償還。

合約未貼現款項與其賬面值相若。

本集團於評估及管理流動資金風險時考慮來自財務資產之預期現金流量，特別是現金資源及可即時產生現金之其他流動資產。本集團現有現金資源及其他流動資產大幅超出其現金流出要求。

公平值風險及披露

誠如附註14及29進一步詳述，於二零一六年十二月三十一日，本集團持有若干按公平值計入財務報表之衍生財務工具。衍生財務工具之公平值乃根據任何對已入賬公平值具重大影響力而以重大不觀察可得數據為基準輸入數據之估值技術計量（「第3級公平值」）。截至二零一六年十二月三十一日止年度，公平值層級間並無進行轉移（二零一五年：無）。

就本集團於二零一六年及二零一五年十二月三十一日並非以公平值計入財務報表之財務資產及負債而言，本公司董事認為，該等財務資產及負債之賬面值已合理地概約計算至彼等各自之公平值，原因為該等財務工具將於一年內收取或償還。因此，概無披露該等財務工具之公平值。

資本管理

本集團之資本管理首要目的乃保障本集團有持續經營之能力及維持穩健資本比率，以支持其業務發展並盡量提升股東價值。

本集團積極及定期審閱及管理其資本架構，以確保優化資本架構及股東回報，同時考慮本集團之未來資本需要、目前及預計資本開支、預計策略投資機會及經濟狀況。

為維持或調整資本架構，本集團可能調整向股東派付之股息、向股東退回資本或發行新股。本集團並無受限於任何外界資本規定。截至二零一六年及二零一五年十二月三十一日止年度，有關管理資本之目標、政策或程序概無變動。

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The Group regards total equity attributable to the shareholders of the Company presented on the face of the consolidated statement of financial position as capital, for capital management purposes. The amount of capital (total equity plus total debt) as at 31 December 2016 amounted to approximately HK\$4,848,842,000 (2015: HK\$4,193,356,000), which the management considers as optimal having considered the projected capital expenditures and the forecast strategic investment opportunities.

39. FINANCIAL INSTRUMENTS BY CATEGORY

Other than derivative financial instruments being classified as financial asset/liabilities at fair value through profit or loss as disclosed in notes 14 and 29 to the financial statements, all financial assets and liabilities of the Group as at 31 December 2016 and 2015 were loans and receivables, and financial liabilities stated at amortised cost, respectively.

40. DIVIDENDS

The Directors did not declare an interim dividend and did not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

41. EVENTS AFTER THE REPORTING PERIOD

(a) On 20 January 2017, the Company granted share options (the "Options") to certain individuals (the "Grantees") to subscribe for a total of 369,300,000 ordinary shares of HK\$0.05 each of the Company (the "Shares"), under the share option scheme adopted pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 29 June 2010 (the "Share Option Scheme"). The Options shall entitle the Grantees to subscribe for the Shares at an exercise price HK\$0.80 per Share. Among the Options granted, (i) 184,650,000 Options are vested on 20 January 2017; (ii) 92,325,000 Options shall vest on 20 January 2018; and (iii) 92,325,000 Options shall vest on 20 January 2019. All of the Options shall be exercisable for a period of two years after vested. Among the Options granted, a total of 183,000,000 were granted to the directors of the Company. Details of the grant of Options are set out in the Company's announcement dated 20 January 2017. As at the date of this report, the Company is in the course of assessing the fair values of the Options granted and the financial effect of such Options.

(b) On 3 February 2017, Li Ning Co issued 168,629,032 new ordinary shares upon the conversion of convertible bonds in the principal amount of RMB561,000,000 issued by Li Ning Co. The Group's equity interests in Li Ning Co have been diluted from approximately 24.3% to approximately 22.6% and a loss on deemed partial disposal will be recognised in the first quarter of 2017. As at the date of this report, the Company is in the course of assessing the financial effect of such deemed partial disposal.

就資本管理而言，本集團將綜合財務狀況表所呈列之本公司股東應佔總權益視作資本。於二零一六年十二月三十一日之資本（權益總額加債務總額）為數約4,848,842,000港元（二零一五年：4,193,356,000港元），經考慮預計資本開支及預測策略投資機會後，管理層認為已達致最佳水平。

39. 按種類劃分之財務工具

除財務報表附註14及29所披露分類為透過損益按公平值列值之財務資產／負債之衍生財務工具外，於二零一六年及二零一五年十二月三十一日之本集團所有財務資產及負債分別為貸款及應收款項、以及按攤銷成本列值之財務負債。

40. 股息

董事並無宣派中期股息，亦不建議派付有關截至二零一六年十二月三十一日止年度之末期股息（二零一五年：無）。

41. 報告期後事項

(a) 於二零一七年一月二十日，本公司根據於二零一零年六月二十九日舉行之本公司股東特別大會上通過的普通決議案採納的購股權計劃（「購股權計劃」）向若干人士（「承授人」）授出購股權（「購股權」），以認購合共369,300,000股每股面值0.05港元之本公司普通股（「股份」）。購股權授予承授人以每股股份0.80港元之行使價認購股份之權利。於已授出之購股權中，(i)184,650,000份購股權自二零一七年一月二十日開始歸屬；(ii)92,325,000份購股權將於二零一八年一月二十日開始歸屬；及(iii)92,325,000份購股權將於二零一九年一月二十日開始歸屬。該等購股權均可在歸屬後於兩年內行使。於已授出之購股權中，合共183,000,000份乃授予本公司之董事。有關授出購股權之詳情載於本公司日期為二零一七年一月二十日之公告內。於本報告日期，本公司正在評估已授出購股權之公平值及該等購股權之財務影響。

(b) 於二零一七年二月三日，李寧公司因其發行本金額人民幣561,000,000元的可換股債券獲轉換而發行168,629,032股新普通股。本集團於李寧公司之股權比例已由約24.3%攤薄至約22.6%，而視作部分出售之虧損將於二零一七年第一季內入賬。於本報告日期，本公司正評估該視作部分出售之財務影響。

PARTICULARS OF INVESTMENT PROPERTIES

投資物業之詳情

31 December 2016 二零一六年十二月三十一日

Location 位置	Use 用途	Tenure 租期	Attributable Interest of the Group 本集團應佔權益
Land Lot Nos. 50, 52, 61, No. 22 Kaifa Road, Shenyang Economic and Technology Development Zone, Shenyang, Liaoning Province, the PRC 中國遼寧省瀋陽市 瀋陽經濟技術開發區 開發路22號 第50、52、61號地段	For generating rental income and/or capital appreciation 用來賺取租金收入及／ 或資本增值	Medium term 中期	100% 100%

PARTICULARS OF STOCK OF PROPERTIES

物業存貨之詳情

Location	Group's Interest	Tenure	Approximate Site Area (sq.m.)
位置	本集團權益	租期	概約佔地面積 (平方米)
Guangling Xincheng, Yangzhou, Jiangsu Province of the PRC, northwest to the intersection of Binshui Road and Jianmin Road	70%	Medium to long term	23,334
中國江蘇省揚州市廣陵新城濱水路與健民路交叉口西北處	70%	中期至長期	23,334

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets and liabilities and total equity of the Group for the last five financial years/period, as extracted from the published audited financial statements of the Group, is set out below:

以下載列本集團過去五個財政年度／期間之業績及資產與負債及權益總額概要，乃摘錄自本集團已刊發經審核財務報表：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年	2012 二零一二年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
REVENUE	收益	552,208	147,355	111,418	125,162	68,191
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	112,163	(182,551)	(463,045)	(645,763)	(296,088)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	本公司權益股東應佔年內溢利／(虧損)	103,630	(179,657)	(462,176)	(640,919)	(282,595)

ASSETS AND LIABILITIES

資產與負債

		31 December 十二月三十一日				
		2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年	2012 二零一二年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產	3,525,815	3,536,271	2,990,300	3,338,903	3,219,325
CURRENT ASSETS	流動資產	1,580,745	781,546	1,022,887	1,121,657	1,458,017
CURRENT LIABILITIES	流動負債	635,634	320,727	140,158	135,302	230,908
NET CURRENT ASSETS	流動資產淨值	945,111	460,819	882,729	986,355	1,227,109
TOTAL ASSETS	資產總值	5,106,560	4,317,817	4,013,187	4,460,560	4,677,342
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	4,470,926	3,997,090	3,873,029	4,325,258	4,446,434
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	本公司權益股東應佔權益	3,718,317	3,741,854	3,873,034	4,322,802	3,455,299

GLOSSARY

詞彙

In this annual report, unless the context requires otherwise, the following expressions shall have the following meanings:

在本年報內，除文義另有指明者外，下列詞彙具有下文所載列之涵義：

“American Appraisal” 「美國評值」	指	American Appraisal China Limited, an independent professional qualified valuer 美國評值有限公司，獨立專業合資格估值師
“Board” 「董事會」	指	the board of Directors 董事會
“BVI” 「英屬處女群島」	指	the British Virgin Islands 英屬處女群島
“close associate(s)” 「緊密聯繫人」	指	has the meaning ascribed thereto under the GEM Listing Rules 具有創業板上市規則所賦予的相同涵義
“Company” or “Viva China” 「本公司」或「非凡中國」	指	Viva China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (stock code: 8032) 非凡中國控股有限公司，於開曼群島註冊成立之有限公司，其已發行股份於創業板上市（股份代號：8032）
“connected transaction(s)” 「關連交易」	指	has the meaning ascribed to it in the GEM Listing Rules 具有創業板上市規則所賦予涵義
“Directors” 「董事」	指	the directors of the Company 本公司董事
“Double Happiness” 「紅雙喜」	指	Shanghai Double Happiness Co., Ltd 上海紅雙喜股份有限公司
“Double Happiness Group” 「紅雙喜集團」	指	Shanghai Double Happiness Co., Ltd and its subsidiaries 上海紅雙喜股份有限公司及其附屬公司
“Dragon City” 「Dragon City」	指	Dragon City Management (PTC) Limited, a company incorporated in BVI Dragon City Management (PTC) Limited，於英屬處女群島註冊成立之公司
“School Basketball Leagues” 「校園籃球聯賽」	指	Chinese University Basketball Association (CUBA), Chinese High School Basketball League (CHBL) and Chinese Junior School Basketball League (CJBL) 中國大學生籃球聯賽(CUBA)、中國高中籃球聯賽(CHBL)及中國初中籃球聯賽(CJBL)
“GEM” 「創業板」	指	the Growth Enterprise Market of the Stock Exchange 聯交所創業板
“GEM Listing Rules” 「創業板上市規則」	指	the Rules Governing the Listing of Securities on the GEM 創業板證券上市規則

“Group” 「本集團」	指	the Company and its subsidiaries 本公司及其附屬公司
“HK\$” 「港元」	指	Hong Kong dollars, the lawful currency of the Hong Kong 港元，香港法定貨幣
“HKICPA” 「香港會計師公會」	指	The Hong Kong Institute of Certified Public Accountants 香港會計師公會
“Hong Kong” 「香港」	指	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“HKFRSs” 「香港財務報告準則」	指	Hong Kong Financial Reporting Standards which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations 香港財務報告準則（包括所有香港財務報告準則、香港會計準則及詮釋）
“Lead Ahead” 「Lead Ahead」	指	Lead Ahead Limited, a company incorporated in the BVI Lead Ahead Limited，於英屬處女群島註冊成立之公司
“Li Ning Co” 「李寧公司」	指	Li Ning Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued LN Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2331) 李寧有限公司，於開曼群島註冊成立之有限公司，其已發行李寧股份於聯交所主板上市（股份代號：2331）
“2013 Li Ning Open Offer” 「二零一三年李寧公開發售」	指	the open offer of convertible securities by Li Ning Co in the principal amount of HK\$3.50 for every two existing LN Shares by the qualifying shareholders of Li Ning Co 以李寧公司合資格股東每持有兩股現有李寧股份獲發一份本金額3.50港元之可換股證券之基準進行之李寧公司可換股證券公開發售
“Li Ning Open Offer” 「李寧公開發售」	指	the open offer of LN Offer Securities for subscription, on the basis of 5 LN Offer Securities for every 12 existing LN Shares held by the qualifying shareholders of Li Ning Co 公開發售李寧發售證券以供認購，基準為李寧公司合資格股東每持有12股現有李寧股份獲發5份李寧發售證券
“LN Group” 「李寧集團」	指	Li Ning Co and its subsidiaries 李寧公司及其附屬公司
“LN Offer Securities” 「李寧發售證券」	指	the new LN Shares, credited as fully paid, to be offered to the qualifying shareholders of Li Ning Co and/or the LN Convertible Securities to be offered to the qualifying shareholders of Li Ning Co under the Li Ning Open Offer in lieu of all or part of their entitlement to such new LN Shares, or a combination of both, at the election of the qualifying shareholders of Li Ning Co under the 2015 Li Ning Open Offer 根據李寧公開發售將發售予李寧公司合資格股東入賬列作繳足的新李寧股份及／或將發售予李寧公司之合資格股東的李寧可換股證券，以按李寧公司之合資格股東的選擇取代彼等於二零一五年李寧公開發售項下可獲發行的全部或部分新李寧股份配額或同選兩種方案
“LN Share(s)” 「李寧股份」	指	the share(s) of HK\$0.10 each in the share capital of Li Ning Co 李寧公司股本中每股面值0.10港元之股份

GLOSSARY

詞彙

“LN Convertible Securities” 「李寧可換股證券」	指	the convertible securities offered by Li Ning Co to the qualifying shareholders of Li Ning Co, in lieu of all or part of LN Shares at the election of each qualifying shareholder of Li Ning Co, in the Li Ning Open Offer and are convertible into LN Shares at the initial conversion price of HK\$2.60 per LN Shares (subject to adjustment) 李寧公司向李寧公司合資格股東發售之可換股證券，以按李寧公司各合資格股東的選擇取代李寧公開發售中的全部或部分李寧股份，該等可換股證券可按初步轉換價每股李寧股份2.60港元（可予調整）轉換為李寧股份
“PRC” 「中國」	指	the People’s Republic of China which, for the purpose of this annual report, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan 中華人民共和國，就本年報而言，不包括香港、中華人民共和國澳門特別行政區及台灣
“RMB” 「人民幣」	指	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“SFO” 「證券及期貨條例」	指	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
“Share(s)” 「股份」	指	ordinary shares of nominal value of HK\$0.05 each in the share capital of the Company 本公司股本中每股面值0.05港元之普通股
“Shareholder(s)” 「股東」	指	holder(s) of Share(s) 股份持有人
“State Council” 「國務院」	指	State Council of the People’s Republic of China 中華人民共和國國務院
“Stock Exchange” 「聯交所」	指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Subscription Price” 「認購價」	指	the subscription price of HK\$2.60 per LN Offer Securities 每份李寧發售證券的認購價2.60港元
“VCHL” 「VCHL」	指	Viva China Holdings Ltd, a company incorporated in BVI and a wholly-owned subsidiary of the Company Viva China Holdings Ltd，於英屬處女群島註冊成立之公司，並為本公司之全資附屬公司
“VCHL Underwriting Agreement” 「VCHL包銷協議」	指	the underwriting agreement entered into between VCHL and Li Ning Co on 16 December 2014 in relation to the Li Ning Open Offer VCHL與李寧公司就李寧公開發售於二零一四年十二月十六日訂立之包銷協議
“Victory Mind Assets” 「Victory Mind Assets」	指	Victory Mind Assets Limited, a company incorporated in BVI Victory Mind Assets Limited，於英屬處女群島註冊成立之公司
“%” 「%」	指	per cent. 百分比



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