



海航實業集團股份有限公司

HNA HOLDING GROUP CO. LIMITED

Stock Code: 521



AUNNAL REPORT 2016

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Zhao Quan (*Co-Chairman*)
Wang Shuang (*Co-Chairman*)
Xu Haohao (*Executive President*)

Non-executive Directors

Leung Shun Sang, Tony
Wang Hao

Independent Non-executive Directors

Leung Kai Cheung
Liem Chi Kit, Kevin
Lam Kin Fung, Jeffrey

EXECUTIVE COMMITTEE

Zhao Quan (*Co-Chairman*)
Wang Shuang (*Co-Chairman*)
Xu Haohao

AUDIT COMMITTEE

Leung Kai Cheung (*Chairman*)
Liem Chi Kit, Kevin
Lam Kin Fung, Jeffrey

NOMINATION COMMITTEE

Zhao Quan (*Chairman*)
Leung Shun Sang, Tony
Leung Kai Cheung
Liem Chi Kit, Kevin
Lam Kin Fung, Jeffrey

REMUNERATION COMMITTEE

Leung Kai Cheung (*Chairman*)
Zhao Quan
Xu Haohao
Liem Chi Kit, Kevin
Lam Kin Fung, Jeffrey

董事會

執行董事

趙權 (*聯席主席*)
Wang Shuang (*聯席主席*)
徐昊昊 (*執行總裁*)

非執行董事

梁順生
王浩

獨立非執行董事

梁繼昌
林子傑
林健鋒

執行委員會

趙權 (*聯席主席*)
Wang Shuang (*聯席主席*)
徐昊昊

審核委員會

梁繼昌 (*主席*)
林子傑
林健鋒

提名委員會

趙權 (*主席*)
梁順生
梁繼昌
林子傑
林健鋒

薪酬委員會

梁繼昌 (*主席*)
趙權
徐昊昊
林子傑
林健鋒

CORPORATE INFORMATION

公司資料

INVESTMENT COMMITTEE

Zhao Quan (Co-Chairman)
Wang Shuang (Co-Chairman)
Xu Haohao
Leung Shun Sang, Tony
Leung Kai Cheung

JOINT COMPANY SECRETARIES

Huang Tianbo
Lau Lap Ngai

AUDITOR

Deloitte Touche Tohmatsu

SHARE REGISTRARS

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Suites 5811-5814, 58/F.
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No. 8 Finance Street, Central
Hong Kong

STOCK CODE

521

WEBSITE

www.hnaholdinghk.com

投資委員會

趙權 (聯席主席)
Wang Shuang (聯席主席)
徐昊昊
梁順生
梁繼昌

聯席公司秘書

黃天波
劉立毅

核數師

德勤 • 關黃陳方會計師行

股份過戶登記處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

註冊辦事處

香港中環
金融街8號
國際金融中心二期
58樓5811-5814室

股份代號

521

網址

www.hnaholdinghk.com

DIRECTORS' BIOGRAPHIES

董事簡介

Mr. Zhao Quan, aged 46, holds a bachelor degree of Science in Computer Science Software Management from Lanzhou University and is an external master tutor of Beijing Forestry University. He was appointed as an Executive Director and the Chairman of the Board in July 2015, and redesignated as the Co-Chairman of the Board in November 2016. He is the chairman of the Nomination Committee and the co-chairman of each of the Executive Committee and Investment Committee, and a member of the Remuneration Committee of the Company. Mr. Zhao is now a director of HNA Investment Group Co., Ltd.* (海航投資集團股份有限公司) (a Shenzhen A-share listed company, Stock Code: 000616), an executive director and the chairman of the board of Hong Kong International Construction Investment Management Group Co., Limited (Stock Code: 687), companies under HNA Group Co., Ltd.* (海航集團有限公司) which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is also a director and chief executive officer of HNA Industrial Group Co., Ltd.* (海航實業集團有限公司), another company under HNA Group Co., Ltd.* (海航集團有限公司). He joined HNA Group Co., Ltd.* (海航集團有限公司) in 2009, and was engaged with senior management positions, namely the chief financial officer of HNA Group Co., Ltd.* (海航集團有限公司), served concurrently the vice-chairman and also the chairman of HNA Group Finance Co., Ltd.* (海航集團財務有限公司), and also the executive vice-president of HNA Group Co., Ltd.* (海航集團有限公司). Before joining HNA Group Co., Ltd.* (海航集團有限公司), Mr. Zhao worked in State Tax Planning and Finance of Gansu Province, Changan Airlines Co., Ltd.* (長安航空有限責任公司) and Shanxi Airlines Co., Ltd.* (山西航空有限責任公司). Mr. Zhao has over 20 years of working and management experiences in the areas of airlines, finance, airport investment and operation etc., and has extensive knowledge and experience in corporate management.

A fresh service agreement was entered into between Mr. Zhao and the Company for a term of three years commencing on 1 January 2017. Under the service agreement, Mr. Zhao is entitled to a monthly salary of HK\$220,000 or such higher salary and discretionary bonus as may be determined by the Board from time to time. Such salary was determined with reference to Mr. Zhao's experience and duties as well as the then prevailing market conditions.

趙權先生，年四十六歲，持有蘭州大學計算機科學系計算機軟件專業理學士學位，亦為北京林業大學外聘碩士生導師。趙先生於二零一五年七月獲委任為執行董事兼董事會主席，並於二零一六年十一月轉任為董事會聯席主席。彼亦為本公司提名委員會之主席、執行委員會及投資委員會之聯席主席，以及薪酬委員會之成員。趙先生現為本公司主要股東（根據證券及期貨條例第XV部賦予之涵義）海航集團有限公司的旗下公司海航投資集團股份有限公司（深圳A股上市公司，股票代碼：000616）董事、香港國際建設投資管理集團有限公司（股票代號：687）執行董事兼董事局主席，亦為其另一家旗下公司海航實業集團有限公司董事及首席執行官。趙先生於二零零九年加入海航集團有限公司，曾擔任的高級管理職務包括海航集團有限公司財務總監、海航集團財務有限公司兼任副董事長及董事長，以及海航集團有限公司執行副總裁。在加入海航集團有限公司前，趙先生曾任職甘肅省國家稅務局計劃財務處、長安航空有限責任公司及山西航空有限責任公司。趙先生在航空、金融、機場投資及運營等多個領域擁有逾二十年的從業及管理經歷，擁有豐富的企業管理知識及工作經驗。

趙先生與本公司重新簽訂一份為期三年之服務合約，任期由二零一七年一月一日起生效。根據該服務合約，趙先生每月可獲取港幣220,000元薪金或由董事會不時釐定之較高薪金及酌情花紅。該薪金經參考趙先生之經驗及職責，以及當時市況後釐定。

Mr. Wang Shuang, aged 33, holds a master degree of Business Administration from Shanghai Jiao Tong University (joint program with Nanyang Technological University, Singapore). Mr. Wang was appointed as an Executive Director and the Co-Chairman of the Board in November 2016. He is the co-chairman of each of the Executive Committee and the Investment Committee of the Company. Mr. Wang is now the chief investment officer of HNA Group Co., Ltd.* (海航集團有限公司) which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is a director of Seaco SRL, also the vice chairman and the chief executive officer of HNA Group (International) Company Limited, both companies are under HNA Group Co., Ltd.* (海航集團有限公司). Mr. Wang joined HNA Group Co., Ltd.* (海航集團有限公司) since 2007 and was engaged with senior management positions, namely the director and the vice president of GC Tankers Pte. Ltd., and the general manager of business department of Changjiang Leasing Co Ltd* (長江租賃有限公司). Mr. Wang has nearly 10 years of practical experience in the fields of logistic and transportation, finance, corporate administration and investment, including container leasing business, crude oil transportation business, and aircraft leasing and investment business. He has expertise in international logistic and transportation business, among other things, container leasing business and vessel insurance management. He was also responsible for human resources and business administration, company secretary of the board, project acquisition and project financing etc.

A fresh service agreement was entered into between Mr. Wang and the Company for a term of three years commencing on 1 January 2017. Under the service agreement, Mr. Wang is entitled to a monthly salary of HK\$150,000 or such higher salary and discretionary bonus as may be determined by the Board from time to time. Such salary was determined with reference to Mr. Wang's experience and duties as well as the then prevailing market conditions.

Wang Shuang先生，年三十三歲，持有上海交通大學工商管理碩士學位（與新加坡南洋理工大學之合辦課程）。Wang先生於二零一六年十一月獲委任為執行董事兼董事會聯席主席。彼亦為本公司執行委員會及投資委員會之聯席主席。Wang先生現任本公司主要股東（根據證券及期貨條例第XV部賦予之涵義）海航集團有限公司投資總裁，以及其旗下公司Seaco SRL董事、及海航集團（國際）有限公司副董事長及首席執行官。Wang先生於二零零七年加入海航集團有限公司，曾擔任的高級管理職務包括旗下公司GC Tankers Pte. Ltd.董事及副總裁、以及長江租賃有限公司業務部總經理。Wang先生在物流及運輸、金融、企業管理及投資等領域從業擁有近十年的經驗，包括貨櫃租賃業務、原油運輸業務、及飛機租賃業務投資，熟悉國際物流及運輸業務，其中包括貨櫃租賃業務及船舶保險管理，同時亦處理人力資源及行政管理、董事會秘書、以及項目收購及融資等事項。

Wang先生與本公司重新簽訂一份為期三年之服務合約，任期由二零一七年一月一日起生效。根據該服務合約，Wang先生每月可獲取港幣150,000元薪金或由董事會不時釐定之較高薪金及酌情花紅。該薪金經參考Wang先生之經驗及職責，以及當時市況後釐定。

DIRECTORS' BIOGRAPHIES

董事簡介

Mr. Xu Haohao, aged 33, holds a bachelor degree in Financial Administration from University of Winnipeg. He joined the Finance Department of the Company in January 2014 and was appointed as the Financial Controller in April of the same year overseeing the financial matters; and he was appointed as the Vice President of the Company in July of the same year. Mr. Xu was appointed as an Executive Director of the Company in December 2014 and is a member of each of the Executive Committee, the Remuneration Committee and the Investment Committee of the Company. He was appointed as the Executive President of the Company in February 2015, responsible for the general operation of the Company. As from February 2016, Mr. Xu is also responsible for the matters relating to the Company's external communication, strategy and investment programs, etc. He has been appointed as a non-executive director of AID Partners Technology Holdings Limited (Stock Code: 8088), a listed company in Hong Kong, in November 2016. Before joining he had served as the general manager of the finance department of Hong Kong Airlines Limited. Mr. Xu has extensive management knowledge and working experience in financial and corporate management.

A fresh service agreement was entered into between Mr. Xu and the Company for a term of three years commencing on 1 January 2017. Under the service agreement, Mr. Xu is entitled to a monthly salary of HK\$143,000 or such higher salary and discretionary bonus as may be determined by the Board from time to time. Such salary was determined with reference to Mr. Xu's experience and duties as well as the then prevailing market conditions.

徐昊昊先生，年三十三歲，持有加拿大溫尼伯大學金融管理學士學位。彼於二零一四年一月加入本公司財務部，於同年四月獲委任為財務總監，負責本公司財務工作；並於同年七月獲委任為副總裁。徐先生於二零一四年十二月獲委任為本公司之執行董事，並為本公司執行委員會、薪酬委員會及投資委員會之成員。彼於二零一五年二月獲委任為本公司之執行總裁，負責本公司一般運作。於二零一六年二月起，徐先生並負責處理本公司對外溝通、戰略及投資方案等事宜。彼於二零一六年十一月獲委任為香港上市公司滙友科技控股有限公司（股份代號：8088）之非執行董事。入職本公司之前徐先生曾擔任香港航空有限公司財務部總經理職務。徐先生在財務及企業管理方面擁有豐富的管理知識及工作經驗。

徐先生與本公司重新簽訂一份為期三年之服務合約，任期由二零一七年一月一日起生效。根據該服務合約，徐先生每月可獲取港幣143,000元薪金或由董事會不時釐定之較高薪金及酌情花紅。該薪金經參考徐先生之經驗及職責，以及當時市況後釐定。

Mr. Leung Shun Sang, Tony, aged 74, holds a bachelor degree of commerce from The Chinese University of Hong Kong and a master degree in business administration from New York State University. Mr. Leung was appointed as a Non-executive Director of the Company in April 1993 and is a member of each of the Nomination Committee and the Investment Committee of the Company. He is also a non-executive director of each of Shougang Concord International Enterprises Company Limited (Stock Code: 697), Shougang Fushan Resources Group Limited (Stock Code: 639), Shougang Concord Century Holdings Limited (Stock Code: 103), Shougang Concord Grand (Group) Limited (Stock Code: 730) and Global Digital Creations Holdings Limited (Stock Code: 8271), all of which are listed companies in Hong Kong. Mr. Leung had worked in Citibank N.A. and W.I. Carr Sons & Co. (Overseas) in his early years and he was the managing director of CEF Group. He has over 40 years of experience in securities and banking business, investment, financial markets, corporate strategy and corporate management.

A fresh engagement letter was entered into between Mr. Leung and the Company for a term of three years commencing on 1 January 2017. Under the engagement letter, Mr. Leung is entitled to a director's fee as may be determined by the Board from time to time. For the financial year ended 31 December 2016, the director's fee of Mr. Leung was HK\$220,000. For the financial year ending 31 December 2017, the director's fee of Mr. Leung will be HK\$220,000 for a full year which will be paid in proportion to the actual length of services provided by Mr. Leung. Such director's fees were determined with reference to Mr. Leung's experience and duties as well as the then prevailing market conditions.

梁順生先生，年七十四歲，持有香港中文大學商學士學位及紐約州立大學工商管理碩士學位。梁先生於一九九三年四月獲委任為本公司之非執行董事，並為本公司提名委員會及投資委員會之成員。彼亦為香港上市公司首長國際企業有限公司（股份代號：697）、首鋼福山資源集團有限公司（股份代號：639）、首長寶佳集團有限公司（股份代號：103）、首長四方（集團）有限公司（股份代號：730）及環球數碼創意控股有限公司（股份代號：8271）之非執行董事。梁先生早年任職花旗銀行及英國惠嘉證券公司，並曾任加怡集團之董事總經理。彼擁有超過四十年之證券及銀行業務、投資、金融市場、企業策劃及管理經驗。

梁先生與本公司重新簽訂一份為期三年之委聘書，任期由二零一七年一月一日起生效。根據該委聘書，梁先生可收取由董事會不時釐定之董事袍金。於截至二零一六年十二月三十一日止財政年度，梁先生之董事袍金為港幣220,000元。截至二零一七年十二月三十一日止財政年度，梁先生整個年度之董事袍金將為港幣220,000元，該袍金將按梁先生之實際服務任期按比例支付給梁先生。該等袍金經參考梁先生之經驗及職責，以及當時市況後釐定。

DIRECTORS' BIOGRAPHIES

董事簡介

Mr. Wang Hao, aged 39, holds a master degree in business administration from City University of Seattle, U.S.A. Mr. Wang was appointed as an Executive Director, the Chairman of the Board and the Chief Executive Officer of the Company in June 2015, and stepped down as the Chairman of the Board in July 2015. He has been redesignated as a Non-executive Director and resigned as the Chief Executive Officer in February 2016. Mr. Wang currently is the investment president of HNA Technology Logistics Group Co., Ltd.* (海航科技物流集團有限公司), a company under HNA Group Co., Ltd.* (海航集團有限公司) which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Wang has mainly served positions, including the manager of aircraft procurement of Hainan Airlines Group Co., Ltd.* (海南航空股份有限公司) (a Shanghai A-share listed company, stock code: 600221), the general manager of finance department of HNA Group Co., Ltd.* (海航集團有限公司), the chief financial officer of Hainan Airlines Group Co., Ltd.* (海南航空股份有限公司) and the chief financial officer of HNA Capital Group Co., Ltd.* (海航資本集團有限公司). He was also the chairman of Bohai Leasing Co., Ltd.* (渤海租賃股份有限公司) (a Shenzhen A-share listed company, stock code: 000415). Mr. Wang has over 15 years of working experience in the financial and corporate management, and has extensive knowledge and experience in corporate management.

A fresh engagement letter was entered into between Mr. Wang and the Company for a term of three years commencing on 1 January 2017. Under the engagement letter, Mr. Wang is entitled to a director's fee as may be determined by the Board from time to time. For the financial year ended 31 December 2016, the salary and the director's fee of Mr. Wang was HK\$350,667. For the financial year ending 31 December 2017, the director's fee of Mr. Wang will be HK\$120,000, which will be paid in proportion to the actual length of services provided by Mr. Wang. Such director's fee was determined with reference to Mr. Wang's experience and duties as well as the then prevailing market conditions.

王浩先生，年三十九歲，持有美國西雅圖城市大學工商管理碩士學位。王先生於二零一五年六月獲委任為本公司執行董事兼董事會主席及行政總裁，及於二零一五年七月退任董事會主席職務，並於二零一六年二月轉任為非執行董事及同時辭任行政總裁。王先生現為本公司主要股東（根據證券及期貨條例第XV部賦予之涵義）海航集團有限公司的旗下公司海航科技物流集團有限公司的投資總裁。王先生曾主要擔任的職務有海南航空股份有限公司（上海A股上市公司，股票代碼：600221）飛機採購經理、海航集團有限公司計劃財務部總經理、海南航空股份有限公司財務總監及海航資本集團有限公司財務總監，亦曾為渤海租賃股份有限公司（深圳A股上市公司，股票代碼：000415）董事長。王先生在財務及企業管理方面擁有逾十五年的從業經歷，擁有豐富的企業管理知識及工作經驗。

王先生與本公司重新簽訂一份為期三年之委聘書，任期由二零一七年一月一日起生效。根據該委聘書，王先生可收取由董事會不時釐定之董事袍金。於截至二零一六年十二月三十一日止財政年度，王先生之薪金及董事袍金為港幣350,667元。截至二零一七年十二月三十一日止財政年度，王先生之董事袍金將為港幣120,000元，該袍金將按王先生之實際服務任期按比例支付給王先生。該等袍金經參考王先生之經驗及職責，以及當時市況後釐定。

Mr. Leung Kai Cheung, aged 71, graduated from The Chinese University of Hong Kong with a bachelor degree in business. Mr. Leung was appointed as an Independent Non-executive Director of the Company in June 2006 and is the chairman of each of the Audit Committee and the Remuneration Committee and a member of each of the Nomination Committee and the Investment Committee of the Company. He is also an independent non-executive director of each of Shougang Concord International Enterprises Company Limited (Stock Code: 697) and BeijingWest Industries International Limited (Stock Code: 2339), both of which are listed companies in Hong Kong. Mr. Leung had been a senior executive of Citibank, N.A., the general manager of Barclays Bank PLC in charge of Kowloon and New Territories district and was the chairman of Star International Enterprises Limited. Mr. Leung has extensive financial knowledge and business management experience and is familiar with the business environment of both Hong Kong and Mainland China and the operation of listed companies.

A fresh engagement letter was entered into between Mr. Leung and the Company for a term of three years commencing on 1 January 2017. Under the engagement letter, Mr. Leung is entitled to a director's fee as may be determined by the Board from time to time. For the financial year ended 31 December 2016, the director's fee of Mr. Leung was HK\$300,000. For the financial year ending 31 December 2017, the director's fee of Mr. Leung will be HK\$300,000 for a full year which will be paid in proportion to the actual length of services provided by Mr. Leung. Such director's fees were determined with reference to Mr. Leung's experience and duties as well as the then prevailing market conditions.

梁繼昌先生，年七十一歲，畢業於香港中文大學，持有商學士學位。梁先生於二零零六年六月獲委任為本公司之獨立非執行董事，並為本公司審核委員會及薪酬委員會之主席，以及提名委員會及投資委員會之成員。彼亦為香港上市公司首長國際企業有限公司（股份代號：697）及京西重工國際有限公司（股份代號：2339）之獨立非執行董事。梁先生曾於美國花旗銀行任職高級行政人員，亦曾任英國柏克萊銀行的九龍及新界區總經理及四達國際企業有限公司董事長。梁先生擁有豐富的金融財務知識及企業管理經驗，熟悉中港兩地的營商環境及上市公司的運作。

梁先生與本公司重新簽訂一份為期三年之委聘書，任期由二零一七年一月一日起生效。根據該委聘書，梁先生可收取由董事會不時釐定之董事袍金。於截至二零一六年十二月三十一日止財政年度，梁先生之董事袍金為港幣300,000元。截至二零一七年十二月三十一日止財政年度，梁先生整個年度之董事袍金將為港幣300,000元，該袍金將按梁先生之實際服務任期按比例支付給梁先生。該等袍金經參考梁先生之經驗及職責，以及當時市況後釐定。

DIRECTORS' BIOGRAPHIES

董事簡介

Mr. Liem Chi Kit, Kevin, aged 36, holds a bachelor degree (honours) in commerce from University of Toronto and a master degree in taxation from University of Waterloo. Mr. Liem was appointed as an Independent Non-executive Director of the Company in June 2013 and is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. He is a CFA charter holder and a certified public accountant (USA). Mr. Liem is the chief investment officer of CBH Asia Limited (formerly known as TTG (HK) Limited) and a research analyst of HKGolden 50. He is a member of the investment committee for the Hong Kong Baptist University endowment funds and a member of the outreach committee of Hong Kong Securities and Investment Institute (HKSI). Mr. Liem has extensive experience in securities, financial market and investment.

A fresh engagement letter was entered into between Mr. Liem and the Company for a term of three years commencing on 1 January 2017. Under the engagement letter, Mr. Liem is entitled to a director's fee as may be determined by the Board from time to time. For the financial year ended 31 December 2016, the director's fee of Mr. Liem was HK\$300,000. For the financial year ending 31 December 2017, the director's fee of Mr. Liem will be HK\$300,000 for a full year which will be paid in proportion to the actual length of services provided by Mr. Liem. Such director's fees were determined with reference to Mr. Liem's experience and duties as well as the then prevailing market conditions.

林子傑先生，年三十六歲，持有多倫多大學商業榮譽學士學位及滑鐵盧大學稅務碩士學位。林先生於二零一三年六月獲委任為本公司之獨立非執行董事，並為本公司審核委員會、薪酬委員會及提名委員會之成員。彼為金融分析師特許狀持有人及美國註冊會計師。林先生為瑞金亞洲有限公司（前稱怡達理財投資顧問有限公司）投資總監及香港黃金五十之研究分析員。彼為香港浸會大學捐贈基金的投資委員會成員和香港證券及投資學會外展委員會成員。林先生於證券、金融市場及投資方面擁有豐富經驗。

林先生與本公司重新簽訂一份為期三年之委聘書，任期由二零一七年一月一日起生效。根據該委聘書，林先生可收取由董事會不時釐定之董事袍金。於截至二零一六年十二月三十一日止財政年度，林先生之董事袍金為港幣300,000元。截至二零一七年十二月三十一日止財政年度，林先生整個年度之董事袍金將為港幣300,000元，該袍金將按林先生之實際服務任期按比例支付給林先生。該等袍金經參考林先生之經驗及職責，以及當時市況後釐定。

Mr. Lam Kin Fung, Jeffrey, GBS, JP, aged 65, holds a bachelor degree in mechanical engineering from Tufts University in the United States and was conferred university fellow of Tufts University and The Hong Kong Polytechnic University. Mr. Lam was appointed as an Independent Non-executive Director of the Company in October 2013 and is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. He is an independent non-executive director of each of C C Land Holdings Limited (Stock Code: 1224), China Overseas Grand Oceans Group Limited (Stock Code: 81), Chow Tai Fook Jewellery Group Limited (Stock Code: 1929) and Wynn Macau, Limited (Stock Code: 1128), all of which are listed companies in Hong Kong. He was an independent non-executive director of each of Bracell Limited (Stock Code: 1768) and Hsin Chong Construction Group Limited (Stock Code: 404) from October 2010 to October 2016 and from August 2002 to May 2014 respectively, both of which are listed companies in Hong Kong. He has over 30 years of experience in toy industry and is currently the managing director of Forward Winsome Industries Limited which is engaged in toy manufacturing.

In addition, Mr. Lam is a member of the National Committee of the Chinese People's Political Consultative Conference. He is also a member of the Legislative Council of the Hong Kong Special Administrative Region (the "HKSAR"), a non-official member of the Executive Council of the HKSAR, the chairman of the Mega Events Fund Assessment Committee, a member of the board of The Airport Authority Hong Kong, the chairman of the Independent Commission Against Corruption (ICAC) Complaints Committee, a general committee member of the Hong Kong General Chamber of Commerce and a honorary member of the Court of The Hong Kong Polytechnic University, a member of the Fight Crime Committee, a director on the board of Heifer International – Hong Kong and a director of the Hong Kong Mortgage Corporation Limited. Mr. Lam also holds a number of other public and community service positions.

Mr. Lam was awarded the Young Industrialist Award of Hong Kong in 1989 and the Outstanding Achievement Award – Hong Kong Toy Industry in 1999. In 1996, he was appointed Justice of the Peace and became a member of the Most Excellent Order of the British Empire. Mr. Lam was awarded the Silver Bauhinia Star in 2004 and the Gold Bauhinia Star in 2011 respectively.

林健鋒先生，GBS，JP，年六十五歲，持有美國塔夫斯大學機械工程學士學位，並獲塔夫斯大學及香港理工大學頒授院士名銜。林先生於二零一三年十月獲委任為本公司之獨立非執行董事，並為本公司審核委員會、薪酬委員會及提名委員會之成員。彼為香港上市公司中渝置地控股有限公司（股份代號：1224）、中國海外宏洋集團有限公司（股份代號：81）、周大福珠寶集團有限公司（股份代號：1929）及永利澳門有限公司（股份代號：1128）之獨立非執行董事。彼分別於二零一零年十月至二零一六年十月及於二零零二年八月至二零一四年五月期間為香港上市公司Bracell Limited（股份代號：1768）及新昌營造集團有限公司（股份代號：404）之獨立非執行董事。彼於玩具業擁有逾三十年經驗，現時為玩具製造商永和實業有限公司之董事長。

此外，林先生為中國人民政治協商會議全國委員會委員。彼亦為香港特別行政區（「香港特區」）立法會議員、香港特區行政會議非官守議員、盛事基金評審委員會主席、香港機場管理局董事會成員、廉政公署事宜投訴委員會主席、香港總商會理事會理事、香港理工大學顧問委員會榮譽成員、撲滅罪行委員會成員、國際小母牛香港分會董事會成員及香港按揭證券有限公司董事。林先生亦身兼多項公職及社區服務職位。

林先生分別於一九八九年及一九九九年獲授「香港青年工業家獎」及「香港玩具業傑出成就獎」。彼於一九九六年獲委任為太平紳士並獲授大英帝國勳章。林先生分別於二零零四年及二零一一年獲頒銀紫荊星章及金紫荊星章。



DIRECTORS' BIOGRAPHIES

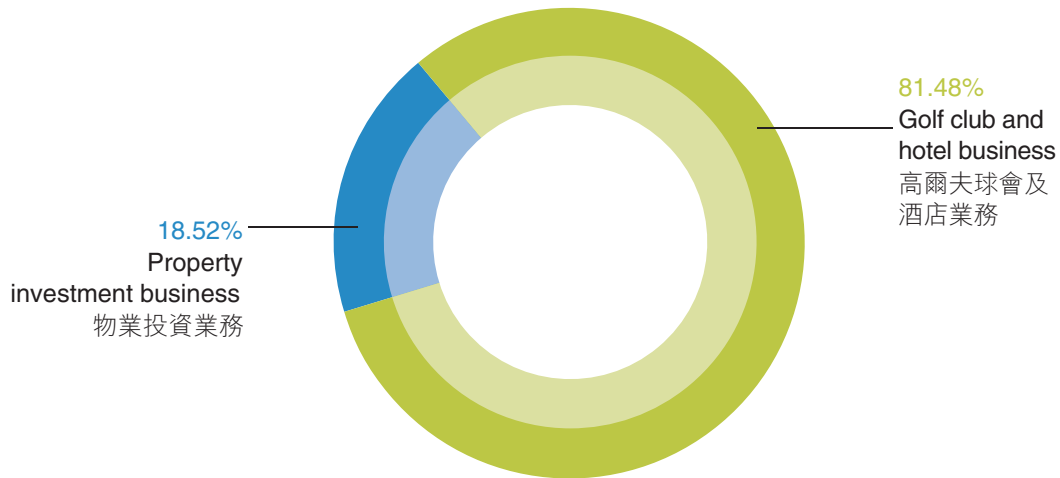
董事簡介

A fresh engagement letter was entered into between Mr. Lam and the Company for a term of three years commencing on 1 January 2017. Under the engagement letter, Mr. Lam is entitled to a director's fee as may be determined by the Board from time to time. For the financial year ended 31 December 2016, the director's fee of Mr. Lam was HK\$300,000. For the financial year ending 31 December 2017, the director's fee of Mr. Lam will be HK\$300,000 for a full year which will be paid in proportion to the actual length of services provided by Mr. Lam. Such director's fees were determined with reference to Mr. Lam's experience and duties as well as the then prevailing market conditions.

林先生與本公司重新簽訂一份為期三年之委聘書，任期由二零一七年一月一日起生效。根據該委聘書，林先生可收取由董事會不時釐定之董事袍金。於截至二零一六年十二月三十一日止財政年度，林先生之董事袍金為港幣300,000元。截至二零一七年十二月三十一日止財政年度，林先生整個年度之董事袍金將為港幣300,000元，該袍金將按林先生之實際服務任期按比例支付給林先生。該等袍金經參考林先生之經驗及職責，以及當時市況後釐定。

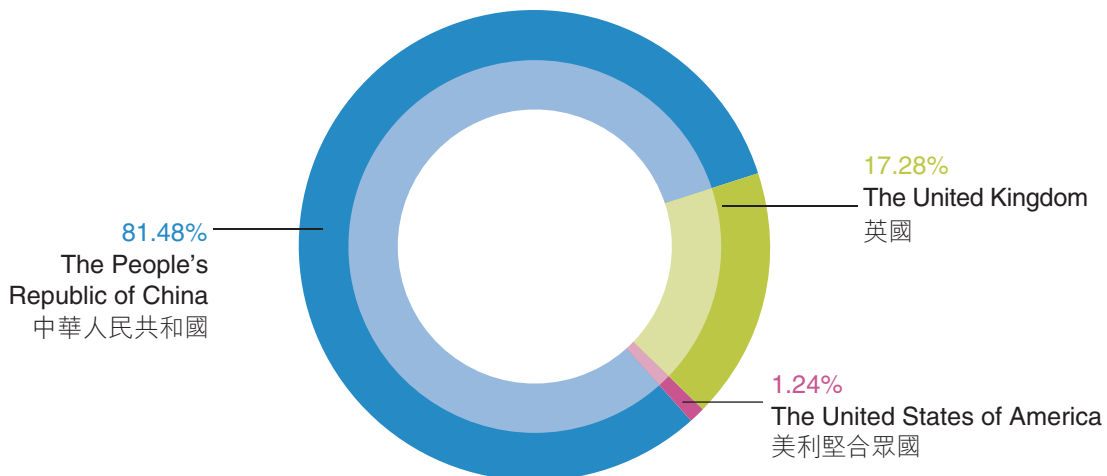
TURNOVER BY PRINCIPAL ACTIVITIES FOR THE YEAR 2016

二零一六年年度按主要業務劃分之營業額



TURNOVER BY GEOGRAPHICAL LOCATION FOR THE YEAR 2016

二零一六年年度按地區劃分之營業額

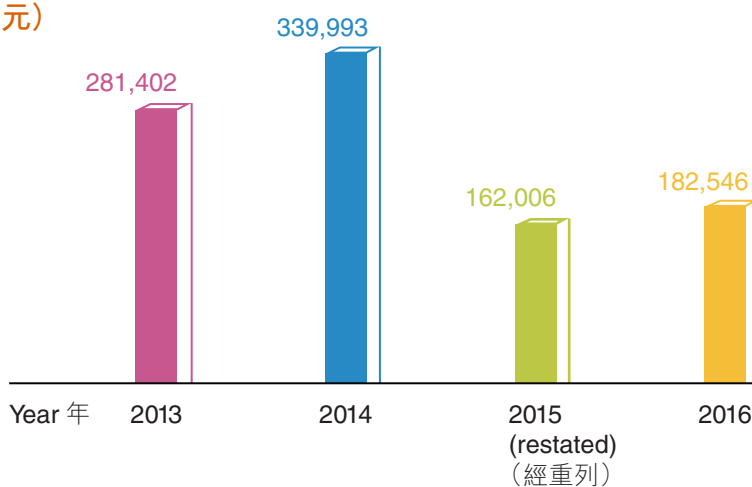


FINANCIAL HIGHLIGHTS

財務摘要

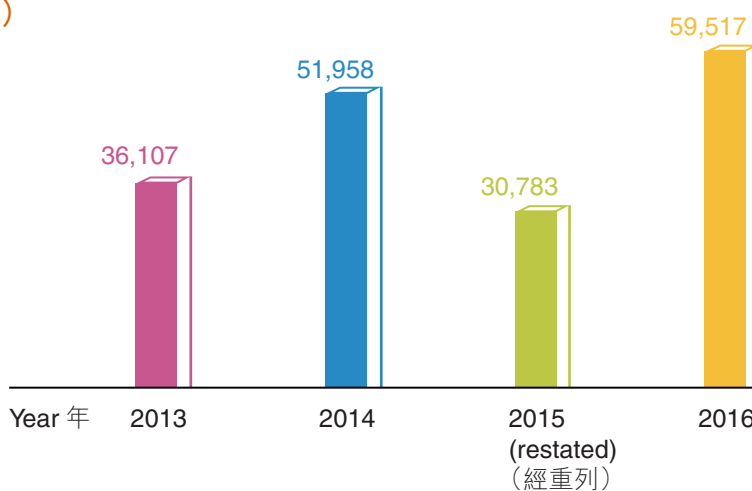
TURNOVER (in HK\$'000)

營業額 (港幣千元)



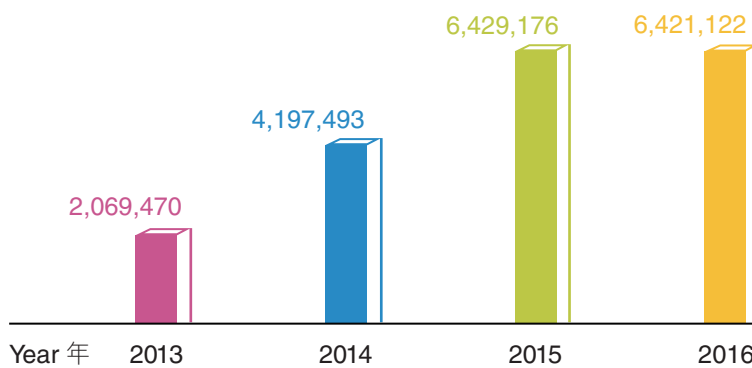
GROSS PROFIT (in HK\$'000)

毛利 (港幣千元)



TOTAL ASSETS (in HK\$'000)

總資產 (港幣千元)



The year 2016 was an important milestone year marking the Group's development. In fulfilling our commitment, the Group disposed businesses that had been incurring losses for a long time and no longer generate any revenue. While strengthening and expanding our core businesses of tourism/recreation service and property investment, management and development, the Group further explored diversified business opportunities in order to facilitate the Group's development and create value for the shareholders of the Company.

Regarding business disposal, the disposal of the DTV business was completed in October 2016 and the disposal of the intelligent information business is yet to be completed. Such business disposals will enhance the Group's financial base and will render the Group better positioned to explore its new business opportunities.

With reference to expanding core business, the Group has completed two significant acquisitions in 2016, namely the London Property Project and the US Golf Course Project. The London Property Project is strategically situated in Canary Wharf estate in a waterside position and is an ideal investment target. Meanwhile, the Group actively explored overseas investment opportunities in golf courses and acquired 8 golf courses in the Washington State, the United States with a total of 180 golf holes as well as clubs and numerous facilities, in an effort to enhance the tourism/recreation business.

二零一六年為本集團發展的一個重要里程碑。本集團履行承諾，把長期虧損及不再產生任何營業收入的業務出售，並持續加強及擴展旅遊／休閒及物業投資、管理與開發的主營業務，同時進一步探尋多元化經營機會，促進本集團發展並為本公司股東創造價值。

業務處置方面，出售數字電視業務已於二零一六年十月完成，而出售智能信息業務尚待交割。該等業務處置將加強本集團的財務基礎，並使本集團在探索新商機時更具優勢。

擴展主營業務方面，本集團於二零一六年先後完成了兩個重要收購項目：倫敦物業項目及美國高爾夫球場項目。該倫敦物業項目坐落於金絲雀碼頭河畔，地理位置優越，為理想的投資目標。同時，本集團亦積極尋求海外高爾夫球場投資機會並收購八座位於美國華盛頓州之高爾夫球場，合共有180個高爾夫球洞，以及會所及多項設施，致力增強旅遊／休閒業務。

CHAIRMAN'S STATEMENT

主席報告書

Meanwhile, the Group completed the issuance of convertible bonds with an aggregate principal amount of US\$52 million to two prestigious investment institutions, which strengthened the Group's capital base.

We are of the opinion that the 2017 US economy is likely to experience continuous improvement. Despite the lower risk of economic deterioration in Europe and Japan, a fundamental turnaround is unlikely in the short term, especially with risks of exiting the European Union among some member countries following the Brexit. On the other hand, emerging markets saw the co-existence of risks and opportunities. In particular, the Chinese economy will continue to push forward with the supply-side structural reform along with the implementation of proactive fiscal policy. Notwithstanding that stronger headwinds may weigh on the overall growth pace, there are still plenty of structural opportunities. Meanwhile, in view of China's "One Belt, One Road" initiative and the improving bilateral relationships with major Southeast Asian countries, there is ample room for economic and trade development in the region. In general, the global economy is facing challenges from the "anti-globalization" movement and the rise of protectionism.

同時，本集團完成發行本金總額52,000,000美元的可換股債券予兩家著名投資機構，從而拓闊本集團之資本基礎。

我們認為，二零一七年度美國經濟形勢繼續向好的機會較大。歐洲及日本經濟惡化的風險較低但短期內仍難出現根本性好轉，尤其是繼英國脫歐後部分歐盟國家存在退歐的風險。新興市場則風險與機遇並存，其中中國經濟將繼續推進供給側結構性改革，繼續實施積極的財政政策，雖然整體增速面臨較大壓力，但仍存在諸多結構性機遇。同時基於中國「一帶一路」政策及與主要東南亞國家雙邊關係趨於好轉，區域內的經濟貿易存在較大的發展潛力。但總體而言，世界經濟面臨「逆全球化」思潮和保護主義傾向的挑戰。

We have put the above into perspective in setting up our development strategy for 2017. The Group will continue to implement its strategy to strengthen its existing principal businesses and step up its efforts to develop new business simultaneously, by sticking to a prudent and justifiable investment principle and focusing on merger and acquisition opportunities in developed economies. Especially, we aim to seek merger and acquisition targets in sectors including logistics real estate, logistic warehousing, bulk commodity trading, logistics finance and logistics transport facilities etc, while closely monitor the economic and trade development situation in “One Belt, One Road” initiative, Southeast Asia and other regions. Meanwhile, the Group will actively explore relevant businesses that can create synergy effect between us and HNA Group Co., Ltd.* (海航集團有限公司). The above strategies are expected to fuel the continuous development of the Group. Our goal is to build a business portfolio which has a distinct core business, delivers stable cash flow and offers great growth prospects and is able to strike a balance between risks and revenue.

The Board expects that a balanced development between the Group's existing and new business will be achieved through diversification, which will eventually increase shareholders' values. Along the way, the Group will adhere to its prudent and justifiable investment principle in order to achieve sustainable development. Lastly, I would like to take this opportunity to extend my gratitude to all directors and the staff for their hard work, as well as shareholders for their unremitting support.

Wang Shuang

Co-Chairman

Hong Kong, 20 March 2017

基於我們上述理解，在二零一七年度發展策略方面，本集團將繼續強化現有主營業務及同時力推發展新業務之戰略，根據審慎穩健的投資原則，重點考慮發達經濟體內的併購機遇，著力在物流地產、物流倉儲、大宗商品貿易、物流金融、物流運輸設施等領域尋求併購標的，並密切關注「一帶一路」政策及東南亞等區域內經濟貿易的發展情況。本集團亦會積極開拓能與海航集團有限公司產生協同效應的相關業務。預期以上策略持續推動本集團發展，以構建一個主營業務明晰、現金流穩定且具良好增長前景的業務組合，並在風險與收益之間取得良好平衡。

董事會預期在多元化發展的情況下，本集團的現有業務及新業務將達成均衡發展，從而增加股東價值，貫徹本集團審慎穩健的投資原則，為本集團帶來可持續發展空間。最後，本人謹藉此機會，對董事會同仁及員工的勤奮工作，以及鼎力支持公司發展的股東等各方，深表謝意。

聯席主席

Wang Shuang

香港，二零一七年三月二十日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述與分析

BUSINESS REVIEW

The year 2016 was a remarkable milestone for the Group in respect of its business development. On one hand, the Group was continuing to spin off its two loss-making businesses; on the other hand, the Group had successfully acquired two new investments, one office building in Canary Wharf of UK and a portfolio of 8 golf courses in the West Coast of US; both were in line with the Group's strategy of strengthening and expanding its core businesses, and at the same time exploring opportunities and diversifying the Group's businesses with a view to further enhancing the growth of the Group and creating value for its shareholders.

Disposals

After the Group's endeavor to dispose the digital television technical solution and related business in more than four-year time, the Group successfully completed the disposal on 17 October 2016 for a consideration of HK\$1. Pursuant to the sale and purchase agreement, the buyer will procure the DTV Disposal Group to repay the shareholders' loan of HK\$950 million. Separately, a formal sale and purchase agreement to dispose the Intelligent Information Business was signed on 13 January 2016, which is expected to be completed in 2017. The proceeds from both disposals may further strengthen the Group's financial position and support its future investments.

Acquisitions

In July 2016, the Group successfully acquired a Grade A commercial building, known as "17 Columbus Courtyard", situated in Canary Wharf, London. The property was built in 1999 with a total gross floor area of 195,443 sq.ft. and is let to an international reputable investment bank till November 2024 with a tenant option to renew for another 15 years. It is expected that this property investment will provide the Group with steady rental income. Furthermore, in December 2016 the Group acquired a portfolio of 8 golf courses in Seattle, Washington State, US with a total land area of approximately 1,887.32 acres. The properties consist of a total of 180 golf holes with clubhouses and various amenities. The Directors are of the view that these golf courses acquisition would enhance and create synergy with its existing golf course business by ways of reciprocal club memberships, golf tournaments and golf related tourism products.

業務回顧

二零一六年為本集團業務發展的一個重要里程碑。一方面，本集團繼續剝離兩項虧損業務，另一方面，本集團成功收購兩項新投資，包括一棟位於英國金絲雀碼頭的辦公大樓及一個位於美國西岸包含八座高爾夫球場的業務組合，兩者均與本集團加強及擴展其核心業務之策略一致，與此同時，本集團亦正在探尋多元化發展本集團業務的機遇，以進一步推動本集團增長，並為其股東創造價值。

出售事項

經過本集團過去四年多以來為出售數字電視技術方案及相關業務作出的努力，本集團於二零一六年十月十七日成功按代價港幣1元完成出售。根據買賣協議，買方將會促使數字電視出售組別償還股東貸款港幣950,000,000元。另外，本集團於二零一六年一月十三日就出售智能信息業務簽訂正式買賣協議，預期出售事項將於二零一七年完成。該兩項出售事項之所得款項或會進一步加強本集團之財務狀況，可能為其未來投資提供支持。

收購事項

於二零一六年七月，本集團成功收購一棟位於倫敦金絲雀碼頭內名為「17 Columbus Courtyard」之甲級商業大樓。該物業建於一九九九年，總樓面面積為195,443平方呎，目前租予一間國際知名投資銀行，直至二零二四年十一月為止，並有權選擇續租另外15年。預期該項物業投資將會為本集團提供穩定之租金收入。此外，於二零一六年十二月，本集團於美國華盛頓州西雅圖收購一個包含八座高爾夫球場的業務組合，總土地面積約為1,887.32畝。該等物業提供合共180個高爾夫球洞，並配備會所及多項設施。董事認為，收購該等高爾夫球場將可藉互認會籍、高爾夫球錦標賽及高爾夫球旅遊業相關產品等方式加強其現有高爾夫球場業務，並產生協同效應。

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FINANCIAL REVIEW

For the year ended 31 December 2016, loss attributable to the owners amounted to HK\$21.9 million with a significant decrease of 89.8% compared with HK\$213.8 million of last year. The Group recorded total revenue from continuing operations of HK\$182.5 million in 2016, representing an increase of HK\$20.5 million (12.7%) compared with HK\$162.0 million (as restated) in 2015. Loss per share was 0.19 HK cents (2015: 4.28 HK cents).

Continuing operations

The Analysis of Revenue

The Group's revenue from continuing operations is as follows:

財務回顧

截至二零一六年十二月三十一日止年度，擁有人應佔虧損為港幣21,900,000元，較去年的港幣213,800,000元大幅下跌89.8%。二零一六年，本集團錄得持續經營業務之總收益港幣182,500,000元，較二零一五年的港幣162,000,000元（經重列）增加港幣20,500,000元（12.7%）。每股虧損為0.19港仙（二零一五年：4.28港仙）。

持續經營業務

收益分析

本集團持續經營業務之收益如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Golf club and hotel business – Dongguan Hillview	高爾夫球會及酒店業務 – 東莞峰景	148,739	162,006
Property investment business – UK office building	物業投資業務 – 英國辦公大樓	31,548	–
Property investment business – US golf courses	物業投資業務 – 美國高爾夫球場	2,259	–
		182,546	162,006

Revenue from golf club and hotel business of Dongguan Hillview amounted to HK\$148.7 million for the year 2016 (2015: HK\$162.0 million, as restated). The decrease in revenue is because of keen competition, change of government policy toward golf and persistent influence of bad weather. The golf course was closed down due to bad weather for 426.5 hours for the year 2016 (2015: 91 hours), representing a dramatic increase of 368.7% compared with last year.

Rental income and operating profit generated from UK office building and US golf courses for the year ended 31 December 2016 were HK\$33.8 million in total (2015: Nil) and HK\$21.3 million (2015: Nil), respectively.

於二零一六年，來自東莞峰景高爾夫球會及酒店業務之收益為港幣148,700,000元（二零一五年：港幣162,000,000元，經重列）。收益減少乃由於競爭激烈、政府對高爾夫球之政策轉變及受惡劣天氣持續影響所致。於二零一六年，高爾夫球場因惡劣天氣而關閉426.5小時（二零一五年：91小時），較去年大幅增加368.7%。

截至二零一六年十二月三十一日止年度，英國辦公大樓及美國高爾夫球場所產生之租金收入及經營溢利分別為合共港幣33,800,000元（二零一五年：無）及港幣21,300,000元（二零一五年：無）。

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The UK office building was acquired on 12 July 2016 and generated rental income of HK\$31.5 million to the Group in 2016. The current annual rental income of the property is approximately GBP6.4 million (equivalent to approximately HK\$66.7 million).

The US golf courses were acquired on 17 December 2016 and thus only added HK\$2.3 million to the revenue of the Group in 2016. The investment will contribute annual rental income of USD7.1 million (equivalent to approximately HK\$55.4 million) to the Group until 2021.

Cost of sales

Cost of sales of the Group was HK\$123.0 million (2015: HK\$131.2 million, as restated), representing a decrease of 6.3%. The decrease was in line with the drop in revenue.

Gross profit

The gross profit of the Group amounted to HK\$59.5 million (2015: HK\$30.8 million, as restated) with an increase of 93.2%.

Other income

Other income of the Group was HK\$21.4 million (2015: HK\$62.5 million, as restated), which mainly comprises of bank interest income, rental income and other interest income. The decrease was mainly due to the restructuring of loan due to/from related companies.

Other gains and losses

Other gains and losses of the Group was HK\$142.2 million (2015: HK\$103.8 million, as restated). The increase was mainly due to fair value gain on convertible bonds and investment properties.

英國辦公大樓乃於二零一六年七月十二日獲收購，並於二零一六年為本集團產生租金收入港幣31,500,000元。該物業現時之全年租金收入約為6,400,000英鎊（相當於約港幣66,700,000元）。

美國高爾夫球場乃於二零一六年十二月十七日獲收購，因此於二零一六年僅為本集團帶來收益港幣2,300,000元。該項投資每年將會為本集團帶來租金收入7,100,000美元（相當於約港幣55,400,000元），直至二零二一年為止。

銷售成本

本集團之銷售成本減少6.3%至港幣123,000,000元（二零一五年：港幣131,200,000元，經重列）。減幅與收益之跌幅一致。

毛利

本集團之毛利增加93.2%至港幣59,500,000元（二零一五年：港幣30,800,000元，經重列）。

其他收入

本集團之其他收入為港幣21,400,000元（二零一五年：港幣62,500,000元，經重列），主要包括銀行利息收入、租金收入及其他利息收入。減少乃主要由於重組應付／應收關連公司之貸款所致。

其他收益及虧損

本集團之其他收益及虧損為港幣142,200,000元（二零一五年：港幣103,800,000元，經重列），增加乃主要由於可換股債券及投資物業之公允價值收益所致。

Selling and distribution costs

During the year 2016, selling and distribution costs were approximately HK\$6.2 million, representing a decrease of approximately HK\$0.7 million or 10.1% as compared with approximately HK\$6.9 million (as restated) in 2015. The decrease was resulted from the effectiveness of cost control associated with the golf club and hotel business of Dongguan Hillview.

Administrative expenses

Administrative expenses were HK\$124.8 million, compared with HK\$72.9 million in 2015, representing an increase of approximately 71.2%. The increase was mainly resulted from the office rent and rates, additional staff costs, legal and professional fees and the bank financing charge.

Finance costs

Finance costs of the Group were HK\$113.1 million (2015: HK\$133.5 million, as restated). The decrease was mainly due to restructuring of loan between amounts due from/to related companies and promissory note.

Discontinued operations

DTV Business and LED Business were disposed on 17 October 2016 at a consideration of HK\$1 and the buyer will procure the DTV Disposal Group to repay the shareholders' loan of HK\$950 million. The disposal gain was recorded as approximately HK\$128.3 million. During 2016, these two businesses incurred a total loss of HK\$102.9 million (2015: HK\$152.6 million, as restated) representing primarily the depreciation of fixed assets.

The sale and purchase agreement to dispose Intelligent Information Business was entered on 13 January 2016. It is expected that the disposal will be completed in 2017. The Intelligent Information Business has been classified as held-for-sale business in the consolidated financial statements. The total turnover of this segment amounted to HK\$239.3 million (2015: HK\$172.4 million, as restated) with operating loss of HK\$66.2 million (2015: HK\$53.4 million, as restated). The business has been experiencing losses since 2012.

Loss for the year from discontinued operations was approximately HK\$40.9 million compared with loss of HK\$206.0 million (as restated) in 2015, significantly decreased by approximately HK\$165.1 million.

銷售及分銷成本

於二零一六年，銷售及分銷成本約為港幣6,200,000元，較二零一五年約港幣6,900,000元（經重列）減少約港幣700,000元或10.1%。減少乃由於有效控制東莞峰景高爾夫球會及酒店業務之相關成本所致。

行政開支

行政開支為港幣124,800,000元，較二零一五年之港幣72,900,000元增加約71.2%。增加乃主要由於辦公室租金及差餉、額外員工成本、法律及專業費用以及銀行融資費用所致。

融資成本

本集團之融資成本為港幣113,100,000元（二零一五年：港幣133,500,000元，經重列）。減少乃主要由於應收／應付關連公司款項及承兌票據之間之貸款重組所致。

已終止業務

數字電視業務及發光二極管業務已於二零一六年十月十七日按代價港幣1元出售，而買方將會促使數字電視出售組別償還股東貸款港幣950,000,000元。出售錄得收益約港幣128,300,000元。於二零一六年，該兩項業務產生總虧損港幣102,900,000元（二零一五年：港幣152,600,000元，經重列），主要由於固定資產所產生之折舊所致。

出售智能信息業務之買賣協議乃於二零一六年一月十三日訂立。預期出售將於二零一七年完成。智能信息業務已於綜合財務報表內分類為持作出售之業務。該分部之總營業額為港幣239,300,000元（二零一五年：港幣172,400,000元，經重列），經營虧損為港幣66,200,000元（二零一五年：港幣53,400,000元，經重列）。該業務自二零一二年起一直錄得虧損。

已終止業務之年度虧損約為港幣40,900,000元，較二零一五年之虧損港幣206,000,000元（經重列）大幅減少約港幣165,100,000元。

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LIQUIDITY, FINANCIAL RESOURCES AND FINANCING ACTIVITIES

As at 31 December 2016, the Group had cash and cash equivalents of HK\$1,085.4 million. Correspondingly, the Group had bank borrowings of HK\$1,285.6 million, of which HK\$54.6 million were repayable within one year and HK\$1,231.0 million were repayable more than one year. Amongst the borrowings, 98.1% is pledged with land use rights and buildings.

As at 31 December 2016, the consolidated net debt of the Group comprising of total debt minus pledged bank deposits, bank balances and cash amounted to HK\$555.1 million and the total capital (measured as total debt plus equity attributable to owners of the Company) amounted to HK\$5.0 billion. The Group's gearing ratio (net debt to total capital) as at 31 December 2016 was 11.0% (31 December 2015: nil).

With sufficient cash on hand as well as available banking facilities, the Group's liquidity position remains strong to satisfy its capital commitments and working capital requirements.

The Group entered into a subscription agreement on 30 May 2016 with Haitong International Investment Fund SPC ("**HTI Fund**") and China Everbright Securities International Structured Finance Company Limited ("**China Everbright Securities**"), pursuant to which HTI Fund and China Everbright Securities agreed to subscribe the convertible bonds in principal amount of USD52 million bearing an interest rate of 8% per annum. The issuance of the convertible bonds was completed on 19 July 2016.

CAPITAL STRUCTURE

There was no change in the total number of issued shares of the Company during the year 2016. The total number of issued shares of the Company remained at 11,399,996,101 shares as at 31 December 2016.

流動資金、財務資源及融資活動

於二零一六年十二月三十一日，本集團擁有現金及現金等值項目港幣1,085,400,000元。相應地，本集團擁有銀行借款港幣1,285,600,000元，其中港幣54,600,000元須於一年內償還及港幣1,231,000,000元須於一年後償還。其中98.1%之借款以土地使用權及樓宇作抵押。

於二零一六年十二月三十一日，本集團之綜合淨債務（包括債務總額減已抵押銀行存款、銀行結存及現金）為港幣555,100,000元，而總資本（以總債務加本公司擁有人應佔股權計算）為港幣5,000,000,000元。於二零一六年十二月三十一日，本集團之資產負債比率（淨債務對總資本）為11.0%（二零一五年十二月三十一日：零）。

由於本集團擁有充裕現金，加上可動用之銀行融資，其流動資金狀況繼續保持穩健，足以應付其資本承擔及營運資金需求。

本集團於二零一六年五月三十日與Haitong International Investment Fund SPC（「**HTI Fund**」）及中國光大證券國際結構融資有限公司（「**中國光大證券**」）訂立認購協議，據此，HTI Fund及中國光大證券同意認購本金額52,000,000美元按年利率8%計息之可換股債券。發行可換股債券已於二零一六年七月十九日完成。

資本結構

於二零一六年，本公司之已發行股份總數並無變動。於二零一六年十二月三十一日，本公司之已發行股份總數維持為11,399,996,101股。

CHARGE ON ASSETS

As at 31 December 2016, the following assets were pledged to secure the Group's bank borrowings and banking facilities:

- (a) The land use right, hotel and buildings and motor vehicles with an aggregate net book value of HK\$1,338.0 million.
- (b) The investment property in UK of HK\$1,340.7 million.
- (c) Bank deposits of approximately HK\$37.2 million and trade receivables of approximately HK\$95.8 million in Mainland China.

FOREIGN CURRENCY EXPOSURE

The existing operations and investments of the Group are mainly in Hong Kong, the United Kingdom, the United States and Mainland China, with revenue and expenditure denominated in Hong Kong dollars, Pounds sterling, United States dollars and Renminbi. To minimize currency exposure, non-Hong Kong Dollar assets are usually financed in the same currency as the asset or cash flow from it through borrowings. The Group will regularly review its foreign exchange exposure and may consider using financial instruments to hedge against such exposure when appropriate. As at 31 December 2016, there was no derivative financial instruments employed by the Group.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group's subsidiaries in relation to Intelligent Information Business (classified as discontinued operation in 2016) provided guarantees of HK\$104.9 million (31 December 2015: HK\$99.7 million) to third parties in respect of bank and other borrowing facilities, and the amount drawn down was HK\$90.1 million (31 December 2015: HK\$79.6 million).

資產抵押

於二零一六年十二月三十一日，為取得本集團銀行借款及銀行融資而抵押之資產如下：

- (a) 總賬面淨值港幣1,338,000,000元之土地使用權、酒店及樓宇以及汽車。
- (b) 港幣1,340,700,000元之英國投資物業。
- (c) 於中國內地約港幣37,200,000元之銀行存款及約港幣95,800,000元之應收貿易賬項。

外幣風險

本集團現有營運及投資主要位於香港、英國、美國及中國內地，而收益及開支以港幣、英鎊、美元及人民幣計值。為減低貨幣風險，非港元資產一般以資產或其所產生之現金流量之相同貨幣透過借款支銷。本集團將會定期檢討外匯風險，並於適當時考慮以金融工具對沖有關風險。於二零一六年十二月三十一日，本集團並無動用衍生金融工具。

或然負債

於二零一六年十二月三十一日，本集團有關智能信息業務之附屬公司（於二零一六年分類為已終止業務）就銀行及其他借款融資向第三方提供擔保港幣104,900,000元（二零一五年十二月三十一日：港幣99,700,000元），已提取金額為港幣90,100,000元（二零一五年十二月三十一日：港幣79,600,000元）。

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MATERIAL ACQUISITIONS, DISPOSALS, SIGNIFICANT INVESTMENT AND FUTURE PLANS OF MATERIAL INVESTMENT

The Group entered into a sale and purchase agreement with an independent third party to dispose of the Intelligent Information Business on 13 January 2016. The disposal was approved by the shareholder of the Company on 22 February 2016, pending completion.

The Group has entered into a sale and purchase agreement with an independent third party to acquire interests in a property in London on 18 April 2016. The acquisition has been approved by shareholders of the Company at the general meeting held on 5 July 2016. The acquisition was completed on 12 July 2016.

The Group has entered into a subscription agreement and a management agreement on 15 August 2016 to participate in a partnership with the associates of a substantial shareholder of the Company. Such partnership is currently exploring a property development opportunity in the United States.

The Group has entered into a sale and purchase agreement on 17 August 2016 with a company controlled by a substantial shareholder of the Company to dispose the DTV Business and LED Business. The disposal was approved by shareholders of the Company on 3 October 2016. The disposal was completed on 17 October 2016.

The Group has entered into a sale and purchase agreement with an independent third party to acquire interests in 8 golf courses in the State of Washington of the US on 7 October 2016. The acquisition was approved by the shareholder of the Company on 25 October 2016. The acquisition was completed on 17 December 2016.

Save as disclosed above, the Group had no other material acquisitions, disposals, significant investments or future plans of material investment during the year ended 31 December 2016.

重大收購、出售、重要投資及未來之重大投資計劃

於二零一六年一月十三日，本集團與一名獨立第三方訂立買賣協議，以出售智能信息業務。該出售已於二零一六年二月二十二日獲本公司股東批准，尚待完成。

於二零一六年四月十八日，本集團與一名獨立第三方訂立買賣協議，以收購於倫敦一項物業之權益。該收購已於二零一六年七月五日舉行之股東大會上獲本公司股東批准，並已於二零一六年七月十二日完成。

於二零一六年八月十五日，本集團與本公司主要股東之聯繫人訂立一項認購協議及管理協議，以參與經營合夥企業。該合夥企業目前正在美國尋求物業開發機會。

於二零一六年八月十七日，本集團已與本公司主要股東所控制之一家公司訂立買賣協議，以出售數字電視業務及發光二極管業務。該出售已於二零一六年十月三日獲本公司股東批准，並已於二零一六年十月十七日完成。

本集團於二零一六年十月七日與一名獨立第三方訂立買賣協議，以收購位於美國華盛頓州的8座高爾夫球場的權益。該收購已於二零一六年十月二十五日獲本公司股東批准，並已於二零一六年十二月十七日完成。

除上文所披露者外，於截至二零一六年十二月三十一日止年度，本集團並無其他重大收購、出售、重要投資或未來之重大投資計劃。

EMPLOYEES AND REMUNERATION POLICIES

The Group had a total of 912 employees as at 31 December 2016.

The Group's remuneration policies are to ensure the remuneration package as a whole is fair and competitive, motivate and retain current employees and attract potential talent. These remuneration packages have already carefully taken into account, amongst other aspects, the Group's businesses in different local geographic locations. The employees' remuneration packages are comprised of salaries and discretionary bonuses, along with retirement schemes, medical insurance and share options which form a part of welfare benefits.

The Group operates a mandatory provident fund scheme (the "MPF Scheme") for all qualifying employees. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, which is matched by employees.

The employees of the Group's subsidiaries which operate in the PRC are members of a state-managed retirement benefit scheme operated by the local municipal government. These PRC subsidiaries are required to contribute 13% to 20% (2015: 8% to 20%) of its payroll costs to the retirement benefit scheme. The obligation of the Group with respect to the retirement benefit scheme is to make the specific contribution.

僱員及酬金政策

於二零一六年十二月三十一日，本集團之僱員總人數為912名。

本集團之酬金政策為確保整體酬金組合公平且具競爭力，從而鼓勵及挽留現任員工，並吸引有意加盟之人才。該薪酬組合已仔細考慮到（其中包括）本集團在不同地區經營之業務。僱員薪酬組合包括薪金及酌情花紅、以及退休計劃、醫療保險及購股權（作為員工福利的一部份）。

本集團為所有合資格僱員提供強制性公積金計劃（「強積金計劃」）。強積金計劃之資產乃由受託人控制之基金持有，與本集團資產分開處理。本集團會按相關工資成本之5%向強積金計劃供款，而僱員亦須按相同比例作出供款。

本集團在中國經營之附屬公司之僱員為當地市政府提供之國家管理退休福利計劃之成員。該等中國附屬公司須按其工資成本之13%至20%（二零一五年：8%至20%）向退休福利計劃供款。本集團在退休福利計劃項下的義務是作出特定供款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述與分析

BUSINESS PROSPECTS

We are of the opinion that the 2017 US economy is likely to experience continuous improvement. Despite the lower risk of economic deterioration in Europe and Japan, a fundamental turnaround is unlikely in the short term, especially with risks of exiting the European Union among some member countries following the Brexit. On the other hand, emerging markets saw the co-existence of risks and opportunities. In particular, the Chinese economy will continue to push forward with the supply-side structural reform along with the implementation of proactive fiscal policy. Notwithstanding that stronger headwinds may weigh on the overall growth pace, there are still plenty of structural opportunities. Meanwhile, in view of China's "One Belt, One Road" initiative and the improving bilateral relationships with major Southeast Asian countries, there is ample room for economic and trade development in the region. In general, the global economy is facing challenges from the "anti-globalization" movement and the rise of protectionism.

We have put the above into perspective in setting up our development strategy for 2017. The Group will continue to implement its strategy to strengthen its existing principal businesses and step up its efforts to develop new business simultaneously, by sticking to a prudent and justifiable investment principle and focusing on merger and acquisition opportunities in developed economies. Especially, we aim to seek merger and acquisition targets in sectors including logistics real estate, logistic warehousing, bulk commodity trading, logistics finance and logistics transport facilities etc, while closely monitor the economic and trade development situation in "One Belt, One Road" initiative, Southeast Asia and other regions. Meanwhile, the Group will actively explore relevant businesses that can create synergy effect between us and HNA Group Co., Ltd.* (海航集團有限公司). The above strategies are expected to fuel the continuous development of the Group. Our goal is to build a business portfolio which has a distinct core business, delivers stable cash flow and offers great growth prospects and is able to strike a balance between risks and revenue.

業務展望

我們認為二零一七年度美國經濟形勢繼續向好的機會較大。歐洲及日本經濟惡化的風險較低但短期內仍難出現根本性好轉，尤其是繼英國脫歐後部分歐盟國家存在退歐的風險。新興市場則風險與機遇並存，其中中國經濟將繼續推進供給結構性改革，繼續實施積極的財政政策，雖然整體增速面臨較大壓力，但仍存在諸多結構性機遇。同時基於中國「一帶一路」政策及與主要東南亞國家雙邊關係趨於好轉，區域內的經濟貿易存在較大的發展潛力。但總體而言，世界經濟面臨「逆全球化」思潮和保護主義傾向的挑戰。

基於我們上述理解，在二零一七年度發展策略方面，本集團將繼續強化現有主營業務及同時力推發展新業務之戰略，根據審慎穩健的投資原則，重點考慮發達經濟體內的併購機遇，著力在物流地產、物流倉儲、大宗商品貿易、物流金融、物流運輸設施等領域尋求併購標的，並密切關注「一帶一路」政策及東南亞等區域內經濟貿易的發展情況。本集團亦會積極開拓能與海航集團有限公司產生協同效應的相關業務。通過以上策略持續推動本集團發展，以構建一個主營業務明晰，現金流穩定且具良好增長前景的業務組合，並在風險與收益之間取得良好平衡。

The Company is committed to maintaining good corporate governance standard and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency.

CORPORATE GOVERNANCE PRACTICES

The Company had complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules during the financial year ended 31 December 2016, except the following deviation:

Pursuant to the code provision of E.1.3 of the CG Code, the issuer should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting. On 27 April 2016, a notice convening the annual general meeting on 17 June 2016 was announced and despatched to the shareholders of the Company. Given that a further special resolution in relation to the proposed change of company name was added for the shareholder’s consideration at the annual general meeting, a revised notice was further announced and despatched to the shareholders of the Company on 25 May 2016 for the annual general meeting on 17 June 2016. But such revised notice was given less than 20 clear business days before the annual general meeting. The Company considered that the arrangement of voting on the critical resolutions in one general meeting would facilitate its shareholders’ schedule to attend. Nevertheless, the revised notice has fulfilled the requirements for giving at least 21 days’ notice in accordance with the Companies Ordinance (Chapter 622, the laws of Hong Kong).

BOARD OF DIRECTORS

Composition

The Board currently comprises a total of eight Directors, being three Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. The list of Directors is set out in the section headed “Corporate Information” of this annual report. In addition, an updated list of the Directors and their roles and functions is published on the websites of the Stock Exchange and the Company respectively.

本公司致力維持良好企業管治準則及程序，以維護全體股東利益，提高問責性及透明度。

企業管治常規

除下文所述之偏離事項外，本公司於截至二零一六年十二月三十一日止財政年度內已遵守上市規則附錄十四所載的企業管治守則（「企業管治守則」）的守則條文：

根據企業管治守則之守則條文第E.1.3條，發行人應於股東週年大會前至少足20個營業日向股東發出會議通知。於二零一六年四月二十七日，本公司於二零一六年六月十七日召開股東週年大會的通告已公佈並寄發予本公司股東。由於就建議更改公司名稱另增一項特別決議案以供股東於股東週年大會上審議，因此，於二零一六年五月二十五日，本公司於二零一六年六月十七日召開股東週年大會的經修訂通告已另行公佈並寄發予本公司股東。然而，該經修訂通告未能於股東週年大會前足20個營業日發出。本公司認為，於同一次股東大會上就重要決議案投票表決的安排將便於其股東安排出席大會的日程。然而，根據香港法例第622章公司條例，經修訂通告符合發出至少21日通知的規定。

董事會

組成

董事會現時共有八名董事，由三名執行董事、兩名非執行董事及三名獨立非執行董事組成。董事名單載列於本年報「公司資料」一節。此外，最新的董事名單及其角色與職能分別刊登於聯交所及本公司網站上。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is characterised by significant diversity and has a balance of skills and experience appropriate for the requirements of the business of the Company. The Directors' biographical information is set out in the section headed "Directors' Biographies" of this annual report.

The Directors give sufficient time and attention to the affairs of the Company and its subsidiaries (the "Group"). All Directors are required to, at the time of their appointment and annually, disclose to the Company the number and the nature of offices held in public companies or organizations and other significant commitments with an indication of the time involved.

Save for those as disclosed in the section headed "Directors' Biographies" as set out on pages 4 to 12 of this annual report, the Board members have no other financial, business, family or other material/relevant relationships with each other.

The Board includes a balanced composition of Executive and Non-executive Directors (including Independent Non-executive Directors) so that there is a sufficient independent element on the Board, which can effectively exercise independent judgment.

The Non-executive Directors are of sufficient number and calibre for their views to carry weight. The functions of Non-executive Directors include:

- bringing an independent judgment at Board meetings;
- taking the lead where potential conflicts of interests arise;
- serving on Board committees if invited; and
- scrutinising the Company's performance and monitoring performance reporting.

董事會成員具顯著的多元化特色，並具備本公司業務所需的適當技巧和經驗。董事的履歷載列於本年報「董事簡介」一節。

董事均付出足夠時間及精神來處理本公司及其附屬公司（「本集團」）的事務。所有董事須於接受委任時及每年向本公司披露其於公眾公司或組織擔任職位的數目及性質，以及其他重大承擔，並提供其擔任有關職務所涉及的時間。

除於本年報第4頁至第12頁所載之「董事簡介」一節所披露者外，董事會成員之間概無其他財務、業務、家族或其他重大／相關關係。

董事會中執行董事與非執行董事（包括獨立非執行董事）的組合均衡，使董事會具備足夠的獨立元素，能有效地作出獨立判斷。

非執行董事具有足夠人數和才幹，其意見具有影響力。非執行董事的職能包括：

- 於董事會議上提供獨立的意見；
- 在出現潛在利益衝突時發揮牽頭引導作用；
- 應邀出任董事會轄下委員會成員；及
- 仔細檢查本公司的表現，並監察匯報公司表現的事宜。

The Non-executive Directors (including Independent Non-executive Directors) have made a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. They give the Board and the committees on which they serve the benefit of their skills, expertise, varied backgrounds and qualifications through regular attendance and active participation.

Composition of the Board is disclosed, and the Independent Non-executive Directors are identified, in all corporate communications to shareholders.

Board Diversity

In compliance with the requirement set out in code provision A.5.6 of the CG Code, the Company adopted a board diversity policy (the "**Board Diversity Policy**") on 28 August 2013, which sets out its approach to achieve diversity on the Board composition with a view to achieving a sustainable and balanced development of the Company.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into account factors based on its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board Diversity Policy is posted on the website of the Company.

非執行董事（包括獨立非執行董事）亦透過提供獨立、富建設性及有根據的意見，對制定本公司策略及政策作出正面貢獻。彼等透過定期出席董事會及董事會轄下委員會的會議，並積極參與會務，以其技能、專業知識、不同的背景及資格作出貢獻。

董事會的組成及獨立非執行董事的身份於所有致股東的公司通訊文件內披露。

董事會成員多元化

為符合企業管治守則的守則條文第A.5.6條的規定，本公司於二零一三年八月二十八日採納董事會成員多元化政策（「**董事會成員多元化政策**」），當中列載本公司為達致董事會成員多元化而採取之方針，以達致本公司可持續及均衡發展。

本公司為尋求達致董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。本公司亦將根據本身的業務模式及不時的特定需要去考慮各種因素。最終將按候選者的長處及可為董事會作出的貢獻而作決定。

董事會成員多元化政策登載於本公司網站上。

Role and Function of the Board and the Management

The Board is responsible for overall strategic formulation and performance monitoring of the Group. It delegates day-to-day operations of the Company to the Executive Committee and senior management within the control and authority framework set by the Board. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Remuneration Committee, the Nomination Committee and the Investment Committee. Further details of these committees are set out in this report.

Board Meetings

The Board meets regularly and holds at least four Board meetings a year. Additional meetings will be arranged, if and when required. The Directors can attend meetings in person or through electronic means of communication in accordance with the articles of association of the Company (the “Articles”).

The Joint Company Secretaries assist the Chairman/Co-Chairmen in drawing up the agenda of each Board meeting. Draft agenda of each regular Board meeting will be sent to all Directors for review before the agenda is issued and all Directors may request for inclusion of other matters in the agenda. The Chairman/Co-Chairmen will take into account the matters proposed by the Directors and where appropriate, approve the inclusion of such matters in the agenda of the Board meeting. Generally, at least 14-day notice of a regular Board meeting is given and the Company aims at giving reasonable notice for all other Board meetings. The Company also aims at sending the agenda and the accompanying board papers, which are prepared in a form and quality sufficient to enable the Board to make informed decisions on matters placed before it, to all Directors at least 3 days before the intended date of a Board meeting. Where queries are raised by Directors, prompt and full responses will be given if possible.

董事會及管理層的角色及職能

董事會負責制訂本集團的整體策略性方向及監管其表現。董事會授權執行委員會及高級管理人員在董事會設定的監控及授權框架內處理日常營運事宜。另外，董事會亦授權審核委員會、薪酬委員會、提名委員會及投資委員會執行不同職責。該等委員會的進一步詳情載於本報告。

董事會議

董事會定期開會，並每年召開至少四次會議。於有需要時亦會另行安排會議。董事可親身出席或透過本公司的章程細則（「細則」）規定的電子通訊方法參與會議。

聯席公司秘書協助主席／聯席主席訂定每次董事會議的議程，每次發出董事會定期會議的議程前，會先把初稿發給各董事審閱，各董事可要求於議程上加入其他事項。主席／聯席主席會考慮董事提議加入議程的事項，並在適當情況下批准把該等事項加入董事會議的議程。董事會的定期會議一般發出至少十四天通知，本公司亦致力就一切其他董事會議發出合理通知。本公司會盡力將議程及相關會議文件在擬定舉行的董事會議日期至少三天前送交全體董事，而其形式及素質亦足以讓董事會就供彼等商議的事項作出有根據的決定。若有董事提出問題，本公司必定盡力作出迅速及全面的回應。

There has been procedure in place to enable Directors to seek independent professional advice in appropriate circumstances at the Company's expenses. The Board shall resolve to, upon reasonable request, provide separate independent professional advice to Directors to assist them to perform their duties to the Company.

The Joint Company Secretaries are responsible for taking minutes of Board meetings and Board committee meetings, draft and final versions of which would be sent to Directors for comments and records respectively, within a reasonable time after each meeting. Minutes are recorded in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views (if any) expressed. Minutes of Board meetings and Board committees meetings are kept by the Joint Company Secretaries and are open for inspection by any Director/committee member.

If a substantial shareholder or a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board has determined to be material, the matter will be dealt with by a physical Board meeting, rather than a written resolution. Independent Non-executive Directors who, and whose associates, have no material interest in the transaction should be present at that Board meeting.

Except for those circumstances permitted by the Articles and all applicable laws, rules and regulations, a Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

董事會已有既定的程序，讓董事可在適當的情況下尋求獨立專業意見，費用由本公司支付。董事會須應合理要求議決另外為董事提供獨立專業意見，以協助彼等履行其對本公司的責任。

聯席公司秘書負責撰寫董事會及其轄下委員會的會議紀錄。在每次會議結束後，會議紀錄的初稿及最終定稿於合理時間內先後送交董事，初稿供董事表達意見，最後定稿則作記錄之用。會議紀錄對會議上所考慮事項及達致的決定有足夠詳細的記錄，其中包括董事提出的任何疑慮或表達的反對意見（如有的話）。董事會及其轄下委員會的會議紀錄由聯席公司秘書備存，並供任何董事／委員會成員查閱。

若有主要股東或董事在董事會將予考慮的事項中存有董事會認為重大的利益衝突（包括與關連人士進行的重大交易），該事項將以舉行董事會議的方式處理，而不會以書面決議的方式處理。在交易中本身及其聯繫人均沒有重大利益的獨立非執行董事須出席有關的董事會議。

除在細則及所有適用法律、規則及規例允許之情況下以外，若董事或其任何聯繫人於任何合約、安排或任何其他建議中佔有重大利益，有關董事不得就通過該合約、安排或建議的董事會決議案進行表決，亦不會被計入該次會議出席的法定人數。

CORPORATE GOVERNANCE REPORT

企業管治報告

Attendance Records

During the financial year ended 31 December 2016, the Directors have made active contribution to the affairs of the Group and six physical Board meetings were held to consider, among other things, various projects contemplated by the Group and to review and approve the interim results and annual results of the Group.

Details of the Directors' attendances in 2016 are as follows:

出席記錄

於截至二零一六年十二月三十一日止財政年度內，董事積極參與本集團的事務，並曾舉行六次董事會議，以考慮（其中包括）本集團擬進行的各種項目，以及審議和批准本集團的中期業績及全年業績。

董事於二零一六年的出席記錄如下：

		Number of meeting(s) attended/eligible to attend
		出席會議次數/ 合資格出席會議次數
<i>Executive Directors</i>		
Zhao Quan	執行董事 趙權	5/6
Wang Shuang (<i>appointed on 24 November 2016</i>)	Wang Shuang (於二零一六年 十一月二十四日獲委任)	-/-
Li Tongshuang (<i>resigned on 24 November 2016</i>)	李同雙 (於二零一六年十一月 二十四日辭任)	5/6
Xu Haohao	徐昊昊	5/6
Zhang Ke (<i>appointed on 22 April 2016 and resigned on 6 February 2017</i>)	張克 (於二零一六年四月 二十二日獲委任及於 二零一七年二月六日辭任)	3/3
<i>Non-executive Directors</i>		
Leung Shun Sang, Tony	非執行董事 梁順生	6/6
Wang Hao (<i>redesignated from Executive Director on 4 February 2016</i>)	王浩 (於二零一六年二月四日 由執行董事轉任)	3/6
<i>Independent Non-executive Directors</i>		
Leung Kai Cheung	獨立非執行董事 梁繼昌	6/6
Liem Chi Kit, Kevin	林子傑	6/6
Lam Kin Fung, Jeffrey	林健鋒	6/6

Access to Information

The Board is supplied with sufficient explanation and information by the management to enable the Board to make an informed assessment of financial and other information put before it for approval. The management provides all Board members with monthly updates which give a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties. Where any Director requires more information than is volunteered by the management, each Director has the right to separately and independently access to the Company's senior management to make further enquiries if necessary.

Appointment and Re-election of Directors

Appointment of new Directors is a matter for consideration by the Nomination Committee. The Nomination Committee will give adequate consideration to the Board Diversity Policy and review the profiles of the candidates and make recommendations to the Board on the appointment, re-appointment and nomination of Directors.

According to the Articles, any Director so appointed by the Board shall hold office, in the case of filling a casual vacancy, only until the next following general meeting of the Company or, in the case of an addition to their number, until the next following annual general meeting of the Company who shall then be eligible for re-election at such general meeting. Every Director is subject to retirement by rotation at least once every three years.

All Directors (including all Non-executive Directors) have entered into service contracts or letters of engagement with the Company for a term of not more than three years.

資料之使用

管理層應向董事會提供充分的解釋及資料，讓董事會可就提交給彼等批准的財務及其他資料，作出有根據的評審。管理層每月向董事會全體成員提供更新的資料，讓董事會整體及各董事獲得充足資料使彼等可對本公司的表現、狀況及前景有公正及易於理解的評估，以便履行職務。倘任何董事需要管理層主動提供的資料以外的額外資料，各董事均有權於有需要時自行接觸本公司高級管理人員作進一步查詢。

委任及重選董事

委任新董事的事宜由提名委員會審議。提名委員會將充分考慮董事會成員多元化政策，以及審查候選人的簡歷，並就董事的委任、重新委任及提名向董事會提出建議。

根據細則，任何為填補臨時空缺而獲董事會委任的董事，其任期至本公司下次股東大會終止；若為增加董事會成員數目而獲委任的董事，其任期至本公司下屆股東週年大會終止，並有資格於該股東大會上膺選連任。每名董事須至少每三年輪值退任一次。

本公司與所有董事（包括所有非執行董事）均已簽訂任期不多於三年之服務合約或委聘書。

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Independent Non-executive Directors

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed three Independent Non-executive Directors and one of them has appropriate professional qualifications or accounting or related financial management expertise.

Pursuant to Rule 3.10A of the Listing Rules, the number of Independent Non-executive Directors of the Company represents at least one-third of the Board.

The Company has received from each of its Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company considers that all of the Independent Non-executive Directors are independent.

Any re-election of an independent non-executive director who has served the board for more than nine years, his/her further appointment should be subject to a separate resolution to be approved by shareholders.

Insurance for Directors' and Officers' Liability

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the businesses of the Group.

Directors' Training and Professional Development

Every newly appointed Director will be given an introduction of regulatory requirements. Directors are continually updated on the latest development of the Listing Rules, legal and other regulatory requirements to ensure compliance and upkeep of good corporate governance practice. Directors are also encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Joint Company Secretaries facilitate induction and professional development of Directors.

獨立非執行董事

根據上市規則第3.10(1)及3.10(2)條，本公司委任了三名獨立非執行董事，其中一名獨立非執行董事具備適當的專業資格或在會計或相關財務管理方面的專長。

根據上市規則第3.10A條，本公司獨立非執行董事的人數佔董事會人數至少三分之一。

本公司接獲各獨立非執行董事根據上市規則第3.13條的規定就獨立性提交的週年確認書，本公司認為全體獨立非執行董事均屬獨立人士。

凡服務董事會超過九年的獨立非執行董事，須獲股東以獨立決議案批准方可續任。

董事及高級職員之責任保險

本集團已為董事及高級職員購買合適的責任保險，就彼等因本集團業務承擔的風險提供保障。

董事培訓及專業發展

每名新委任的董事均獲提供相關法規要求的簡介。本公司亦會不斷向董事更新上市規則、法律及其他監管規定要求的最新發展，以確保彼等遵守及維持良好的企業管治常規。本公司亦鼓勵董事參與持續專業發展，發展並更新彼等的知識及技能。聯席公司秘書協助安排董事的就任須知及專業發展。

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All Directors have provided to the Company their records of training received during the period from 1 January 2016 or the date of appointment as a director of the Company to the date of resignation as a director of the Company or 31 December 2016, where applicable, a summary of which is as follows:

所有董事已向本公司提供彼等由二零一六年一月一日或獲委任為本公司董事日期至辭任為本公司董事日期或二零一六年十二月三十一日止期間（如適用）接受培訓的記錄，概要如下：

Directors	董事	Continuous professional development 持續專業發展	
		Type ^(Note I) 種類 ^(附註I)	Subject ^(Note II) 內容 ^(附註II)
Zhao Quan	趙權	B	1
Wang Shuang (appointed on 24 November 2016)	Wang Shuang (於二零一六年十一月二十四日獲委任)	A	1
Li Tongshuang (resigned on 24 November 2016)	李同雙 (於二零一六年十一月二十四日辭任)	B	1
Xu Haohao	徐昊昊	B	1
Zhang Ke (appointed on 22 April 2016 and resigned on 6 February 2017)	張克 (於二零一六年四月二十二日獲委任及於二零一七年二月六日辭任)	A B	1 1
Leung Shun Sang, Tony	梁順生	A B	2 1
Wang Hao	王浩	B	1
Leung Kai Cheung	梁繼昌	A B	1, 2 1
Liem Chi Kit, Kevin	林子傑	A B	1, 2, 4 1
Lam Kin Fung, Jeffrey	林健鋒	A B	1, 3, 4 1

Note I:

- A: Attending seminars, conferences, forums, in-house briefings or in-house training
B: Reading newspapers, journals and updates

附註I:

- A: 出席研討會、會議、論壇、內部簡介會或內部培訓
B: 閱讀報章、刊物及更新資料

Note II:

- 1: Laws, rules and regulations
2: Finance, accounting or taxation
3: Management
4: Businesses relating to the Company

附註II:

- 1: 法例、規則及法規
2: 財務、會計或稅務
3: 管理
4: 與公司有關的業務

CHAIRMAN/CO-CHAIRMEN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman/Co-Chairmen and Chief Executive Officer are separate and exercised by different individuals to reinforce their independence and accountability. Mr. Zhao Quan/Mr. Wang Shuang served as Chairman/Co-Chairmen during the year and Mr. Wang Hao/Mr. Xu Haohao served as/took the responsibilities of the Chief Executive Officer of the Company. The Chairman/Co-Chairmen provides/provide leadership for the Board and ensures/ensure that the Board works effectively and performs its responsibilities. The Chief Executive Officer has overall chief executive responsibility for the Group's business development and day-to-day management generally. The division of responsibilities between the Chairman/Co-Chairmen and the Chief Executive Officer is clearly established and set out in writing.

On the other hand, the Board are of the opinion that the appointment of Co-Chairmen serves the commercial interests of the Company best. In performing the role of Chairman/Co-Chairmen, while some duties are in jointly responsible, they have been serving clearly delineated functions within the Group in both business and compliance matters.

The Co-Chairmen have the distinguished areas of responsibility on the business side. In view that Mr. Zhao Quan has over 20 years of management experience and has extensive knowledge and experience in the areas of, inter alia, property development and property investment, including management of companies in the PRC, he takes major charge on the overall business direction together with the existing businesses. On the other hand, in view that Mr. Wang Shuang has nearly 10 years of practical experience in the fields of, inter alia, logistic and transportation, including extensive experience in management of companies overseas and at the international level, he takes major charge on the new businesses.

主席／聯席主席及行政總裁

主席／聯席主席與行政總裁的角色應予以區分，並由不同人士擔任，以加強彼等之獨立性及問責性。年內趙權先生／Wang Shuang先生為主席／聯席主席，而王浩先生／徐昊昊先生則為本公司的行政總裁／肩負行政總裁的責任。主席／聯席主席負責領導董事會，確保董事會有效地運作，且履行其職責。行政總裁則肩負行政總裁整體的職務，負責本集團整體的業務發展及日常管理。主席／聯席主席與行政總裁之間的職責分工已予清楚界定並以書面列載。

另一方面，董事會認為委任聯席主席最為符合本公司的商業利益。就履行主席／聯席主席的角色而言，儘管部分職責由彼等共同承擔，彼等於本集團內有關業務及合規事宜的職能已明確區分。

聯席主席在業務方面所承擔的責任範圍有明確區分。鑒於趙權先生擁有逾20年之管理經驗，並於（其中包括）物業發展及物業投資等領域具備豐富知識及經驗，包括管理中國公司，彼主要負責整體業務方向及現有業務。另一方面，鑒於Wang Shuang先生於（其中包括）物流及運輸等領域擁有近10年的從業經驗，包括管理海外及國際公司的豐富經驗，彼主要負責新業務。

While the Company is benefit from the services of Co-Chairmen in their expertise areas, the Co-Chairmen can be complementary to each other on sharing knowledge and experience and also creating synergy on management, operation and control on the common businesses (such as golf businesses in Dongguan and the US). In addition, the Company will continue to actively explore overseas investment opportunities and therefore Mr. Wang's practical and extensive experience would enhance the business strategy that the Company is pursuing. On the other hand, Mr. Zhao Quan as a Co-Chairman is still important for the overall business strategy and the existing business.

On the compliance side, both Articles and Listing Rules have stipulated the duties and responsibilities of the chairman. But the Co-Chairmen can perform their roles without conflict:

1. the Articles:

If both Co-Chairmen attend the board/shareholders' meeting, the chairman to that meeting will be agreed between the Co-Chairmen. If only one of the Co-Chairmen attends the board/shareholders' meeting, the attending Co-Chairman shall act as the chairman to that meeting. The relevant duties and powers (including the casting vote) under the Articles will be vested on the chairman to that meeting.

2. the Listing Rules:

(a) Under the CG Code:

- provides leadership for the Board, ensures that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner (the Co-Chairmen can be complementary to each other in the leadership of the board as they have different fields on experience, and they can bring out key and appropriate issues to be discussed in a timely manner);

聯席主席在其專業領域所提供的服務固然使本公司受惠，彼等在分享知識及經驗方面亦可相輔相成，並就共通業務（如位於東莞及美國的高爾夫球業務）的管理、營運及控制締造協同效應。此外，本公司將繼續積極尋求海外投資機會，因此Wang先生豐富的從業經驗將可加強本公司所推行的業務策略。另一方面，趙權先生作為另一位聯席主席對整體業務策略及現有業務而言仍然十分重要。

就合規性而言，細則及上市規則均有訂明主席的職責及責任。然而，聯席主席可履行彼等的角色而不產生任何衝突：

1. 細則：

倘兩名聯席主席均出席董事會會議／股東大會，該會議的主席將由聯席主席之間協定。倘僅有其中一名聯席主席出席董事會會議／股東大會，出席的聯席主席將作為該會議的主席。細則項下的相關職責及權力（包括決定票）將賦予該會議的主席。

2. 上市規則：

(a) 根據企業管治守則：

- 負責領導董事會，確保董事會有效地運作，且履行應有職責，並及時就所有重要的適當事項進行討論（由於聯席主席在不同領域各具經驗，在領導董事會方面可相輔相成，亦可及時提出重要的適當事項進行討論）；

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- ensures that all Directors are properly briefed on issues arising at board meetings, and ensuring that Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable (the Co-Chairman will brief the Directors in his respective fields while the Joint Company Secretaries will brief on the general matters and take the initiative to make preparations and inform and provide information to all Directors);
- primarily responsible for drawing up and approving the agenda for each board meeting and take into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda (the Co-Chairmen has delegated the responsibility to the Joint Company Secretaries);
- primary responsibility for ensuring that good corporate governance practices and procedures are established (the Co-Chairmen relies on the assistance of Joint Company Secretaries on this area but the Joint Company Secretaries will report to the Co-Chairmen where necessary);
- encourages all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company, and encouraging Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus (in meetings, the relevant Co-Chairman will perform the duties; at the other time outside meetings, either of the Co-Chairmen and the Joint Company Secretaries will collect and solicit from the other Directors their opinions and feedback on other board members and the management);
- 確保董事會會議上所有董事均適當知悉當前的事項，以及確保董事適時收到充分的資訊，而有關資訊亦必須準確清晰及完備可靠（聯席主席將就其相關領域向董事作出簡要報告，而聯席公司秘書將就一般事項作出簡要報告，並主動進行預備工作、通知及向全體董事提供資訊）；
- 主要負責擬定並批准每次董事會會議的議程，並在適當情況下考慮其他董事提議加入議程的任何事項（聯席主席已將這項責任轉授聯席公司秘書）；
- 主要負責確保制定良好的企業管治常規及程序（聯席主席在這方面依賴聯席公司秘書的協助，惟聯席公司秘書將在需要時向聯席主席報告）；
- 鼓勵所有董事全力及主動地投入董事會事務，並以身作則，確保董事會行事符合本公司最佳利益，並鼓勵持不同意見的董事表達本身關注的事宜、給予充足時間討論這些事宜，以及確保董事會的決定能公正反映董事會的共識（在各會議上，相關聯席主席將會履行此職責；在會議以外的其他時間，聯席主席或聯席公司秘書將會收集及徵求其他董事對其他董事會成員及管理層的意見及反饋）；

- at least annually hold meetings with the Non-executive Directors (including Independent Non-executive Directors) without the Executive Directors present (either or both of the Co-Chairmen can attend and listen to the opinions of the Non-Executive Directors and then reflect to the management and the relevant parties of the Company);
- ensures that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole (a shareholders' communication policy of the Company is already in place);
- promotes a culture of openness and debate by facilitating the effective contribution of Non-executive Directors in particular and ensuring constructive relations between Executive and Non-executive Directors (in meetings, the relevant Co-Chairman will perform the duties; at the other time outside meetings, either of the Co-Chairmen and the Joint Company Secretaries will collect and solicit from the other Directors their opinions and feedback on other board members and the management);
- 至少每年與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議（其中一名或兩名聯席主席均可出席會議，聽取非執行董事的意見，然後向管理層及本公司的相關各方反映）；
- 確保採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達至整個董事會（本公司已制定股東通訊政策）；
- 提倡公開、積極討論的文化，促進董事（特別是非執行董事）對董事會作出有效貢獻，並確保執行董事與非執行董事之間維持建設性的關係（在各會議上，相關聯席主席將會履行此職責；在會議以外的其他時間，聯席主席或聯席公司秘書將會收集及徵求其他董事對其他董事會成員及管理層的意見及反饋）；

(b) Under the other Listing Rules:

- under the Model Code (Appendix 10), considering that this is only an administration procedure, either Co-Chairman is entitled to receive notification and give clearance relating to directors' dealing and the Co-Chairman receiving notification will inform the other Co-Chairman. If one of the Co-Chairmen give the notification, the other Co-Chairman will provide a written acknowledgement; and

(b) 根據其他上市規則：

- 根據標準守則（附錄十），考慮到此舉只屬行政程序，任何一名聯席主席均有權接收通知及發出有關董事買賣之許可，而接收通知的聯席主席將會知會另一名聯席主席。倘其中一名聯席主席發出通知，則另一名聯席主席將會出具書面確認；及

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- for the provisions under Chapter 14 and 14A of the Listing Rules, the relevant duties and powers will be vested on the chairman to that meeting.

During the year, Mr. Zhao Quan, the then Chairman of the Board, met with the Non-executive Directors (including Independent Non-executive Director) without the presence of other Executive Directors.

BOARD COMMITTEES

The Board has established the following committees to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities. All committees have their own terms of reference. All resolutions passed by the committees will be reported to the Board at the next Board meeting.

Executive Committee

The Executive Committee of the Board was established in April 2005 with specific written terms of reference which deal clearly with its authorities and duties.

The Executive Committee has been conferred with the general powers of the Board (except those matters specifically reserved for the Board) to manage and oversee the operations of the Group and has been assigned with the responsibilities to perform the corporate governance duties as follows:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

- 根據上市規則第十四章及第十四A章之條文，相關職責及權力將會歸屬於該會議之主席。

年內，當時之董事會主席趙權先生在沒有其他執行董事在場的情況下與非執行董事（包括獨立非執行董事）會面。

董事會轄下委員會

董事會已成立下列委員會，以監察本公司特定範疇的事務及協助董事會執行其職務。全部委員會均有其職權範圍。委員會通過的所有決議案均須於下次董事會議上向董事會匯報。

執行委員會

董事會轄下的執行委員會於二零零五年四月成立，委員會具書面訂明的職權範圍，清楚說明其職權及責任。

執行委員會獲授董事會的一般權力（惟特別保留予董事會的事項除外）以管理及監督本集團的營運，以及負責履行下列企業管治職責：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；

- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Group's employees and Directors;
 - to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
 - to conform to any requirement, direction, regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.
- 制定、檢討及監察適用於本集團僱員及董事的操守準則及合規手冊（如有）；
 - 檢討本公司遵守企業管治守則的情況及企業管治報告內的披露；及
 - 遵守董事會不時規定或本公司組織章程所載或法例規定的任何規定、指引或規則。

The Executive Committee comprises all Executive Directors of the Company.

執行委員會由本公司全體執行董事組成。

During the year, two physical meetings of the Executive Committee were held. The attendance of the members of the Executive Committee at these meetings is as follows:

年內，執行委員會曾舉行兩次會議。執行委員會各成員於該等會議的出席記錄如下：

Committee members	委員會成員	Number of meeting(s) attended/eligible to attend 出席會議次數／ 合資格出席會議次數
Zhao Quan (<i>Chairman/Co-Chairman of the Committee</i>)	趙權 (<i>委員會主席／聯席主席</i>)	2/2
Li Tongshuang (<i>ceased as a member on 24 November 2016</i>)	李同雙 (<i>於二零一六年十一月二十四日不再擔任成員</i>)	2/2
Wang Shuang (<i>appointed as the Co-Chairman of the Committee on 24 November 2016</i>)	Wang Shuang (<i>於二零一六年十一月二十四日獲委任為委員會聯席主席</i>)	-/-
Wang Hao (<i>ceased as a member on 4 February 2016</i>)	王浩 (<i>於二零一六年二月四日不再擔任成員</i>)	0/1
Xu Haohao	徐昊昊	2/2
Zhang Ke (<i>appointed as a member on 22 April 2016 and ceased as a member on 6 February 2017</i>)	張克 (<i>於二零一六年四月二十二日獲委任為成員及於二零一七年二月六日不再擔任成員</i>)	-/-

CORPORATE GOVERNANCE REPORT

企業管治報告

The major work in relation to the corporate governance of the Group performed by the Executive Committee during the year included the review of the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company for the year ended 31 December 2015.

Audit Committee

The Audit Committee of the Board was established in December 1998 with specific written terms of reference which deal clearly with its authorities and duties. The terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company respectively.

The principal duties of the Audit Committee include, amongst other things:

- overseeing the relationship with the Company's auditor;
- reviewing the interim and annual financial statements;
- reviewing the Company's financial reporting system and internal control procedures; and
- reviewing the arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The Audit Committee has explicit authority to investigate any activity within its terms of reference and the authority to obtain external legal or other independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary. It is given access to and assistance from the employees and reasonable resources to perform its duties properly.

執行委員會於年內履行有關本集團企業管治的主要工作包括檢討本公司於截至二零一五年十二月三十一日止年度遵守企業管治守則的情況及審閱本公司《企業管治報告》內的披露。

審核委員會

董事會轄下的審核委員會於一九九八年十二月成立，委員會具書面訂明的職權範圍，清楚說明其職權及責任。審核委員會的職權範圍分別登載於聯交所及本公司網站上。

審核委員會的主要職責（其中包括）：

- 監察與本公司核數師之間的關係；
- 審閱中期及全年財務報表；
- 審查本公司的財務申報程序及內部監控程序；及
- 檢討本公司僱員可在保密的情況下就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注之有關安排。

審核委員會具有明確權力，可按其職權範圍調查任何事宜，並有權在有需要時獲取外來法律或其他獨立專業意見，以履行其職責，費用由本公司支付。審核委員會亦可獲僱員提供支援及協助，取得合理的資源以妥善履行其職務。

The chairman of the Audit Committee is an Independent Non-executive Director and the Audit Committee comprises all Independent Non-executive Directors of the Company. None of the members of the Audit Committee are former partners of the auditor of the Company.

審核委員會的主席由一名獨立非執行董事擔任，審核委員會由本公司全體獨立非執行董事組成。概無審核委員會成員為本公司核數師的前任合夥人。

During the year, two physical meetings of the Audit Committee were held and the attendances of the members of the Audit Committee are as follows:

年內，審核委員會曾舉行兩次會議，審核委員會各成員的出席記錄如下：

Committee members	委員會成員	Number of meeting(s) attended/eligible to attend 出席會議次數／ 合資格出席會議次數
Leung Kai Cheung (Chairman of the Committee)	梁繼昌 (委員會主席)	2/2
Liem Chi Kit, Kevin	林子傑	2/2
Lam Kin Fung, Jeffrey	林健鋒	2/2

The major work performed by the Audit Committee during the year included, amongst other things, the following:

審核委員會於年內履行的主要工作（其中包括）如下：

- reviewing the final results of the Group for the financial year ended 31 December 2015; and
- reviewing the interim results of the Group for the six months ended 30 June 2016.
- 審閱本集團截至二零一五年十二月三十一日止財政年度的全年業績；及
- 審閱本集團截至二零一六年六月三十日止六個月的中期業績。

During the year, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditor.

董事會於年內概無不同意審核委員會對甄選、委任、辭任或罷免外聘核數師事宜的意見。

Nomination Committee

The Nomination Committee of the Board was established in April 2005 with specific written terms of reference which deal clearly with its authorities and duties. The terms of reference of the Nomination Committee are posted on the websites of the Stock Exchange and the Company respectively.

The principal duties of the Nomination Committee include:

- reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors;
- assessing the independence of Independent Non-executive Directors; and
- reviewing the Board Diversity Policy, as appropriate; and reviewing the measurable objectives that have been set for implementing the Board Diversity Policy, and reviewing the progress on achieving the objectives.

Where vacancies exist at the Board, candidates are proposed and put forward to the Nomination Committee for consideration. The recommendations of the Nomination Committee will then be tendered to the Board for approval. In considering the nomination of a new Director, the Nomination Committee will give adequate consideration to the Board Diversity Policy and take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. In determining the independence of Directors, the Board follows the requirements set out in the Listing Rules.

提名委員會

董事會轄下的提名委員會於二零零五年四月成立，委員會具書面訂明的職權範圍，清楚說明其職權及責任。提名委員會的職權範圍分別登載於聯交所及本公司網站上。

提名委員會的主要職責包括：

- 檢討董事會的架構、人數及組成，並就任何為配合本公司策略而擬對董事會作出的變動提出建議；
- 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供建議；
- 就董事委任或重新委任以及董事繼任計劃向董事會提出建議；
- 評核獨立非執行董事的獨立性；及
- 在適當情況下檢討董事會成員多元化政策；以及檢討為董事會成員多元化政策而制定的可計量目標和檢討達標進度。

董事會出現空缺時，獲提名的候選人交提名委員會審議。提名委員會的建議其後會提交董事會審批。提名委員會於考慮提名新董事時，會充分考慮董事會成員多元化政策，並考慮該候選人的資格、能力、工作經驗、領導才能及專業操守。董事會在決定董事的獨立性時會遵循上市規則所載規定。

The Nomination Committee has explicit authority to seek any necessary information from the employees within its scope of duties and the authority to obtain external independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary.

提名委員會具有明確權力，可按其職權範圍向僱員徵求任何所需資料，並有權在有需要時獲取外來獨立專業意見，以履行其職責，費用由本公司支付。

The chairman of the Nomination Committee is one of the Co-Chairmen of the Board and the Independent Non-executive Directors of the Company constitute the majority of the Nomination Committee.

提名委員會的主席由董事會其中一名聯席主席擔任。本公司的獨立非執行董事佔提名委員會的大多數。

During the year, one physical meeting of the Nomination Committee was held and the attendances of the members of the Nomination Committee are as follows:

年內，提名委員會曾舉行一次會議，提名委員會各成員的出席記錄如下：

Committee members	委員會成員	Number of meeting(s) attended/eligible to attend 出席會議次數/ 合資格出席會議次數
Zhao Quan (<i>Chairman of the Committee</i>)	趙權 (<i>委員會主席</i>)	1/1
Leung Shun Sang, Tony	梁順生	1/1
Leung Kai Cheung	梁繼昌	1/1
Liem Chi Kit, Kevin	林子傑	1/1
Lam Kin Fung, Jeffrey	林健鋒	1/1

The major work performed by the Nomination Committee during the year included, amongst other things, the following:

提名委員會於年內履行的主要職責（其中包括）如下：

- assessing the independence of the Independent Non-executive Directors;
 - considering and making recommendations to the Board on the re-election of Directors at the annual general meeting; and
 - considering and making recommendations to the Board for the appointment of Mr. Zhang Ke and Mr. Wang Shuang as Directors of the Company.
- 評核獨立非執行董事的獨立性；
 - 考慮及就於股東週年大會上重選董事向董事會提出建議；及
 - 考慮及就委任張克先生及Wang Shuang先生為本公司董事向董事會提出建議。

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Note: The Nomination Committee performed the following work in January 2017:

- reviewing the structure and composition of the Board with due regards for the benefits of diversity on the Board; and
- considering and making recommendations to the Board on the change of Board composition.

Remuneration Committee

The Remuneration Committee of the Board was established in April 2005 with specific written terms of reference which deal clearly with its authorities and duties. The terms of reference of the Remuneration Committee are posted on the websites of the Stock Exchange and the Company respectively.

The principal duties of the Remuneration Committee include:

- making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management of the Group;
- reviewing and approving the management's remuneration proposals with reference to the Company's goals and objectives;
- determining, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management and making recommendations to the Board on the remuneration of Non-executive Directors;
- reviewing and approving compensation payable to Executive Directors and senior management and compensation arrangements relating to dismissal or removal of Directors for misconduct; and
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

附註：提名委員會於二零一七年一月履行以下工作：

- 審閱董事會之架構及組成，並充分顧及董事會之多元性；及
- 考慮及就變更董事會之組成向董事會提出建議。

薪酬委員會

董事會轄下的薪酬委員會於二零零五年四月成立，委員會具書面訂明的職權範圍，清楚說明其職權及責任。薪酬委員會的職權範圍分別登載於聯交所及本公司網站上。

薪酬委員會的主要職責包括：

- 就本公司對本集團董事及高級管理人員的全體薪酬政策及架構，向董事會提出建議；
- 因應本公司方針及目標而檢討及審批管理層的薪酬建議；
- 獲董事會轉授責任，釐定個別執行董事及高級管理人員的薪酬待遇，並就非執行董事的酬金向董事會提出建議；
- 檢討及審批應付予執行董事及高級管理人員的賠償，以及董事因行為不當而被辭退或免職時的賠償安排；及
- 確保任何董事或其任何聯繫人不得自行釐定薪酬。

The Remuneration Committee may consult the Chairman/Co-Chairmen of the Board and/or the Chief Executive Officer of the Company about their remuneration proposals for other Executive Directors. It has explicit authority to seek any necessary information from the employees within its scope of duties and the authority to obtain external independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary.

The remuneration policies for the Company as well as the Directors are market alignment and reward for performance. The Company reviews the remuneration package annually, taking into consideration of the market practice, competitive market position and individual performance.

The chairman of the Remuneration Committee is an Independent Non-executive Director and the Independent Non-executive Directors of the Company constitute the majority of the Remuneration Committee.

During the year, no physical meeting of the Remuneration Committee was held. All the work performed by the Remuneration Committee during the year was passed by resolution in writing.

The major work performed by the Remuneration Committee during the year included, amongst other things, the following:

- considering and approving the terms of the service contracts and the remuneration of Mr. Zhang Ke and Mr. Wang Shuang.

Note: The Remuneration Committee performed the following work in January 2017:

- considering, reviewing and determining the remuneration of the Executive Directors of the Company for the year 2017;
- considering the bonuses of the Executive Directors of the Company for the year 2016;
- making recommendations to the Board on the directors' fee of the Non-executive Directors of the Company for the year 2017; and
- Considering the service contract of the Executive Directors and making recommendations to the Board on the engagement letter of the Non-executive Directors and the Independent Non-executive Directors.

薪酬委員會可就其他執行董事的薪酬建議諮詢董事會主席／聯席主席及／或本公司行政總裁的意見。薪酬委員會具有明確權力，可按其職權範圍向僱員徵求任何所需資料，並有權在有需要時獲取外來獨立專業意見，以履行其職責，費用由本公司支付。

本公司及董事的薪酬政策均與市場水平及工作表現掛鉤。本公司會考慮市場慣例、市場上的競爭狀況及個人表現，按年檢討薪酬組合。

薪酬委員會的主席由一名獨立非執行董事擔任。本公司的獨立非執行董事佔薪酬委員會的大多數。

年內，薪酬委員會並無舉行會議。薪酬委員會於年內履行的所有工作均以書面決議案獲得通過。

薪酬委員會於年內履行的主要工作（其中包括）如下：

- 考慮及審批張克先生及Wang Shuang先生的服務合約條款及酬金。

附註：薪酬委員會於二零一七年一月履行以下工作：

- 考慮、審閱及釐定本公司執行董事於二零一七年之薪酬；
- 考慮本公司執行董事於二零一六年之花紅；
- 就本公司非執行董事二零一七年的董事袍金向董事會提出建議；及
- 考慮執行董事之服務合約以及就非執行董事及獨立非執行董事之委聘書向董事會提出建議。

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Details of remuneration paid to Directors and senior management for the year are set out in Note 13 to the consolidated financial statements.

Investment Committee

The Investment Committee of the Board was established in July 2009 with specific written terms of reference which deal clearly with its authorities and duties.

Pursuant to the terms of reference, the Investment Committee comprises all Executive Directors and two Non-executive Directors of the Company (amongst the two Non-executive Directors, at least one must be an Independent Non-executive Director).

During the year, no physical meeting of the Investment Committee was held.

JOINT COMPANY SECRETARIES

The Joint Company Secretaries support the Board by ensuring good information flow within the Board and that board policy and procedures are followed. The Joint Company Secretaries are also responsible for advising the Board through the Chairman/Co-Chairmen and/or the Chief Executive Officer of the Company on corporate governance and the implementation of the CG Code. The Joint Company Secretaries are employees of the Company and have day-to-day knowledge of the Group's affairs.

The Joint Company Secretaries report to the Chairman/Co-Chairmen and the Chief Executive Officer. All Directors also have access to the advice and services of the Joint Company Secretaries to ensure that board procedures, and all applicable laws, rules and regulations, are followed. The selection, appointment and dismissal of the Joint Company Secretaries are subject to the Board approval.

The Joint Company Secretaries have confirmed that they have each taken no less than 15 hours of relevant professional training during the year 2016.

年內向董事及高級管理人員支付的薪酬之詳情載列於綜合財務報表附註13。

投資委員會

董事會轄下的投資委員會於二零零九年七月成立，委員會具書面訂明的職權範圍，清楚說明其職權及責任。

根據職權範圍書，投資委員會應由本公司全體執行董事，以及兩名非執行董事（該兩名非執行董事之中，其中最少一名應為獨立非執行董事）組成。

年內，投資委員會並無舉行會議。

聯席公司秘書

聯席公司秘書支援董事會，確保董事會成員之間資訊交流良好，以及董事會政策及程序得以遵循。聯席公司秘書亦負責透過本公司主席／聯席主席及／或行政總裁向董事會就企業管治情況及企業管治守則之施行事宜提供意見。聯席公司秘書為本公司的僱員，對本集團的日常事務甚有認識。

聯席公司秘書向主席／聯席主席及行政總裁匯報。所有董事亦可取得聯席公司秘書的意見及服務，以確保董事會程序及所有適用法律、規則及規例得以遵守。聯席公司秘書的遴選、委任與撤職須經董事會批准。

聯席公司秘書確認其於二零一六年期間接受不少於十五小時的相關專業培訓。

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is of the opinion that sound internal control and risk management systems will contribute to the effectiveness and efficiency of operations of the Group and to the safeguard of the Group's assets as well as the shareholders' investment.

The Board is responsible for overall ensuring, maintaining and overseeing the internal control and risk management systems of the Group. The Executive Committee helps the Board to discharge its responsibilities of ensuring and maintaining sound internal control and risk management functions by continuously reviewing and monitoring the internal control and risk management systems and processes so as to ensure that they can provide reasonable assurance against material errors and potential risk of the Group.

The internal control and risk management systems are embedded within the business processes and function as an integral part of the overall operations of the Group. The systems comprise a comprehensive organization structure with assignment of definite accountabilities and delegation of the corresponding authorities to each post. Based on the organization structure, an accountability system has been developed which includes a reporting system from division head of each principal business unit to the Executive Committee.

Business plans and budgets are prepared by the division head of each principal business unit annually. In preparing the business plans and budgets, the management identifies and evaluates any potential risks. Measures will be put in place with an aim to ultimately managing, controlling or lessening such risks.

內部監控及風險管理

董事會認為健全的內部監控及風險管理系統能提高本集團的營運效益及效率，亦有助於保障本集團的資產及股東的投資。

董事會負責整體確保、維持及監管本集團的內部監控及風險管理系統。執行委員會協助董事會履行確保及維持健全的內部監控系統功能，並透過持續檢討和監察內部監控及風險管理系統和程序，以確定該等系統和程序能合理地確保本集團不會出現重大的誤差及潛在風險。

內部監控及風險管理系統已納入業務程序中，成為本集團整體營運中不可分割的一部份。該等系統包括一個全面的組織架構，當中每個崗位都委以明確的責任，並授予相應的權力。本集團根據組織架構建立了問責制度，當中包括每個主要業務單位的主管向執行委員會匯報的制度。

每個主要業務單位的主管須每年編製業務計劃及預算案，在編製業務計劃及預算案時，管理層會辨識及評估任何潛在風險，對應的措施將予實施，務求最終能管理、控制或降低該等風險。

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The business plans and budgets are subject to review and approval by the Executive Committee. The Executive Committee reviews monthly management report on the operational and financial results of each principal business unit and measures the actual performance of the Group against the business plans and budgets concerned. In this course, the Executive Committee also reviews and assesses the effectiveness of all material controls and the adequacy of resources, staff qualifications and experience, training programmes and budgets of the Company's accounting and financial reporting function. The Executive Committee holds periodical meetings with the senior management of each principal business unit to, amongst other matters, address the issues in such controls, identify areas of improvement and put the appropriate measures in place.

The internal control and risk management systems of the Group is documented and if any revision is required, such information will be submitted to the Audit Committee for evaluation.

The Audit Committee assists the Board to fulfill its oversight role over the Group's internal control and risk management functions by reviewing and evaluating the effectiveness of the overall internal control and risk management systems.

The Company set up the Internal Audit Department in October 2012. To cope with the newest development of the Group, the Risk Control Department which replaced the existing Internal Audit Department was established under the Group's structure in September 2016. The Risk Control Department is independent to the operational department of the Group and assists the Board and the Audit Committee by consistent monitoring the risks in which the Group and its subsidiaries encounter during operation, and ensures that all material controls, including financial, operational and compliance controls as well as risk management are in place and functioning effectively. The Risk Control Department reports to the Board and the Audit Committee with its findings and makes recommendations to improve the internal control and risk management systems of the Group. Thus the internal audit area has been included into the Risk Control Department.

有關業務計劃及預算案需提交執行委員會審閱及批准。執行委員會審閱每個主要業務單位每月營運及財務業績的管理報告，並以相關的業務計劃及預算案來衡量本集團的實際表現。在此過程中，執行委員會亦檢討及評估所有重大監控方面的成效，以及本公司在會計及財務匯報職能方面的資源、員工資格及經驗、培訓課程及有關預算是否足夠。執行委員會與每個主要業務單位的高級管理人員定期舉行會議，以（其中包括）解決該等監控內的問題，識別可予以改善的地方及採取適當的措施。

本集團的內部監控及風險管理系統通過書面記載，如需作任何修訂，將會把相關的資料呈交審核委員會作評估。

審核委員會協助董事會履行其在本集團內部監控及風險管理功能上的監管角色，審閱及評估內部監控及風險管理系統整體的效益。

本公司於二零一二年十月成立內部審計部。為應對本集團最近期之發展，於二零一六年九月，本集團在其架構內成立風險控制部，以取代現有內部審計部門。風險控制部乃獨立於本集團之營運部門，透過持續監察本集團及其附屬公司營運時所面臨之風險來協助董事會及審核委員會，並確保所有重大監控（包括財務、經營及合規監控以及風險管理）均恰到好處及運作有效。風險控制部向董事會及審核委員會匯報其發現及作出建議，以改善本集團之內部監控及風險管理系統。因此，內部審計方面已納入風險控制部內。

Internal Audit Functions

During the year under review, the Board has been, through the Executive Committee and the Audit Committee (with the assistance from the Risk Control Department), continuously reviewing the effectiveness of the Group's internal control systems and considers the systems effective and adequate. The Board also considers that adequate resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function are provided.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as a code of conduct of the Company for Directors' securities transactions.

Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the year ended 31 December 2016.

Employees who are likely to possess inside information in relation to the Company or its shares are required to prohibit from dealing in shares of the Company during the black-out period.

內部審計功能

於回顧年內，董事會透過執行委員會及審核委員會（在風險控制部的協助下）持續檢討本集團內部監控系統的功效，並認為該系統充足及有效。董事會亦認為已提供充足資源、員工資歷及經驗、培訓課程及本公司會計及財務匯報職能的預算。

進行證券交易的標準守則

本公司已就董事進行證券交易而採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）作為其本身的行為守則。

在向所有董事作出特定查詢後，所有董事於截至二零一六年十二月三十一日止年度內已遵守標準守則及本公司有關董事進行證券交易的行為守則所規定的標準。

任何可能管有關於本公司或其股份的內幕消息的僱員，均不得於禁售期內買賣本公司股份。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

During the year, the remuneration paid/payable to the Company's auditor, Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	所提供服務	HK\$'000 港幣千元
Audit services	審計服務	2,700
Non-audit services	非審計服務	
Interim review	中期審閱	948
Special transaction	特別項目	2,806
Agency fee services**	代理費服務**	14,741
		18,495
Total	總計	21,195

** Paid to Deloitte UK that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of Deloitte Touche Tohmatsu nationally or internationally.

核數師酬金

年內已支付／應付予本公司核數師德勤•關黃陳方會計師行的酬金載列如下：

** 付予Deloitte UK，而一個合理並知悉所有有關資料的第三方在合理情況下會斷定該機構為德勤•關黃陳方會計師行本土或國際業務的一部份。

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing financial statements of the Group which give a true and fair view of the state of affairs of the Group on a going concern basis and in presenting the annual and interim reports and other financial disclosures required under the Listing Rules, the Directors aim to present a balanced, clear and understandable assessment of the Group's position and prospects.

The statement of the auditor of the Company, Deloitte Touche Tohmatsu, about its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 80 to 89 of this annual report.

董事於財務報表的責任

董事承認他們有責任編製本集團財務報表，以持續經營基準真實及公平地呈列本集團的事務。另於呈列年度報告及中期報告及上市規則所要求的其他財務披露時，董事須致力平衡、清晰及明白地評估本集團的狀況及前景。

本公司的核數師德勤•關黃陳方會計師行已在本年報第80頁至第89頁的獨立核數師報告中就彼於本集團綜合財務報表的申報責任作出聲明。

COMMUNICATION WITH SHAREHOLDERS

On 22 March 2012, the Board adopted a Shareholders' Communication Policy reflecting the current practices of the Company for communication with its shareholders. Such policy aims at ensuring the shareholders of the Company are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders to exercise their rights in an informed manner, and to allow shareholders to engage actively with the Company.

To foster effective communications with the shareholders, the Company provides extensive information in its annual and interim reports and announcements. All shareholders' communications are also available on the Company's website at www.hnaholdinghk.com.

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. All Directors will make an effort to attend. External auditor is also available at the annual general meeting to address shareholders' queries. In case of any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval, members of the independent Board committee will also make an effort to attend to address shareholders' queries.

During the year, four general meetings were held. One of the general meetings was the annual general meeting held on 17 June 2016 (the "2016 AGM") and the others were the following:

1. held on 5 July 2016 (the "1st GM") for approving the acquisition of a property in London;
2. held on 12 July 2016 (the "2nd GM") for approving the issuance of convertible bonds; and
3. held on 3 October 2016 (the "3rd GM") approving the disposal of digital television technical solution and related business.

與股東的溝通

於二零一二年三月二十二日，董事會採納一項反映本公司現時與股東通訊之常規的股東通訊政策。該政策旨在確保本公司股東均可於已有、平等及適時的渠道下獲得均衡及容易理解的本公司資料，一方面使股東可在知情情況下行使其權力，另一方面也讓股東可與本公司積極交流。

為促進與股東之間的有效溝通，本公司於年報、中期報告及公告上提供全面資料。所有股東通訊資料均可於本公司網站索閱，網址為 www.hnaholdinghk.com。

本公司的股東週年大會為股東提供與董事會交流意見的有用平台。全體董事均會盡可能抽空出席，外聘核數師亦出席股東週年大會回答股東的提問。在任何批准關連交易或任何其他須經獨立股東批准之交易的股東大會上，獨立董事委員會成員亦會盡可能抽空出席回答股東的提問。

於年內，本公司召開了四次股東大會。其中一次股東大會為於二零一六年六月十七日召開的股東週年大會（「二零一六年股東週年大會」），其他股東大會載列如下：

1. 於二零一六年七月五日召開（「第一次股東大會」），以批准收購倫敦一項物業；
2. 於二零一六年七月十二日召開（「第二次股東大會」），以批准發行可換股債券；及
3. 於二零一六年十月三日召開（「第三次股東大會」），以批准出售數字電視技術方案及相關業務。

CORPORATE GOVERNANCE REPORT

企業管治報告

The auditor of the Company, Deloitte Touche Tohmatsu, attended the 2016 AGM. Details of the Directors' attendances at the general meetings of the Company held during the year are as follows:

本公司核數師德勤•關黃陳方會計師行參加了二零一六年股東週年大會。董事於年內本公司股東大會的出席記錄如下：

Directors	董事	Attendance at the 2016 AGM 出席 二零一六年 股東週年大會	Attendance at the 1st GM 出席 第一次 股東大會	Attendance at the 2nd GM 出席 第二次 股東大會	Attendance at the 3rd GM 出席 第三次 股東大會
<i>Executive Directors</i>		<i>執行董事</i>			
Zhao Quan	趙權	✓	X	X	✓
Wang Shuang (appointed on 24 November 2016)	Wang Shuang (於二零一六年十一月二十四日獲委任)	-	-	-	-
Li Tongshuang (resigned on 24 November 2016)	李同雙 (於二零一六年十一月二十四日辭任)	✓	X	X	✓
Xu Haohao	徐昊昊先生	✓	X	✓	✓
Zhang Ke (appointed on 22 April 2016 and resigned on 6 February 2017)	張克 (於二零一六年四月二十二日獲委任及於二零一七年二月六日辭任)	✓	✓	X	✓
<i>Non-executive Directors</i>		<i>非執行董事</i>			
Leung Shun Sang, Tony	梁順生	✓	✓	✓	✓
Wang Hao (redesignated from Executive Director on 4 February 2016)	王浩 (於二零一六年二月四日由執行董事轉任)	✓	X	X	✓
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>			
Leung Kai Cheung	梁繼昌	✓	✓	✓	✓
Liem Chi Kit, Kevin	林子傑	✓	✓	✓	✓
Lam Kin Fung, Jeffrey	林健鋒	✓	✓	✓	X

During the year, except the deviation stated in page 27, all notices of general meetings despatched by the Company to its shareholders for meetings held were sent for annual general meeting at least 20 clear business days before the meeting and at least 10 clear business days for all other general meetings. Separate resolutions were proposed at general meetings on each substantially separate issue, including the election of individual Directors, and all resolutions put to the vote of a general meeting were taken by way of a poll. At the general meetings, the chairman of the meetings explained the procedures for conducting a poll and answered questions from shareholders on voting by poll, if any. The results of the poll were published on the websites of the Stock Exchange and the Company respectively.

SHAREHOLDERS' RIGHTS

Convene an Extraordinary General Meeting

Shareholder(s) representing at least 5% of the total voting rights of all shareholders of the Company having a right to vote at general meetings can request the Directors to call a general meeting pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The request must state the general nature of the business to be dealt with at the meeting, and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such request must be authenticated by the shareholder(s) making it and sent to the Company in hard copy form or in electronic form for the attention of the Joint Company Secretaries.

年內，除第27頁所述之偏離事項外，本公司就所有召開的股東大會發出通知，如屬股東週年大會，已於大會舉行前至少足二十個營業日向股東發送通知，而就所有其他股東大會而言，則已在大會舉行前至少足十個營業日發送通知。本公司就股東大會上每項實際獨立的事宜提出個別的決議案，包括個別董事的提名，而股東大會上提呈的所有議案均以投票方式表決。於股東大會上，大會主席已解釋以投票方式進行表決的程序，並回答股東有關以投票方式表決的提問（如有）。投票結果分別刊登於聯交所及本公司網站上。

股東權利

召開股東大會

根據香港法例第622章公司條例第566條，佔全體有權在股東大會上表決的本公司股東的總表決權最少5%的股東可要求董事召開股東大會。有關要求須述明有待在有關股東大會上處理的事務的一般性質及可包含可在股東大會上恰當地動議並擬在股東大會上動議的決議的文本。該要求須經提出要求的股東認證及以印本形式或電子形式送交本公司予聯席公司秘書。

Put Forward Proposals at Shareholders' Meetings

Shareholder(s) representing at least 2.5% of the total voting rights of all shareholders of the Company or at least 50 shareholders who have a relevant right to vote at a general meeting can request the Company to circulate to the shareholders of the Company a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution or other business to be dealt with at that meeting pursuant to Section 580 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The expenses shall be borne by the shareholder(s) making the request unless the meeting concerned is an annual general meeting and the statement is received by the Company in time for sending with the notice of the meeting. The request must identify the statement to be circulated, and must be authenticated by the shareholder(s) making it and sent to the Company in hard copy form or in electronic form for the attention of the Joint Company Secretaries at least 7 days before the meeting to which it relates.

Shareholder(s) representing at least 2.5% of the total voting rights of all shareholders of the Company or at least 50 shareholders who have a right to vote on the resolution at an annual general meeting can request the Company to give to the shareholders of the Company notice of a resolution that may properly be moved and is intended to be moved at that meeting pursuant to Section 615 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The request must identify the resolution of which notice is to be given, and must be authenticated by the shareholder(s) making it and sent to the Company in hard copy form or in electronic form for the attention of the Joint Company Secretaries no later than 6 weeks before the annual general meeting to which the requests relate, or if later, the time at which notice of the meeting is given.

在股東大會提出建議

根據香港法例第622章公司條例第580條，佔全體在股東大會上有相關表決權利的本公司股東的總表決權最少2.5%的股東，或最少五十名在股東大會上有相關表決權利的股東，可以要求本公司向本公司股東傳閱有待在股東大會上處理的、某被提出的決議所述的事宜，或其他有待在股東大會上處理的事務而字數不多於1,000字的陳述書。除非有關會議是股東週年大會，而本公司及時收到股東的陳述書，使本公司在發出會議通知時可同時送交陳述書，否則費用概由提出要求的股東承擔。有關要求須指出將予傳閱的陳述書，及須經所有提出該要求的股東認證，並須在該要求所關乎的股東大會前最少七日以印本形式或電子形式送交本公司予聯席公司秘書。

根據香港法例第622章公司條例第615條，佔全體有權在股東週年大會上表決的本公司股東的總表決權最少2.5%的股東或最少五十名有權在股東週年大會就決議表決的股東可以要求本公司向本公司股東發出關於可在股東週年大會上恰當地動議並在該大會上動議的決議的通知。有關要求須指出有待發出通知所關乎的決議及須經所有提出該要求的股東認證，並須在該要求所關乎的股東週年大會舉行前六個星期之前或（如在前述時間之後送抵本公司的話）有關會議通知發出之時以印本形式或電子形式送交本公司予聯席公司秘書。

Shareholders' Enquiries

Specific enquiries or suggestions by shareholders can be sent in writing to the Board or the Joint Company Secretaries at our registered office or by email to our Company. In addition, shareholders can contact Tricor Tengis Limited, the share registrars of the Company, if they have any enquiries about their shareholdings and entitlement to dividend. Relevant contact details are set out on page 3 of this annual report.

CONSTITUTIONAL DOCUMENTS

During the year, a new Articles was adopted at the 2016 AGM. Details of the new Articles were set out in the circular of the Company dated 27 April 2016. Save as aforesaid, there is no change in the Company's constitutional documents during the year.

股東查詢

倘股東有特別查詢或建議，可致函本公司之註冊辦事處予董事會或聯席公司秘書或電郵至本公司。此外，股東如有任何有關其股份及股息之查詢，可以聯絡本公司的股份過戶登記處卓佳登捷時有限公司，有關聯絡詳情載於本年報第3頁。

憲法性文件

年內，本公司於二零一六年股東週年大會上採納新細則。新細則的詳情載於本公司日期為二零一六年四月二十七日的通函。除上文所述者外，年內本公司的憲法性文件概無變動。

REPORT OF THE DIRECTORS

董事會報告書

The Directors herein present their report and the audited financial statements of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in (1) the core business of recreational and tourism services (including the operation of golf clubs and provision of hotel and leisure services); and (2) the affiliated business in the development and provision of system integration solutions, system design and sale of system hardware. The activities of its principal subsidiaries and associates are set out in Note 47 to the consolidated financial statements respectively.

RESULTS

The results of the Group for the year ended 31 December 2016 and the state of affairs of the Group at that date are set out in the financial statements on pages 90 to 259 of this annual report.

The Board of Directors of the Company does not recommend the payment of any dividend in respect of the year (2015: Nil).

BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the year ended 31 December 2016 and an indication of likely future development in the business of the Group are provided in the Chairman’s Statement and Management Discussion and Analysis of this annual report. Description of the principal risks and uncertainties facing the Group can be found throughout this annual report, in particular Notes 4, 44 and 45 to the consolidated financial statements. There was no important events affecting the Group since the end of the year 2016. An analysis using financial key performance indicators are provided in the Financial Highlights and the Management Discussion and Analysis in this annual report. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout this annual report, in particular, the Corporate Governance Report. An indication of likely future development in the Company’s business can be found in the Chairman’s Statement.

董事會謹此提呈董事會報告書及本公司及其附屬公司（統稱「本集團」）於截至二零一六年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要從事(1)主營業務為休閒及旅遊服務（包括經營高爾夫球會及提供酒店及休閒服務）；及(2)附屬業務為開發及提供系統整合解決方案、系統設計及銷售系統硬件。其主要附屬公司及聯營公司之業務分別載列於綜合財務報表附註47。

業績

本集團於截至二零一六年十二月三十一日止年度之業績及本集團於該日之財務狀況載列於本年報第90頁至第259頁之財務報表。

本公司董事會不建議就本年度派發任何股息（二零一五年：無）。

業務回顧

有關對本集團於截至二零一六年十二月三十一日止年度業務的中肯審視及表現的討論及分析，以及業務未來發展可能性的指示，皆載於本年報的主席報告書及管理層論述與分析內。對本集團面對的主要風險及不明朗因素的描述，載於本年報各部分（尤其在綜合財務報表附註4、44及45）。自二零一六年末以來概無對本集團產生影響的重大事件。運用財務關鍵表現指標進行的分析，載於本年報的財務摘要及管理層論述與分析。本集團遵守對本集團有重大影響的有關法律及規例的情況，載於本年報各部分（尤其是企業管治報告）。本公司業務未來發展可能性之指示載於主席報告書。

The Company is committed to promote environmental policies, during the year:

本公司致力於推動環境政策，年內：

1. golf club and hotel business had:

- (a) launched sewage and soot waste gas treatment facilities construction project in the club in December 2015. The construction project has been completed in August 2016 and has been accepted and put into operation at the end of September 2016;
- (b) strictly screened suppliers of pesticides, herbicides, fertilizer and other lawn maintenance materials, and ensured not to buy the related materials banned by explicit order in China, and established the purchase and use files for materials;
- (c) water for field maintenance is derived from 17 rain water lakes. These lakes use water-saving facilities such as automatic sprinkler system, and tailwater will be flowed back into the lakes for reuse; and
- (d) actively carried out energy saving and other environmental protection work in the golf club during daily work and life.

1. 高爾夫球會及酒店業務已：

- (a) 於二零一五年十二月啟動球會的污水及油煙廢氣治理設施建設工程專案。該工程專案於二零一六年八月建成，並於二零一六年九月底通過驗收並投入使用；
- (b) 對農藥、除草劑、化肥及其他草坪養護物料的供應商進行嚴格篩選，並確保沒有購買國家明令禁止的相關物料，及對物料建立購買及使用檔案；
- (c) 在球場養護取水來源於17個雨水蓄水湖，採用自動噴灌系統等節水設施，尾水回流蓄水湖重複利用；及
- (d) 在高爾夫球會於日常工作和生活中積極開展節能及其他環境保護工作。

2. The registered office in Hong Kong has used electronic system instead of paper transfer process to examine and approve internal business, so as to reduce the consumption of paper.

2. 於香港的註冊辦事處已使用電子系統審批內部業務，代替紙張傳遞流程，以減低用紙量。

Note: The Company do not make disclosure on environment policies for the following businesses/operations: intelligent information business (as on disposal), UK property management (as no major environmental issue) and US Golf (as already leased to an independent party for management)

附註：本公司並無就下列業務／營運作出有關環境政策的披露：智能信息業務（由於正在出售中）、英國物業管理（由於並無重大環保問題）及美國高爾夫球場（由於已出租予獨立人士進行管理）

REPORT OF THE DIRECTORS

董事會報告書

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 260 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 34 to the consolidated financial statements.

CONVERTIBLE BONDS

Details of movements in the Company's convertible bonds during the year are set out in Note 32 to the consolidated financial statements and there was a subscription agreement entered for the new issue of convertible bonds in 2016. The reason for entering into the said agreement, together with its nature and terms, are detailed in the said Note 32.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity on pages 95 to 96 of this annual report and in Note 48 to the consolidated financial statements, respectively.

DONATIONS

No charitable donation was made by the Group during the year (2015: Nil).

五年財務摘要

本集團過去五個財政年度之已公佈業績及資產與負債摘要載列於本年報第260頁。

物業、廠房及設備

於本年度內，本集團物業、廠房及設備變動之詳情載列於綜合財務報表附註16。

股本

於本年度內，本公司股本變動之詳情載列於綜合財務報表附註34。

可換股債券

本年度內，本公司可換股債券變動之詳情載列於綜合財務報表附註32，而於二零一六年則就新發行可換股債券訂立認購協議。訂立上述協議之原因（連同其性質及條款）於前述附註32內詳述。

儲備

本年度內，本集團及本公司儲備變動之詳情分別載列於本年報第95頁至第96頁之綜合權益變動表及綜合財務報表附註48。

捐款

本年度內，本集團並無作出慈善捐款（二零一五年：無）。

DIRECTORS OF THE COMPANY

The Directors of the Company during the year and up to the date of this annual report were as follows:

Zhao Quan
 Wang Shuang (*appointed on 24 November 2016*)
 Xu Haohao
 Leung Shun Sang, Tony
 Wang Hao
 Leung Kai Cheung**
 Liem Chi Kit, Kevin**
 Lam Kin Fung, Jeffrey**
 Li Tongshuang (*resigned on 24 November 2016*)
 Zhang Ke (*appointed on 22 April 2016 and resigned on 6 February 2017*)

** Independent Non-executive Directors

In accordance with Clauses 95 and 104(A) of the Company's Articles, Messrs. Wang Shuang, Xu Haohao, Liem Chi Kit, Kevin and Lam Kin Fung, Jeffrey will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS OF THE SUBSIDIARIES

A list of names of the directors who held office in the Company's subsidiaries during the year and up to the date of this annual report is available on the Company's website (www.hnaholdinghk.com).

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.

MANAGEMENT CONTRACTS

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

本公司董事

於本年度內及截至本年度報告日期止，本公司之董事如下：

趙權
 Wang Shuang (於二零一六年十一月二十四日獲委任)
 徐昊昊
 梁順生
 王浩
 梁繼昌**
 林子傑**
 林健鋒**
 李同雙 (於二零一六年十一月二十四日辭任)
 張克 (於二零一六年四月二十二日獲委任及於二零一七年二月六日辭任)

** 獨立非執行董事

根據本公司之細則第95及104(A)條，Wang Shuang先生、徐昊昊先生、林子傑先生及林健鋒先生將於本公司即將舉行之股東週年大會上任滿告退，而彼等均符合資格並願意於上述大會上膺選連任。

附屬公司之董事

載有於本年度內及截至本年度報告日期止期間於本公司之附屬公司在任董事名稱之名單，可於本公司網站(www.hnaholdinghk.com)查閱。

董事之服務合約

擬於即將舉行之股東週年大會上膺選連任之董事，概無與本公司訂立任何由本公司於一年內終止而須支付賠償（法定賠償除外）之服務合約。

管理合約

本年度內，本公司並無簽訂或存在有關管理或經營本公司全部或任何主要部份業務之合約。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors of the Company who held office at 31 December 2016 had the following interests in the shares and underlying shares of the Company as at 31 December 2016 as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (the “SFO”) or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code:

Long positions in the shares and underlying shares of the Company

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

截至二零一六年十二月三十一日，本公司在任董事於該日在本公司之股份及相關股份擁有須記入根據證券及期貨條例（「證券及期貨條例」）第352條須予設存之登記冊，或根據標準守則須通知本公司及香港聯合交易所有限公司（「聯交所」）之權益如下：

於本公司股份及相關股份之好倉

Name of Director 董事姓名	Capacity in which interests were held 持有權益之身份	Number of shares/underlying shares in the Company 於本公司股份／相關股份數目			Total interests as to % of the issued share capital of the Company as at 31 December 2016 總權益佔本公司截至二零一六年十二月三十一日已發行股本之百分比
		Interests in shares 於股份之權益	Derivative interests** 衍生權益**	Total interests 總權益	
Leung Shun Sang, Tony 梁順生	Beneficial owner 實益擁有人	20,000,000	15,793,981	35,793,981	0.31%
Leung Kai Cheung 梁繼昌	Beneficial owner 實益擁有人	5,000,000	1,843,200	6,843,200	0.06%

** The interests are unlisted physically settled options granted pursuant to the Company's share option scheme adopted on 7 June 2002 (the “2002 Scheme”). Upon exercise of the share options in accordance with the 2002 Scheme, ordinary shares in the share capital of the Company are issuable. The share options are personal to the respective Directors. Further details of the share options are set out in the section headed “Share Option Schemes” below.

** 該等權益乃根據本公司於二零零二年六月七日採納之購股權計劃（「二零零二年計劃」）授出之非上市實物結算購股權。在根據二零零二年計劃行使購股權時，本公司須發行其股本中之普通股。購股權屬有關董事個人所有。有關購股權之進一步詳情載於下文「購股權計劃」一節內。

Save as disclosed above, as at 31 December 2016, none of the Company's Directors, chief executives or their respective associates had any other personal, family, corporate and other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed in the sections headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Share Option Schemes" herein, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's Directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the holding companies of the Company, the Company or any of its subsidiaries was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, no Director has been recorded as having interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

除上文所披露者外，截至二零一六年十二月三十一日，本公司之董事、最高行政人員或彼等各自之聯繫人概無於本公司或其任何相聯法團（按證券及期貨條例第XV部賦予之涵義）之股份、相關股份或債權證中擁有須記入根據證券及期貨條例第352條須予設存之登記冊或根據標準守則須通知本公司及聯交所之任何其他個人、家族、公司及其他權益或淡倉。

董事購買股份或債權證之權利

除本年報「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」及「購股權計劃」兩節所披露者外，於本年度內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，使本公司董事或彼等各自之配偶或未滿十八歲的子女可藉購買本公司或任何其他法人團體之股份或債權證而獲得利益。

董事於交易、安排或重大合約之權益

本公司之控股公司、本公司或其任何附屬公司在本年度結束時或本年度任何時間內，概無簽訂任何本公司董事或與董事有關連之實體於其中有直接或間接重大利益的交易、安排或重要合約。

董事於競爭業務之權益

於本年度內，並無記錄顯示各董事於與本集團業務構成或可能構成直接或間接競爭之業務中擁有權益。

REPORT OF THE DIRECTORS

董事會報告書

PERMITTED INDEMNITY PROVISIONS

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the businesses of the Group.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2016, according to the register kept by the Company under Section 336 of the SFO, the following companies and persons had interests in the shares and/or underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in the shares/underlying shares of the Company

獲准許的彌償條文

本集團已為董事及高級人員購買合適的責任保險，就彼等因本集團業務承擔的風險提供保障。

根據證券及期貨條例須予披露之股東權益及淡倉

截至二零一六年十二月三十一日，根據本公司按證券及期貨條例第336條設存之登記冊所載，下列公司及人士於本公司股份及／或相關股份持有權益，而須根據證券及期貨條例第XV部第2及第3分部向本公司披露：

於本公司股份／相關股份之好倉

Name of shareholder 股東名稱	Capacity in which interests were held 持有權益之身份	Number of shares/ underlying shares 股份／ 相關股份數目	Interests as to % of the issued share capital of the Company as at 31 December 2016 權益佔本公司 截至二零一六年 十二月三十一日 已發行股本 之百分比	Note(s) 附註
HNA Group (International) Company Limited ("HNA Group (International)") 海航集團(國際)有限公司 (「海航集團(國際)」)	Beneficial owner 實益擁有人	1,109,244,000	9.73%	1
Hong Kong HNA Holding Group Co. Limited ("Hong Kong HNA") 香港海航實業集團有限公司 (「香港海航」)	Beneficial owner 實益擁有人	6,510,130,189	57.11%	1, 2
HNA Financial Holdings International Co., Ltd. 海航金控國際有限公司	Interests of controlled corporations 受控法團之權益	6,510,130,189	57.11%	1

Name of shareholder 股東名稱	Capacity in which interests were held 持有權益之身份	Number of shares/ underlying shares 股份/ 相關股份數目	Interests as to % of the issued share capital of the Company as at 31 December 2016 權益佔本公司 截至二零一六年 十二月三十一日 已發行股本 之百分比	Note(s) 附註
Beijing HNA Financial Holdings Co., Ltd.* 北京海航金融控股有限公司	Interests of controlled corporations 受控法團之權益	6,510,130,189	57.11%	1
HNA Investment Holding Co., Ltd.* 海航投資控股有限公司	Interests of controlled corporations 受控法團之權益	6,510,130,189	57.11%	1
HNA Group Co., Ltd.* (“HNA Group”) 海航集團有限公司 (「海航集團」)	Interests of controlled corporations 受控法團之權益	7,619,374,189	66.84%	1
Hainan Traffic Administration Holding Co. Ltd.* 海南交管控股有限公司	Interests of controlled corporations 受控法團之權益	7,619,374,189	66.84%	1
Tang Dynasty Development (Yangpu) Company Limited* 盛唐發展(洋浦)有限公司	Interests of controlled corporations 受控法團之權益	7,619,374,189	66.84%	1
Hainan Province Cihang Foundation* 海南省慈航公益基金會	Interests of controlled corporations 受控法團之權益	7,619,374,189	66.84%	1
Hainan Airlines Co., Ltd. Trade Community Union* 海南航空股份有限公司工會委員會	Interests of controlled corporations 受控法團之權益	7,619,374,189	66.84%	
China Construction Bank Corporation 中國建設銀行股份有限公司	Security interests 保證權益	2,084,000,000	18.28%	2
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Security interests 保證權益	2,084,000,000	18.28%	2

REPORT OF THE DIRECTORS

董事會報告書

Notes:

1. As at 31 December 2016, HNA Group is a company established in the PRC with limited liability which owns approximately 91.01% of HNA Group (International) and directly owns 100% of HNA Holding Group Co., Ltd.* (海航實業集團有限公司), which in turn directly owns 100% of HNA Investment Holding Co., Ltd.* (海航投資控股有限公司), which in turn directly owns 100% of Beijing HNA Financial Holdings Co., Ltd.* (北京海航金融控股有限公司), which in turn owns 100% of HNA Financial Holdings International Co., Ltd. (海航金控國際有限公司). HNA Financial Holdings International Co., Ltd. (海航金控國際有限公司) directly owns 100% of Hong Kong HNA. HNA Group was held as to 70% by Hainan Traffic Administration Holding Co. Ltd.* (海南交管控股有限公司), which was in turn held as to 50% by Tang Dynasty Development (Yangpu) Company Limited* (盛唐發展(洋浦)有限公司). Tang Dynasty Development (Yangpu) Company Limited* (盛唐發展(洋浦)有限公司) was held as to 65% by Hainan Province Cihang Foundation* (海南省慈航公益基金會) (the "Foundation"). The committee members of the Foundation should be jointly nominated by the business supervising unit (業務主管單位) (being the Office of Civil Affairs of the Hainan Province (海南省民政廳)), the committee (理事會), the sponsor (發起人) and the major donor (主要捐贈人) of the Foundation.
2. As at 31 December 2016, Hong Kong HNA, the controlling shareholder of the Company, pledged 2,084,000,000 Shares to China Construction Bank Corporation, whose beneficial owner is Central Huijin Investment Ltd.

Save as disclosed above, as at 31 December 2016, the Company has not been notified of any other person (other than the Directors and chief executives of the Company) who had an interest or short position in the shares and/or underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

附註:

1. 於二零一六年十二月三十一日，海航集團為一家在中國成立之有限公司，擁有海航集團(國際)約91.01%股權及直接擁有海航實業集團有限公司100%股權，而海航實業集團有限公司則直接擁有海航投資控股有限公司100%股權，而海航投資控股有限公司則直接擁有北京海航金融控股有限公司100%股權，而北京海航金融控股有限公司則擁有海航金控國際有限公司100%股權。海航金控國際有限公司直接擁有香港海航100%股權。海航集團由海南交管控股有限公司擁有70%，而海南交管控股有限公司則由盛唐發展(洋浦)有限公司擁有50%。盛唐發展(洋浦)有限公司由海南省慈航公益基金會(「基金會」)擁有65%。基金會的委員會成員將由基金會的業務主管單位(即海南省民政廳)、理事會、發起人及主要捐贈人共同提名。
2. 截至二零一六年十二月三十一日，香港海航(本公司之控股股東)向中國建設銀行股份有限公司(其實益擁有人為中央匯金投資有限責任公司)質押2,084,000,000股股份。

除上文所披露者外，截至二零一六年十二月三十一日，本公司並無接獲任何其他人士(本公司董事及最高行政人員除外)通知，表示其於本公司股份及／或相關股份中持有權益或淡倉，而須根據證券及期貨條例第XV部第2及第3分部向本公司披露。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, there is a sufficiency of public float of the Company's securities as required under the Listing Rules as at the date of this annual report.

SHARE OPTION SCHEMES

On 7 June 2002, the shareholders of the Company adopted the 2002 Scheme which would be valid for a period of ten years. On 25 May 2012, the shareholders of the Company approved the termination of the 2002 Scheme (to the effect that no further share option shall be granted by the Company under the 2002 Scheme) and the adoption of a new share option scheme (the "2012 Scheme"), which became effective on 29 May 2012 upon the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in, the shares of the Company which may fall to be issued upon exercise of the options to be granted under the 2012 Scheme. The share options granted under the 2002 Scheme prior to its termination shall continue to be valid and exercisable in accordance with the 2002 Scheme.

A summary of the principal terms of each of the 2002 Scheme and the 2012 Scheme is set out below:

(a) The 2002 Scheme

The purpose of the 2002 Scheme is to enable the Company to grant share options to selected participants as incentives or rewards for their contribution to the Company and/or its subsidiaries and/or its associated companies. The 2002 Scheme was adopted on 7 June 2002 and terminated on 29 May 2012 (the date on which the 2012 Scheme became unconditional and effective).

公眾持股量

根據本公司所獲得之公開資料及就本公司董事所知，於本年報刊發日期，本公司之證券符合上市規則所規定之足夠公眾持股量規定。

購股權計劃

於二零零二年六月七日，本公司股東採納二零零二年計劃，有效期為十年。於二零一二年五月二十五日，本公司股東批准終止二零零二年計劃（致使本公司不得根據二零零二年計劃進一步授出購股權），並採納了一個新購股權計劃（「二零一二年計劃」）。二零一二年計劃自二零一二年五月二十九日（即於聯交所上市委員會授出批准因行使根據二零一二年計劃授出之購股權而可能發行之本公司股份上市及買賣當日）起生效。於二零零二年計劃終止前根據該計劃授出之購股權將繼續有效，並可根據二零零二年計劃予以行使。

二零零二年計劃及二零一二年計劃各自的主要條款概述如下：

(a) 二零零二年計劃

二零零二年計劃旨在讓本公司向選定參與者授予購股權，作為彼等對本公司及／或其附屬公司及／或其聯營公司所作貢獻之激勵或獎勵。二零零二年計劃於二零零二年六月七日採納，並於二零一二年五月二十九日（二零一二年計劃成為無條件並生效當日）終止。

REPORT OF THE DIRECTORS

董事會報告書

Under the 2002 Scheme, the Directors may, at their discretion, offer directors (including executive and non-executive directors), executives, officers, employees or shareholders, of the Company or any of its subsidiaries or any of its associated companies, and any suppliers, customers, consultants, advisers, agents, partners or business associates who will contribute or have contributed to the Company or any of its subsidiaries or any of its associated companies, share options to subscribe for shares of the Company.

The total number of shares of the Company which may be issued upon exercise of all outstanding share options granted under the 2002 Scheme is 112,033,597, which represents approximately 0.98% of the shares of the Company in issue as at the date of this annual report. Since the 2002 Scheme was terminated on 29 May 2012, no further options can be granted under the 2002 Scheme. However, the share options granted under the 2002 Scheme prior to its termination shall continue to be valid and exercisable in accordance with the 2002 Scheme.

Each of the grantees was required to pay HK\$1 as a consideration for the grant of share options in accordance with the 2002 Scheme. The offer of share options must be accepted within 60 days from the date of the offer.

Save as disclosed above, there is no material difference in the terms, which shall be disclosed pursuant to Rule 17.09 of the Listing Rules, between the 2002 Scheme and the 2012 Scheme.

根據二零零二年計劃，董事可酌情向本公司或其任何附屬公司或其任何聯營公司之董事（包括執行及非執行董事）、行政人員、職員、僱員或股東，以及將為或曾為本公司或其任何附屬公司或其任何聯營公司作出貢獻之任何供應商、客戶、諮詢人、顧問、代理人、夥伴或業務合夥人授予購股權以認購本公司股份。

因悉數行使根據二零零二年計劃所授出之尚未行使購股權而可予發行之本公司股份總數為112,033,597股，佔本公司於本年報刊發日期已發行股份約0.98%。自二零零二年計劃於二零一二年五月二十九日終止後，概不能再根據二零零二年計劃進一步授出購股權。惟於二零零二年計劃終止前根據該計劃授出之購股權將繼續有效，並可根據二零零二年計劃予以行使。

根據二零零二年計劃，各承授人須支付港幣1元作為獲授予購股權之代價。提出授予之購股權須於提出日期起計六十日內獲接納。

除上述所披露者外，二零零二年計劃與二零一二年計劃內須根據上市規則第17.09條作出披露的條款並沒有重大差異。

REPORT OF THE DIRECTORS

董事會報告書

No share option was granted, cancelled or lapsed in accordance with the terms of the 2002 Scheme during the year. Details of movements in the share options under the 2002 Scheme during the year are as follows:

年內，概無購股權根據二零零二年計劃之條款授出、註銷或失效。於本年度內，根據二零零二年計劃所授出之購股權變動詳情如下：

Category or name of grantees 承授人類別或姓名	Options to subscribe for shares of the Company 可認購本公司股份之購股權		Date of grant 授出日期	Exercise period 行使期	Exercise price per share 每股行使價
	At the beginning of the year 年初	At the end of the year 年終			
Directors of the Company					
本公司董事					
Leung Shun Sang, Tony 梁順生	433,981	433,981	19.01.2007	19.01.2007 – 18.01.2017	HK\$0.396 港幣0.396元
	15,360,000	15,360,000	22.01.2008	22.01.2008 – 21.01.2018	HK\$0.762 港幣0.762元
	15,793,981	15,793,981			
Leung Kai Cheung 梁繼昌	1,843,200	1,843,200	22.01.2008	22.01.2008 – 21.01.2018	HK\$0.762 港幣0.762元
	17,637,181	17,637,181			
Employees of the Group					
本集團僱員					
	25,088,000	25,088,000	22.01.2008	22.01.2008 – 21.01.2018	HK\$0.762 港幣0.762元
Other participants					
其他參與者					
	10,684,416	10,684,416	19.01.2007	19.01.2007 – 18.01.2017	HK\$0.396 港幣0.396元
	46,592,000	46,592,000	22.01.2008	22.01.2008 – 21.01.2018	HK\$0.762 港幣0.762元
	8,960,000	8,960,000	16.12.2009	16.12.2009 – 15.12.2019	HK\$0.582 港幣0.582元
	3,072,000	3,072,000	14.12.2010	14.12.2010 – 13.12.2020	HK\$0.410 港幣0.410元
	69,308,416	69,308,416			
	112,033,597	112,033,597			

REPORT OF THE DIRECTORS

董事會報告書

(b) The 2012 Scheme

The purpose of the 2012 Scheme is to replace the 2002 Scheme and to continue to enable the Company to grant share options to selected participants as incentives or rewards for their contribution or potential contribution to the Company and/or any of its subsidiaries and/or any entity in which any member of the Group holds any equity interest (the “**Invested Entities**”). The 2012 Scheme shall be valid and effective for the period of ten years commencing on 25 May 2012, being the date on which the 2012 Scheme was conditionally adopted by the shareholders of the Company, and ending on 25 May 2022 (both dates inclusive).

Under the 2012 Scheme, the Board may, at its discretion, offer full-time or part-time employees, executives, officers or directors (including executive and non-executive directors) of the Company or any of its subsidiaries or any of the Invested Entities, and any advisors, consultants, agents, suppliers, customers and distributors, who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries and/or any of the Invested Entities, share options to subscribe for shares of the Company.

No share option has been granted under the 2012 Scheme since its adoption. The maximum number of shares of the Company available for issue upon exercise of all share options which may be granted under the 2012 Scheme is 224,214,117, representing approximately 1.97% of the shares of the Company in issue as at the date of this annual report. The total number of shares of the Company issued and which may fall to be issued upon the exercise of share options to be granted under the 2012 Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding share options) to each grantee in any 12-month period up to the date of grant shall not exceed 1% of the number of shares of the Company in issue as at the date of grant. Any further grant of share options in excess of this 1% limit shall be subject to the issue of a circular by the Company and shareholders' approval in a general meeting. In addition, any share options granted to a substantial shareholder or an Independent Non-executive Director of the Company, or to any of

(b) 二零一二年計劃

二零一二年計劃旨在取代二零零二年計劃，亦為使本公司能繼續向選定參與者授出購股權，作為激勵或獎勵彼等對本公司及／或任何其附屬公司及／或本集團任何成員公司持有任何股權之任何實體（「**投資實體**」）作出之貢獻或潛在貢獻。二零一二年計劃自二零一二年五月二十五日（即二零一二年計劃獲本公司股東有條件採納當日）起至二零二二年五月二十五日（包括首尾兩日）止有效及生效，為期十年。

根據二零一二年計劃，董事會可酌情向本公司或任何其附屬公司或任何投資實體之全職或兼職僱員、行政人員、職員或董事（包括執行及非執行董事），以及在董事會全權認為將對或曾對本公司及／或任何其附屬公司及／或任何投資實體作出貢獻之任何諮詢人、顧問、代理人、供應商、客戶和分銷商授出購股權以認購本公司股份。

自採納二零一二年計劃起，概無根據此計劃授出購股權。因悉數行使根據二零一二年計劃可能授出之購股權而可發行之本公司股份數目最多為224,214,117股，佔本公司於本年報刊登日期已發行股份約1.97%。各承授人於授出日期前任何十二個月期間因行使二零一二年計劃及本公司任何其他購股權計劃，將予獲授之購股權（包括已行使、註銷及尚未行使之購股權）而經已發行及將予發行之本公司股份總數不得超過於授出日期本公司已發行股份數目之1%。倘進一步授出超過此1%限額之購股權，本公司須發出通函及經股東在股東大會上批准。此外，向本公司之主要股東或獨立非執行董事或任何彼等之聯繫人授出

their associates, which would result in the shares of the Company issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the offer of such grant (a) representing in aggregate over 0.1% of the shares of the Company in issue on the date of the grant; and (b) having an aggregate value of in excess of HK\$5,000,000 (based on the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of each grant), such further grant of options shall be subject to the issue of a circular by the Company and shareholders' approval in a general meeting on a poll at which all connected persons of the Company shall abstain from voting in favour of the resolution concerning the grant of such options, and/or such other requirements prescribed under the Listing Rules from time to time. A connected person of the Company will be permitted to vote against the grant only if his intention to do so has been stated in the circular. Any grant of share options to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, is required to be approved by the Independent Non-executive Directors (excluding the Independent Non-executive Director who is the grantee of the options).

The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted under the 2012 Scheme. There is no requirement that a share option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of offer of any share options.

之任何購股權，會導致有關人士於授出日期前十二個月期間（包括授出日期）所有已獲授及將獲授之購股權（包括已行使、已註銷及尚未行使之購股權）予以行使後已發行及將予發行之本公司股份：(a)合計超過於授出日期本公司已發行股份0.1%；及(b)根據各授出日期本公司股份載於聯交所每日報價表之收市價計算總值超過港幣5,000,000元，則須待本公司發出通函並經股東在股東大會上以投票表決方式批准，而本公司所有關連人士均須就授出該等購股權的決議案放棄投贊成票，及／或遵守上市規則不時規定之其他要求，始可進一步授出購股權。本公司關連人士將獲准投票反對授出購股權，惟通函內須表明其意向。向本公司董事、最高行政人員或主要股東或任何彼等之聯繫人授出任何購股權，須經獨立非執行董事（不包括為有關購股權承授人之獨立非執行董事）批准。

董事會可全權釐定購股權之行使期限，惟不得於根據二零一二年計劃授出購股權之日期起計十年後行使。並無規定購股權可予行使前必須持有之最短期限，惟董事會有權於授出任何購股權時酌情釐定該最短期限。

REPORT OF THE DIRECTORS

董事會報告書

The exercise price in relation to each share option will be determined by the Board at its absolute discretion and shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the daily quotations sheet of the Stock Exchange on the date of offer of share options; (ii) the average closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of offer of share options; and (iii) the nominal value of a share of the Company on the date of offer of share options. Each of the grantees is required to pay HK\$1 as a consideration for his acceptance of the grant of share options in accordance with the 2012 Scheme. The offer of share options must be accepted within 30 days from the date of the offer.

Share options to be granted under the 2012 Scheme do not confer rights on the holders to dividends or to vote at general meetings.

No share option has been granted under the 2012 Scheme since its adoption. Accordingly, as at 31 December 2016, there was no share option outstanding under the 2012 Scheme.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the year.

DISTRIBUTABLE RESERVES

At the end of the reporting period, the Company did not have any reserves available for distribution as calculated in accordance with the relevant provisions of the Companies Ordinance.

The Company's capital reserve represents a non-distributable reserve.

各購股權之行使價將由董事會全權釐定，惟該價格不得少於以下之最高者：(i)於授出購股權日期本公司股份載於聯交所每日報價表之收市價；(ii)緊接授出購股權日期前五個營業日本公司股份載於聯交所每日報價表之平均收市價；及(iii)於授出購股權日期本公司股份之面值。根據二零一二年計劃，各承授人須支付港幣1元作為接納獲授予購股權之代價。提出授予之購股權須於提出日期起計三十日內獲接納。

根據二零一二年計劃將予授出之購股權並不授予持有人獲派股息或於股東大會上投票之權利。

自採納二零一二年計劃起，概無根據此計劃授出購股權。因此，截至二零一六年十二月三十一日，概無根據二零一二年計劃授出之尚未行使購股權。

購買、出售或贖回本公司之上市證券

於本年度內，本公司或其任何附屬公司概無在聯交所或任何其他證券交易所購買、出售或贖回本公司之任何上市證券。

可供分派儲備

於報告期末，根據公司條例之相關規定計算，本公司並無儲備可供分派。

本公司之資本儲備指不可分派儲備。

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales from continuing operations for the year. Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases relating to continuing operations for the year. None of the Directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any interest in the Group's five largest customers and suppliers.

The major customers of the golf club and hotel business segment are golf enthusiasts and business customers, with whom we have maintained good working relationships over the past few years, providing them with high-quality membership products, golf products, golf reception services, housing and catering services.

The major suppliers of golf club and hotel business segment include suppliers of turf machinery and equipment, suppliers of materials for lawn care such as fertilizers and pesticides, golf product suppliers, suppliers of golf course equipment, food suppliers, suppliers of hotel cleaning products and suppliers of guestroom products. We have maintained good working relationships with these suppliers so as to achieve cost efficiency and promote the long-term commercial interests.

Note: The Company do not make disclosure on customers and suppliers for the following businesses/operations: intelligent information business (as on disposal), UK property management (as not involving customers and suppliers in operation) and US Golf (as already leased to an independent party for management).

主要客戶及供應商

於回顧年度內，本集團向五位最大客戶銷售之總額佔本年度持續經營業務之總銷售額少於30%。本集團向五位最大供應商採購之總額佔本年度與持續經營業務有關之總採購額少於30%。本公司董事或其任何緊密聯繫人或就董事所知擁有本公司超過5%已發行股份之任何股東，概無於本集團五大客戶及供應商中擁有任何權益。

高爾夫球會及酒店業務分部的主要客戶為高爾夫愛好者及商務客戶。我們與該等客戶已保持多年良好關係，向他們提供優質會籍產品、高球產品、高爾夫打球接待服務、住房及餐飲服務。

高爾夫球會及酒店業務分部的主要供應商為草坪機械及配件供應商，化肥、農藥等草坪養護類物資供應商，高爾夫用品供應商，高爾夫球場設備供應商，食品供應商，酒店清潔用品供應商及客房用品供應商。我們與該等供應商維持良好關係，以達致成本效益及促進長遠商業利益。

附註：本公司並無就下列業務／營運作出有關客戶及供應商的披露：智能信息業務（由於正在出售中）、英國物業管理（由於營運並不涉及客戶及供應商）及美國高爾夫球場（由於已出租予獨立人士進行管理）。

REPORT OF THE DIRECTORS

董事會報告書

RELATIONSHIP WITH EMPLOYEES

Employees are regarded as the most important and valuable assets of the Group. The Group offers competitive salaries and benefits, and also reimburses fees for training programmes or courses to the employees so as to further enhance their skills in management, professional skills and knowledge in order to make continual contribution to the Group. The Group also organises gatherings (including annual dinner and recreation activities) to employees together with the management to strengthen their partnership and communication from time to time.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTION

The following connected transactions and continuing connected transaction were recorded during the year and up to the date of this annual report:

1. On 9 March 2016, 東莞峰景高爾夫有限公司 (Dongguan Hillview Golf Company Limited*) (“**Dongguan Hillview**”), a non-wholly-owned subsidiary of the Company, entered into a collaboration agreement with 海航旅遊開發有限責任公司 (HNA Travel Development Co., Ltd.*) (“**HNA Travel**”) whereby, in order to promote the sale of tourist related products and to expand the market influence, HNA Travel intended to procure a maximum of 240 Hillview membership cards from Dongguan Hillview (subject to the actual quantity of procurement) from 9 March 2016 to 31 December 2016, and that the Hillview membership cards would be packed with other products for re-sale to the customers.

Pursuant to the terms of the collaboration agreement, the holder of Hillview membership card could enjoy the privilege when playing at Dongguan Hillview Golf Club. This transaction generated an aggregate transaction value of approximately RMB10,148,000 (equivalent to HK\$11,844,000) for the year ended 31 December 2016.

與僱員之關係

僱員被視為本集團最重要及寶貴之資產。本集團提供具競爭力之薪資及福利，同時亦為僱員報銷培訓計劃或課程費用以進一步加強其管理技能、專業技能及知識，從而持續為本集團作出貢獻。本集團亦不時組織僱員與管理層的聚會（包括年度晚宴及娛樂活動），以加強合作及溝通。

關連交易及持續關連交易

於本年度內及截至本年度報告日期止，本公司之關連交易及持續關連交易記錄如下：

1. 於二零一六年三月九日，本公司的非全資附屬公司東莞峰景高爾夫有限公司（「**東莞峰景**」）與海航旅遊開發有限責任公司（「**海航旅遊**」）訂立合作協議，藉此，海航旅遊為推廣銷售旅遊類相關產品及擴大市場影響力，計劃由二零一六年三月九日至二零一六年十二月三十一日期間向東莞峰景採購最多240張峰景權益卡（以實際採購數量為準），並與其他產品打包轉售予消費者。

根據合作協議之條款，峰景權益卡持有人可享受東莞峰景高爾夫球會優惠打球待遇。截至二零一六年十二月三十一日止年度，該筆交易產生的交易總額約為人民幣10,148,000元（相當於港幣11,844,000元）。

The above transaction could bring extra revenue to the Group.

As at 9 March 2016, HNA Group was a substantial shareholder (as defined in the Listing Rules) of the Company, and a connected person of the Company. HNA Travel was a subsidiary of HNA Group, thus was an associate of HNA Group. Pursuant to the Listing Rules, therefore, the above transaction constituted a continuing connected transaction of the Company.

Details of the transaction were disclosed in the announcement of the Company dated 9 March 2016 in accordance with Chapter 14A of the Listing Rules.

The above continuing connected transaction has been reviewed by the Independent Non-executive Directors of the Company who have confirmed that the transaction has been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transaction. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transaction disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

上述交易能為本集團帶來額外收益。

於二零一六年三月九日，海航集團為本公司之主要股東（定義見上市規則），並為本公司之關連人士。海航旅遊為海航集團的附屬公司，故為海航集團的聯繫人。因此，根據上市規則，上述交易構成本公司之持續關連交易。

交易詳情已根據上市規則第14A章披露於本公司日期為二零一六年三月九日之公告內。

上述持續關連交易已經本公司獨立非執行董事審閱，並確認交易乃：

- (1) 屬本集團日常及一般業務；
- (2) 按一般商務條款或更佳條款進行；及
- (3) 按規管該交易之有關協議條款進行，而交易條款屬公平合理，並符合本公司股東之整體利益。

本公司之核數師已獲委任報告本集團之持續關連交易。根據上市規則第14A.56條，核數師已就上述披露之持續關連交易之審查結果及結論出具無保留函件。本公司已向香港聯合交易所有限公司提交核數師函件之副本。

REPORT OF THE DIRECTORS

董事會報告書

2. On 15 August 2016, a subscription agreement and a management agreement were entered into among 海航實業發展(深圳)有限公司 (Haihang Shiye Fazhan (Shenzhen) Company Limited*) (“**Haihang Shiye**”), a wholly-owned subsidiary of the Company, with 海航投資控股有限公司 (HNA Investment Holdings Ltd.*) and 海南海投一號股權投資基金有限公司 (Hainan Yidai Yilu Equity Investment Fund Company Limited*) (the “**General Partner**”) in relation to (i) the purchase of 10% by Haihang Shiye of the limited partnership interest in 海南海投一號投資合夥企業(有限合夥) (Hainan Haitou Number 1 Investment Limited Partnership*) (the “**Limited Partnership**”); and (ii) the governance of the rights and obligations of the General Partner and each of the limited partners of the Limited Partnership.

Under the subscription agreement and the management agreement:

- (1) Haihang Shiye has agreed to make a capital commitment to the Limited Partnership of up to US\$20,000,000 (approximately HK\$155,200,000);
- (2) The Limited Partnership would be engaged in property investments and/or property development projects. As at the date of 15 August 2016, according to the General Partner, the Limited Partnership was currently exploring a property development opportunity in the United States with an affiliate of Tishman Speyer, a global real estate development and operating company; and

2. 於二零一六年八月十五日，本公司之全資附屬公司海航實業發展(深圳)有限公司(「**海航實業**」)與海航投資控股有限公司及海南一帶一路股權投資基金有限公司(「**普通合夥人**」)訂立認購協議及管理協議，內容有關(i)海航實業購買海南海投一號投資合夥企業(有限合夥)(「**有限合夥企業**」)之10%有限合夥企業權益；及(ii)規管普通合夥人以及有限合夥企業之各有限合夥人之權利及責任。

根據認購協議及管理協議：

- (1) 海航實業已同意向有限合夥企業作出高達20,000,000美元(約港幣155,200,000元)之資本承擔；
- (2) 有限合夥企業將從物業投資及／或物業開發項目。於二零一六年八月十五日，據普通合夥人告知，有限合夥企業目前在美國與鐵獅門(一間全球房地產開發及經營公司)的聯屬公司共同尋求物業開發機會；及

(3) After settling the costs, expenses and tax incurred by the Limited Partnership, the balance of the revenue of the Limited Partnership should be distributed firstly to Haihang Shiye and then to the General Partner and the Limited Partner in proportion to their respective contributed capital in the Limited Partnership, unless otherwise provided under the subscription agreement, the management agreement, the limited partnership agreement⁽ⁱ⁾ or any other agreement among the Limited Partnership, Limited Partner, General Partner and Haihang Shiye.

Note:

(i) the limited partnership agreement dated 7 April 2016 was entered into between the General Partner as a general partner of the Limited Partnership, and the Limited Partner as a limited partner of the Limited Partnership for the purpose of the establishment of the Limited Partnership.

Subscription of interest in the Limited Partnership is in line with the Group's intention to strengthen and expand its principal businesses. The investment in the Limited Partnership and entering into of the subscription agreement and the management agreement will provide the Group with an opportunity to develop and expand its business of property investment, management and development.

The General Partner was a wholly-owned subsidiary of the Limited Partner. As at 15 August 2016, the Limited Partner indirectly owned 100% of the total issued shares of Hong Kong HNA, being a controlling shareholder of the Company and holding approximately 57.11% of the total number of issued shares of the Company. Accordingly, each of the General Partner and the Limited Partner was a connected person of the Company pursuant to the Listing Rules and the entering into of each of the subscription agreement and the management agreement constituted a connected transaction of the Company.

(3) 在支付有限合夥企業產生之成本、開支及稅項後，有限合夥企業之收入結餘應按彼等各自於有限合夥企業之注資比例優先分派予海航實業，其次分派予普通合夥人及有限合夥人，惟認購協議、管理協議、有限合夥協議⁽ⁱ⁾或有限合夥企業、有限合夥人、普通合夥人及海航實業訂立之任何其他協議另行規定者除外。

附註：

(i) 普通合夥人（作為有限合夥企業之普通合夥人）與有限合夥人（作為有限合夥企業之有限合夥人）訂立之日期為二零一六年四月七日之有限合夥協議，以成立有限合夥企業。

認購有限合夥企業權益乃符合本集團加強及擴展其主要業務之意向。投資於有限合夥企業以及訂立認購協議及管理協議將為本集團提供機會發展及擴展其物業投資、管理及發展業務。

普通合夥人為有限合夥人之全資附屬公司。於二零一六年八月十五日，有限合夥人間接擁有香港海航（為本公司之控股股東及持有本公司已發行股份總數約57.11%）全部已發行股份之100%。因此，普通合夥人及有限合夥人根據上市規則各自為本公司之關連人士，且訂立認購協議及管理協議各自均構成本公司之關連交易。

REPORT OF THE DIRECTORS

董事會報告書

Details of the transaction were disclosed in the announcement of the Company dated 15 August 2016 in accordance with Chapter 14A of the Listing Rules.

3. On 17 August 2016, the Company and Leader Concept Investments Limited (“**Leader Concept**”) entered into a sale and purchase agreement whereby the Company would dispose 100% of the issued share capital of South China Digital TV Holdings Limited (“**SC Digital TV**”) to Leader Concepts at a consideration for the sale share in SC Digital TV of HK\$1 and that Leader Concept would procure SC Digital TV and its subsidiaries as at completion to repay the shareholder loan of HK\$950 million due from and owing by members of SC Digital TV and its subsidiaries as at completion to members of the Group.

As disclosed in the annual report of the Group for the year ended 31 December 2015, the Group’s DTV business (i.e. the digital television technical solution and related business) had been discontinued and no longer generates any operating income. The Group’s DTV Business was classified as “held-for-sale” as at 31 December 2015. It had always been the intention of the Group to dispose of the discontinued DTV business.

Leader Concept was ultimately controlled by HNA Group through nominees. HNA Group was interested in approximately 66.84% of the issued share capital of the Company and a substantial shareholder of the Company. Leader Concept was its associate and hence a connected person of the Company under the Listing Rules.

The above transaction was approved by the independent shareholders of the Company at the general meeting of the Company held on 3 October 2016, and was completed on 17 October 2016. Details of the transaction were disclosed in the announcement and circular of the Company dated 17 August 2016 and 15 September 2016 respectively in accordance with Chapter 14 and Chapter 14A of the Listing Rules.

有關交易之詳情已根據上市規則第14A章於本公司日期為二零一六年八月十五日之公告中披露。

3. 於二零一六年八月十七日，本公司及領意投資有限公司（「**領意投資**」）訂立買賣協議，據此，本公司將向領意投資出售華南數字電視集團有限公司（「**華南數字電視**」）之全部已發行股本，華南數字電視待售股份之代價為港幣1元，而領意投資將促使華南數字電視及其附屬公司於完成時償還華南數字電視之成員公司及其附屬公司於完成時應付及結欠本集團成員公司之股東貸款港幣950,000,000元。

如本集團截至二零一五年十二月三十一日止年度之年報所披露，本集團之數字電視業務（即數字電視技術方案及相關業務）已終止經營並不再產生任何營業收入。於二零一五年十二月三十一日，本集團之數字電視業務已分類為「持作出售」。本集團一直有意出售已終止經營之數字電視業務。

領意投資由海航集團通過代名人最終控制。海航集團擁有本公司已發行股本約66.84%的權益，並為本公司的主要股東。根據上市規則，領意投資為其聯繫人，因而為本公司的關連人士。

上述交易已於本公司在二零一六年十月三日舉行之股東大會上獲本公司之獨立股東批准，並已於二零一六年十月十七日完成。有關交易之詳情已根據上市規則第14章及第14A章分別於本公司日期為二零一六年八月十七日及二零一六年九月十五日之公告及通函中披露。

As regards the other transactions took place during the year as set out in Note 46(a) to the consolidated financial statements under the heading of “Related Party Transactions” are concerned, the transactions as set out were connected transactions which were exempt from any disclosure and shareholders’ approval requirements under the Listing Rules.

CORPORATE GOVERNANCE

The Company’s corporate governance practices are set out in the Corporate Governance Report on pages 27 to 57 of this annual report.

EVENT AFTER THE REPORTING DATE

There was no significant events occurring after the reporting date.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

就載列於綜合財務報表附註46(a)「關連人士交易」一節項下於年內進行之其他交易而言，載列之交易乃關連交易，惟該等交易獲豁免遵守上市規則項下任何披露及股東批准之規定。

企業管治

本公司之企業管治常規載於本年報第27頁至第57頁之企業管治報告內。

報告期後事項

報告期後概無發生重大事項。

核數師

本公司將於即將舉行之股東週年大會上提呈決議案，續聘德勤•關黃陳方會計師行為本公司之核數師。

By Order of the Board
Wang Shuang
Co-Chairman

承董事會命
聯席主席
Wang Shuang

Hong Kong, 20 March 2017

香港，二零一七年三月二十日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

TO THE MEMBERS OF HNA HOLDING GROUP CO. LIMITED

海航實業集團股份有限公司

(FORMERLY KNOWN AS HNA INTERNATIONAL INVESTMENT HOLDINGS LIMITED 海航國際投資集團有限公司)

(incorporated in Hong Kong with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of HNA Holding Group Co. Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 90 to 259, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 Hong Kong Companies Ordinance.

德勤

致海航實業集團股份有限公司列位股東

(前稱為海航國際投資集團有限公司 HNA INTERNATIONAL INVESTMENT HOLDINGS LIMITED)

(於香港註冊成立之有限公司)

保留意見

我們已審核列載於第90頁至第259頁海航實業集團股份有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)之綜合財務報表，該等綜合財務報表包括於二零一六年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和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)。

我們認為，除本報告「保留意見之基礎」一節所述事項之影響外，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈之《香港財務報告準則》(「**香港財務報告準則**」)真實而公平地反映 貴集團於二零一六年十二月三十一日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例妥為編製。



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BASIS FOR QUALIFIED OPINION

As described in Note 12 to the consolidated financial statements, the sales agreement entered into between the Group and Hong Kong Guang Hua Resources Investments Company Limited, an independent third party, in relation to the disposal of certain subsidiaries of the Group (collectively referred to as the “**DTV Disposal Group**”) lapsed on 30 June 2013. As at 31 December 2015, the directors of the Company were still seeking for a potential buyer for the disposal of the DTV Disposal Group and considered the disposal transaction remained highly probable, however, no formal sales agreement had been concluded as at 31 December 2015. The directors of the Company were of the view that the carrying amounts of the assets included in the DTV Disposal Group were measured in accordance with applicable HKFRSs taking into account of the potential disposal. During the year ended 31 December 2016, the Company entered into an agreement in relation to the disposal of the DTV Disposal Group with Leader Concept Investments Limited, a company which is ultimately controlled by HNA Group Co. Limited, the ultimate parent of the Company. The disposal was completed of during the year ended 31 December 2016.

In the absence of a formal sales agreement and an appropriate valuation as at 1 January 2015 and 31 December 2015, we were unable to obtain sufficient information to assess, as at 1 January 2015 and 31 December 2015, (i) whether the disposal of the DTV Disposal Group was highly probable and the classification of the DTV Disposal Group as held-for-sale in the consolidated financial statements was appropriate; and (ii) whether certain assets included in the DTV Disposal Group were measured in accordance with applicable HKFRSs. We were also unable to obtain sufficient information to assess whether the DTV Disposal Group in its entirety as at 1 January 2015 was measured at the lower of its net assets value and fair value less costs of disposal in accordance with HKFRS 5 “Non-current Assets Held-for-sale and Discontinued Operations” issued by the HKICPA as this could have an impact on the comparative figures reflected in the Group’s consolidated statement of profit or loss and other comprehensive income. There were no other satisfactory procedures that we could adopt to satisfy ourselves as to the recoverable amounts of certain assets included in the DTV Disposal Group as at 1 January 2015 and 31 December 2015, and whether the DTV Disposal Group in its entirety as at 1 January 2015 was measured at the lower of its net assets value and fair value less costs of disposal in accordance with HKFRS 5. Any adjustment to the carrying amounts may have a consequential significant effect on the net assets as at 1 January 2015 and 31 December 2015 and the consolidated financial performance of the Group for the years ended 31 December 2015 and 2016.

保留意見之基礎

誠如綜合財務報表附註12所述，貴集團與一名獨立第三方香港光華資源投資有限公司就出售貴集團若干附屬公司（統稱「**數字電視出售組別**」）簽訂之銷售協議於二零一三年六月三十日失效。於二零一五年十二月三十一日，貴公司董事仍在為出售數字電視出售組別尋找潛在買家，並認為出售交易仍非常有可能進行，然而，於二零一五年十二月三十一日，並無締結任何正式銷售協議。貴公司董事認為，數字電視出售組別包括之資產賬面值乃考慮潛在出售事項後根據適用之香港財務報告準則計量。於截至二零一六年十二月三十一日止年度，貴公司與領意投資有限公司（一間由本公司之最終母公司海航集團有限公司最終控制之公司）訂立一項協議，內容有關出售數字電視出售組別。出售事項已於截至二零一六年十二月三十一日止年度完成。

由於二零一五年一月一日及二零一五年十二月三十一日並無訂立正式銷售協議及進行適當估值，於二零一五年一月一日及二零一五年十二月三十一日，我們未能取得足夠資料評估，(i) 出售數字電視出售組別是否非常有可能進行及於綜合財務報表將數字電視出售組別分類為持作出售是否恰當；及(ii)數字電視出售組別包括之若干資產是否根據適用之香港財務報告準則計量。我們亦未能取得足夠資料評估數字電視出售組別整體於二零一五年一月一日是否根據香港會計師公會頒佈之香港財務報告準則第5號「持作出售之非流動資產及已終止業務」按其資產淨值及公允價值減出售成本（以較低者為準）計量，此乃由於這可能對貴集團之綜合損益及其他全面收益表內反映之比較數字造成影響。並無其他令人滿意之程序可供我們採用，以使我們信納於二零一五年一月一日及二零一五年十二月三十一日數字電視出售組別包括之若干資產之可回收金額，及於二零一五年一月一日數字電視出售組別整體是否根據香港財務報告準則第5號按其資產淨值及公允價值減出售成本（以較低者為準）計量。賬面值之任何調整均可能對於二零一五年一月一日及二零一五年十二月三十一日之資產淨值及貴集團於截至二零一五年及二零一六年十二月三十一日止年度之綜合財務表現產生相應顯著影響。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

The above matters caused us to issue a qualified opinion in respect of the consolidated financial statements for the year ended 31 December 2015.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

上述事項使我們就截至二零一五年十二月三十一日止年度之綜合財務報表發出保留意見。

我們已根據香港會計師公會頒佈之《香港審核準則》(「**香港審核準則**」) 進行審核。我們根據該等準則承擔之責任於本報告「核數師就審核綜合財務報表須承擔之責任」一節中進一步闡述。根據香港會計師公會之《專業會計師道德守則》(「**守則**」)，我們獨立於 貴集團，並已根據守則履行其他道德責任。我們相信，我們所獲得之審核憑證能充分及適當地為我們之保留意見提供基礎。

關鍵審核事項

根據我們之專業判斷，關鍵審核事項為該等對我們審核本期綜合財務報表最為重要之事項。該等事項為我們審核整體綜合財務報表及就此出具意見時進行處理，而我們並不會對該等事項提供獨立意見。除「保留意見之基礎」一節所述之事項外，我們已釐定下述事項為關鍵審核事項，並將於本報告描述有關事項。

Key audit matter**關鍵審核事項****How our audit addressed the key audit matter****我們之審核如何處理關鍵審核事項*****Impairment assessment in respect of the long-term assets of Hillview subgroup*****對峰景子集團長期資產進行之減值評估**

We identified the impairment assessment in respect of the long-term assets of Hillview subgroup as a key audit matter because Hillview subgroup incurred losses for the year, and this has increased the risk that the carrying amounts of the hotel and buildings and land use rights included in the Hillview subgroup may be impaired.

由於峰景子集團於年內產生虧損，從而導致包含於峰景子集團之酒店及樓宇以及土地使用權賬面值可能出現減值之風險增加，故我們將對峰景子集團長期資產進行之減值評估確定為一項關鍵審核事項。

As disclosed in Notes 16 and 17 to the consolidated financial statements, the carrying values of the hotel and buildings for golf business and land use right of the Hillview subgroup at 31 December 2016 are approximately HK\$235 million and HK\$1,101 million, respectively. The management assessed the recoverable amounts with reference to the valuations carried out by the independent qualified professional valuer. The recoverable amounts are dependent on inputs that involve the application of judgments including the estimation of adjustments on market land cost and construction cost.

誠如綜合財務報表附註16及17所披露，於二零一六年十二月三十一日，峰景子集團高爾夫球業務之酒店及樓宇以及土地使用權賬面值分別約為港幣235,000,000元及港幣1,101,000,000元。管理層經參考獨立合資格專業估值師進行之估值後評估可收回金額。可收回金額乃依賴涉及判斷應用之輸入數據，包括對市場土地成本及建築成本調整進行估計。

Management has concluded that there is no impairment in respect of the Hillview subgroup's hotel and buildings for golf business and land use right with reference to the independent external valuation.

管理層認為，經參考獨立外部估值後，峰景子集團高爾夫球業務之酒店及樓宇以及土地使用權並無出現減值。

Our procedures in relation to impairment assessment of long-term assets of Hillview subgroup included:

我們對峰景子集團長期資產進行減值評估之程序包括：

- Assessing the professional competence, capabilities and objectivity of the independent qualified professional valuer;
- 評估獨立合資格專業估值師之專業資歷、能力及客觀性；
- Enquiring with the independent qualified professional valuer about the valuation methodology used, assumptions and key data adopted; and
- 向獨立合資格專業估值師查詢所採用之估值方法、所採納之假設及關鍵數據；及
- Evaluating the reasonableness of the valuation methodology and key inputs adopted by the management and independent qualified professional valuer by comparing the inputs to market data.
- 透過將輸入數據與市場數據進行比較，評價有關管理層及獨立合資格專業估值師所採用之估值方法以及關鍵輸入數據是否合理。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

我們之審核如何處理關鍵審核事項

Valuation of investment properties

投資物業之估值

We identified valuation of investment properties as a key audit matter due to significance of the balance to the consolidated financial statements, combined with the fact that significant judgment is required by the management in determining the fair value.

由於投資物業的結餘對綜合財務報表屬重大，加上管理層須於釐定公允價值時作出重大判斷，故我們將投資物業之估值確定為一項關鍵審核事項。

As disclosed in Note 18 to the consolidated financial statements, during the year, the Group acquired a commercial building located in London, the United Kingdom and eight golf courses located in Washington State, the United States of America. The fair value of the investment properties amounted to approximately HK\$2,448 million as at 31 December 2016 with the gain in fair value changes of investment properties recorded in profit for the year of approximately HK\$7 million.

誠如綜合財務報表附註18所披露，年內，貴集團收購一項位於英國倫敦之商用樓宇及八座位於美利堅合眾國華盛頓州之高爾夫球場。於二零一六年十二月三十一日，投資物業之公允價值約為港幣2,448,000,000元，而計入年度溢利之投資物業之公允價值變動收益則約為港幣7,000,000元。

The investment properties are stated at fair value based on the valuations carried out by the independent qualified professional valuer. Details of the valuation technique and observable inputs are disclosed in Note 18 to the consolidated financial statements. The valuations of investment properties are dependent on certain inputs, including capitalisation rates and market rents.

投資物業根據獨立合資格專業估值師進行之估值按公允價值列賬。有關估值方法及可觀察輸入數據之詳情披露於綜合財務報表附註18。投資物業之估值乃依賴若干輸入數據，包括資本化比率及市場租金。

Our procedures in relation to valuation of investment properties included:

我們就處理投資物業估值之程序包括：

- Assessing the professional competence, capabilities and objectivity of the independent qualified professional valuer;
- 評估獨立合資格專業估值師之專業資歷、能力及客觀性；
- Obtaining an understanding from the independent qualified professional valuer about the calculation techniques used and the inputs, such as capitalisation rates and market rents, adopted in the valuation model and assess the appropriateness of these techniques and inputs;
- 向獨立合資格專業估值師了解所採用之計算方法及於估值模式中採納之輸入數據（如資本化比率及市場租金），並評估該等方法及輸入數據是否恰當；
- Comparing these inputs to market data and entity-specific historical information to assess the appropriateness of using these inputs in the valuation model; and
- 將該等輸入數據與市場數據及實體之特定過往資料進行比較，以評估於估值模式中使用該等輸入數據是否恰當；及
- Checking the inputs used in the valuation of the Group's investment properties, including rental income, tenancy schedules, capital expenditure details, acquisition cost schedules and square meter details to the respective underlying source documents on a sample basis.
- 將貴集團投資物業進行估值時所採用之輸入數據（包括租金收入、租期、資本開支詳情、收購成本進度及平方米詳情）與各自相關來源文件進行抽樣檢查。

Key audit matter**關鍵審核事項****How our audit addressed the key audit matter****我們之審核如何處理關鍵審核事項****Valuation of convertible bonds****可換股債券之估值**

We identified the valuation of convertible bonds as a key audit matter due to the fact that the valuation of the embedded derivative components of the convertible bonds involved a significant degree of both complexity and management judgment. 由於可換股債券之嵌入式衍生工具部分之估值涉及高度複雜性及管理層重大判斷，故我們將可換股債券之估值確定為一項關鍵審核事項。

As disclosed in Notes 4 and 32(b) to the consolidated financial statements, during the year, the Company issued convertible bonds in an aggregate principal amount of US\$52 million (equivalent to approximately HK\$405 million) with an option for the bondholders to convert the bonds into shares of the Company and an option for the Company to redeem the bonds by cash. The embedded derivative components of the convertible bonds are stated at fair value based on the valuation carried out by independent qualified professional valuer. Details of the major inputs used in the Binomial model for the valuation of the derivative components which involves several key inputs including stock price, conversion price, volatility, dividend yield, option life and risk-free rate are disclosed in Note 32(b) to the consolidated financial statements. As at 31 December 2016, the fair value of embedded derivative components of the convertible bonds is approximately HK\$56 million.

誠如綜合財務報表附註4及32(b)所披露，年內，貴公司發行本金總額為52,000,000美元（相等於約港幣405,000,000元）之可換股債券，並附有選擇權讓債券持有人可將債券轉換為貴公司之股份及讓貴公司可以現金贖回債券。可換股債券之嵌入式衍生工具部分根據獨立合資格專業估值師進行之估值按公允價值列賬。有關二項式模式在為衍生工具部分進行估值時採用之主要輸入數據之詳情於綜合財務報表附註32(b)中披露，有關估值涉及若干關鍵輸入數據，包括股價、換股價、波幅、股息率、選擇權年期及無風險率。於二零一六年十二月三十一日，可換股債券之嵌入式衍生工具部分之公允價值約為港幣56,000,000元。

Our procedures in relation to valuation of convertible bonds included:

我們就處理可換股債券估值之程序包括：

- Inspecting the agreement related to the issuance of the convertible bonds, and identifying the key terms which may affect the valuation of convertible bonds;
- 檢查有關發行可換股債券之協議，並識別可能影響可換股債券估值之主要條款；
- Assessing the professional competence, capabilities and objectivity of the independent qualified professional valuer;
- 評估獨立合資格專業估值師之專業資歷、能力及客觀性；
- Discussing with the independent qualified professional valuer about the valuation methodology used, assumptions and key data adopted;
- 與獨立合資格專業估值師商討所採用之估值方法、所採納之假設及關鍵數據；
- Evaluating the appropriateness of the valuation methodology; and
- 評價有關估值方法是否恰當；及
- Evaluating the reasonableness of major inputs used by the independent qualified professional valuer by comparing the inputs to entity-specific information and market data.
- 透過將輸入數據與實體之特定資料及市場數據進行比較，評價獨立合資格專業估值師所採用之主要輸入數據是否合理。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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 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.

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載之資料，惟不包括綜合財務報表及我們就此發出之核數師報告。

我們對綜合財務報表之意見並不涵蓋其他資料，我們亦不會就此發表任何形式之鑒證結論。

就我們審核綜合財務報表而言，我們之責任為閱讀其他資料，從而在過程中考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉之資料存在重大不符，或似乎因其他理由而存在重大錯誤陳述。倘基於我們已執行之工作，我們認為該等其他資料存在重大錯誤陳述，則我們須報告該事實。在這方面，我們並無任何報告。

董事及管治層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例編製綜合財務報表，以令綜合財務報表作出真實而公平之反映，及落實董事認為編製綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營之能力，並披露（如適用）與持續經營有關之事項，除非董事有意將貴集團清盤或停止營運，或除此之外並無其他實際可行之辦法，否則須採用以持續經營為基礎之會計法。

管治層負責監督貴集團之財務報告過程。

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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 skepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承擔之責任

我們之目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並按照香港公司條例第405條僅向整體股東發出載有我們意見之核數師報告，除此之外本報告別無其他目的。我們並不會就本報告之內容向任何其他人士負責或承擔責任。合理保證屬高水平之保證，但概不保證根據香港審核準則進行之審核工作在重大錯誤陳述存在時總能發現。錯誤陳述可源自欺詐或錯誤，倘有關錯誤陳述（個別或整體）在合理預期之情況下可影響使用者根據該等綜合財務報表作出之經濟決定，則被視為重大。

作為根據香港審核準則進行審核之一部分，我們在整個審核過程中運用專業判斷及抱持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致存在重大錯誤陳述之風險，因應該等風險設計及執行審核程序，以及獲得充足及適當之審核憑證，為我們之意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部監控，因此未能發現由於欺詐而導致存在重大錯誤陳述之風險較未能發現由於錯誤而導致存在重大錯誤陳述之風險為高。
- 了解與審核相關之內部監控，以設計適當之審核程序，但並非為對貴集團內部監控之有效性發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 評價所採用之會計政策是否恰當，以及董事所作出之會計估計及有關披露資料是否合理。
- 總結董事採用以持續經營為基礎之會計法是否恰當，並根據已獲取之審核憑證，總結是否存在與可能對貴集團持續經營之能力構成重大疑問之事件或情況有關之重大不確定因素。倘我們認為存在重大不確定因素，則我們須在核數師報告中提請注意綜合財務報表內之相關披露，或倘有關披露不足，則修訂我們之意見。我們之結論乃基於截至核數師報告日期所獲取之審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評價綜合財務報表（包括披露資料）之整體呈報、結構及內容，以及綜合財務報表是否按中肯呈報之方式反映相關交易及事件。
- 就貴集團內各實體或業務活動之財務資料獲取充足適當之審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團審核工作。我們僅為我們之審核意見承擔全部責任。

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.

我們就（其中包括）審核工作之計劃範圍及時間以及重大審核發現（包括我們在審核過程中識別出內部監控之任何重大缺失）與管治層進行溝通。

我們亦向管治層作出聲明，說明我們已遵守有關獨立性之相關道德要求，並就可能被合理認為影響我們獨立性之所有關係及其他事項以及（如適用）相關防範措施與彼等進行溝通。

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 the independent auditor's report is Yu Kin Man.

從與管治層溝通之事項中，我們釐定該等對審核本期間之綜合財務報表最為重要之事項，有關事項因而構成關鍵審核事項。除非法律或法規不允許公開披露有關事項，或在極其罕有之情況下，我們認為披露有關事項之不良後果將可能合理預期超過公眾知悉該事項之利益而不應在報告中予以披露，否則我們會在核數師報告中描述該等事項。

出具本獨立核數師報告之審核項目合夥人為俞堅民。

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

20 March 2017

德勤 • 關黃陳方會計師行

執業會計師

香港

二零一七年三月二十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		NOTES 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Continuing operations				
Revenue	持續經營業務 收益	5	182,546	162,006
Cost of sales	銷售成本		(123,029)	(131,223)
Gross profit	毛利		59,517	30,783
Other income	其他收入	7	21,422	62,465
Other expenses	其他開支		(73)	(14,530)
Other gains and losses	其他收益及虧損	8	142,224	103,780
Selling and distribution costs	銷售及分銷費用		(6,152)	(6,906)
Administrative expenses	行政開支		(124,815)	(72,939)
Finance costs	融資成本	9	(113,071)	(133,530)
Loss before tax	除稅前虧損		(20,948)	(30,877)
Income tax credit	所得稅抵免	10	2,003	1,305
Loss for the year from continuing operations	持續經營業務之年度虧損	11	(18,945)	(29,572)
Discontinued operations				
Loss for the year from discontinued operations	已終止業務 已終止業務之 年度虧損	12	(40,895)	(206,029)
Loss for the year	年度虧損		(59,840)	(235,601)
Other comprehensive expense				
Items that will not be reclassified to profit or loss:	其他全面開支 將不會重新分類至 損益之項目：			
Exchange differences arising on translation of financial statements from functional currency to presentation currency	換算財務報表功能貨幣 為呈報貨幣產生之 匯兌差額		(157,711)	(169,580)
Total comprehensive expense for the year	年度全面開支總額		(217,551)	(405,181)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		NOTE 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損			
– from continuing operations	– 持續經營業務		(8,322)	(29,288)
– from discontinued operations	– 已終止業務		(13,580)	(184,522)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損		(21,902)	(213,810)
Loss for the year attributable to non-controlling interests	非控股權益應佔年度虧損			
– from continuing operations	– 持續經營業務		(10,623)	(284)
– from discontinued operations	– 已終止業務		(27,315)	(21,507)
Loss for the year attributable to non-controlling interests	非控股權益應佔年度虧損		(37,938)	(21,791)
			(59,840)	(235,601)
Total comprehensive expense attributable to:	以下人士應佔全面開支總額：			
Owners of the Company	本公司擁有人		(152,169)	(361,982)
Non-controlling interests	非控股權益		(65,382)	(43,199)
			(217,551)	(405,181)
LOSS PER SHARE	每股虧損			
Basic (HK cents)	基本 (港仙)	15	(0.19)	(4.28)
Diluted (HK cents)	攤薄 (港仙)		(0.40)	(4.28)
From continuing operations	持續經營業務			
Basic (HK cents)	基本 (港仙)		(0.07)	(0.59)
Diluted (HK cents)	攤薄 (港仙)		(0.28)	(0.59)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		NOTES	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	260,655	331,866
Land use rights	土地使用權	17	1,059,477	1,178,104
Investment properties	投資物業	18	2,447,621	–
Intangible assets	無形資產	19	–	171
Available-for-sale investments	可供出售投資	20	155,000	847
Club debentures	會所債券		700	700
Amounts due from related companies	應收關連公司款項	21	2,500	427,528
			3,925,953	1,939,216
Current assets	流動資產			
Land use rights	土地使用權	17	41,548	44,457
Amounts due from related companies	應收關連公司款項	21	908,065	121,456
Inventories	存貨	22	6,916	7,732
Trade receivables	應收貿易賬項	23	27,040	104,575
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	24	11,188	224,500
Amounts due from customers for contract work	應收客戶合約工程款項	26	–	88,415
Tax recoverable	可收回稅項		–	4,957
Pledged bank deposits	已抵押銀行存款	27	27,890	3,220
Bank balances and cash	銀行結存及現金	28	1,085,447	2,844,905
			2,108,094	3,444,217
Assets associated with disposal groups classified as held-for-sale	分類為持作出售之出售組別之相關資產	12	387,075	1,045,743
			2,495,169	4,489,960

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
	NOTES 附註			
Current liabilities		流動負債		
Trade and bills payables	29	應付貿易賬項及應付票據	7,021	53,550
Other payables, deposits received, receipt in advance and accruals		其他應付款項、已收 按金、預收款項及 應付項目	107,952	203,884
Borrowings – due within one year	31	借款 – 一年內到期	54,598	201,616
Amounts due to related companies	21	應付關連公司款項	7,475	91
Convertible bonds and related payables		可換股債券及 相關應付款項	–	187,836
Embedded derivative components of convertible bonds		可換股債券之嵌入式 衍生工具部分	–	11,996
Tax liabilities		稅項負債	13,704	17,429
Financial guarantee liabilities	42	財務擔保負債	–	6,255
Deferred revenue	33	遞延收益	49,489	34,349
Obligations under finance leases		融資租賃承擔	565	266
			240,804	717,272
Liabilities associated with disposal groups classified as held-for-sale	12	分類為持作出售之 出售組別之相關負債	396,961	204,024
			637,765	921,296
Net current assets		流動資產淨值	1,857,404	3,568,664
Total assets less current liabilities		總資產減流動負債	5,783,357	5,507,880

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		NOTES 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Non-current liabilities	非流動負債			
Deferred revenue	遞延收益	33	193,909	232,663
Borrowings – due after one year	借款 – 一年後到期	31	1,230,986	518,066
Convertible bonds	可換股債券	32	324,421	–
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	32	56,167	–
Promissory note	承兌票據	36	–	543,773
Deferred tax liabilities	遞延稅項負債	37	237,406	256,074
Obligations under finance leases	融資租賃承擔		1,706	991
			2,044,595	1,551,567
Net assets	資產淨值		3,738,762	3,956,313
Capital and reserves	股本及儲備			
Share capital	股本	34	4,731,480	4,731,480
Reserves	儲備		(1,329,029)	(1,249,179)
Amounts recognised in other comprehensive income and accumulated in equity relating to disposal group classified as held-for-sale	分類為持作出售之出售組別於其他全面收益確認及於權益累計之相關金額	12	(42,240)	30,079
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,360,211	3,512,380
Non-controlling interests	非控股權益		378,551	443,933
Total equity	總權益		3,738,762	3,956,313

The consolidated financial statements on pages 90 to 259 were approved and authorised for issue by the Board of Directors on 20 March 2017 and are signed on its behalf by:

第90頁至第259頁之綜合財務報表已於二零一七年三月二十日獲董事會批准及授權刊發，並由下列董事代為簽署：

Wang Shuang

DIRECTOR

董事

Xu Haohao

徐昊昊

DIRECTOR

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Attributable to owners of the Company
本公司擁有人應佔

		Share capital	Other reserves	Translation reserve	Capital reserve	Share option reserve	Accumulated losses	Amounts recognised in other comprehensive income and accumulated in equity relating to disposal group classified as held-for-sale	Sub-total	Attributable to non-controlling interests	Total
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Note a) (附註a)	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note b) (附註b)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note 12) (附註12)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2015	於二零一五年一月一日	1,834,488	360	93,017	222,248	26,021	(1,205,473)	12,518	983,179	487,132	1,470,311
Loss for the year	年度虧損	-	-	-	-	-	(213,810)	-	(213,810)	(21,791)	(235,601)
Exchange difference arising during the year	年內產生之匯兌差額	-	-	(165,733)	-	-	-	17,561	(148,172)	(21,408)	(169,580)
Total comprehensive expense for the year	年度全面開支總額	-	-	(165,733)	-	-	(213,810)	17,561	(361,982)	(43,199)	(405,181)
Exercise of share options	行使購股權	17,085	-	-	-	(5,809)	-	-	11,276	-	11,276
Rights issue	供股	2,755,542	-	-	-	-	-	-	2,755,542	-	2,755,542
Shares issued (Note 34)	已發行之股份 (附註34)	132,220	-	-	-	-	-	-	132,220	-	132,220
Transaction costs attributable to issue of shares	發行股份應佔交易成本	(7,855)	-	-	-	-	-	-	(7,855)	-	(7,855)
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	4,731,480	360	(72,716)	222,248	20,212	(1,419,283)	30,079	3,512,380	443,933	3,956,313
Loss for the year	年度虧損	-	-	-	-	-	(21,902)	-	(21,902)	(37,938)	(59,840)
Exchange difference arising during the year	年內產生之匯兌差額	-	-	(114,356)	-	-	-	(15,911)	(130,267)	(27,444)	(157,711)
Total comprehensive expense for the year	年度全面開支總額	-	-	(114,356)	-	-	(21,902)	(15,911)	(152,169)	(65,382)	(217,551)
Release of reserves upon disposal of subsidiaries (Note 38)	於出售附屬公司後解除儲備 (附註38)	-	-	(26,425)	-	-	52,425	(26,000)	-	-	-
Transfer of reserves relating to disposal groups classified as held-for-sale	轉撥有關分類為持作出售之出售組別儲備	-	(360)	30,768	-	-	-	(30,408)	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	4,731,480	-	(182,729)	222,248	20,212	(1,388,760)	(42,240)	3,360,211	378,551	3,738,762

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

- Note: a. Other reserves represent the aggregate amounts of surplus reserve fund and enterprise development fund.
- Certain subsidiaries operating in the People's Republic of China (the "PRC") are required to transfer 5% of the profit after tax (as determined in accordance with PRC generally accepted accounting principles) to the surplus reserve fund until the fund balance reaches 50% of the registered capital of those subsidiaries thereafter any further appropriation is optional and is determinable by the companies' boards of directors. The reserve fund can be used to offset accumulated losses, expand the existing operations or convert into additional capital of the subsidiaries. No such transfer was made during both years.
- These subsidiaries are also required to transfer 5% of the profit after tax (as determined in accordance with PRC generally accepted accounting principles) to the enterprise development fund. The fund can only be used for development of the enterprise and is not available for distribution to shareholders. No such transfer was made during both years.
- b. Capital reserve represent the excess amount of the fair value of identifiable net assets acquired in an acquisition of subsidiaries in 2014 over the fair value of consideration transferred and non-controlling interest is considered as deemed capital contribution from HNA Group (as defined in Note 1) and is credited to capital reserve. The vendor of the acquisition transaction is controlled by HNA Group.
- 附註：a. 其他儲備指盈餘公積金及企業發展儲備金之總額。
- 若干於中華人民共和國（「中國」）營運之附屬公司須將除稅後溢利5%（按照中國公認會計準則釐定）轉撥至盈餘公積金，直至公積金結餘達到該等附屬公司註冊資本之50%，其後任何進一步撥款則屬自願性質，並由公司董事會釐定。公積金可用作抵銷累計虧損、擴充現有之業務或轉換為附屬公司之額外資本。於兩個年度內並無進行有關轉撥。
- 該等附屬公司亦須將除稅後溢利5%（按照中國公認會計原則釐定）轉撥至企業發展儲備金。該儲備金只可用於企業發展而不可向股東分派。於兩個年度內並無進行有關轉撥。
- b. 資本儲備乃指於二零一四年收購附屬公司時所收購可識別資產淨值之公允價值減已轉讓代價之公允價值所超出之差額以及非控股權益被視為來自海航集團（定義見附註1）之視作注資，並計入資本儲備。收購交易之賣方為受海航集團控制之公司。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	NOTE 附註	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
OPERATING ACTIVITIES			
Loss for the year		(59,840)	(235,601)
Adjustments for:			
Impairment loss recognised on prepayment and other receivables		-	5,715
Depreciation of property, plant and equipment		94,373	118,009
Income tax credit		(2,003)	(1,305)
Amortisation of financial guarantee contracts		(8,491)	(1,366)
Loss on financial guarantee contracts		12,061	3,933
Interest on convertible bonds		54,179	40,678
Interest on bank borrowings		54,714	59,582
Interest on other borrowings		13,435	52,192
Interest expenses on obligations under finance leases		69	30
Amortisation of intangible assets		16,442	22,002
Amortisation of land use rights		43,466	60,452
Impairment loss recognised in respect of trade receivables		21,515	12,269
Impairment loss recognised in respect of amounts due from customers for contract work		48,077	18,815
Gain on fair value change of the derivative components of convertible bonds		(61,191)	(24,726)
Loss on disposal of property, plant and equipment		717	129
Gain on disposal of subsidiaries	38	(128,256)	-
Interest income		(18,422)	(54,734)
(Gain) Loss in fair value change of the investment properties		(8,186)	8,548
Gain on derecognition of the derivative components of convertible bonds		(11,996)	-
Unrealised exchange gain		(67,377)	(69,478)
Operating cash flows before movements in working capital		(6,714)	15,144
(Increase) decrease in inventories		(776)	7,690
Increase in trade receivables		(3,073)	(8,566)
Decrease (increase) in prepayments, deposits and other receivables		11,058	(17,812)
(Increase) decrease in amounts due from customers for contract work		(63,046)	55,541
Increase in other payables, deposits received, receipt in advance and accruals		60,061	12,282
Decrease in deferred revenue		(6,427)	(34,968)
Increase (decrease) in trade and bills payables		57,556	(72,963)
Cash from (used in) operations		48,639	(43,652)
Interest paid		(144,511)	(56,101)
PRC Income Tax paid		(512)	(1,086)
NET CASH USED IN OPERATING ACTIVITIES		(96,384)	(100,839)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the 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 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
	NOTES 附註		
INVESTING ACTIVITIES			
投資活動			
Purchase of property, plant and equipment		(5,737)	(13,192)
Purchase of intangible assets		(2,544)	-
Acquisition of investment properties		(2,537,809)	-
Purchase of available-for-sale investment		(155,000)	-
Placement of pledged bank deposits and restricted bank deposits		(38,402)	(246)
Withdrawal of pledged bank deposits		2,552	4,030
Repayment from Guangzhou HNA Asset Management (defined in Note 21)		-	144,220
Advance to related companies		(7,824)	-
Repayments from other related companies		1,721	24,026
Proceeds from disposal of property, plant and equipment		24	634
Net cash inflow from disposal of subsidiaries		49,527	-
Deposits received from purchaser relating to disposal of Intelligent Information Business	38	39,046	-
Interest received	12(b)	6,981	1,293
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得之現金淨額	(2,647,465)	160,765
FINANCING ACTIVITIES			
融資活動			
New bank loans raised		1,119,881	431,021
Advance from an independent third party		76,327	70,257
Repayment to an independent third party		(70,257)	-
Repayments of bank loans		(418,055)	(447,913)
Repayments of promissory note		-	(116,296)
Repayments to a related company		-	(9,519)
Repayment of principal on convertible bonds		(116,489)	-
Repayment of obligations under finance leases		(394)	(150)
Proceeds from issue of new convertible bonds		404,560	-
Proceeds from issue of share capital		-	2,847,799
Expenses on issue of shares		-	(7,855)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得之現金淨額	995,573	2,767,344

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the 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 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目(減少)增加淨額	(1,748,276)	2,827,270
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值項目	2,850,966	31,174
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	(11,489)	(7,478)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等值項目	1,091,201	2,850,966
Represent by:	即：		
Bank balances and cash	銀行結存及現金	1,085,447	2,844,905
Cash and cash equivalents included in a disposal group held-for-sale	已計入持作出售之出售組別之現金及現金等值項目	5,754	6,061
		1,091,201	2,850,966

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Hong Kong HNA Holding Group Co. Limited (“**Hong Kong HNA**”), a company incorporated in Hong Kong with limited liability, is the immediate parent of the Company. HNA Group Co., Ltd. (“**HNA Group**”), a company registered in the PRC, is the ultimate parent of the Company. The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of the Company’s annual report.

Pursuant to a special resolution passed on 17 June 2016, the Company changed the name from HNA International Investment Holdings Limited (海航國際投資集團有限公司) to HNA Holding Group Co. Limited (海航實業集團股份有限公司).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 47.

The functional currency of the Company is Renminbi (“**RMB**”), as the Company mainly holds investments in subsidiaries whose operations are primarily in the PRC.

As the Company is listed in the Stock Exchange, for the convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong dollars (“**HK\$**”), which are the presentation currency for the consolidated financial statements.

1. 一般事項

本公司乃於香港註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。香港海航實業集團有限公司（「香港海航」，於香港註冊成立之有限公司）乃本公司之直接母公司。海航集團有限公司（「海航集團」，於中國註冊之公司）乃本公司之最終母公司。本公司之註冊辦事處及主要營業地點之地址於本公司年報「公司資料」一節披露。

根據於二零一六年六月十七日通過之特別決議案，本公司之名稱由海航國際投資集團有限公司(HNA International Investment Holdings Limited)更改為海航實業集團股份有限公司(HNA Holding Group Co. Limited)。

本公司為一間投資控股公司。其附屬公司之主要業務載於附註47。

由於本公司主要持有附屬公司之投資，而該等附屬公司主要於中國經營業務，因此本公司之功能貨幣為人民幣（「人民幣」）。

由於本公司於聯交所上市，為方便財務報表之使用者，本集團之業績及財務狀況以港幣（「港幣」）呈列，即綜合財務報表之呈報貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle

Except as described below, the application of these amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本

於本年度強制生效之香港財務報告準則之修訂本

本集團於本年度首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂本：

香港財務報告準則第11號之修訂本	收購共同營運權益之會計處理
香港會計準則第1號之修訂本	主動披露
香港會計準則第16號及香港會計準則第38號之修訂本	有關折舊與攤銷之可接受方法之闡明
香港會計準則第16號及香港會計準則第41號之修訂本	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂本	投資實體：應用綜合豁免
香港財務報告準則之修訂本	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

除下述者外，本年度應用該等香港財務報告準則之修訂本對本集團於本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載之披露並無重大影響。

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Amendments to HKAS 1 Disclosure Initiative

The Group has applied the amendments to HKAS 1 *Disclosure Initiative* for the first time in the current year. The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The grouping and ordering of certain notes have been revised to give prominence to the areas of the Group's activities that the management considers to be most relevant to an understanding of the Group's financial performance and financial position. Specifically, information to financial instruments was reordered to Note 45. Other than the above changes, the application of the amendments to HKAS 1 has not resulted in any impact on the financial performance or financial position of the Group in these consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港會計準則第1號之修訂本主動披露

本集團已於本年度首次應用香港會計準則第1號之修訂本主動披露。香港會計準則第1號之修訂本釐清，倘該披露產生之資料並不重大，則實體毋須按香港財務報告準則之規定提供具體披露，並就披露匯總及分列資料作出指引。然而，該修訂本重申，倘在符合香港財務報告準則之具體要求下仍不足以令財務報表之使用者理解特定交易、事件及狀況對實體之財務狀況及財務表現之影響，則實體應考慮提供額外披露。

就財務報表之架構而言，該修訂本提供附註系統化排序或分組之例子。

若干附註之分組或排序已經修訂，以突出管理層認為與了解本集團財務表現及財務狀況最為相關之本集團業務領域。特別是，金融工具之資料已獲重新排序至附註45。除上述變動外，應用香港會計準則第1號之修訂本並無對本集團於該等綜合財務報表之財務表現或財務狀況造成任何影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unreleased Losses ⁴

- ¹ Effective for annual periods beginning on or after 1 January 2018.
- ² Effective for annual periods beginning on or after 1 January 2019.
- ³ Effective for annual periods to be determined.
- ⁴ Effective for annual periods beginning on or after 1 January 2017.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂本

本集團並無提前應用下列已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂本：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益及有關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號之修訂本	釐清及計量以股份為基礎之付款交易 ¹
香港財務報告準則第4號之修訂本	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間的資產銷售或投入 ³
香港會計準則第7號之修訂本	主動披露 ⁴
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產 ⁴

- ¹ 於二零一八年一月一日或之後開始之年度期間生效。
- ² 於二零一九年一月一日或之後開始之年度期間生效。
- ³ 生效年度期間有待決定。
- ⁴ 於二零一七年一月一日或之後開始之年度期間生效。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9 Financial Instruments

HKFRS 9 introduced new requirements for the classification and measurement of financial asset, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at “fair value through other comprehensive income” (“FVTOCI”). All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入金融資產及金融負債之分類及計量、一般對沖會計法及金融資產減值規定之新規定。

香港財務報告準則第9號與本集團相關之主要規定為：

- 香港財務報告準則第9號範圍內之所有已確認金融資產其後均須按攤銷成本或公允價值計量。特別是就以收取合約現金流量為目的之業務模式持有之債務投資，及純粹為支付本金及未償還本金之利息而擁有合約現金流量之債務投資，一般於其後會計期間結束時按攤銷成本計量。以同時收取合約現金流量及出售金融資產為目的之業務模式持有之債務工具，以及合約條款令於特定日期產生之現金流量純粹為支付本金及尚未償還本金之利息的債務工具，一般以「按公允價值計入其他全面收益」（「按公允價值計入其他全面收益」）之方式計量。所有其他債務投資及股權投資均於其後報告期末時按公允價值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，以於其他全面收益呈列股權投資（並非持作買賣者）公允價值之其後變動，一般只有股息收入於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 9 *Financial Instruments* (continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 December 2016, the Directors anticipate that the adoption of HKFRS 9 will affect the measurement and classification of the Group's available-for-sale investments which are currently measured at cost less impairment and will either be measured at fair value through profit or loss or be designated at FVTOCI (subject to fulfilment of the designation criteria). In addition, it may result in early recognition of credit losses which are not yet incurred based on the expected credit loss model in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第9號金融工具（續）

- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體在各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件後方可確認信貸虧損。

根據本集團於二零一六年十二月三十一日之金融工具及風險管理政策，董事預期採納香港財務報告準則第9號將對本集團可供出售投資之計量及分類產生影響，有關可供出售投資目前按成本減減值計算，並將會以按公允價值計入損益之方式計量或指定為按公允價值計入其他全面收益（視乎是否已符合指定標準）。此外，有關採納可能導致基於預期信貸虧損模式提早確認與本集團按攤銷成本計量之金融資產有關之未產生信貸虧損。然而，於完成詳細審閱之前提供合理評估並不切實可行。

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綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號頒佈制定一項單一全面模式供實體用作將自客戶合約所產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時載有香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋之收益確認指引。

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務而有權獲得之代價。具體而言，該準則引入確認收益之五個步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時（或就此）確認收益

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綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported as the timing of revenue recognition may be affected/and the amounts of revenue recognised are subject to variable consideration constraints, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第15號客戶合約收益（續）

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收益，即於特定履約責任相關的商品或服務之「控制權」轉讓予客戶之時。香港財務報告準則第15號已就特別情況的處理方法加入更明確之指引。此外，香港財務報告準則第15號要求更詳盡之披露。

於二零一六年，香港會計師公會就識別履約責任、主理人與代理人之考量及授權應用指引頒佈香港財務報告準則第15號之澄清。

董事預計，由於收益確認之時間可能受到影響／及已確認之收益金額受到可變代價之限制，並須作出更多有關收益之披露，故未來應用香港財務報告準則第15號或會對所呈報之金額產生影響。然而，在本集團進行詳細審閱之前，就香港財務報告準則第15號之影響提供合理估計並不切實可行。此外，未來應用香港財務報告準則第15號可能導致於綜合財務報表作出更多披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use. Upon the application of the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號於其生效時將取替香港會計準則第17號租賃及其有關詮釋。

香港財務報告準則第16號根據已識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低價值之租賃資產外，經營租賃及融資租賃之差異自承租人之會計法中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代。

使用權資產初步按成本計量，隨後按成本（若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債之任何重新計量予以調整。租賃負債初步按當日尚未支付之租賃付款之現值計量。隨後，租賃負債就（其中包括）利息及租賃付款以及租賃修改之影響予以調整。就現金流量之分類而言，本集團現時呈列先期預付租賃款項作為有關自用租賃土地之投資現金流量。於應用香港財務報告準則第16號時，有關租賃負債之租賃付款將分配至本金及利息部分，此將分別呈列為融資及經營現金流量。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

HKFRS 16 Leases (continued)

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$24,061,000 as disclosed in Note 40. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the Directors complete a detailed review.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第16號租賃（續）

根據香港會計準則第17號，本集團已就租賃土地之融資租賃安排及預付租賃款項（倘本集團為承租人）確認資產及有關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產分類出現潛在變動，視乎本集團是否分開呈列使用權資產或按將呈列相應有關資產（如擁有）之相同項目呈列而定。

相比承租人會計法而言，香港財務報告準則第16號大致上轉承香港會計準則第17號之出租人會計法規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求廣泛披露。

於二零一六年十二月三十一日，本集團之不可撤回經營租賃承擔為港幣24,061,000元（如附註40所披露）。初步評估顯示，該等安排將符合香港財務報告準則第16號項下之租賃定義，因此，本集團將就所有該等租賃確認使用權資產及相應負債，除非其於應用香港財務報告準則第16號時符合低價值或短期租賃之資格。此外，如上文所示，應用新規定或會導致計量、呈列及披露出現變動。然而，於董事完成詳細審閱前提供財務影響之合理估計並不切實可行。

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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Amendments to HKAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed; (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

The Directors anticipate that the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港會計準則第7號之修訂本主動披露

該等修訂本規定實體作出披露，讓財務報表使用者能夠評估融資活動所產生之負債變動，包括現金流量所引致之變動及非現金變動。尤其是，該等修訂本規定披露以下因融資活動而產生之負債變動：(i)來自融資現金流量之變動；(ii)因取得或失去對附屬公司或其他業務之控制權而產生之變動；(iii)外幣匯率變動之影響；(iv)公允價值之變動；及(v)其他變動。

該等修訂本未來適用於在二零一七年一月一日或之後開始之年度期間，並允許提早應用。應用該等修訂本將導致有關本集團融資活動之額外披露，尤其是於應用時將就融資活動所產生之負債於綜合財務狀況表提供期初及期末結餘之對賬。

董事預期應用其他新訂香港財務報告準則及香港財務報告準則之修訂本將不會對本集團之業績及財務狀況造成重大影響。

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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Lease*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. 重要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「**上市規則**」）及香港公司條例規定之適用披露。

綜合財務報表乃根據歷史成本編製，惟投資物業及金融工具則按於各報告期末時之公允價值計量，詳情於下文所載之會計政策闡述。歷史成本一般按交換貨品及服務之所付代價之公允價值計算。

公允價值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值方法估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公允價值時會考慮該等特點。非金融資產之公允價值計量經計及市場參與者可從使用該資產得到的最高及最佳效用，或透過把該資產售予另一可從使用該資產得到最高及最佳效用的市場參與者產生經濟利益。

此等綜合財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份為基礎之付款範圍內的以股份為基礎之付款交易、屬於香港會計準則第17號租賃範圍內的租賃交易，以及與公允價值存在若干相似之處但並非公允價值之計量，譬如香港會計準則第2號存貨內的可變現淨額或香港會計準則第36號資產減值的使用價值除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. 重要會計政策 (續)

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級別、第二級別或第三級別，詳情如下：

- 第一級別輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級別輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級別輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control or until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 重要會計政策 (續)

綜合基準

綜合財務報表包括本公司及本公司控制之實體及其附屬公司之財務報表。當本公司符合以下所列者時，即獲得控制權：

- 有權控制投資公司；
- 自參與投資公司獲得或有權獲得可變回報；及
- 有能力藉其權力影響其回報。

倘有事實及情況顯示上述控制權三個要素中的一個或多個要素發生變動，本集團會重新評估是否對投資公司擁有控制權。

綜合附屬公司於本集團取得附屬公司之控制權時開始，並於本集團失去附屬公司之控制權時終止。尤其是，於年內收購或出售附屬公司之收入及開支，會由本集團取得控制權之日期或直至本集團失去附屬公司之控制權當日止計入綜合損益及其他全面收益表。

損益及其他全面收益之各個項目會分配予本公司擁有人及非控股權益。附屬公司之全面收入總額會分配予本公司擁有人及非控股權益，即使此舉將導致非控股權益有虧損結餘。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團之會計政策保持一致。

與本集團成員公司間之交易有關之所有集團內資產及負債、權益、收入、開支及現金流量均於綜合賬目時悉數對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity component and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 重要會計政策 (續)

綜合基準 (續)

本集團於現有附屬公司之所有權權益變動

本集團於現有附屬公司之所有權權益變動倘並無導致本集團失去對該等附屬公司之控制權，則入賬列為權益交易。本集團之相關權益部分（包括儲備）及非控股權益之賬面值會作調整，以反映彼等於附屬公司相對權益之變動。非控股權益於重新分配相關權益部分後予以調整之金額與已付或已收代價公允價值之間之任何差額直接於權益確認，並由本公司擁有人應佔。

倘本集團失去對附屬公司之控制權，則收益或虧損於損益中確認，且按(i)已收代價之公允價值與任何保留權益之公允價值之總和及(ii)本公司擁有人應佔附屬公司資產（包括商譽）及負債賬面值之差額計算。所有先前於其他全面收益確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬（即按適用香港財務報告準則之規定／許可條文重新分類至損益或轉撥至另一類權益）。於失去控制權當日，前附屬公司保留之任何投資之公允價值被視為根據香港會計準則第39號於其後入賬時被列作初步確認之公允價值，或（倘適用）初步確認投資於聯營公司或合營企業之成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value except that deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively.

Where the acquiree is a party to an operating lease arrangement of leasehold lands with terms that are favourable relative to market terms, the excess of the market price over the carrying amount of the leasehold land held by the acquiree at the time of acquisition represents the right to a favourable lease contract and is included as part of the Group's interests in land use rights.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain, except for the acquisition of business from an equity participant of the Company whereby the excess is accounted for as a deemed contribution from a shareholder and is recognised in equity.

3. 重要會計政策 (續)

業務合併

收購業務採用收購法入賬。業務合併之已轉讓代價按公允價值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原擁有人產生之負債及本集團於交換被收購方之控制權時發行之股權於收購日期之公允價值之總額。有關收購之費用通常於產生時確認於損益中。

於收購日期，所收購之可識別資產及所承擔之負債乃按公允價值確認，惟以下情況除外，遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別按香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量。

當被收購方為租賃土地之一份經營租賃安排的一名訂約方，條款相對市場條款而言為有利，則市場價格超過於收購時由被收購方持有之租賃土地之賬面值之金額代表其有權享受有利租賃合約，及以本集團於土地使用權之權益之一部分計入。

商譽是以已轉讓代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權之公允價值（如有）之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨額後，所超出之差額計值。倘經重新評估後，所收購之可識別資產與所承擔之負債之淨額高於已轉讓代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方權益之公允價值（如有）之總和，則差額即時於損益內確認為議價收購收益，惟向本公司一名權益參與者收購業務之差額列賬為來自股東之視作貢獻及於權益確認除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. 重要會計政策 (續)

業務合併 (續)

屬現時之擁有權權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值之非控股權益，可初步按公允價值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類的非控股權益乃按其公允價值計量。

先前持有之股權之價值變動於其他全面收益中確認及於收購日期之前於權益累計，而該價值變動於本集團獲得對被收購方之控制權時重新分類至損益。

商譽

收購業務所產生之商譽乃按收購業務日期（見上述會計政策）確立之成本值減累計減值虧損（如有）後列賬，並於綜合財務狀況表分開呈列。

就減值測試而言，商譽乃被分配到本集團各現金產生單位（或現金產生單位之組別），而有關單位或組別乃預期可從合併之協同效應中得益，為就內部管理目的而監察商譽之最低層面，且並不大於經營分部。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Non-current assets held-for-sale

Non-current assets and disposal group are classified as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude the non-current asset (or disposal group) from being classified as held-for-sale if the delay of the completion of sale is caused by events or circumstances beyond the Company's control and there is sufficient evidence that the Company remains committed to its plan to sell the non-current assets and disposal group.

3. 重要會計政策 (續)

商譽 (續)

已獲分配商譽之現金產生單位 (或現金產生單位之組別) 每年進行減值測試，或每當有跡象顯示單位可能出現減值時進行更頻繁之減值測試。就於某個報告期之收購事項所產生之商譽而言，已獲分配商譽之現金產生單位 (或現金產生單位之組別) 於該報告期末前進行減值測試。當現金產生單位之可收回金額少於其賬面值，則減值虧損首先撥作減低獲分配至單位之任何商譽之賬面值，然後再根據單位 (或現金產生單位之組別) 內每項資產之賬面值按比例分配至單位之其他資產。

出售相關現金產生單位時，商譽的應佔金額乃於釐定出售之盈虧金額時計入。

持作出售之非流動資產

倘非流動資產及出售組別之賬面值將主要通過銷售交易，而非通過持續使用而收回，則非流動資產及出售組別會歸類為持作出售。此條件僅於資產 (或出售組別) 可按其現況即時出售，出售條款僅屬出售該資產 (或出售組別) 之一般慣常條款，且極有可能出售時，方告達成。管理層須進行有關出售，而出售預期應可於分類日期起計一年內合資格確認為已完成出售。

事件或情況可能延長完成銷售的時間超過一年。倘出售因本公司控制範圍外之事件或情況而延遲完成，並有足夠證據證明本公司仍承擔出售非流動資產及出售組別之計劃，則延長完成銷售之所需期間不會妨礙非流動資產 (或出售組別) 被分類為持作出售。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Non-current assets held-for-sale (continued)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held-for-sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal group) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income

Service income is recognised when services are provided.

Revenue from golf club operations

The initial membership fee is amortised on a straight-line basis based on the remaining period to the expiry date of business license of the golf club of the Group and the unamortised initial membership fee is recognised as deferred revenue. The monthly membership fee and the service income related to the usage of golf club's facilities are recognised when services are provided.

3. 重要會計政策 (續)

持作出售之非流動資產 (續)

當本集團致力進行涉及失去附屬公司控制權之出售計劃時，假如符合上述條件，該附屬公司之全部資產及負債均會歸類為持作出售，而無論本集團是否將於出售後保留其於前附屬公司之非控股權益。

分類為持作出售之非流動資產（及出售組別）按其先前賬面值與公允價值減出售成本值兩者之較低者計量。

收益確認

收益乃按已收或應收代價之公允價值計量，代表於日常業務過程中出售貨品及提供服務之應收金額，扣除折扣及銷售相關稅項。

當收益金額能可靠地計量；當未來經濟利益有可能流入本集團及當本集團各項活動符合特定標準時（如下文所述）確認收益。

銷售貨品

來自銷售貨品之收益於貨品付運及其所有權轉移時確認。

服務收入

服務收入於提供服務時確認。

來自經營高爾夫球會之收益

入會費以直至本集團高爾夫球會營業執照到期日為止之餘下期間為基準按直線法攤銷，而尚未被攤銷之入會費則確認為遞延收益。會員月費及與使用高爾夫球會設施有關之服務收入於提供服務時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Revenue from hotel and leisure operations

Revenue from hotel and leisure operations comprising hotel accommodation, food and beverages are recognised when the services are rendered.

Investment income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Installation contracts

Where the outcome of a contract for the installation of network systems can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

3. 重要會計政策 (續)

收益確認 (續)

來自酒店及休閒業務之收益

來自酒店及休閒業務(包括酒店住宿、食物及飲料)之收益於提供服務時確認。

投資收入

利息收入乃參考尚未償還之本金額及以適用之實際利率按時間基準累計，有關利率為將金融資產於預計可使用年期的估計未來現金收入準確貼現成該資產於初步確認時之賬面淨值之比率。

投資股息收入於股東收取款項之權利確立時確認。

租金收入

本集團確認經營租賃收益之會計政策於下文有關租賃之會計政策內詳述。

安裝合約

倘能可靠地估計網絡系統安裝合約的成果，收益及成本會參照報告期末時的合約活動完成階段確認，一般會按工程進行至該日所產生的合約成本佔估計總成本的比例計算，惟此方法並不能代表完成階段。合約工程、索償及獎金的變動，會按與客戶協議之金額入賬。

倘不能可靠地估計合約之成果，則僅會將所產生而有可能收回之合約成本確認為合約收益。合約成本於產生期間支銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Installation contracts (continued)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received included in other payables, deposits received, receipt in advance and accruals. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade receivables.

Deferred revenue

Deferred revenue at the end of each reporting period represents the unamortised portion of initial membership fees.

3. 重要會計政策 (續)

收益確認 (續)

安裝合約 (續)

當總合約成本有可能超過總合約收益時，預期虧損將即時支銷。

倘直至當日所產生之合約成本加已確認溢利減已確認虧損超逾進度付款，多出之數會被視為應收客戶合約工程款項。就進度付款超逾直至當日所產生之合約成本加已確認溢利減已確認虧損之合約而言，多出之數會被視為應付客戶合約工程款項。於進行有關工作前已收取之款項於綜合財務狀況表計作負債，列作已收墊款並計入其他應付款項、已收按金、預收款項及應付項目。若已進行工程並開發賬單但客戶尚未付款，有關金額乃列作綜合財務狀況表中的應收貿易賬項。

遞延收益

於各報告期末時之遞延收益指入會費尚未攤銷部分。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases), hotels and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 重要會計政策 (續)

投資物業

投資物業為持作賺取租金及／或資本升值之物業。

於初步確認時，投資物業按成本（包括任何直接應佔開支）計量。於初步確認後，投資物業採用公允價值模式按其公允價值計量。因投資物業之公允價值變動而產生之收益或虧損乃於其產生期間計入損益。

投資物業於出售後或當投資物業被永久停用或預期不會自其出售產生未來經濟利益時取消確認。因取消確認該資產而產生之任何收益或虧損（按該資產之出售所得款項淨額與賬面值間之差額計算）於取消確認該物業期間計入損益。

物業、廠房及設備

物業、廠房及設備（包括租賃土地（分類為融資租賃）、持作生產或供應貨品或服務或作行政之用的酒店及樓宇）乃按成本值扣除其後之累計折舊及累計減值虧損（如有）於綜合財務狀況表內列賬。

物業、廠房及設備項目扣除其估計可使用年期內之殘值按直線法攤銷成本，以作出折舊確認。估計可使用年期、殘值和折舊方法會在各報告期末時進行審閱，並預先就任何估計變動影響入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are obtained. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 重要會計政策 (續)

物業、廠房及設備 (續)

融資租賃項下所持資產按與自置資產相同基準於其預計可使用年期內折舊。然而，當擁有權未能在租賃期末前合理地確定獲得時，資產會以其租賃期及其可使用年期（以較短者為準）折舊。

物業、廠房及設備項目將於出售後或當預期持續使用該資產不會產生未來經濟利益時取消確認。因物業、廠房及設備項目出售或報廢而產生之任何收益或虧損，按出售所得款項與資產之賬面值之差額釐定，並於損益確認。

租賃

當租賃條款將所有權之絕大部分風險及報酬轉讓予承租人時，有關租賃將列為融資租賃。所有其他租賃則一概列為經營租賃。

本集團作為出租人

經營租賃之租金收入乃按相關租賃期以直線法於損益確認，惟另一種系統基準更能反映租賃資產取得經濟利益之時間模式除外。除根據公允價值模式計量之投資物業外，該等成本乃於租賃期以直線法確認為開支。於磋商及安排經營租賃時產生之初步直接成本計入租賃資產之賬面值。

本集團作為承租人

經營租賃付款以直線法於租賃期內確認為開支，惟另一種系統基準更能反映租賃資產消耗經濟利益之時間模式除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasing (continued)

Leasehold land

Interest in leasehold land held by DG Hillview (defined in Note 47) constitutes an operating lease arrangement under HKAS 17 *Leases*, the excess of the market price of such leasehold land at the time of acquisition of Hillview over its carrying amount represents the right to a favourable lease contract. The excess together with the carrying amount of the leasehold land are presented as “land use rights” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

Club debentures

Club debentures are stated at cost, less any identified impairment losses.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 重要會計政策 (續)

租賃 (續)

租賃土地

東莞峰景 (定義見附註47) 持有之租賃土地之權益構成香港會計準則第17號租賃下之經營租賃安排，有關租賃土地之市場價格於收購峰景時超過其賬面值之金額代表其有權享受有利租賃合約。超出金額連同租賃土地賬面值於綜合財務狀況表列作「土地使用權」及按直線法於租賃期內攤銷。當租賃付款不能可靠地分配至土地及樓宇，則整體租賃一般被分類為融資租賃。

會所債券

會所債券按成本減任何已識別減值虧損列賬。

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣 (外幣) 進行之交易均按交易日期之適用匯率換算為各自之功能貨幣 (即該實體經營所在主要經濟地區之貨幣) 記賬。於報告期末時，以外幣定值之貨幣項目均按該日之適用匯率重新換算。按公允價值列賬並以外幣定值之非貨幣項目乃按於公允價值釐定當日之適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the group entities including foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On disposal of a group entity that is a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to owners of the Company are reclassified to profit or loss. On the disposal of group entity that is not a foreign operation, the exchange differences accumulated in equity relating to the translation of assets and liabilities of that group entity into presentation currency of the Group are transferred to accumulated losses.

3. 重要會計政策 (續)

外幣 (續)

結算貨幣項目及重新換算貨幣項目產生之匯兌差額會於產生期間於損益中確認。重新換算按公允價值列賬之非貨幣項目產生的匯兌差額計入期內之損益，惟有關收益及虧損直接於其他全面收益確認之非貨幣項目重新換算產生之匯兌差額除外，在該情況下，匯兌差額亦直接於其他全面收益確認。

就呈列綜合財務報表而言，集團實體（包括海外業務）之資產及負債乃按報告期末時之適用匯率換算為本集團之呈列貨幣（即港幣）。收入及開支項目乃按該期間之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額（如有）乃於其他全面收益確認，並在匯兌儲備項下之權益中累計。

於出售屬海外業務之集團實體時，本公司擁有人應佔與該業務有關並於權益累計之匯兌差額乃重新分類至損益。於出售並非海外業務之集團實體時，與換算該集團實體之資產及負債為本集團之呈列貨幣有關並於權益累計之匯兌差額乃轉撥至累計虧損。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of translation reserve.

Borrowing costs

All borrowing costs incurred for non-qualifying assets are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 重要會計政策 (續)

外幣 (續)

於二零零五年一月一日或以後因收購海外業務所產生之被收購可識別資產之商譽及公允價值調整乃視作該海外業務之資產及負債，及按各報告期末時之適用匯率重新換算。所產生之匯兌差額在匯兌儲備項下之權益中確認。

借款成本

不合資格資產所產生之所有借款成本在產生期間於損益確認。

退休福利成本

國家管理退休福利計劃及強制性公積金計劃之款項乃於僱員已提供服務並可享有供款時確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 重要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃根據年內之應課稅溢利計算。應課稅溢利與於綜合損益及其他全面收益表內呈報之稅前溢利有所不同，原因在於應課稅溢利並不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括從來毋須課稅或不可扣稅之項目。本集團之現時稅項負債乃按報告期末前已實行或大致上已實行之稅率計算。

遞延稅項乃根據綜合財務報表內之資產及負債賬面值與計算應課稅溢利所採用相應稅基之暫時差額而確認。一般就所有應課稅暫時差額確認遞延稅項負債。一般就所有可扣減暫時差額確認遞延稅項資產，惟於應課稅溢利有可能用以抵銷可扣減暫時差額時予以確認。倘暫時差額因初步確認（業務合併除外）為一項不影響應課稅溢利或會計溢利之交易之其他資產及負債而產生，有關遞延稅項資產及負債不予以確認。

就投資於附屬公司之相關應課稅暫時差額確認遞延稅項負債，惟倘本集團能控制暫時差額之撥回時間，且有關暫時差額很可能不會於可見將來撥回則除外。由與該等投資相關之可扣減暫時差額所產生之遞延稅項資產，僅於有可能有足夠應課稅溢利抵銷可動用該等暫時差額之利益及預期於可預見未來將會撥回，則方會予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time. If the presumption is rebutted, deferred tax for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 重要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值會於各報告期末時進行檢討，並在不再可能有足夠應課稅溢利以收回全部或部分資產時作調減。

遞延稅項資產及負債乃按預期於負債清償或資產變現之期間應用之稅率計算，而該等稅率乃基於在報告期末前已實行或大致上已實行之稅率（及稅法）。

遞延稅項負債及資產之計量反映按本集團預期於報告期末時可收回或結算其資產及負債之賬面值之方式計算所得之稅務結果。

在計算採用公允價值模式計量之投資物業之遞延稅項時，有關物業之賬面值除非在某情況下被駁回，否則假定全數從出售收回。倘投資物業可折舊，以其目的為於一段時間內耗用投資物業所含之絕大部分經濟利益之業務模式而持有，則有關假定被駁回。倘有關假定被駁回，則有關投資物業之遞延稅項根據上述香港會計準則第12號所載之一般原則計算（即根據預期收回物業之方式）。

當期及遞延稅項於損益中確認，惟倘其與於其他全面收益或直接於權益確認之項目有關則除外。在此情況下，當期及遞延稅項亦於其他全面收益或直接於權益中分別確認。倘因業務合併之初始會計產生當期稅項或遞延稅項，稅務影響將計入業務合併之會計內。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

3. 重要會計政策 (續)

無形資產

獨立收購之無形資產

獨立收購且具有限可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有限可使用年期之無形資產攤銷以直線法於其估計可使用年期內撥備。估計可使用年期及攤銷方法於各報告期末時進行審閱，並預先就任何估計變動影響入賬（見下文有關有形及無形資產之減值虧損之會計政策）。

於出售時或於預期使用或出售均不會產生未來經濟利益時，終止確認無形資產。終止確認無形資產所產生之收益及虧損按出售所得款項淨額與資產賬面值的差額計算，於終止確認資產期間在損益內確認。

研發開支

研究活動開支於產生期間支銷。

當且僅當所有下列事項已獲證實時，方確認由開發（或內部項目的開發階段）產生的內部產生無形資產：

- 在技術可行性上能完成無形資產以供使用或出售；
- 有意完成無形資產及使用或出售資產；
- 使用或出售無形資產的能力；
- 無形資產日後將產生經濟利益的方式；

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets (continued)

Research and development expenditure (continued)

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重要會計政策 (續)

無形資產 (續)

研發開支 (續)

- 可動用適當科技、財務及其他資源完成開發及使用或出售無形資產；及
- 可於其開發期間可靠計算無形資產應佔的開支。

內部產生之無形資產按無形資產首次符合上文載列之確認準則之日起所產生之開支總額而初步確認。倘並無內部產生的無形資產可予確認，則開發費用於產生期間在損益中確認。於首次確認後，內部產生之無形資產按成本減累計攤銷及累計減值虧損（如有）計量，其計量基準與獨立收購之無形資產相同。

存貨

存貨乃按成本值及可變現淨值兩者中之較低者列賬。存貨成本值乃採用先入先出法計算。可變現淨值按存貨之估計售價減完成之全部估計成本及進行銷售所必需之成本呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. 重要會計政策 (續)

金融工具

當一間集團實體成為工具合約條文之一方時，則於綜合財務狀況表內確認金融資產及金融負債。

金融資產及金融負債初步按公允價值計量。收購或發行金融資產及金融負債（按公允價值計入損益之金融資產或金融負債除外）直接應佔之交易成本乃於初步確認時加入金融資產或金融負債之公允價值，或從金融資產或金融負債之公允價值扣除（如適用）。收購按公允價值計入損益之金融資產或金融負債直接應佔之交易成本乃即時於損益確認。

金融資產

本集團之金融資產分類為貸款及應收款項及可供出售金融資產。分類乃根據金融資產之性質及用途於初步確認時釐定。

實際利率法

實際利率法乃為計算債務工具之攤銷成本及按有關期間攤分利息收入之方法。實際利率為可準確將預計可使用年期內或在較短期間內（如適用）債務工具產生之估計未來現金收入（包括所有構成整體實際利率之已付或已收費用及息差、交易成本及其他溢價或折價）貼現至於初步確認時之賬面淨值之利率。

利息收入就債務工具按實際利率基準確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, amounts due from related companies, pledged bank deposits and bank balances) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at fair value through profit or loss ("FVTPL"), loans and receivables or held-to-maturity investments.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment losses on financial assets below).

3. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為並無於活躍市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後，貸款及應收款項（包括應收貿易賬項、其他應收款項、應收關連公司款項、已抵押銀行存款及銀行結存）使用實際利率法按攤銷成本減任何已識別減值虧損計量（見下文有關金融資產減值虧損之會計政策）。

可供出售金融資產

可供出售金融資產為非衍生工具，並指定為可供出售或未有分類為按公允價值計入損益（「按公允價值計入損益」）之金融資產、貸款及應收款項或持至到期日之投資。

本集團收取股息之權利確立時在可供出售股權工具之股息於損益確認。

無活躍市場報價及其公允價值不能可靠計量之可供出售股本投資於各報告期末時按成本值減任何已識別減值虧損計量（見下文有關金融資產減值虧損之會計政策）。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment losses on financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值虧損

金融資產會於各報告期末時評定是否有減值跡象。金融資產於有客觀證據顯示金融資產之估計未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時被釐定為已減值。

就可供出售之股本投資而言，該項投資的公允價值大幅或長期跌至低於其成本值被視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違反合約，例如未能繳付或拖欠利息及本金；或
- 借款人有可能面臨破產或財務重組。

應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合延遲付款平均時間超過信貸期之數目增加及與拖欠應收款項有關連之國家或地區經濟狀況出現明顯變動。

就按攤銷成本列賬之金融資產而言，會按資產之賬面值與估計未來現金流量之現值（以金融資產的原始實際利率折現）間之差額確認減值虧損之金額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment losses on financial assets (continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 重要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值虧損 (續)

就按成本列賬之金融資產而言，減值虧損之金額以資產之賬面值與估計未來現金流量之現值（以類似金融資產之當前市場回報率折現）間之差額計量。該等減值虧損不會於其後期間撥回。

所有金融資產（應收貿易賬項除外）之減值虧損會直接於金融資產之賬面值中作出扣減，其賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當應收貿易賬項被視為不可收回時，其將於撥備賬內撇銷。於其後重新收取之先前撇銷之款項將計入損益。

就以攤銷成本計量之金融資產而言，倘於隨後期間減值虧損之數額減少，而此項減少可客觀地與確認減值虧損後之某一事件發生聯繫，則先前確認之減值虧損於損益中予以撥回，惟於撥回減值當日之資產賬面值不得超逾假設未確認減值時之攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Convertible bonds contain debt component and derivative components

The component parts of the convertible bonds issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

At the date of issue, both the debt and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair values with changes in FVTPL.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to derivative components are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

3. 重要會計政策 (續)

金融工具 (續)

金融負債及股本工具

集團實體發行之債務及股本工具乃根據合約安排之性質與金融負債及股本工具之定義分類為金融負債或股本工具。

股本工具

股本工具乃證明一個實體於扣減所有負債後之資產中擁有剩餘權益之任何合約。本公司發行之股本工具按已收所得款項扣除直接發行成本確認。

可換股債券包含債務成分及衍生工具成分

本公司發行之可換股債券之組成部分乃根據合約安排之性質與金融負債及股本工具之定義獨立分類為金融負債及權益。以固定金額之現金或另一項金融資產交換本公司固定數目之自身股本工具之方式以外結清之換股選擇權，列為換股選擇權衍生工具。

於發行日期，債務部分及衍生工具部分乃按公允價值確認。於往後期間，可換股債券之債務部分以實際利率法按攤銷成本列賬。衍生工具部分按公允價值計量，而變動按公允價值計入損益。

發行可換股債券之交易成本，按相對公允價值之比例分配至債務及衍生工具部分。衍生工具部分之交易成本會即時於損益中扣除。債務部分之交易成本計入債務部分之賬面值，並以實際利率法於可換股債券期限內攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Other financial liabilities at amortised cost

Other financial liabilities (including trade and bills payables, other payables, amounts due to related companies, promissory note and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

3. 重要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

按攤銷成本計量之其他金融負債

其他金融負債(包括應付貿易賬項及應付票據、其他應付款項、應付關聯公司款項、承兌票據及借款)其後按攤銷成本採用實際利率法計量。

實際利率法

實際利率法乃為計算金融負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率為可準確將預計可使用年期內或在較短期間內(如適用)金融負債產生之估計未來現金付款(包括所有構成整體實際利率之已付或已收費用及息差、交易成本及其他溢價或折價)貼現至於初步確認時之賬面淨值之利率。

利息開支按實際利率基準確認，惟該等分類為按公允價值計入損益之金融負債(其中利息開支計入淨收益或虧損)除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Generally, multiple embedded derivative in a single instrument are treated as a single compounded embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. 重要會計政策 (續)

金融工具 (續)

嵌入式衍生工具

非衍生主合約嵌入之衍生工具，如符合衍生工具之定義、風險及特質與該等主合約並非緊密相關以及該等主合約亦非按公允價值計入損益，則當作獨立衍生工具處理。一般而言，單一工具中多項嵌入式衍生工具被視為單一複合之嵌入式衍生工具，除非該等衍生工具與不同風險有關，並可隨時分開及互相獨立。

財務擔保合約

財務擔保合約指因指定債務人未能按債務工具之原有或經修改條款如期付款時，發行者需支付指定金額給持有人以補償其所遭受損失之合約。

本集團已發行之財務擔保合約初步以公允價值計量，如不獲指定為按公允價值計入損益，則隨後按下列較高者計量：

- (i) 按照香港會計準則第37號撥備、或然負債及或有資產所釐定合約下之債項之金額；及
- (ii) 首次確認之金額減（如適用）於擔保期間確認之累計攤銷。

取消確認

只有當資產現金流量之合約權利屆滿時，本集團方會取消確認金融資產。

於取消確認金融資產時，該項資產賬面值與已收及應收代價加於其他全面收益中確認及於權益累計之累計損益之總數間之差額會於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derecognition (continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of financial liability are modified such that the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

Share-based payment transactions

Equity settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expense, a corresponding increase in equity (share option reserve) unless the goods or services qualify for recognition as assets.

3. 重要會計政策 (續)

金融工具 (續)

取消確認 (續)

本集團於及僅於本集團之責任獲解除、註銷或已屆滿時方取消確認金融負債。被取消確認之金融負債之賬面值與已付及應付代價間之差額於損益確認。

當考慮所有相關事實及情況(包括定性因素)後,金融負債之合約條款作出修訂,以致經修訂條款將導致與原有條款相比出現大幅修訂,則該修訂入賬列為取消確認原有金融負債及確認新金融負債。被取消確認之金融負債賬面值與已付或應付代價之公允價值(包括任何所承擔之負債及已確認之衍生工具部份)間之差額於損益內確認。

以股份為基礎之付款交易

股本結算以股份為基礎之付款交易

向僱員批授之購股權

按已授出購股權於授出日期之公允價值釐定之所得服務之公允價值,於已授出購股權歸屬時隨即於授出日期全數確認為開支,而權益(購股權儲備)亦相應增加。

當購股權獲行使時,先前於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後遭沒收或於屆滿日期尚未行使,先前於購股權儲備確認之金額將轉撥至累計虧損。

授予顧問之購股權

為交換貨品或服務而發行之購股權以所得貨品或服務之公允價值計量,除非公允價值無法可靠計算,在此情況下,所得貨品或服務會參考已授出購股權之公允價值計量。所得貨品或服務之公允價值確認為開支,除非貨品或服務合資格確認為資產,否則權益(購股權儲備)將相應增加。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on tangible and intangible assets other than goodwill (see accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

3. 重要會計政策 (續)

有形及無形資產之減值虧損 (商譽除外) (見上文有關商譽之會計政策)

於報告期末時，本集團檢討其具有有限可使用年期之有形及無形資產之賬面值，以釐定該等資產有否出現減值虧損跡象。倘存在任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損之程度(如有)。若某單一資產之可收回金額不可能估計，本集團會估計該資產所屬之現金產生單位的可收回金額。在合理及貫徹之分配基準可被確定之情況下，公司資產亦分配至個別現金產生單位，否則將分配至合理及貫徹之分配基準可被確定之最小現金產生單位組別。

可收回金額為公允價值減去出售成本及使用價值之間之較高者。評估使用價值時，估計未來現金流量以除稅前貼現率貼現至現值，反映在未來現金流量之估計尚未調整之前，現時市場對貨幣時間值及該項資產之特定風險之評估。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則該資產(或現金產生單位)之賬面值將減至其可收回金額。於分配減值虧損時，減值虧損首先撥作減低任何商譽之賬面值(倘適用)，然後再根據單位內每項資產之賬面值按比例分配至其他資產。資產之賬面值不可減至低於其公允價值減出售成本(倘可予計量)、其使用價值(倘可予釐定)與零三者間之較高者。可能已另行分配至該資產之減值虧損金額按比例分配至單位內其他資產。減值虧損即時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on tangible and intangible assets other than goodwill (see accounting policy in respect of goodwill above) (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the management of the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following is the critical judgment, apart from those involving estimation (see below), that management of the Group has made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition of initial membership fee

The initial membership fee is deferred and recognised as revenue over the life of the golf membership. Management of the Group has determined the remaining period to the expiry date of business license of DG Hillview (as defined in Note 47) of approximately 7 years (2015: 8 years) as the expected useful lives for the usage of golf club's facilities and hence, the initial membership fee is amortised on the straight-line basis based on the remaining period to the expiry date of business license of DG Hillview.

3. 重要會計政策 (續)

有形及無形資產之減值虧損 (商譽除外) (見上文有關商譽之會計政策) (續)

倘減值虧損於隨後撥回，資產 (或現金產生單位) 賬面值將增至經修訂之估計可收回金額，惟因此而增加之賬面值不可超過假設過往年度並無就該資產 (或現金產生單位) 確認減值虧損而原應釐定之賬面值。減值虧損撥回即時於損益中確認。

4. 重大會計判斷及估計不確定因素之主要來源

於應用如附註3所述之本集團會計政策時，本集團管理層須就未能即時從其他來源取得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃以過往經驗及認為屬有關之其他因素為基礎。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘會計估計修訂只影響修訂估計之期間，則有關修訂會於該期間確認。倘有關修訂既影響當期，亦影響未來期間，則有關修訂會於修訂期間及未來期間確認。

應用於會計政策之主要判斷

除涉及估計之判斷 (見下文) 外，以下為本集團管理層於應用本集團會計政策過程中已作出之主要判斷，而有關主要判斷對於綜合財務報表內確認之金額帶來最重大影響。

入會費之收益確認

入會費按高爾夫球會會籍可使用年期獲遞延及確認為收益。本集團管理層已釐定東莞峰景 (定義見附註47) 營業執照到期日為止之餘下期間約7年 (二零一五年：8年) 為使用高爾夫球會設施之預期可使用年期，因此，入會費以東莞峰景營業執照到期日為止之餘下期間為基準按直線法攤銷。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Impairment assessment in respect of the hotel and buildings for golf business and land use rights

As disclosed in Notes 16 and 17, the carrying values of the hotel and buildings for golf business reported under property, plant and equipment and land use rights held by DG Hillview (defined in Note 47) at 31 December 2016 are HK\$234,694,000 and HK\$1,101,025,000 (2015: HK\$260,256,000 and HK\$1,222,561,000), respectively. Management of the Group assessed the impairment and determined the recoverable amounts based on fair value less cost of disposal. The fair value of these assets is determined with reference to an external valuation carried out by an independent qualified professional valuer in which a combination of market and replacement cost approach is adopted. The major inputs are mainly related to adjustments on market land cost and construction cost. In relying on the valuation, management has exercised their judgement. Based on the assessment, no impairment loss is recognised during the year ended 31 December 2016.

Fair value of investment properties

At 31 December 2016, the Group's investment properties are stated at fair value of HK\$2,447,621,000 based on an external valuation performed by an independent qualified professional valuer. In determining the fair value, the valuer has applied income approach which involves, inter alia, certain estimates, including appropriate capitalisation rates and market rents. Note 18 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the investment properties.

In relying on the valuation, management of the Group has exercised judgment and is satisfied that the method of valuation is reflective of the current market conditions.

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源

以下為涉及日後之主要假設及於報告期末時估計不明朗因素之其他主要來源 (均具有導致下個財政年度內之資產之賬面值出現大幅調整之重大風險)。

高爾夫球業務之酒店及樓宇以及土地使用權之減值評估

誠如附註16及17所披露，於二零一六年十二月三十一日，東莞峰景(定義見附註47)持有之物業、廠房及設備項下呈報之高爾夫球業務之酒店及樓宇以及土地使用權賬面值分別為港幣234,694,000元及港幣1,101,025,000元(二零一五年：港幣260,256,000元及港幣1,222,561,000元)。本集團管理層根據公允價值減出售成本評估減值及釐定可收回金額。該等資產之公允價值經參考獨立合資格專業估值師進行之外部估值後釐定，當中採用綜合市場及重置成本法。主要輸入數據主要與市場土地成本及建築成本調整有關。在依賴有關估值時，管理層已自行作出判斷。根據評估，於截至二零一六年十二月三十一日止年度概無確認減值虧損。

投資物業之公允價值

於二零一六年十二月三十一日，根據獨立合資格專業估值師作出之外部估值，本集團之投資物業按公允價值港幣2,447,621,000元列賬。於釐定公允價值時，估值師已應用收入法，當中涉及(其中包括)若干估計(包括合適之資本化比率及市場租金)。附註18載列有關用於釐定投資物業公允價值之估值方法、輸入數據及主要假設之詳細資料。

在依賴有關估值時，本集團管理層已自行作出判斷並信納估值方法能反映現時市況。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value of derivative financial instruments

As described in Note 32, management of the Group is required to exercise judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For embedded derivative components of the convertible bonds, binomial model is used for valuation of the components which involves several key assumptions and estimates including share price volatility, dividend yield and risk-free rate. As at 31 December 2016, the fair value of embedded derivative components of the convertible bonds is HK\$56,167,000 (2015: HK\$11,996,000).

5. REVENUE

Revenue represents the amounts received and receivable for hotel and leisure services, rental income and services provided by the Group to outside customers, less discounts and sales related taxes. An analysis of the Group's revenue for the year from continuing operations is as follows:

4. 重大會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素之主要來源 (續)

衍生金融工具之公允價值

如附註32所述，本集團管理層須運用判斷力，就沒有於活躍市場報價之金融工具選取合適之估值方法。所應用之該等估值方法為市場從業員普遍採用之方法。就可換股債券之嵌入式衍生工具部分而言，採用二項式模式就有關部分進行估值，當中涉及多項主要假設及估計，包括股價波幅、股息率及無風險率。於二零一六年十二月三十一日，可換股債券嵌入式衍生工具部分之公允價值為港幣56,167,000元（二零一五年：港幣11,996,000元）。

5. 收益

收益指酒店及休閒服務、租金收入及經扣除折扣及有關銷售稅項後本集團向外界客戶提供服務所收及應收之金額。本集團本年度持續經營業務之收益之分析如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Continuing operations	持續經營業務		
Operations of golf club	經營高爾夫球會	117,817	127,452
Rental income	租金收入	33,807	-
Hotel and leisure service	酒店及休閒服務	30,922	34,554
		182,546	162,006

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綜合財務報表附註

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

6. SEGMENT INFORMATION

Information reported to the chief operating decision maker (“**CODM**”), being the Chief Executive Officer of the Company, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

During the year ended 31 December 2016, the Group acquired certain investment properties to earn rentals and/or for capital appreciation purposes. The CODM reviewed the results of the leasing of investment properties and the property investment business has been regarded as a reportable and operating segment of the Group during the year.

The Group's reportable and operating segments from continuing operations under HKFRS 8 are as follows:

Golf club and hotel business	–	Operation of golf club and provision of hotel and leisure services
Property investment business	–	Leasing of office properties and golf courses

Since 2011, a reportable and operating segment namely the “digital television technical solutions and equipment business” (the “**DTV Business**”) was classified as a disposal group held-for-sale and included in discontinued operation. On 17 August 2016, the Company and Leader Concept (as defined in Note 12(a)), entered into the Agreement (as defined in Note 12(a)) to dispose of the DTV Business, together with the sales of light emitted diode business (the “**LED Business**”), which is also a reportable and operating segment of the Group. Accordingly, the LED Business was classified as, discontinued operation in 2016.

For the year ended 31 December 2016, a reportable and operating segment of the Group, namely “Intelligent Information Business” has also been included as discontinued operations, as the Group has resolved to dispose of it as detailed in Note 12(b).

The segment information reported below does not include any amounts for these discontinued operations, which is described in more detail in Note 12, and the comparative figures in the segment information for the year ended 31 December 2015 have been represented.

6. 分部資料

就資源調配及分部表現評估向主要營運決策者（「**主要營運決策者**」），即本公司行政總裁呈報之資料集中於所交付或提供之貨品或服務類別。

於截至二零一六年十二月三十一日止年度，本集團收購若干投資物業，以賺取租金及／或作資本增值之用。主要營運決策者已審閱租賃投資物業之業績，而年內物業投資業務已被視為本集團之可呈報及經營分部。

根據香港財務報告準則第8號，本集團持續經營業務之可呈報及經營分部如下：

高爾夫球會及酒店業務	–	經營高爾夫球會及提供酒店及休閒服務
物業投資業務	–	租賃辦公室物業及高爾夫球場

自二零一一年起，可呈報及經營分部「數字電視技術方案及設備業務」（「**數字電視業務**」）被分類為持作出售之出售組別，並計入已終止業務。於二零一六年八月十七日，本公司與領意投資（定義見附註12(a)）訂立該協議（定義見附註12(a)），以出售數字電視業務及發光二極管銷售業務（「**發光二極管業務**」），有關業務亦為本集團之可呈報及經營分部。因此，發光二極管業務於二零一六年分類為已終止業務。

截至二零一六年十二月三十一日止年度，本集團之可呈報及經營分部「智能信息業務」亦計入已終止業務，因為本集團已決議出售該業務（詳情見附註12(b)）。

以下報告之分部資料並不包括該等已終止業務之任何金額，進一步資料詳述於附註12，而於截至二零一五年十二月三十一日止年度之分部資料比較數字已重新呈列。

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

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the year ended 31 December 2016

Continuing operations

6. 分部資料 (續)

(a) 分部收益及業績

以下為本集團來自持續經營業務之收益及業績按可呈報分部作出之分析：

截至二零一六年十二月三十一日止年度

持續經營業務

		Golf club and hotel business	Property investment business	Total
		高爾夫球會 及酒店業務	物業投資 業務	合計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
SEGMENT REVENUE	分部收益			
External sales	對外銷售	148,739	33,807	182,546
Segment (loss) profit	分部(虧損)溢利	(35,979)	21,344	(14,635)
Unallocated income and gains	未分配收入及收益			73,221
Unallocated expenses	未分配開支			(85,038)
Gain on derecognition of the derivative components of convertible bonds	終止確認可換股債券之衍生工具部分之收益			11,996
Gain on fair value change of the derivative components of convertible bonds	可換股債券之衍生工具部分之公允價值變動收益			61,191
Finance costs	融資成本			(67,683)
Loss before tax (continuing operations)	除稅前虧損 (持續經營業務)			(20,948)

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綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

For the year ended 31 December 2015

Continuing operation

6. 分部資料 (續)

(a) 分部收益及業績 (續)

截至二零一五年十二月三十一日止年度

持續經營業務

		Golf club and hotel business 高爾夫球會 及酒店業務 HK\$'000 港幣千元 (restated) (經重列)
SEGMENT REVENUE	分部收益	
External sales	對外銷售	162,006
Segment profit	分部溢利	6,400
Unallocated income and gains	未分配收入及收益	96,971
Unallocated expenses	未分配開支	(66,074)
Gain on fair value change of the derivative components of convertible bonds	可換股債券之衍生工具部分之 公允價值變動收益	24,726
Finance costs	融資成本	(92,900)
Loss before tax (continuing operation)	除稅前虧損 (持續經營業務)	(30,877)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment (loss) profit represents the (loss) profit from each segment without allocation of certain interest income, other miscellaneous income, certain gains and losses, corporate expenses and those disclosed in the reconciliation above. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

經營分部之會計政策與附註3所述之本集團會計政策相同。分部(虧損)溢利指在並無分配若干利息收入、其他雜項收入、若干收益及虧損、企業開支，以及在上文對賬中所披露者之情況下，各分部所引致之(虧損)溢利。本集團已經以此分類方法向主要營運決策者呈報，以用作資源分配及分部表現評估。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

6. 分部資料 (續)

(b) 分部資產及負債

以下為本集團之資產及負債按可呈報及經營分部作出之分析：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Reportable segment assets	可呈報分部資產		
Continuing operations	持續經營業務		
Golf club and hotel business	高爾夫球會及酒店業務	1,397,788	2,064,891
Property investment business	物業投資業務	2,449,925	-
		3,847,713	2,064,891
Reconciliation of reportable segments total to group total:	可呈報分部總額與集團總額之對賬：		
Discontinued operations (assets associated with disposal group not classified as held-for-sale as at 31 December 2015)	已終止業務 (於二零一五年十二月三十一日並無分類為持作出售之出售組別之相關資產)		
Intelligent Information Business	智能信息業務	-	449,037
LED Business	發光二極管業務	-	2,881
		-	451,918
Assets associated with disposal group classified as held-for-sale and constituted discontinued operations (Note 12)	與分類為持作出售之出售組別相關及構成已終止業務之資產 (附註12)		
- DTV Business	- 數字電視業務	-	1,045,743
- Intelligent Information Business	- 智能信息業務	387,075	-
		4,234,788	3,562,552
Unallocated assets:	未分配資產：		
Bank balances and cash	銀行結存及現金	1,085,447	2,844,905
Available-for-sale investments	可供出售投資	155,000	847
Pledged bank deposits	已抵押銀行存款	27,890	3,220
Other unallocated assets	其他未分配資產	917,997	17,652
Consolidated assets	綜合資產	6,421,122	6,429,176

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

6. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities (continued)

6. 分部資料 (續)

(b) 分部資產及負債 (續)

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Reportable segment liabilities	可呈報分部負債		
Continuing operations	持續經營業務		
Golf club and hotel business	高爾夫球會及酒店業務	536,224	572,255
Property investment business	物業投資業務	44,875	-
		581,099	572,255
Reconciliation of reportable segments total to group total:	可呈報分部總額與集團總額之對賬：		
Discontinued operations (liabilities associated with disposal group not classified as held-for-sale as at 31 December 2015)	已終止業務 (於二零一五年十二月三十一日並無分類為持作出售之出售組別之相關負債)		
Intelligent Information Business	智能信息業務	-	179,083
LED Business	發光二極管業務	-	6,748
		-	185,831
Liabilities associated with disposal group classified as held-for-sale and constituted discontinued operations (Note 12)	與分類為持作出售之出售組別相關及構成已終止業務之負債 (附註12)		
- DTV Business	- 數字電視業務	-	204,024
- Intelligent Information Business	- 智能信息業務	396,961	-
		978,060	962,110
Unallocated liabilities:	未分配負債：		
Obligations under finance leases	融資租賃承擔	2,271	1,257
Bank borrowings	銀行借款	1,285,584	719,682
Convertible bonds and related payables (including embedded derivative components)	可換股債券及相關應付款項 (包括嵌入式衍生工具部分)	380,588	199,832
Tax liabilities	稅項負債	13,704	17,429
Financial guarantee liabilities	財務擔保負債	-	6,255
Promissory note	承兌票據	-	543,773
Other unallocated liabilities	其他未分配負債	22,153	22,525
Consolidated liabilities	綜合負債	2,682,360	2,472,863

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

6. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities (continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain bank balances and cash, available-for-sale investments, pledged bank deposits and other unallocated assets; and
- all liabilities are allocated to operating segments other than obligations under finance leases, bank borrowings, convertible bonds and related payables (including embedded derivative components), tax liabilities, financial guarantee liabilities, promissory note and other unallocated liabilities.

6. 分部資料 (續)

(b) 分部資產及負債 (續)

就監察分部表現及於分部間分配資源而言：

- 所有資產均被分配至經營分部(若干銀行結存及現金、可供出售投資、已抵押銀行存款及其他未分配資產除外)；及
- 所有負債均被分配至經營分部(融資租賃承擔、銀行借款、可換股債券及相關應付款項(包括嵌入式衍生工具部分)、稅項負債、財務擔保負債、承兌票據及其他未分配負債除外)。

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6. SEGMENT INFORMATION (continued)

(c) Other segment information

For the year ended 31 December 2016

Continuing operations

Amounts included in the measure of segment results or segment assets:	包含於分部業績或分部資產計量之款額：
Capital expenditure (Note)	資本開支 (附註)
Additions of investment properties	添置投資物業
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Amortisation of land use rights	土地使用權攤銷
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損
Interest income from advance to Guangzhou HNA Asset Management (as defined in Note 21)	來自向廣州海航資產管理(定義見附註21)提供之墊款之利息收入
Imputed interest on interest-free amounts due from related companies	應收關連公司之免息款項之估算利息
Gain in fair value change of investment properties	投資物業之公允價值變動收益
Finance costs	融資成本

6. 分部資料 (續)

(c) 其他分部資料

截至二零一六年十二月三十一日止年度

持續經營業務

Golf club and hotel business 高爾夫球會及酒店業務 HK\$'000 港幣千元	Property investment business 物業投資業務 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
4,636	-	2,508	7,144
-	2,537,809	-	2,537,809
12,586	-	4,854	17,440
43,466	-	-	43,466
717	-	-	717
(9,868)	-	-	(9,868)
(1,573)	-	-	(1,573)
-	(6,610)	-	(6,610)
39,410	5,978	67,683	113,071

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6. SEGMENT INFORMATION (continued)

(c) Other segment information (continued)

For the year ended 31 December 2015

Continuing operations

6. 分部資料 (續)

(c) 其他分部資料 (續)

截至二零一五年十二月三十一日止年度

持續經營業務

		Golf club and hotel business 高爾夫球 會及酒店 業務	Unallocated 未分配	Total 總額
		HK\$'000 港幣千元 (restated) (經重列)	HK\$'000 港幣千元 (restated) (經重列)	HK\$'000 港幣千元 (restated) (經重列)
Amounts included in the measure of segment results or segment assets:	包含於分部業績或分部資產計量之款額：			
Capital expenditure (Note)	資本開支 (附註)	1,742	12,502	14,244
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,958	915	14,873
Amortisation of land use rights	土地使用權攤銷	60,452	-	60,452
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	120	-	120
Interest income from advance to Guangzhou HNA Asset Management	來自向廣州海航資產管理提供之墊款之利息收入	(42,950)	-	(42,950)
Imputed interest on interest-free amounts due from other related companies	應收其他關連公司之免息款項之估算利息	(7,914)	-	(7,914)
Imputed interest on interest-free advance to Guangzhou HNA Asset Management	向廣州海航資產管理提供之免息墊款之估算利息	(1,929)	-	(1,929)
Finance costs	融資成本	40,630	92,900	133,530

Note: Capital expenditure includes additions to property, plant and equipment and intangible assets during the year but excludes those relating to discontinued operations.

附註：資本開支包括年內添置物業、廠房及設備及無形資產，但不包括該等與已終止業務相關者。

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

6. SEGMENT INFORMATION (continued)

(d) Geographical information

The Group's operations are located in Hong Kong, the United Kingdom ("UK"), the United States of America ("US") and the PRC (country of domicile).

Information about the Group's revenue from continuing operations from external customers is presented based on where the goods or service delivered or provided. Information about the Group's non-current assets is presented based on the geographical location of the assets as detailed below:

6. 分部資料 (續)

(d) 地區資料

本集團之業務乃於香港、英國(「英國」)、美利堅合眾國(「美國」)及中國(註冊國家)經營。

本集團按貨品或服務交付或提供地點劃分呈列持續經營業務來自外界客戶之收益之相關資料。本集團按資產所在地點劃分呈列其非流動資產之相關資料，詳情如下：

		Revenue from external customers 來自外界客戶之收益		Non-current assets 非流動資產	
		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
The PRC (country of domicile)	中國(註冊國家)	148,739	162,006	1,309,558	1,498,727
UK	英國	31,548	-	1,340,668	-
US	美國	2,259	-	1,106,953	-
Hong Kong	香港	-	-	11,274	12,114
		182,546	162,006	3,768,453	1,510,841

Note: Non-current assets excluded assets classified as held-for-sale and financial instruments.

附註：非流動資產不包括分類為持作出售之資產及金融工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

6. SEGMENT INFORMATION (continued)

(e) Information about major customers

Revenue from customers contributing over 10% of total sales of the Group from continuing operations of the corresponding years are as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Customer A ¹	客戶A ¹	31,548	-

¹ Revenue from property investment business.

No other single customers contributed over 10% or more to the total sales of the Group from continuing operations for both 2016 and 2015.

6. 分部資料 (續)

(e) 有關主要客戶之資料

於相應年度持續經營業務為本集團貢獻逾總銷售額10%之客戶之收益如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Customer A ¹	客戶A ¹	31,548	-

¹ 來自物業投資業務之收益。

於二零一六年及二零一五年，並無其他單一客戶為本集團之持續經營業務貢獻總銷售額逾10%或以上。

7. OTHER INCOME

Continuing operations

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Interest on bank deposits	銀行存款利息	6,806	1,114
Imputed interest income in respect of other receivables (Note 25)	其他應收款項之估算利息收入 (附註25)	-	648
Interest income from advance to Guangzhou HNA Asset Management	來自向廣州海航資產管理提供之墊款之利息收入	9,868	42,950
Imputed interest on interest-free amounts due from other related companies	應收其他關連公司之免息款項之估算利息	1,573	7,914
Imputed interest on interest-free advance to Guangzhou HNA Asset Management	向廣州海航資產管理提供之免息墊款之估算利息	-	1,929
Others	其他	3,175	7,910
		21,422	62,465

7. 其他收入

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

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
		Notes 附註		
Continuing operations	持續經營業務			
Gain on fair value change of the derivative components of convertible bonds	可換股債券之衍生工具部分之公允價值變動收益	32	61,191	24,726
Gain on derecognition of the derivative components of convertible bonds	終止確認可換股債券之衍生工具部分之收益	32	11,996	-
Gain in fair value change of the investment properties	投資物業之公允價值變動收益	18	6,610	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損		(717)	(120)
Net foreign exchange gain	外匯收益淨額		63,241	79,146
Others	其他		(97)	28
			142,224	103,780

9. FINANCE COSTS

9. 融資成本

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Continuing operations	持續經營業務			
Interest on bank and other borrowings:	銀行及其他借款之利息：			
Bank borrowings	銀行借款		45,388	40,630
Loan from a related company	來自一間關連公司之貸款		-	1,226
Loan from a third party	來自一名第三方之貸款		-	376
Interest on promissory note (Note 36)	承兌票據之利息 (附註36)		13,435	50,590
Interest on convertible bonds (Note 32)	可換股債券之利息 (附註32)		54,179	40,678
Interest on obligations under finance leases	融資租賃承擔之利息		69	30
			113,071	133,530

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

10. INCOME TAX CREDIT

10. 所得稅抵免

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Continuing operations			
Current tax expenses:			
PRC Enterprise Income Tax	中國企業所得稅	-	17
Deferred tax credit (Note 37):			
Current year	本年度	(2,003)	(1,322)
		(2,003)	(1,305)

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for 2016 and 2015. No specific deduction is entitled on the applicable tax rate for 2016 and 2015.

No provision for taxation in the UK has been made in the consolidated financial statements as the Group has incurred tax loss for the year ended 31 December 2016 for the operation in the UK.

由於本集團並無於香港產生或來自香港之收入，因此並無就香港稅項作出撥備。

根據中華人民共和國企業所得稅法（「**企業所得稅法**」）及企業所得稅法實施條例，於二零一六年及二零一五年，中國附屬公司之稅率為25%。於二零一六年及二零一五年，概無就適用稅率享有特定扣減。

由於本集團之英國業務於截至二零一六年十二月三十一日止年度產生稅項虧損，因此並無於綜合財務報表中就英國稅項作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

10. INCOME TAX CREDIT (continued)

The tax credit for the year can be reconciled to the loss before tax from continuing operations as follows:

10. 所得稅抵免 (續)

本年度稅項抵免可與持續經營業務之除稅前虧損對賬如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Loss before tax (from continuing operations)	除稅前虧損 (持續經營業務)	(20,948)	(30,877)
Tax at the domestic income tax rate of 25%	按國內所得稅稅率25%計算之稅項	(5,237)	(7,719)
Tax effect of expenses not deductible for tax purposes	就稅項而言不可扣稅開支之稅務影響	16,985	23,143
Tax effect of income not taxable for tax purposes	就稅項而言毋須課稅收入之稅務影響	(37,928)	(28,798)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	16,773	9,217
Effect of different tax rates of subsidiaries operating in Hong Kong	於香港經營之附屬公司不同稅率之影響	5,242	3,475
Others	其他	2,162	(623)
Tax credit for the year (from continuing operations)	本年度之稅項抵免 (持續經營業務)	(2,003)	(1,305)

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11. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging (crediting):

11. 持續經營業務之年度虧損

持續經營業務之年度虧損已扣除(計入)下列各項:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Continuing operations	持續經營業務		
Staff costs, including Directors' remuneration	員工成本(包括董事酬金)		
– Salaries, wages and other benefits	– 薪金、工資及其他福利	87,520	78,367
– Retirement benefit scheme contributions	– 退休福利計劃供款	4,516	4,548
Total staff costs	總員工成本	92,036	82,915
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,440	14,873
Amortisation of land use rights (included in cost of sales)	土地使用權攤銷 (計入銷售成本)	43,466	60,452
		60,906	75,325
Auditor's remuneration	核數師酬金	1,744	1,800
Cost of inventories recognised as expenses	確認為開支之存貨成本	29,309	34,964
Gross rental income from investment properties	投資物業之總租金收入	(33,807)	–
Direct operating expenses incurred for investment properties that generated rental income	產生租金收入之投資物業 所產生之直接營運開支	156	–

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE

The loss for the year from the discontinued operations is analysed as follows:

12. 已終止業務及分類為持作出售之出售組別

已終止業務之年度虧損分析如下：

			2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Loss of DTV Business and LED Business	數字電視業務及發光二極管業務虧損	(a)	(102,926)	(152,593)
Gain on disposal of DTV Business and LED Business (Note 38)	出售數字電視業務及發光二極管業務收益 (附註38)		128,256	-
Loss of Intelligent Information Business	智能信息業務虧損	(b)	(66,225)	(53,436)
Loss for the year from discontinued operations	已終止業務之年度虧損		(40,895)	(206,029)
Loss for the year from discontinued operations attributable to:	以下人士應佔已終止業務之年度虧損：			
Owners of the Company	本公司擁有人		(13,580)	(184,522)
Non-controlling interests	非控股權益		(27,315)	(21,507)
			(40,895)	(206,029)

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

The assets and liabilities associated with discontinued operations are analysed as follows:

12. 已終止業務及分類為持作出售之出售組別 (續)

與已終止業務相關之資產及負債分析如下：

		Notes	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
		附註		
Assets associated with disposal groups classified as held-for-sale				
	分類為持作出售之出售組別之相關資產			
DTV Business	數字電視業務	(a)	–	1,045,743
Intelligent Information Business	智能信息業務	(b)	387,075	–
			387,075	1,045,743
Liabilities associated with disposal groups classified as held-for-sale				
	分類為持作出售之出售組別之相關負債			
DTV Business	數字電視業務	(a)	–	204,024
Intelligent Information Business	智能信息業務	(b)	396,961	–
			396,961	204,024
Amounts recognised in other comprehensive income and accumulated in equity relating to disposal groups classified as held-for-sale				
	分類為持作出售之出售組別於其他全面收益確認及於權益累計之相關金額			
DTV Business	數字電視業務	(a)	–	30,079
Intelligent Information Business	智能信息業務	(b)	(42,240)	–
			(42,240)	30,079

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”)

As disclosed in the Company’s 2010 to 2015 annual reports, the Company had been advised by Southern Media Corporation, a state-owned enterprise in the PRC, about the reorganisation of the cable digital broadcasting networks of Guangdong Province into one centralised network under one provincial broadcasting network company (the “**Reform**”) which is led by the Steering Group on the Reform of Guangdong Cultural Structure (廣東省文化體制改革工作領導小組). Upon the completion of the Reform, the cable digital broadcasting networks of Guangdong Province would be ultimately owned and operated by Guangdong Broadcasting Network Co., Ltd. (廣東省廣播電視網絡股份有限公司), a state-owned enterprise in the PRC. As a result, the Group is no longer able to operate the DTV Business and was required to exit the DTV Business.

The Directors are committed to sell the DTV Business as the policy of the Reform remains unchanged. No formal sales agreement of the DTV Business concluded as at 31 December 2015 but the Directors consider that the disposal transaction remains highly probable and it is appropriate to classify the DTV Business as held-for-sale in the consolidated statement of financial position as at 31 December 2015.

On 7 March 2016, the Company entered into a memorandum of understanding (the “**MOU**”) with an independent third party in relation to the proposed disposal of the DTV Business, details of which are disclosed in the announcement of the Company dated 7 March 2016. As the parties to the MOU did not enter into a definitive agreement by 31 May 2016, being the long stop date of the MOU, the parties to the MOU have terminated all negotiations on the proposed disposal of the DTV Business.

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」)

誠如本公司二零一零年至二零一五年之年報所披露，本公司獲中國國有企業南方傳媒集團告知，廣東省文化體制改革工作領導小組正在將廣東省有線數字廣播網絡重組成為由一家省級廣播網絡公司管理之中央網絡（「**改革**」）。於改革完成後，廣東省有線數字廣播網絡將最終由中國國有企業廣東省廣播電視網絡股份有限公司擁有及營運。因此，本集團已無法繼續經營數字電視業務，並須退出數字電視業務。

由於改革政策維持不變，董事承諾出售數字電視業務。於二零一五年十二月三十一日，並無就數字電視業務締結任何正式銷售協議，但董事認為出售交易之可能性仍然為高，而數字電視業務於二零一五年十二月三十一日之綜合財務狀況表中分類為持作出售乃屬妥當。

於二零一六年三月七日，本公司與一名獨立第三方就建議出售數字電視業務訂立諒解備忘錄（「**諒解備忘錄**」），有關詳情於本公司日期為二零一六年三月七日之公告中披露。由於諒解備忘錄訂約各方並無於二零一六年五月三十一日（為諒解備忘錄之最後完成日期）之前訂立正式協議，故諒解備忘錄訂約各方已終止有關建議出售數字電視業務之所有磋商事宜。

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

On 17 August 2016, the Company and Leader Concept Investments Limited (“**Leader Concept**”), a company which is ultimately controlled by HNA Group, the ultimate parent of the Company, entered into an agreement (the “**Agreement**”) in relation to the disposal of the entire issued capital of South China Digital TV Holdings Limited and its subsidiary, a wholly owned subsidiary of the Company, by the Company to Leader Concept with a cash consideration of HK\$1 (the “**Disposal**”). Pursuant to the Agreement, immediately prior to the completion of the Disposal, restructuring would have been completed such that the Disposal would include subsidiaries of the Company which are principally engaged in DTV Business and LED Business (collectively referred to as “**DTV Disposal Group**”). After the completion of the Disposal, Leader Concept will procure the DTV Disposal Group to repay the shareholders’ loan of HK\$950,000,000 due to the Group (the “**Repayment Obligations**”). Leader Concept and the DTV Disposal Group are jointly and severally liable for the Repayment Obligations.

Details of the Disposal and Repayment Obligations are set out in the Company’s announcement dated 18 August 2016 and the Company’s circular dated 15 September 2016. The Disposal was completed on 17 October 2016.

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

於二零一六年八月十七日，本公司與領意投資有限公司（「**領意投資**」，一間由本公司之最終母公司海航集團最終控制之公司）訂立一項協議（「**該協議**」），內容有關本公司向領意投資出售本公司全資附屬公司華南數字電視集團有限公司及其附屬公司之全部已發行股本，現金代價為港幣1元（「**出售事項**」）。根據該協議，由於重組於緊接出售事項完成前應已完成，故此出售事項將包括本公司主要從事數字電視業務及發光二極管業務之附屬公司（統稱「**數字電視出售組別**」）。於出售事項完成後，領意投資將促使數字電視出售組別償還欠付本集團之股東貸款港幣950,000,000元（「**償還義務**」）。領意投資及數字電視出售組別就償還義務共同及個別承擔責任。

出售事項及償還義務之詳情載於本公司日期為二零一六年八月十八日之公告及本公司日期為二零一六年九月十五日之通函。出售事項已於二零一六年十月十七日完成。

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

The loss for the period/year from the discontinued operations in respect of DTV Disposal Group is analysed as follows:

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

有關數字電視出售組別之已終止業務之期間／年度虧損分析如下：

		Period from 1 January 2016 to 17 October 2016 (date of disposal) 自二零一六年 一月一日起至 二零一六年 十月十七日 (出售日期) 止期間 HK\$'000 港幣千元	Year ended 31 December 2015 截至 二零一五年 十二月 三十一日 止年度 HK\$'000 港幣千元 (restated) (經重列)
Revenue	收益	-	-
Cost of sales	銷售成本	(90,399)	(119,069)
Gross loss	毛虧	(90,399)	(119,069)
Other income	其他收入	242	502
Other gains and losses	其他收益及虧損	(8,139)	(20,393)
Administrative expenses	行政開支	(3,140)	(5,496)
Finance costs	融資成本	(1,490)	(8,137)
Loss before tax	除稅前虧損	(102,926)	(152,593)
Income tax expense	所得稅開支	-	-
Loss for the period/year from discontinued operation and attributable to owners of the Company	本公司擁有人應佔已終止業務之期間／年度虧損	(102,926)	(152,593)

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綜合財務報表附註

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

Cash flows for the period/year from the discontinued operation are as follows:

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

已終止業務之期間／年度現金流量如下：

		HK\$'000 港幣千元
For the period from 1 January 2016 to 17 October 2016 (date of disposal)	自二零一六年一月一日 至二零一六年十月十七日 (出售日期) 止期間	
Net cash outflows used in operating activities	經營活動所用之現金流出淨額	(18,964)
Net cash outflows used in investing activities	投資活動所用之現金流出淨額	(121)
Net cash inflows from financing activities	融資活動所得之現金流入淨額	13,190
Net cash outflows	現金流出淨額	(5,895)
For the year ended 31 December 2015	截至二零一五年 十二月三十一日止年度	
Net cash outflows used in operating activities	經營活動所用之現金流出淨額	(35,593)
Net cash outflows used in investing activities	投資活動所用之現金流出淨額	(432)
Net cash inflows from financing activities	融資活動所得之現金流入淨額	42,008
Net cash inflows	現金流入淨額	5,983

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

Loss for the period/year from discontinued operation in respect of DTV Disposal Group has been arrived at after charging (crediting):

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

有關數字電視出售組別之已終止業務之期間／年度虧損已扣除 (計入) 下列各項：

		Period from 1 January 2016 to 17 October 2016 (date of disposal) 自二零一六年 一月一日起至 二零一六年 十月十七日 (出售日期) 止期間 HK\$'000 港幣千元	Year ended 31 December 2015 截至 二零一五年 十二月 三十一日 止年度 HK\$'000 港幣千元 (restated) (經重列)
Staff costs, including Directors' remuneration	員工成本 (包括董事酬金)		
– Salaries, wages and other benefits	– 薪金、工資及其他福利	120	27
– Retirement benefit scheme contributions	– 退休福利計劃供款	12	14
Total staff costs	總員工成本	132	41
Depreciation of property, plant and equipment (included in cost of sales and administrative expenses)	物業、廠房及設備折舊 (計入銷售成本及行政開支)	75,682	101,518
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷 (計入銷售成本)	16,174	21,306
		91,856	122,824
Auditor's remuneration	核數師酬金	1,016	1,016
(Increase) decrease in fair value change of investment properties	投資物業之公允價值變動 (增加) 減少	(1,576)	8,548
Interest income	利息收入	(54)	(3)
Rental income from leasing of investment properties	投資物業租賃之租金收入	(28)	(103)
Rental income from leasing of motor vehicles	汽車租賃之租金收入	–	(97)
Interest on bank borrowings	銀行借款利息	1,490	8,137

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to "DTV Disposal Group") (continued)

The carrying amounts of the assets and liabilities of the DTV Disposal Group at the date of disposal are disclosed in Note 38.

The assets and liabilities associated with DTV Business classified as held-for-sale as at 31 December 2015 in relation to DTV Business are analysed as follows:

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

數字電視出售組別之資產及負債於出售日期之賬面值於附註38中披露。

於二零一五年十二月三十一日就數字電視業務分類為持作出售之數字電視業務之相關資產及負債分析如下：

		2015 二零一五年 HK\$'000 港幣千元
Property, plant and equipment (note i)	物業、廠房及設備 (附註i)	494,937
Investment properties (note ii)	投資物業 (附註ii)	38,318
Goodwill	商譽	13,228
Intangible assets (note iii)	無形資產 (附註iii)	305,969
Trade receivables (note iv)	應收貿易賬項 (附註iv)	167,794
Prepayments and other receivables	預付款項及其他應收款項	19,198
Restricted bank deposits	受限制銀行存款	238
Bank balances and cash	銀行結存及現金	6,061
Total assets associated with DTV Business classified as held-for-sale	分類為持作出售之數字電視業務之相關總資產	1,045,743
Trade and bills payables (note v)	應付貿易賬項及應付票據 (附註v)	11,864
Other payables and accruals	其他應付款項及應付項目	23,676
Tax liabilities	稅項負債	89,700
Bank borrowings (note vi)	銀行借款 (附註vi)	78,784
Amounts due to group entities	應付集團實體款項	1,264,182
Total liabilities associated with DTV Business classified as held-for-sale	分類為持作出售之數字電視業務之相關總負債	1,468,206
Less: Amounts due to group entities	減：應付集團實體款項	(1,264,182)
Liabilities associated with DTV Business classified as held-for-sale	分類為持作出售之數字電視業務之相關負債	204,024
Amounts recognised in other comprehensive income and accumulated in equity relating to DTV Business classified as held-for-sale	分類為持作出售之數字電視業務於其他全面收益確認及於權益累計之相關金額	30,079

For presentation in the consolidated statement of financial position as at 31 December 2015 and segment information in Note 6, the amounts due to group entities amounting to HK\$1,264,182,000 had been excluded from the total liabilities associated with DTV Business classified as held-for-sale.

就於二零一五年十二月三十一日之綜合財務狀況表中之呈列以及附註6之分部資料而言，應付集團實體款項港幣1,264,182,000元已從分類為持作出售之數字電視業務之相關總負債中剔除。

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

(i) Property, plant and equipment

The equipment is depreciated on a straight-line basis over their estimated useful lives of 10 years.

During the year ended 31 December 2015, DTV Business acquired property, plant and equipment of approximately HK\$189,000 to operate its business.

The Group assessed the impairment of its properties by comparing the fair values of its properties against its carrying amounts. At 31 December 2015, the carrying amount was HK\$9,757,000. The fair values of the DTV Business's properties at 31 December 2015 had been arrived at on the basis of a valuation carried out on that date by Vigers Appraisal & Consulting Limited (“Vigers”). The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the similar location and condition. As the fair values of the properties were higher than the carrying amounts, no impairment loss had been recognised. As at 31 December 2015, the Group had not provided for impairment loss of the remaining items of property, plant and equipment of HK\$485,180,000.

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

(i) 物業、廠房及設備

設備按直線法於其估計可使用年期10年內進行折舊。

截至二零一五年十二月三十一日止年度，數字電視業務就經營其業務收購約港幣189,000元之物業、廠房及設備。

本集團通過比較其物業之公允價值與賬面值評估物業之減值。於二零一五年十二月三十一日，賬面值為港幣9,757,000元。數字電視業務物業於二零一五年十二月三十一日之公允價值乃以威格斯資產評估顧問有限公司（「威格斯」）於該日期進行之估值為基準達致。估值乃參照位於類似地點及處於類似狀況下之類似物業之交易價市場憑證而達致。由於物業之公允價值高於賬面值，故並無確認減值虧損。於二零一五年十二月三十一日，本集團並未為物業、廠房及設備之餘下項目港幣485,180,000元作減值虧損撥備。

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

(ii) Investment properties at fair value

		HK\$'000 港幣千元
At 1 January 2015	於二零一五年一月一日	48,803
Decrease in fair value recognised in profit or loss	於損益中確認之公允價值減少	(8,548)
Exchange adjustment	匯兌調整	(1,937)
		<u>38,318</u>
At 31 December 2015	於二零一五年十二月三十一日	<u>38,318</u>

The fair values of the investment properties at 31 December 2015 were arrived at on the basis of a valuation carried out on that date by Vigers. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the similar location and condition.

In estimating the fair value of the investment properties, the highest and best use of the properties was their current use. All of the investment properties of the DTV Business were classified as level 3 of the fair value hierarchy. The valuation based on the open market value by reference to recent market transactions for comparable properties and the key input was the price per square metre with floor adjustment as the only significant unobservable input.

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

(ii) 按公允價值計算之投資物業

投資物業於二零一五年十二月三十一日之公允價值乃以威格斯於該日期進行之估值為基準達致。估值乃參照位於類似地點及處於類似狀況下之類似物業之交易價市場憑證而達致。

於估計投資物業之公允價值時，該等物業之最高及最佳用途乃為其現有用途。數字電視業務之所有投資物業均歸類為公允價值層級之第三級別。估值乃基於參考可資比較物業近期市場交易之公開市場價值，而關鍵輸入數據為以樓層調整作為唯一顯著不可觀察輸入數據之每平方米價格。

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

(ii) Investment properties at fair value (continued)

As at 31 December 2015, all of the DTV Business' property interests in leasehold land in the PRC to earn rentals were measured using the fair value model and were classified and accounted for as investment properties.

Fair value as at 31 December 2015 於二零一五年十二月三十一日之 公允價值	Valuation technique 估值方法	Significant unobservable inputs 顯著不可觀察 輸入數據	Weighted average price 加權平均價	Relationship of unobservable input to fair value 不可觀察輸入數據與 公允價值間之關係
Office units located in Guangdong, the PRC – completed properties HK\$38,318,000 位於中國廣東之辦公室單位 — 已落成物業港幣38,318,000元	Direct comparison 直接比較法	Floor adjustment 樓層調整	RMB21,500 per square metre 每平方米人民幣 21,500元	The higher the floor adjustment, the higher the fair value 樓層調整越高，公允價值越高

(iii) Intangible assets

The intangible assets in the DTV Business represented contract acquisition costs for acquiring the rights to provide technical services and equipment. The contract acquisition costs were amortised over the terms of the contract of 20 years on a straight-line basis.

As at 31 December 2015, the Group assessed the impairment of its intangible assets. The management determined that there was no impairment loss recognised.

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

(ii) 按公允價值計算之投資物業 (續)

於二零一五年十二月三十一日，數字電視業務為賺取租金而於中國租賃土地持有之所有物業權益乃使用公允價值模式計量，並分類及入賬列為投資物業。

(iii) 無形資產

數字電視業務之無形資產指為收購提供技術服務及設備之權利之合約收購成本。合約收購成本乃按直線法於20年合約期內攤銷。

於二零一五年十二月三十一日，本集團評估其無形資產之減值。管理層認為毋須確認減值虧損。

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

(iv) Trade receivables

An aged analysis of the trade receivables as at 31 December 2015, based on invoice date, and net of allowance for doubtful debts, was as follows:

Over 2 years

2年以上

HK\$'000
港幣千元

167,794

All of the trade receivables included in assets held-for-sale were past due as at 31 December 2015 for which the Group had not provided for impairment loss as the amounts were still considered recoverable.

計入持作出售資產之所有應收貿易賬項於二零一五年十二月三十一日已逾期。由於該等款項仍被視為可收回，故本集團並未就此作出減值虧損撥備。

Aging of trade receivables which was past due but not impaired

逾期但未減值之應收貿易賬項之賬齡

HK\$'000
港幣千元

Over 2 years

2年以上

167,794

The trade receivables were all denominated in functional currencies of respective group entities in 2015.

於二零一五年，應收貿易賬項均以各自集團實體之功能貨幣計值。

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

(iv) 應收貿易賬項

於二零一五年十二月三十一日，應收貿易賬項之賬齡分析乃根據發票日期及經扣除呆賬撥備後計算，現載列如下：

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

(v) Trade and bills payables

An aged analysis of the trade and bills payables associated with DTV Business classified as held-for-sale as at 31 December 2015 based on the invoice date was as follows:

		HK\$'000 港幣千元
181 – 365 days	181 – 365日	20
1 – 2 years	1 – 2年	2,787
Over 2 years	2年以上	9,057
		11,864

The trade and bills payables associated with DTV Business classified as held-for-sale were all denominated in functional currencies of respective entities in 2015.

(vi) Bank borrowings

At 31 December 2015, the carrying amount of bank borrowings were repayable within one year and unsecured.

The bank borrowings associated with DTV Business classified as held-for-sale were variable rate borrowings carrying interest at two to five years benchmark interest rate of The People's Bank of China with 0% – 20% mark up.

The effective interest rates (which were also equal to contracted interest rates) on this borrowing was 6.55% per annum.

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

(v) 應付貿易賬項及應付票據

於二零一五年十二月三十一日，分類為持作出售之數字電視業務之相關應付貿易賬項及應付票據之賬齡分析乃根據發票日期計算，現載列如下：

於二零一五年，分類為持作出售之數字電視業務之相關應付貿易賬項及應付票據均以各實體之功能貨幣計值。

(vi) 銀行借款

於二零一五年十二月三十一日，銀行借款之賬面值須於一年內償還及為無抵押。

分類為持作出售之數字電視業務之相關銀行借款為浮息借款，按中國人民銀行之二至五年期基準利率加0厘至20厘計息。

此借款之實際利率（亦等於合約利率）為每年6.55厘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(a) DTV Business and LED Business (collectively referred to “DTV Disposal Group”) (continued)

(vi) Bank borrowings (continued)

During the year ended 31 December 2015, there was no new loan associated with DTV Business classified as held-for-sale obtained by the Group.

The borrowings of the DTV Business were all denominated in functional currencies of respective group entities in year 2015.

(b) Intelligent Information Business

On 13 January 2016, the Company entered into a sale and purchase agreement with an independent third party in relation to the proposed disposal of the entire issued share capital of Made Connection Limited (“**Made Connection**”), a subsidiary of the Company, after restructuring as required (the “**Intelligent Information Business Disposal Group**”) at a cash consideration of RMB120,000,000 (the “**Intelligent Information Business Disposal**”). Pursuant to the sale and purchase agreement, immediately upon the completion of the sale and purchase agreement, all intercompany balances between the Intelligent Information Business Disposal Group and the remaining group entities should be irrevocably waived on a dollar-to-dollar basis. Details are set out in the announcement dated 13 January 2016. Made Connection and its subsidiaries are mainly engaged in Intelligent Information Business. The Intelligent Information Business Disposal was approved by the shareholder of the Company on 22 February 2016. As at the date of these consolidated financial statements were authorised for issuance, the disposal has not been completed due to certain unfulfilled conditions. A reportable and operating segment namely “Intelligent Information Business” was classified as a disposal group held-for-sale and included in a discontinued operation.

12. 已終止業務及分類為持作出售之出售組別 (續)

(a) 數字電視業務及發光二極管業務 (統稱「數字電視出售組別」) (續)

(vi) 銀行借款 (續)

截至二零一五年十二月三十一日止年度，本集團概無取得分類為持作出售之數字電視業務之相關新貸款。

於二零一五年，數字電視業務之借款均以各自集團實體之功能貨幣計值。

(b) 智能信息業務

於二零一六年一月十三日，本公司與一名獨立第三方訂立買賣協議，內容有關於重組後(如需要)建議出售Made Connection Limited (「**Made Connection**」，本公司之一間附屬公司)之全部已發行股本(「**智能信息業務出售組別**」)，現金代價為人民幣120,000,000元(「**智能信息業務出售事項**」)。根據買賣協議，於緊隨買賣協議完成後，智能信息業務出售組別與餘下集團實體之間之全部公司間結餘應按等值基準不可撤回地免除。有關詳情載於日期為二零一六年一月十三日之公告。Made Connection及其附屬公司主要從事智能信息業務。智能信息業務出售事項乃於二零一六年二月二十二日獲本公司股東批准。於該等綜合財務報表獲授權刊發之日，由於若干條件尚未達成，故該項出售事項尚未完成。可呈報及經營分部「智能信息業務」已被分類為持作出售之出售組別及計入已終止業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Intelligent Information Business (continued)

The loss for the year from the discontinued operation in respect of Intelligent Information Business is analysed as follows:

12. 已終止業務及分類為持作出售之出售組別 (續)

(b) 智能信息業務 (續)

有關智能信息業務之已終止業務之年度虧損分析如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Revenue	收益	239,282	172,383
Cost of sales	銷售成本	(206,435)	(151,096)
Gross profit	毛利	32,847	21,287
Other income	其他收入	121	176
Other expense	其他開支	(1,597)	(592)
Other gains and losses	其他收益及虧損	(73,319)	(39,914)
Selling and distribution costs	銷售及分銷成本	(3,603)	(3,949)
Administrative expenses	行政開支	(12,838)	(19,629)
Finance costs	融資成本	(7,836)	(10,815)
Loss before tax	除稅前虧損	(66,225)	(53,436)
Income tax expense	所得稅開支	-	-
Loss for the year from discontinued operation	已終止業務之年度虧損	(66,225)	(53,436)
Loss for the year from discontinued operation attributable to:	以下人士應佔已終止業務之年度虧損：		
Owners of the Company	本公司擁有人	(38,910)	(31,929)
Non-controlling interests	非控股權益	(27,315)	(21,507)
		(66,225)	(53,436)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Intelligent Information Business (continued)

The assets and liabilities associated with Intelligent Information Business classified as held-for-sale as at 31 December 2016 are analysed as follows:

12. 已終止業務及分類為持作出售之出售組別 (續)

(b) 智能信息業務 (續)

於二零一六年十二月三十一日，分類為持作出售之智能信息業務之相關資產及負債分析如下：

		HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	4,790
Available-for-sale investments	可供出售投資	791
Intangible assets	無形資產	2,335
Inventories	存貨	654
Trade and bills receivables (note i)	應收貿易賬項及應收票據 (附註i)	77,928
Prepayments, deposits and other receivables (note ii)	預付款項、按金及其他應收款項 (附註ii)	187,290
Amounts due from customers for contract work (note iii)	應收客戶合約工程款項 (附註iii)	93,295
Tax recoverable	可收回稅項	4,891
Pledged bank deposits	已抵押銀行存款	9,347
Bank balances and cash	銀行結存及現金	5,754
Amounts due from group entities	應收集團實體款項	127,888
Total assets associated with Intelligent Information Business classified as held-for-sale	分類為持作出售之智能信息業務之相關總資產	514,963
Less: Amounts due from group entities	減：應收集團實體款項	(127,888)
Assets associated with Intelligent Information Business classified as held-for-sale	分類為持作出售之智能信息業務之相關資產	387,075
Trade payables (note iv)	應付貿易賬項 (附註iv)	99,415
Other payables, receipt in advance and accruals	其他應付款項、預收款項及應付項目	135,195
Financial guarantee liabilities (Note 42)	財務擔保負債 (附註42)	9,258
Tax liabilities	稅項負債	368
Bank borrowings (note v)	銀行借款 (附註v)	113,679
Amounts due to group entities	應付集團實體款項	1,010,342
Total liabilities associated with Intelligent Information Business classified as held-for-sale	分類為持作出售之智能信息業務之相關總負債	1,368,257
Deposit received from purchaser relating to disposal of Intelligent Information Business	就出售智能信息業務收取買方按金	39,046
Total liabilities associated with Intelligent Information Business classified as held-for-sale	分類為持作出售之智能信息業務之相關總負債	1,407,303
Less: Amounts due to group entities	減：應付集團實體款項	(1,010,342)
Liabilities associated with Intelligent Information Business classified as held-for-sale	分類為持作出售之智能信息業務之相關負債	396,961
Amounts recognised in other comprehensive income and accumulated in equity relating to Intelligent Information Business classified as held-for-sale	分類為持作出售之智能信息業務於其他全面收益確認及於權益累計之相關金額	(42,240)

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Intelligent Information Business (continued)

For presentation in the consolidated statement of financial position as at 31 December 2016, the amounts due from group entities, amounts due to group entities amounting to HK\$127,888,000 and HK\$1,010,342,000 respectively have been excluded from the total assets and total liabilities associated with Intelligent Information Business classified as held-for-sale.

Cash flows for the year from the discontinued operation in respect of Intelligent Information Business were as follows:

12. 已終止業務及分類為持作出售之出售組別 (續)

(b) 智能信息業務 (續)

就於二零一六年十二月三十一日之綜合財務狀況表中之呈列而言，應收集團實體款項及應付集團實體款項分別為港幣127,888,000元及港幣1,010,342,000元已從分類為持作出售之智能信息業務之相關總資產及總負債中剔除。

有關智能信息業務已終止業務之年度現金流量如下：

		HK\$'000 港幣千元
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度	
Net cash inflows from operating activities	經營活動所得之現金流入淨額	26,061
Net cash outflows used in investing activities	投資活動所用之現金流出淨額	(9,737)
Net cash outflows used in financing activities	融資活動所用之現金流出淨額	(29,761)
Net cash outflows	現金流出淨額	(13,437)
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度	
Net cash inflows from operating activities	經營活動所得之現金流入淨額	28,932
Net cash inflows from investing activities	投資活動所得之現金流入淨額	3,868
Net cash outflows used in financing activities	融資活動所用之現金流出淨額	(22,811)
Net cash inflows	現金流入淨額	9,989

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綜合財務報表附註

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Intelligent Information Business (continued)

Loss for the year from discontinued operation in respect of Intelligent Information Business has been arrived at after charging (crediting):

12. 已終止業務及分類為持作出售之出售組別 (續)

(b) 智能信息業務 (續)

有關已終止業務智能信息業務之年度虧損已扣除 (計入) 下列各項:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Staff costs, including Directors' remuneration	員工成本 (包括董事酬金)		
– Salaries, wage and other benefits	– 薪金、工資及其他福利	2,129	4,828
– Retirement benefit scheme contributions	– 退休福利計劃供款	312	538
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷 (計入銷售成本)	268	696
Auditor's remuneration	核數師酬金	1,196	1,199
Research and development expense (included in other expenses)	研發開支 (計入其他開支)	1,597	592
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,251	1,618
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	-	(9)
Loss on issuing financial guarantee contracts (included in other gains and losses)	發行財務擔保合約之虧損 (計入其他收益及虧損)	12,061	3,933
Amortisation of financial guarantee contracts (included in other gains and losses)	財務擔保合約之攤銷 (計入其他收益及虧損)	(8,491)	(1,366)
Impairment loss recognised in respect of trade receivables (included in other gains and losses)	就應收貿易賬項確認之 減值虧損 (計入其他 收益及虧損)	21,515	12,269
Impairment loss recognised in respect of other receivables (included in other gains and losses)	就其他應收款項確認之 減值虧損 (計入其他 收益及虧損)	-	5,715
Impairment loss recognised in respect of amounts due from customers for contract work (included in other gains and losses)	就應收客戶合約工程款項 確認之減值虧損 (計入其他收益及虧損)	48,077	18,815
Contract costs recognised as expenses	確認為開支之合約成本	173,768	123,393
Cost of inventories recognised as expenses	確認為開支之存貨成本	28,511	22,213
Bank interest income	銀行利息收入	(121)	(177)

(i) Trade and bills receivables

Trading terms with customers are on credit, except for new customers, where cash on delivery is normally required. Invoices are normally payable within 90 days upon issuance. Each customer has a designated credit limit.

(i) 應收貿易賬項及應收票據

除新客戶一般需要現款交貨外，與客戶之貿易條款均以信貸方式處理。發票一般須於發出後90日內支付。各客戶均有指定之信貸限額。

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Intelligent Information Business (continued)

(i) Trade and bills receivables (continued)

An aged analysis of the trade and bills receivables associated with the Intelligent Information Business Disposal Group classified as held-for-sale as at 31 December 2016, based on invoice date, and net of allowance for doubtful debts, is as follows:

		HK\$'000 港幣千元
0 – 90 days	0 – 90日	45,916
91 – 180 days	91 – 180日	1,409
181 – 365 days	181 – 365日	10,665
1 – 2 years	1 – 2年	19,938
		77,928

Included in the above balances are debtors with an aggregate carrying amount of HK\$32,012,000 which are past due as at the reporting date for which the Intelligent Information Business Disposal Group has not provided for impairment loss. The Intelligent Information Business Disposal Group does not hold any collateral over these balances.

Allowance for doubtful debts amounted to HK\$50,829,000 as at 31 December 2016 and represent individually impaired trade receivables.

(ii) Prepayments, deposits and other receivables

As at 31 December 2016, the balances include advances to suppliers of HK\$81,496,000, value-added tax receivable of HK\$77,501,000 and deposit for projects relation to Intelligent Information Business of HK\$28,293,000.

12. 已終止業務及分類為持作出售之出售組別 (續)

(b) 智能信息業務 (續)

(i) 應收貿易賬項及應收票據 (續)

於二零一六年十二月三十一日，分類為持作出售之智能信息業務出售組別之相關應收貿易賬項及應收票據之賬齡分析乃根據發票日期及經扣除呆賬撥備後計算，現載列如下：

上述結餘包括賬面值合共為港幣32,012,000元之應收款項，該等款項於報告日期已逾期，故智能信息業務出售組別並無就此作出減值虧損撥備。智能信息業務出售組別並無就該等結餘持有任何抵押品。

呆賬撥備於二零一六年十二月三十一日的金額為港幣50,829,000元，指個別減值之應收貿易賬項。

(ii) 預付款項、按金及其他應收款項

於二零一六年十二月三十一日，結餘包括向供應商提供之墊款港幣81,496,000元、增值稅應收款項港幣77,501,000元及有關智能信息業務項目之按金港幣28,293,000元。

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12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Intelligent Information Business (continued)

(iii) Amounts due from customers for contract work

Contract costs incurred plus recognised profits less recognised losses
Less: Progress billings and impairment loss recognised

Analysed for reporting purposes of:
Amounts due from contract customers

At 31 December 2016, certain contract work amounting to approximately HK\$8,608,000 is pending for final billing upon the issuance of certified completion reports by the customers. The amounts were included in amounts due from customers for contract work. At 31 December 2016, retentions held by customers for contract work of approximately HK\$1,831,000 which are included in other receivables in disposal group classified as held-for-sale (Note 12(b)) (2015: HK\$2,166,000 which were included in other receivables in the consolidated statement of financial position). There is no advance received from customers for contract work before the commencement of the contract. In the opinion of the Directors, the amounts are expected to be realised in the next twelve months from the end of the reporting period.

12. 已終止業務及分類為持作出售之出售組別 (續)

(b) 智能信息業務 (續)

(iii) 應收客戶合約工程款項

已產生之合約成本加已確認溢利減已確認虧損
減：進度付款及已確認減值虧損

按報告而分析為：
應收合約客戶款項

於二零一六年十二月三十一日，金額約為港幣8,608,000元之若干合約工程正待客戶發出經認證完成報告後收取最終付款。有關金額已計入應收客戶合約工程款項。於二零一六年十二月三十一日，客戶因合約工程而持有之保留金約港幣1,831,000元已計入分類為持作出售之出售組別(附註12(b))之其他應收款項(二零一五年：港幣2,166,000元已計入綜合財務狀況表之其他應收款項)。概無於合約開始前就合約工程預收客戶之款項。董事認為，有關款項預期於報告期末起計未來十二個月內變現。

HK\$'000
港幣千元

93,295

93,295

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

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD-FOR-SALE (continued)

(b) Intelligent Information Business (continued)

(iii) Amounts due from customers for contract work (continued)

Based on the assessment of the Directors, certain contract work has been suspended or has not yet been compromised with the customers on amount of final billing nor issuance of certified completion reports. The related carrying amounts of contract works are not probable to be recovered and an impairment loss of amounts due from customers for contract work of HK\$48,077,000 (2015: HK\$18,815,000) was recognised in the profit or loss during the year.

(iv) Trade payables

An aged analysis of the trade payables associated with the Intelligent Information Business Disposal Group classified as held-for-sale as at 31 December 2016 based on the invoice date is as follows:

		HK\$'000 港幣千元
0 – 90 days	0 – 90日	63,646
91 – 180 days	91 – 180日	21,451
181 – 365 days	181 – 365日	74
1 – 2 years	1 – 2年	4,320
Over 2 years	2年以上	9,924
		99,415

(v) Bank borrowings

At 31 December 2016, the carrying amounts of bank borrowings are unsecured variable rate borrowings which carry interest at one year benchmark interest rate of The People's Bank of China plus 2.3% per annum and repayable within one year. During the year ended 31 December 2016, the Intelligent Information Business Disposal Group obtained new loans of approximately HK\$258,746,000 (2015: HK\$304,920,000).

12. 已終止業務及分類為持作出售之出售組別 (續)

(b) 智能信息業務 (續)

(iii) 應收客戶合約工程款項 (續)

根據董事之評估，若干合約工程已暫停或尚未與客戶就最終付款金額或經核證完成報告之發出達成共識。有關合約工程之賬面值不大可能被收回，而於年內，應收客戶合約工程款項之減值虧損港幣48,077,000元(二零一五年：港幣18,815,000元)已於損益內確認。

(iv) 應付貿易賬項

於二零一六年十二月三十一日，分類為持作出售之智能信息業務出售組別之相關應付貿易賬項之賬齡分析乃根據發票日期計算，現載列如下：

(v) 銀行借款

於二零一六年十二月三十一日，銀行借款之賬面值為無抵押浮息借款，按中國人民銀行之一年期基準利率加每年2.3厘計息，並須於一年內償還。於截至二零一六年十二月三十一日止年度，智能信息業務出售組別獲得新貸款約港幣258,746,000元(二零一五年：港幣304,920,000元)。

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the 10 (2015: 12) Directors are as follows:

13. 董事及最高行政人員酬金

(a) 董事及最高行政人員酬金

已付或應付10名(二零一五年: 12名)董事各人之酬金如下:

		Fees	Salaries and other benefits	Retirement benefit scheme contributions	Total emoluments
		袍金	薪金及 其他福利	退休福利 計劃供款	總酬金
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
2016	二零一六年				
Zhao Quan (Note i)	趙權 (附註i)	-	3,080	-	3,080
Wang Hao (Note ii)	王浩 (附註ii)	109	242	13	364
Wang Shuang (Note ix)	Wang Shuang (附註ix)	-	181	-	181
Leung Shun Sang, Tony (Note x)	梁順生 (附註x)	220	-	-	220
Li Tongshuang (Note iv)	李同雙 (附註iv)	-	2,402	116	2,518
Leung Kai Cheung (Note xi)	梁繼昌 (附註xi)	300	-	-	300
Liem Chi Kit, Kevin (Note xi)	林子傑 (附註xi)	300	-	-	300
Lam Kin Fung, Jeffrey (Note xi)	林健鋒 (附註xi)	300	-	-	300
Xu Haohao (Note xii)	徐昊昊 (附註xii)	-	1,951	126	2,077
Zhang Ke (Note viii)	張克 (附註viii)	-	2,029	53	2,082
		1,229	9,885	308	11,422

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments (continued)

13. 董事及最高行政人員酬金 (續)

(a) 董事及最高行政人員酬金 (續)

		Salaries and other benefits	Retirement benefit scheme contributions	Total emoluments
	Fees	薪金及其他福利	退休福利計劃供款	總酬金
	袍金	其他福利	計劃供款	總酬金
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
2015	二零一五年			
Zhao Quan (Note i)	趙權 (附註i)	–	–	1,730
Wang Hao (Note ii)	王浩 (附註ii)	–	105	2,251
Mung Kin Keung (Note iii)	蒙建強 (附註iii)	1,020	–	1,020
Leung Shun Sang, Tony (Note x)	梁順生 (附註x)	163	–	163
Li Tongshuang (Note iv)	李同雙 (附註iv)	–	53	1,894
Mung Bun Man, Alan (Note v)	蒙品文 (附註v)	117	–	117
Leung Kai Cheung (Note xi)	梁繼昌 (附註xi)	240	–	240
Liem Chi Kit, Kevin (Note xi)	林子傑 (附註xi)	240	–	240
Lam Kin Fung, Jeffrey (Note xi)	林健鋒 (附註xi)	240	–	240
Xu Haohao (Note xii)	徐昊昊 (附註xii)	–	99	2,363
Li Xiaoming (Note vi)	李曉明 (附註vi)	–	18	1,185
Fan Ning (Note vii)	范寧 (附註vii)	–	–	521
		2,020	275	11,964

Notes:

- i. Mr. Zhao Quan was appointed as an Executive Director on 28 July 2015.
- ii. Mr. Wang Hao was appointed as a Chief Executive Officer and an Executive Director on 3 June 2015, and was resigned as the Chief Executive Officer and re-designated as a Non-executive Director on 4 February 2016.
- iii. Mr. Mung Kin Keung resigned as an Executive Director on 3 June 2015.

附註：

- i. 趙權先生於二零一五年七月二十八日獲委任為執行董事。
- ii. 王浩先生於二零一五年六月三日獲委任為行政總裁兼執行董事，並於二零一六年二月四日辭任行政總裁及調任為非執行董事。
- iii. 蒙建強先生於二零一五年六月三日辭任執行董事。

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

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments (continued)

Notes: (continued)

- iv. Mr. Li Tongshuang, stepped down as the Managing Director of the Company on 6 February 2015, and was re-designated from an Executive Director to a Non-executive Director on 6 February 2015, was re-designated to an Executive Director on 28 July 2015 and then resigned as an Executive Director on 24 November 2016.
- v. Mr. Mung Bun Man, Alan resigned as an Executive Director on 6 February 2015.
- vi. Mr. Li Xiaoming was appointed as an Executive Director on 6 February 2015 and then resigned on 28 July 2015.
- vii. Mr. Fan Ning was appointed as the Chief Executive Officer and an Executive Director on 6 February 2015 and then resigned on 3 June 2015.
- viii. Mr. Zhang Ke was appointed as an Executive Director on 22 April 2016 and then resigned on 6 February 2017.
- ix. Mr. Wang Shuang was appointed as an Executive Director on 24 November 2016.
- x. Mr. Leung Shun Sang, Tony is a Non-executive Director for both years ended 31 December 2016 and 31 December 2015.
- xi. Mr. Leung Kai Cheung, Mr. Liem Chi Kit, Kevin and Mr. Lam Kin Fung, Jeffrey are Independent Non-executive Directors for both years ended 31 December 2016 and 31 December 2015.
- xii. Mr. Xu Haohao is the Executive President for both years ended 31 December 2016 and 31 December 2015.

The emoluments disclosed above including those for services rendered by Mr. Li Tongshuang, Mr. Fan Ning and Mr. Wong Hao as Managing Director and Chief Executive Officer.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

13. 董事及最高行政人員酬金 (續)

(a) 董事及最高行政人員酬金 (續)

附註：(續)

- iv. 李同雙先生於二零一五年二月六日退任本公司之董事總經理，並於二零一五年二月六日由執行董事調任為非執行董事，於二零一五年七月二十八日調任為執行董事及此後於二零一六年十一月二十四日辭任為執行董事。
- v. 蒙品文先生於二零一五年二月六日辭任執行董事。
- vi. 李曉明先生於二零一五年二月六日獲委任為執行董事及此後於二零一五年七月二十八日辭任。
- vii. 范寧先生於二零一五年二月六日獲委任為行政總裁兼執行董事及此後於二零一五年六月三日辭任。
- viii. 張克先生於二零一六年四月二十二日獲委任為執行董事及此後於二零一七年二月六日辭任。
- ix. Wang Shuang先生於二零一六年十一月二十四日獲委任為執行董事。
- x. 梁順生先生於截至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止兩個年度為非執行董事。
- xi. 梁繼昌先生、林子傑先生及林健鋒先生於截至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止兩個年度為獨立非執行董事。
- xii. 徐昊昊先生於截至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止兩個年度為執行總裁。

上文披露之酬金包括李同雙先生、范寧先生及王浩先生擔任董事總經理及行政總裁時提供服務之酬金。

上文所示之執行董事酬金主要與彼等管理本公司及本集團事務之服務有關。

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

(a) Directors' and chief executive's emoluments (continued)

The non-executive directors' emoluments shown above were mainly for their services as directors of the Company or its subsidiaries.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

(b) Employees' Emoluments

Of the five individuals with highest emoluments in the Group, 4 (2015: all) were Directors of the Company whose emoluments are set out above. For the year ended 31 December 2016, the emoluments of the remaining one highest individual which the sum of salaries are as follows:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	1,162	-
Contributions to retirement benefit schemes	退休福利計劃之供款	18	-
		1,180	-

The emoluments were within the following bands:

		2016 二零一六年 Number of employees 僱員數目	2015 二零一五年 Number of employees 僱員數目
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至 港幣1,500,000元	1	-

No emoluments were paid by the Group to the Directors or the five highest paid individuals as compensation for loss of office or as an inducement to join or upon joining the Group.

13. 董事及最高行政人員酬金 (續)

(a) 董事及最高行政人員酬金 (續)

上文所示之非執行董事酬金主要與彼等擔任本公司或其附屬公司董事之服務有關。

上文所示之獨立非執行董事酬金主要與彼等擔任本公司董事之服務有關。

(b) 僱員酬金

於本集團五名最高薪酬人士中，共有4名(二零一五年：全部)為本公司董事，彼等之酬金載於上文。截至二零一六年十二月三十一日止年度，其餘一名最高薪酬人士之酬金合計如下：

彼等之酬金範圍如下：

本集團並無向董事或五名最高薪酬人士支付酬金，作為離職補償或作為加入或加入本集團後之獎勵。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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14. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2016 and 2015, nor has any dividend been proposed since the end of reporting period.

14. 股息

本公司於截至二零一六年及二零一五年十二月三十一日止年度並無向普通股股東支付或建議支付任何股息，且自報告期末起並無建議支付任何股息。

15. LOSS PER SHARE

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

15. 每股虧損

持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄虧損乃根據以下數據計算：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Loss figures are calculated as follows:	虧損數字乃計算如下：		
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損	(21,902)	(213,810)
Less: Loss for the year from discontinued operations	減：已終止業務之年度虧損	13,580	184,522
Loss for the purpose of basic loss per share from continuing operations	用以計算持續經營業務之每股基本虧損之虧損	(8,322)	(29,288)
Effect of dilutive potential ordinary shares: Interests on 2016 Convertible Bonds	攤薄潛在普通股之影響： 二零一六年可換股債券之利息	36,179	-
Gain on fair value change of the derivative components of 2016 Convertible Bonds	二零一六年可換股債券之衍生工具部分之公允價值變動收益	(61,191)	-
Loss for the purpose of diluted loss per share from continuing operations	用以計算持續經營業務之每股攤薄虧損之虧損	(33,334)	(29,288)

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15. LOSS PER SHARE (continued)

From continuing operations (continued)

		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之普通股加權平均數	11,399,996	5,000,358
Effect of dilutive potential ordinary shares: 2016 Convertible Bonds	攤薄潛在普通股之影響： 二零一六年可換股債券	459,979	-
Weighted average number of ordinary shares for the purpose of diluted loss per share	用以計算每股攤薄虧損之普通股加權平均數	11,859,975	5,000,358

The weighted average number of ordinary shares adopted in the calculation of the basic and diluted loss per share for the year of 2015 have been adjusted to reflect the impact of the rights issue affected during the year ended 31 December 2015.

The computation of diluted loss per share for the year ended 31 December 2016 does not assume exercise of (1) conversion of New Convertible Bond I (as defined in Note 32) because the assumed exercise of conversion of New Convertible Bond I would result in decrease in loss per share from continuing operations and (2) share options because the exercise price of those options was higher than the average market price for shares.

The computation of diluted loss per share for the year ended 31 December 2015 does not assume exercise of share options and conversion of New Convertible Bond I because the assumed exercise of share options and conversion of New Convertible Bond I would result in decrease in loss per share from continuing operations.

15. 每股虧損 (續)

持續經營業務 (續)

於二零一五年，計算每股基本及攤薄虧損所採納之普通股加權平均數已經調整，以反映截至二零一五年十二月三十一日止年度受影響供股之影響。

計算截至二零一六年十二月三十一日止年度之每股攤薄虧損時並無假設行使(1)轉換新可換股債券I(定義見附註32)，原因為假設行使轉換新可換股債券I將導致持續經營業務之每股虧損減少及(2)購股權，原因為該等購股權之行使價高於股份平均市價。

由於假設行使購股權及轉換新可換股債券I將導致持續經營業務之每股虧損減少，故計算截至二零一五年十二月三十一日止年度之每股攤薄虧損時並無假設行使購股權及轉換新可換股債券I。

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15. LOSS PER SHARE (continued)

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

15. 每股虧損 (續)

持續經營業務及已終止業務

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Loss	虧損		
Loss for the purpose of basic loss per share (Loss for the year attributable to owners of the Company)	用以計算每股基本虧損之虧損 (本公司擁有人應佔年度虧損)	(21,902)	(213,810)
Effect of dilutive potential ordinary shares: Interests on 2016 Convertible Bonds	攤薄潛在普通股之影響： 二零一六年可換股債券之利息	36,179	-
Gain on fair value change of the derivative components of 2016 Convertible Bonds	二零一六年可換股債券之衍生工具部分之公允價值變動收益	(61,191)	-
Loss for the purpose of diluted loss per share from continuing and discontinued operations	用以計算持續經營業務及已終止業務之每股攤薄虧損之虧損	(46,914)	(213,810)

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing operations.

所使用之分母與上文就持續經營業務之每股基本及攤薄虧損所詳列者相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

15. LOSS PER SHARE (continued)

From discontinued operations

Basic and diluted loss per share for the discontinued operations is HK0.12 cents per share (2015: Basic and diluted loss of HK3.69 cents per share).

The calculation of basic and diluted loss per share from discontinued operations attributable to owners of the Company are based on the following data:

15. 每股虧損 (續)

已終止業務

已終止業務之每股基本及攤薄虧損為每股0.12港仙(二零一五年:每股基本及攤薄虧損3.69港仙)。

本公司擁有人應佔已終止業務之每股基本及攤薄虧損乃根據以下數據計算:

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Loss for the purposes of basic and diluted loss per share attributable to owners of the Company	(13,580)	(184,522)

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing operations.

所使用之分母與上文就持續經營業務之每股基本及攤薄虧損所詳列者相同。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Hotel and buildings for golf business 高爾夫球 業務之 酒店及樓宇	Leasehold land and buildings	Machinery, moulds and tools	Equipment, furniture and fixtures	Motor vehicles	Leasehold improvements	Total
		租賃土地 及樓宇		機器、模具及 工具	設備、傢俬及 裝置	汽車	租賃 物業裝修	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
COST	成本							
At 1 January 2015	於二零一五年一月一日	286,943	3,216	19,675	11,043	14,415	2,488	337,780
Additions	添置	-	39,390	1,581	1,390	2,110	9,330	53,801
Disposals	出售	-	-	(547)	(41)	(971)	-	(1,559)
Exchange realignment	匯兌調整	(12,989)	(1,401)	(830)	(241)	(600)	(61)	(16,122)
At 31 December 2015	於二零一五年十二月三十一日	273,954	41,205	19,879	12,151	14,954	11,757	373,900
Transfer to a disposal group classified for held-for-sale	轉撥至分類為持作出售 之出售組別	-	(3,070)	-	(4,261)	(10,922)	(675)	(18,928)
Additions	添置	-	-	2,626	197	1,435	2,886	7,144
Disposals	出售	-	-	(7,414)	-	-	-	(7,414)
Disposal of subsidiaries (Note 38)	出售附屬公司(附註38)	-	(36,560)	-	(826)	(658)	-	(38,044)
Exchange realignment	匯兌調整	(17,924)	(1,575)	(1,090)	(41)	(78)	(131)	(20,839)
At 31 December 2016	於二零一六年十二月三十一日	256,030	-	14,001	7,220	4,731	13,837	295,819
ACCUMULATED DEPRECIATION	累計折舊							
At 1 January 2015	於二零一五年一月一日	4,782	1,297	1,660	8,666	9,695	1,551	27,651
Provided for the year	年度撥備	9,432	1,050	3,312	621	1,338	738	16,491
Eliminated on disposals	出售時對銷	-	-	(97)	(14)	(687)	-	(798)
Exchange realignment	匯兌調整	(516)	(92)	(83)	(151)	(432)	(36)	(1,310)
At 31 December 2015	於二零一五年十二月三十一日	13,698	2,255	4,792	9,122	9,914	2,253	42,034
Transfer to a disposal group classified for held-for-sale	轉撥至分類為持作出售 之出售組別	-	(1,385)	-	(2,572)	(8,400)	(675)	(13,032)
Provided for the year	年度撥備	8,928	797	3,465	233	835	3,182	17,440
Eliminated on disposals	出售時對銷	-	-	(6,673)	-	-	-	(6,673)
Eliminated on disposal of subsidiaries (Note 38)	出售附屬公司時對銷 (附註38)	-	(1,613)	-	(762)	(625)	-	(3,000)
Exchange realignment	匯兌調整	(1,290)	(54)	(172)	(37)	(46)	(6)	(1,605)
At 31 December 2016	於二零一六年十二月三十一日	21,336	-	1,412	5,984	1,678	4,754	35,164
CARRYING VALUES	賬面值							
At 31 December 2016	於二零一六年十二月三十一日	234,694	-	12,589	1,236	3,053	9,083	260,655
At 31 December 2015	於二零一五年十二月三十一日	260,256	38,950	15,087	3,029	5,040	9,504	331,866

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16. PROPERTY, PLANT AND EQUIPMENT

(continued)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their residual value, as follows:

Hotel and buildings for golf business	9 years, or over the lease terms, whichever is shorter
Leasehold land and buildings	50 years, or over the lease terms, whichever is shorter
Machinery, moulds and tools	3 – 25 years
Equipment, furniture and fixtures	3 – 10 years
Motor vehicles	3 – 10 years
Leasehold improvements	Over the shorter of lease terms or 25 years

The estimated useful lives reflect the Directors' estimate of the periods that the Group intends to derive future economic benefits from the usage of the Group's property, plant and equipment. In addition, the estimated residual values reflect the Directors' estimate of the amounts that the Group would receive from the assets when they are already of the age and in the condition expected at the end of their useful lives. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

Hotel and buildings for golf business amounting to HK\$234,694,000 (2015: HK\$260,256,000) are pledged to banks for securing the banking facilities of the Group (see Note 27).

At 31 December 2016, the motor vehicles with carrying value of HK\$2,255,000 (2015: HK\$1,329,000) are assets held under finance leases.

16. 物業、廠房及設備 (續)

經計及物業、廠房及設備之殘值後，物業、廠房及設備於其估計可使用年內以直線法計算折舊，具體如下：

高爾夫球業務之酒店及樓宇	9年或按租賃年期之較短者
租賃土地及樓宇	50年或按租賃年期之較短者
機器、模具及工具	3至25年
設備、傢俬及裝置	3至10年
汽車	3至10年
租賃物業裝修	按租賃年期或25年之較短者

估計可使用年期反映董事對本集團計劃透過使用本集團之物業、廠房及設備獲得未來經濟利益之年期進行之估計。此外，估計殘值反映董事對本集團將於資產老化及預期將至其可使用年期之狀況時收取之款項進行之估計。倘若先前估計出現重大變化，未來期間之折舊費用將予以調整。

金額為港幣234,694,000元（二零一五年：港幣260,256,000元）之高爾夫球業務之酒店及樓宇已抵押予銀行以為本集團取得銀行融資（見附註27）。

於二零一六年十二月三十一日，賬面值為港幣2,255,000元（二零一五年：港幣1,329,000元）之汽車為根據融資租賃持有之資產。

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17. LAND USE RIGHTS

17. 土地使用權

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
The Group's land use rights comprise:	本集團之土地使用權包括：		
Leasehold land in the PRC	中國之租賃土地	1,101,025	1,222,561
Analysed for reporting purposes as:	按報告而分析為：		
Current assets	流動資產	41,548	44,457
Non-current assets	非流動資產	1,059,477	1,178,104
		1,101,025	1,222,561

Management assessed the impairment in respect of the hotels and buildings for golf business and land use rights held by DG Hillview are carrying amount of HK\$234,694,000 and HK\$1,101,025,000 at 31 December 2016 (2015: HK\$260,256,000 and HK\$1,222,561,000) respectively reference to an external valuation carried out by Vigers, an independent qualified professional valuer, in which a combination of market and replacement cost approach is adopted. The major inputs are mainly related to adjustments on market land cost and construction cost. Management concluded that there is no impairment for land use rights and hotels and buildings for golf business held by DG Hillview.

管理層經參考獨立合資格專業估值師威格斯進行之外部估值後，評估東莞峰景持有之高爾夫球業務之酒店及樓宇以及土地使用權之減值賬面值於二零一六年十二月三十一日分別為港幣234,694,000元及港幣1,101,025,000元（二零一五年：港幣260,256,000元及港幣1,222,561,000元），有關估值採用綜合市場及重置成本法。主要輸入數據主要與市場土地成本及建築成本調整有關。管理層認為東莞峰景持有之土地使用權以及高爾夫球業務之酒店及樓宇並無出現減值。

18. INVESTMENT PROPERTIES

18. 投資物業

		HK\$'000 港幣千元
FAIR VALUE	公允價值	
At 1 January 2015, 31 December 2015 and 1 January 2016	於二零一五年一月一日、二零一五年十二月三十一日及二零一六年一月一日	-
Acquisitions	收購事項	2,537,809
Exchange realignment	匯兌調整	(96,798)
Net increase in fair value recognised in profit or loss	於損益中確認之公允價值增加淨額	6,610
At 31 December 2016	於二零一六年十二月三十一日	2,447,621

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18. INVESTMENT PROPERTIES (continued)

18. 投資物業 (續)

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Unrealised gain on property valuation included in profit or loss (included in other gains and losses)	計入損益之物業估值未變現收益 (計入其他收益及虧損)	6,610	-

The Group entered into a sale and purchase agreement on 18 April 2016 with an independent third party to acquire an investment property which is a commercial building situated in Canary Wharf, London, the UK, at a consideration of Great British Pound (“GBP”) 131,000,000 (equivalent to approximately HK\$1,344,964,000). Details are set out in the circular dated 17 June 2016.

本集團於二零一六年四月十八日與一名獨立第三方訂立買賣協議，以收購一項位於英國倫敦金絲雀碼頭之商業樓宇，代價為131,000,000英鎊（「英鎊」）（相等於約港幣1,344,964,000元）。詳情載於日期為二零一六年六月十七日之通函。

Pursuant to the purchase and sale agreement dated 7 October 2016, the Company acquired eight golf courses located in Washington State, the USA together with certain related assets at a cash consideration of US\$137,470,000 (equivalent to approximately HK\$1,072,266,000). Details are set out in the circular dated 23 November 2016.

根據日期為二零一六年十月七日之買賣協議，本公司收購八座位於美國華盛頓州之高爾夫球場連同若干相關資產，現金代價為137,470,000美元（相等於約港幣1,072,266,000元）。詳情載於日期為二零一六年十一月二十三日之通函。

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18. INVESTMENT PROPERTIES (continued)

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the Group's investment properties at 31 December 2016 were arrived at on the basis of valuations carried out on that date by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), independent qualified professional valuer not connected with the Group. JLL has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The Group engages an independent qualified professional valuer to perform the valuation. Management works closely with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs to the model. Management reports the findings to the board of directors of the Company semi-annually to explain the cause of fluctuations in the fair value of the investment properties.

For the investment properties which are leased out, the valuations were determined based on income approach where the market rents are assessed by considering the income derived from existing tenancies of the properties and discounted at the capitalisation rate.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There were no transfers into or out of Level 3 of fair value hierarchy for the year ended 31 December 2016.

18. 投資物業 (續)

本集團為賺取租金或作資本增值用途而根據經營租賃持有之所有物業權益乃使用公允價值模式計量，並分類及入賬列為投資物業。

本集團投資物業於二零一六年十二月三十一日之公允價值以與本集團並無關連之獨立合資格專業估值師仲量聯行企業評估及諮詢有限公司(「仲量聯行」)於該日期進行之估值為基準達致。仲量聯行在對相關地點之類似物業進行估值方面具備合適資格及近期經驗。

本集團會聘用獨立合資格專業估值師進行估值。管理層與獨立合資格專業估值師緊密合作以對模式確立合適估值方法及輸入數據。管理層每半年向本公司董事會報告發現，以闡釋投資物業公允價值波動之原因。

就已出租投資物業而言，估值乃根據收入法釐定，而市場租金則透過考慮由物業之現有租約產生之收入進行評估，並按資本化比率貼現。

於估計物業之公允價值時，該等物業之最高及最佳用途乃為其現有用途。

於截至二零一六年十二月三十一日止年度，概無轉入或轉出公允價值層級之第三級別。

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18. INVESTMENT PROPERTIES (continued)

Information about fair value measurements using significant unobservable inputs

The following table shows the valuation techniques used in the determination of fair values for investment properties and key unobservable inputs used in the valuation models.

	Fair value	Fair value hierarchy	Valuation techniques	Unobservable inputs	Range of significant inputs	Relationship of inputs to fair value
	公允價值	公允價值層級	估值方法	不可觀察輸入數據	顯著輸入數據範圍	數據與公允價值之間的關係
	HK\$'000					
	港幣千元					
At 31 December 2016						
於二零一六年十二月三十一日						
Commercial property units located in the UK 位於英國之商用物業單位	1,340,668	Level 3 第三級別	Income approach (i) 收入法	Capitalisation rate (i) 資本化比率	4.75% – 5%	The higher the capitalisation rate, the lower the fair value. 資本化比率越高，公允價值越低。
				(ii) Monthly market rent per square feet (ii) 每月每平方呎市場租金	GBP15 – GBP38.50 per square feet 每平方呎15英鎊 – 38.50英鎊	The higher the market rent, the higher the fair value. 市場租金越高，公允價值越高。
Golf courses located in the US 位於美國之高爾夫球場	1,106,953	Level 3 第三級別	Income approach (i) 收入法	Capitalisation rate (i) 資本化比率	5%	The higher the capitalisation rate, the lower the fair value. 資本化比率越高，公允價值越低。
				(ii) Monthly market rent per acre (ii) 每月每英畝市場租金	US\$313.50 313.50美元	The higher the market rent, the higher the fair value. 市場租金越高，公允價值越高。
	<u>2,447,621</u>					

18. 投資物業 (續)

有關使用顯著不可觀察輸入數據進行公允價值計量之資料

下表顯示釐定投資物業公允價值所採用之估值方法及估值模式所採用之主要不可觀察輸入數據。

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19. INTANGIBLE ASSETS

19. 無形資產

		Development costs for intelligent information systems 智能信息 系統之 開發成本 HK\$'000 港幣千元	Project contracts 項目合約 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
COST	成本			
At 1 January 2015	於二零一五年一月一日	15,121	1,473	16,594
Exchange realignment	匯兌調整	(684)	-	(684)
At 31 December 2015	於二零一五年十二月三十一日	14,437	1,473	15,910
Transfer to a disposal group classified as held-for-sale	轉撥至分類為持作出售之 出售組別	(14,437)	(1,473)	(15,910)
At 31 December 2016	於二零一六年十二月三十一日	-	-	-
AMORTISATION	攤銷			
At 1 January 2015	於二零一五年一月一日	14,237	1,473	15,710
Charge for the year	本年度扣除	696	-	696
Exchange realignment	匯兌調整	(667)	-	(667)
At 31 December 2015	於二零一五年十二月三十一日	14,266	1,473	15,739
Transfer to a disposal group classified as held-for-sale	轉撥至分類為持作出售之 出售組別	(14,266)	(1,473)	(15,739)
At 31 December 2016	於二零一六年十二月三十一日	-	-	-
CARRYING VALUES	賬面值			
At 31 December 2016	於二零一六年十二月三十一日	-	-	-
At 31 December 2015	於二零一五年十二月三十一日	171	-	171

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19. INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Development costs for intelligent information systems	5 years
Project contracts	5 years

Development costs for intelligent information systems represent costs incurred for the design and development of intelligent information systems.

Project contracts represent the contracts based intangible assets relating to system installation and integration project contracts.

19. 無形資產 (續)

上述無形資產具有有限可使用年期。有關無形資產按直線法於下列期間攤銷：

智能信息系統之開發成本	5年
項目合約	5年

智能信息系統之開發成本指設計及開發智能信息系統所產生之成本。

項目合約指與系統安裝及整合項目合約之合約相關之無形資產。

20. AVAILABLE-FOR-SALE INVESTMENTS

20. 可供出售投資

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Unlisted investment, at cost 非上市投資，按成本	155,000	847

At 31 December 2016, the unlisted equity investment represent investment in 10% interest in 海南海投一號投資合夥企業(有限合夥) (Hainan Haitou Number 1 Investment Limited Partnership*), a limited partnership established under the laws of the PRC, which is involved in investment in property redevelopment project and ultimately controlled by HNA Group. It is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair value could not be measured reliably.

於二零一六年十二月三十一日，非上市股權投資為於海南海投一號投資合夥企業(有限合夥)(為一間根據中國法律成立之有限合夥企業，其涉及物業重建項目之投資，並由海航集團最終控制) 10%權益之投資。其於報告期末時按成本減減值計算，乃由於合理公允價值估計的範圍太廣，導致董事認為未能可靠地計算彼等之公允價值。

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21. AMOUNTS DUE FROM/TO RELATED COMPANIES

21. 應收／應付關連公司款項

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Interest-bearing advance to Guangzhou HNA Asset Management Company Limited (“Guangzhou HNA Asset Management”) (formerly known as Guangzhou HNA Real Estate Development Company Limited) (Note a)	向廣州海航資產管理有限公司(「廣州海航資產管理」, 前稱「廣州海航地產開發有限公司」)提供之計息墊款(附註a)	-	451,052
Interest receivables on interest-bearing advance to Guangzhou HNA Asset Management (Note a)	向廣州海航資產管理提供之計息墊款之應收利息(附註a)	-	53,957
Amount due from other related companies (Note b)	應收其他關連公司款項(附註b)	10,565	43,975
Amount due from DTV Disposal Group (Note c) (Note 38)	應收數字電視出售組別款項(附註c)(附註38)	900,000	-
		910,565	548,984
Less: amounts repayable within one year shown under current assets (Notes a, b and c)	減: 流動資產所示須於一年內償還之款項(附註a、b及c)	(908,065)	(121,456)
Amounts shown under non-current assets	非流動資產所示款項	2,500	427,528
Amounts due to other related companies (Note b)	應付其他關連公司款項(附註b)	7,475	91

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21. AMOUNTS DUE FROM/TO RELATED COMPANIES (continued)

Notes:

- (a) Guangzhou HNA Asset Management is a subsidiary of HNA Group, which is the ultimate parent of the Company. As such, Guangzhou HNA Asset Management is a related company of the Group. As at 31 December 2015, the advance to Guangzhou HNA Asset Management of HK\$451,052,000 carries interest at 9% per annum. Based on the agreed repayment terms, HK\$57,131,000 was classified as current assets and the remaining amounts of HK\$393,921,000 were classified as non-current assets respectively.

The amounts of HK\$53,957,000 represented the interest receivables arising from the advance to Guangzhou HNA Asset Management.

During the year ended 31 December 2016, the advance to and interest receivables from Guangzhou HNA Asset Management was fully offset with the promissory note issued by the Company. Details are set out in Notes 36 and 39 respectively.

- (b) At 31 December 2016 and 31 December 2015, amounts due from/to other related companies represented the amounts due from/to other subsidiaries of HNA Group.

At 31 December 2016, amounts due from other related companies are interest free, unsecured. Included in the balance, HK\$2,500,000 is expected to be received after 12 months from the year ended 31 December 2016 and the remaining amounts are repayable on demand.

At 31 December 2015, amounts due from other related companies with principal amount of HK\$36,217,000 were measured at amortised cost amounting to HK\$33,607,000 using an effective interest rate of 9% per annum and were classified as a non-current asset as the Directors considered the amounts due from other related companies will not be settled within the next twelve months after the end of reporting period. The remaining amount of HK\$10,368,000 was interest-free, unsecured and repayable on demand.

At 31 December 2016 and 31 December 2015, amounts due to other related companies represent the payments on behalf of the Group. The amount is unsecured, non-interest bearing and repayable on demand.

- (c) The balance are unsecured, interest-free and repayable within the next twelve months after the end of reporting period. Pursuant to the Agreement, HK\$500,000,000 is repayable in January 2017 and the remaining amount of HK\$400,000,000 is repayable in October 2017, accordingly.

21. 應收／應付關連公司款項 (續)

附註：

- (a) 廣州海航資產管理為海航集團之一間附屬公司，海航集團為本公司之最終母公司。因此，廣州海航資產管理為本集團之關連公司。於二零一五年十二月三十一日，向廣州海航資產管理提供之墊款港幣451,052,000元按年利率9厘計息。根據協定還款條款，港幣57,131,000元被分類為流動資產，而餘額港幣393,921,000元被分類為非流動資產。

港幣53,957,000元之款項指向廣州海航資產管理提供之墊款所產生之應收利息。

截至二零一六年十二月三十一日止年度，向廣州海航資產管理提供之墊款及來自廣州海航資產管理之應收利息已悉數抵銷本公司發行之承兌票據。有關詳情分別載於附註36及39。

- (b) 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，應收／應付其他關連公司款項指應收／應付海航集團之其他附屬公司款項。

於二零一六年十二月三十一日，應收其他關連公司款項為免息、無抵押。計入結餘之港幣2,500,000元之款項預期將於截至二零一六年十二月三十一日止年度起計十二個月後收取，而餘額將按的要求償還。

於二零一五年十二月三十一日，本金額為港幣36,217,000元之應收其他關連公司款項按攤銷成本港幣33,607,000元以實際年利率9厘計量，並分類為非流動資產，原因為董事認為應收其他關連公司款項將不會於報告期末後未來十二個月內償付。餘額港幣10,368,000元為免息、無抵押及按的要求償還。

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，應付其他關連公司款項指代表本集團之付款。該款項為無抵押、免息及按的要求償還。

- (c) 有關結餘為無抵押、免息及須於報告期末後起計未來十二個月內償還。根據該協議，港幣500,000,000元須於二零一七年一月償還，而餘下港幣400,000,000元之款項則相應地須於二零一七年十月償還。

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22. INVENTORIES

22. 存貨

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Raw materials	原料	6,474	6,900
Finished goods	製成品	442	832
		6,916	7,732

23. TRADE RECEIVABLES

23. 應收貿易賬項

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Trade receivables	應收貿易賬項	29,515	139,432
Less: Allowance for doubtful debts	減：呆賬撥備	(2,475)	(34,857)
		27,040	104,575

Trading terms with customers are on credit, except for new customers, where cash on delivery is normally required. Invoices are normally payable upon issuance or within 90 days upon issuance. Each customer has a designated credit limit.

除新客戶一般需要現款交貨外，與客戶之貿易條款均以信貸方式處理。發票一般須於發出後或於發出後90日內支付。各客戶均有指定之信貸限額。

The following is an aged analysis of the trade receivables as at the end of the reporting period, based on invoice date, and net of allowance for doubtful debts:

於報告期末時之應收貿易賬項之賬齡分析乃根據發票日期及經扣除呆賬撥備後計算，現載列如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
0 – 90 days	0 – 90日	20,171	79,677
91 – 180 days	91 – 180日	543	7,266
181 – 365 days	181 – 365日	6,326	10,995
1 – 2 years	1 – 2年	–	6,637
		27,040	104,575

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23. TRADE RECEIVABLES (continued)

Before accepting any new customer, the Group assesses the credit quality of each potential customer and defines a credit rating and limit for each customer. In addition, the Group reviews the repayment history of receivables of each customer with reference to the payment terms stated in contracts to determine the recoverability. In the opinion of Directors, trade receivables that are not past due nor impaired at the end of the reporting period were of good credit quality.

Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of HK\$6,869,000 (2015: HK\$24,898,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired

91 – 180 days	91 – 180日
181 – 365 days	181 – 365日
1 – 2 years	1 – 2年

23. 應收貿易賬項 (續)

在接納任何新客戶之前，本集團會評估各潛在客戶的信貸質素並界定各客戶之信貸評級及限額。此外，本集團會參考合約所訂之還款條款檢討各客戶應收款項之還款記錄，以釐定可收回性。董事認為，於報告期末時未逾期及未減值之應收貿易賬項擁有良好信貸質素。

本集團應收貿易賬項結餘包括賬面總值為港幣6,869,000元（二零一五年：港幣24,898,000元）之應收款項，該等款項於報告日期已逾期，故本集團並無就此作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

逾期但未減值之應收貿易賬項之賬齡

2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
543	7,266
6,326	10,995
–	6,637
6,869	24,898

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23. TRADE RECEIVABLES (continued)

Movement in the allowance for doubtful debts

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
At 1 January	於一月一日	34,857	23,951
Impairment loss recognised	已確認減值虧損	21,515	12,269
Transfer to a disposal group classified as held-for-sale	轉移至分類為持作出售之 出售組別	(50,829)	-
Exchange realignment	匯兌調整	(3,068)	(1,363)
At 31 December	於十二月三十一日	2,475	34,857

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$2,475,000 (2015: HK\$34,857,000) of which the Group has chased for settlements from customers but the amounts remained unsettled. In the opinion of Directors, the amounts are considered uncollectible. The Group does not hold any collateral over these balances.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

At 31 December 2015, the balances mainly included advances to suppliers of HK\$88,758,000, value added tax receivable of HK\$79,343,000 and deposit for projects for Intelligent Information Business of 2015: HK\$27,360,000. The outstanding balances of these items as at 31 December 2016 are grouped under a disposal group classified as held-for-sale (Note 12(b)).

23. 應收貿易賬項 (續)

呆賬撥備之變動

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
At 1 January	於一月一日	34,857	23,951
Impairment loss recognised	已確認減值虧損	21,515	12,269
Transfer to a disposal group classified as held-for-sale	轉移至分類為持作出售之 出售組別	(50,829)	-
Exchange realignment	匯兌調整	(3,068)	(1,363)
At 31 December	於十二月三十一日	2,475	34,857

呆賬撥備包括已作個別減值之應收貿易賬項，總結餘為港幣2,475,000元（二零一五年：港幣34,857,000元），本集團已向客戶追討有關款項，惟該等款項仍未獲清償。董事認為該等款項已被視為不可收回。本集團並無就該等結餘持有任何抵押品。

24. 預付款項、按金及其他應收款項

於二零一五年十二月三十一日，結餘主要包括向供應商提供之墊款港幣88,758,000元、增值稅應收款項港幣79,343,000元及智能信息業務項目於二零一五年之按金港幣27,360,000元。於二零一六年十二月三十一日，此等項目之未償還結餘已分類為持作出售之出售組別項下（附註12(b)）。

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25. OTHER RECEIVABLES

As at 31 December 2014, the amount originally represented deposit amounting to RMB35,000,000 (equivalent to approximately HK\$43,566,000) paid to acquire a commercial property in the PRC for owner occupation pursuant to an agreement entered into between the Group and an independent third party 浙江華海實業有限公司 (“the Developer”) dated 11 February 2010 (“S&P Agreement”). The deposit carried interest at 10% per annum. Pursuant to the S&P Agreement, if the transfer is not completed within five years from 11 February 2010, the Group can request for refund of the deposit from the Developer or the Group can occupy this property up to 2054.

In August 2012, the Developer informed the Group that the government body may not issue the official premises permit for that property and orally agreed to refund the deposit to the Group in 2015. Taking into account the financial position of the Developer and expected delay in repayment, the carrying amount of the other receivable was adjusted downward and accumulated impairment losses of approximately HK\$17,145,000 was charged to profit or losses and reported in other gains and losses in previous years. The Group also recognised imputed interest income of in HK\$648,000 profit or loss and reported under other income during the year ended 31 December 2015.

Upon completion of 5 years from 11 February 2010 and pursuant to the term of the S&P Agreement, the Directors decided that the Group would occupy the commercial property for use up to 2054 as per initial agreement, hence, the Group has reclassified the amount of HK\$39,390,000 to leasehold land and building under property, plant and equipment during the year 2015. Since the lease payments on interest in land held under operating lease cannot measured reliably, they are accounted for as finance lease.

25. 其他應收款項

於二零一四年十二月三十一日，有關款項原指根據本集團與一名獨立第三方浙江華海實業有限公司（「發展商」）所訂立日期為二零一零年二月十一日之協議（「買賣協議」）收購中國一項商用物業作業主自用所支付之按金，金額為人民幣35,000,000元（相等於約港幣43,566,000元）。按金以每年10厘計息。根據買賣協議，倘轉讓未於二零一零年二月十一日起五年內完成，本集團可要求發展商退還按金或本集團可佔用該物業直至二零五四年。

於二零一二年八月，發展商告知本集團政府部門未必會發出該物業之正式房產證，並口頭同意於二零一五年將按金退還予本集團。經考慮發展商之財務狀況及預期延遲還款，其他應收款項之賬面值被下調，並在過往年度於損益中計入及於其他收益及虧損呈報累計減值虧損約港幣17,145,000元。本集團亦於損益中確認及按截至二零一五年十二月三十一日止年度之其他收入呈報估算利息收入港幣648,000元。

於二零一零年二月十一日起計五年完結後及根據買賣協議之條款，董事決定本集團將根據初步協議租用商用物業，直至二零五四年為止，因此，本集團於二零一五年已將港幣39,390,000元之款項重新分類至物業、廠房及設備項下之租賃土地及樓宇。由於根據經營租賃持有之土地之利息租賃付款不能可靠地計量，因此入賬列為融資租賃。

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26. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

26. 應收客戶合約工程款項

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Contract costs incurred plus recognised profits less recognised losses	已產生之合約成本加已確認溢利減已確認虧損	-	1,734,695
Less: Progress billings and impairment loss recognised	減：進度付款及已確認減值虧損	-	(1,646,280)
		-	88,415
Analysed for reporting purposes of:	按報告而分析為：		
Amounts due from contract customers	應收合約客戶款項	-	88,415

At 31 December 2015, an amount of HK\$88,415,000 had been recognised as amounts due from customers for contract work in the consolidated statement of financial position. At 31 December 2016, an amount of approximately HK\$93,295,000 has been recognised as assets associated with a disposal group classified as held-for-sale (Note 12(b)).

At 31 December 2015, certain contract work amounting to approximately HK\$5,134,000 was pending for final billing upon the issuance of certified completion reports by the customers. The amounts were included in amounts due from customers for contract work. At 31 December 2015, retentions held by customers for contract works of approximately HK\$2,166,000 were included in other receivables. There is no advance received from customers for contract work before the commencement of the contract. In the opinion of the Directors, the amounts are expected to be realised in the next twelve months from the end of the reporting period.

Based on the assessment of the Directors, certain contract works have been suspended or have not yet been compromised with the customers on amount of final billing nor issuance of certified completion reports. The related carrying amounts of contract works are not probable to recover and an impairment loss of amounts due from customers for contract work of HK\$18,815,000 was recognised in the profit or loss in 2015.

於二零一五年十二月三十一日，港幣88,415,000元之款項於綜合財務狀況表內確認為應收客戶合約工程款項。於二零一六年十二月三十一日，約港幣93,295,000元之款項確認為分類為持作出售之出售組別之相關資產（附註12(b)）。

於二零一五年十二月三十一日，金額約為港幣5,134,000元之若干合約工程正待客戶發出經審核完成報告後收取最終付款。有關款項已計入應收客戶合約工程款項。於二零一五年十二月三十一日，客戶因合約工程而持有之保留金約港幣2,166,000元計入其他應收款項。概無於合約開始前就合約工程預收客戶之款項。董事認為，有關款項預期於報告期末起計未來十二個月內變現。

根據董事之評估，若干合約工程已暫停或尚未與客戶就最終付款金額或經審核完成報告之發出達成共識。合約工程之有關賬面值不大可能被收回及於二零一五年，應收客戶合約工程款項之減值虧損港幣18,815,000元已於損益內確認。

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27. PLEDGE OF ASSETS

At the end of the reporting period, assets pledged to banks to secure banking facilities and borrowings, including the obligations under finance leases, granted to the Group were as follows:

27. 已抵押資產

於報告期末時，作為本集團獲授銀行信貸及借款之擔保而抵押予銀行之資產（包括融資租賃承擔）如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Investment properties	投資物業	1,340,668	—
Hotel and buildings for golf club business	高爾夫球會業務之 酒店及樓宇	234,694	260,256
Land use rights	土地使用權	1,101,025	1,222,561
Pledged bank deposits	已抵押銀行存款	37,237	3,220
Trade receivables	應收貿易賬項	95,889	—
Motor vehicles	汽車	2,255	1,329
		2,811,768	1,487,366

The pledged bank deposits carry interest at market rates of 0.3% (2015: 0.3%) per annum. The pledged bank deposits will be released upon the settlement of relevant bills payables in year 2017 (2015: released upon settlement of bank borrowings in year 2016) and are therefore classified as current assets.

已抵押銀行存款按每年0.3厘（二零一五年：0.3厘）之市場利率計息。已抵押銀行存款將於二零一七年償付相關應付票據後解除（二零一五年：於二零一六年償付銀行借款後解除），故分類為流動資產。

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28. BANK BALANCES AND CASH

Bank balances carry interest at prevailing bank saving deposits rates ranging from 0.01% to 0.88% (2015: 0.01% to 0.88%) per annum.

The Group's bank balances and cash that are denominated in currencies other than the functional currency of the respective group entities are set out below:

28. 銀行結存及現金

銀行結存按每年介乎0.01厘至0.88厘(二零一五年：0.01厘至0.88厘)之現行銀行儲蓄存款利率計息。

本集團以各自集團實體之功能貨幣以外貨幣計值之銀行結存及現金載列如下：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
HK\$	港幣	962,820	2,634,986
US\$	美元	2,018	12

29. TRADE AND BILLS PAYABLES

The following is an aged analysis of the trade and bills payables based on the invoice date as at the end of the reporting period:

29. 應付貿易賬項及應付票據

以下為於報告期末時之應付貿易賬項及應付票據按發票日期之賬齡分析：

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
0 – 90 days	0 – 90日	1,451	10,627
91 – 180 days	91 – 180日	3,908	4,214
181 – 365 days	181 – 365日	302	20,316
1 – 2 years	1 – 2年	–	875
Over 2 years	2年以上	1,360	17,518
		7,021	53,550

The average credit period for purchase of goods ranged from 90 to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

The Group's trade and bills payables are all denominated in functional currency of the respective group entities in both years.

購入商品之平均信貸期介乎90至180日。本集團設有財務風險管理政策，確保於信貸時間範圍內支付全部應付款項。

本集團之應付貿易賬項及應付票據在兩個年度均以相關集團實體之功能貨幣計值。

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30. OTHER PAYABLES, DEPOSITS RECEIVED, RECEIPT IN ADVANCE AND ACCRUALS

At 31 December 2016, the balance mainly represented other taxes payable and accrued staff costs for the continuing operations of the Group.

At 31 December 2015, the balance mainly represented deposits received from suppliers, value added tax payable in relation to Intelligent Information Business, accrued staff costs, advances from customers for purchase of materials and other taxes payables. At 31 December 2015, the balance also included other payable to an independent third party, amounting to approximately HK\$70,257,000 which was unsecured, interest-free and fully repaid during the year ended 31 December 2016. At 31 December 2016, an aggregate amount of deposits received from suppliers, value added tax payable and other payable of approximately HK\$135,195,000 was reported under disposal group classified as held-for-sale (Note 12(b)).

31. BORROWINGS

30. 其他應付款項、已收按金、預收款項及應付項目

於二零一六年十二月三十一日，該結餘主要指本集團持續經營業務之其他應付稅項及應計員工成本。

於二零一五年十二月三十一日，該結餘主要為向供應商收取之按金、就智能信息業務應付之增值稅、應計員工成本、來自客戶購買物料之墊款及其他應付稅項。於二零一五年十二月三十一日，該結餘亦包括應付一名獨立第三方之其他款項，金額約為港幣70,257,000元，該款項為無抵押、免息並已於截至二零一六年十二月三十一日止年度內悉數償還。於二零一六年十二月三十一日，自供應商收取之按金、應付增值稅及其他應付款項之總額約港幣135,195,000元已呈報於分類為持作出售之出售組別項下（附註12(b)）。

31. 借款

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Borrowings comprise of:	借款組成部份：		
Bank borrowings	銀行借款	1,285,584	719,682
Carrying amount repayable	須於以下期間償還之賬面值		
Within one year	一年內	54,598	201,616
More than one year, but not more than two years	一年以上但不超過兩年	32,352	31,036
More than two years, but not more than five years	兩年以上但不超過五年	1,127,236	403,471
More than five years	超過五年	71,398	83,559
		1,285,584	719,682
Secured	有抵押	1,285,584	567,604
Unsecured	無抵押	-	152,078
		1,285,584	719,682

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31. BORROWINGS (continued)

31. 借款 (續)

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
The bank borrowings include:	銀行借款包括：		
Fixed rate bank borrowings:	定息銀行借款：		
Bank borrowings	銀行借款	-	152,078
Variable rate bank borrowings carry interest at:	按以下利率計息之浮息銀行借款：		
One-year benchmark interest rate of London Interbank Offered Rate with 1.6% markup	倫敦銀行同業拆息率之一年期基準利率加1.6厘	713,906	-
One-year benchmark interest rate of The People's Bank of China with 10% – 15% markup	中國人民銀行之一年期基準利率加10厘至15厘	571,678	567,604
		1,285,584	719,682

The ranges of effective interest rates per annum (which are also equal to contracted interest rates) on the Group's bank borrowings are:

本集團銀行借款之實際年利率（亦相等於合約利率）範圍為：

		2016 二零一六年	2015 二零一五年
Fixed rate bank borrowings	定息銀行借款	N/A 不適用	5.00% – 7.03%
Variable rate bank borrowings	浮息銀行借款	1.06% – 7.86%	6.55% – 7.86%

During the year, the Group obtained new loans of HK\$861,135,000 (2015: HK\$431,021,000) from banks. The loans outstanding at 31 December 2016 will be repayable within seven years (2015: eight years). The new loans were borrowed by the group companies and several of them were under financial guarantee provided by the Company to the banks (Note 42).

年內，本集團取得來自銀行之新貸款港幣861,135,000元（二零一五年：港幣431,021,000元）。於二零一六年十二月三十一日尚未償還之貸款將須於七年（二零一五年：八年）內償還。新貸款由集團公司借取，其中若干新貸款由本公司向銀行提供財務擔保（附註42）。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS

The movement of the debt component and the derivative components (including conversion option derivative, bondholder's early redemption option derivative and compulsory conversion option derivative) of the convertible bonds for the years ended 31 December 2016 and 2015 are set out as follows:

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分

可換股債券之債務部分及衍生部分（包括轉換權衍生工具、債券持有人之提前贖回權衍生工具及強制轉換權衍生工具）於截至二零一六年及二零一五年十二月三十一日止年度之變動載列如下：

		2016		2015	
		二零一六年		二零一五年	
		Debt component	Derivative components	Debt component	Derivative components
		債務部分	衍生工具部分	債務部分	衍生工具部分
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January	於一月一日	119,477	11,996	115,077	10,868
Interest charge for the year	年度利息開支	36,179	-	35,719	-
Gain on fair value changes	公允價值變動之收益	-	(61,191)	-	(24,726)
Derecognition	終止確認	-	(11,996)	-	-
Exchange realignment	匯兌調整	(2,248)	300	(18)	(6)
Reversal on substantial modification of convertible bond (including cumulative interests)	撥回可換股債券之重大修訂（包括累計利息）	-	-	(131,700)	-
Recognition of new convertible bonds	確認新可換股債券	287,502	117,058	100,399	25,860
Repayment of principal amount	償還本金	(116,489)	-	-	-
At 31 December	於十二月三十一日	324,421	56,167	119,477	11,996
Analysis of carrying amount	賬面值分析				
- Nominal interest payable	- 應付票面利息	-	-	68,359	-
- 2016 Convertible Bonds	- 二零一六年可換股債券	324,421	56,167	-	-
- New Convertible Bond I	- 新可換股債券I	-	-	119,477	11,996
		324,421	56,167	187,836	11,996

32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(a) Convertible bond issued in 2009

On 5 June 2009, the Company issued a convertible bond for a principal amount of US\$15,000,000 (equivalent to approximately HK\$116,250,000) (“**Convertible Bond I**”) to an independent third party, Templeton Strategic Emerging Markets Fund III, LDC (“**Templeton**”). Details of the major terms of the Convertible Bond I are disclosed in the Group’s annual financial statements for the year ended 31 December 2015. The Convertible Bond I shall not bear any interest and will be redeemed at its outstanding principal amount plus a premium of 8.5% per annum compounded annually at the maturity date of Convertible Bond I by the Company. The Convertible Bond I is denominated in United States dollars.

The original maturity date of the Convertible Bond I is on 5 June 2014. On 23 May 2014, the Company and Templeton entered into an agreement to extend the maturity date and conversion option expiry date of Convertible Bond I to the sixth anniversary of the date of issue of the Convertible Bond I (i.e. 5 June 2015) (“**2014 Convertible Bond I**”).

On 24 August 2015, the Company entered into a supplemental agreement with Templeton that the maturity date and conversion option expiry date of the 2014 Convertible Bond I is further extended by one year to 5 June 2016 (“**New Maturity Date**”). Other terms and conditions of this new convertible bond (“**New Convertible Bond I**”) remain unchanged from the original Convertible Bond I.

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(a) 於二零零九年發行之可換股債券

於二零零九年六月五日，本公司發行本金額為15,000,000美元（相等於約港幣116,250,000元）之可換股債券（「**可換股債券I**」）予一名獨立第三方Templeton Strategic Emerging Markets Fund III, LDC（「**Templeton**」）。有關可換股債券I主要條款之詳情披露於本集團截至二零一五年十二月三十一日止年度之年度財務報表。可換股債券I不附帶任何利息，並將由本公司於可換股債券I之到期日贖回其尚未償還之本金額加上按複合年利率8.5厘計算之溢價。可換股債券I以美元計值。

可換股債券I之原到期日為二零一四年六月五日。於二零一四年五月二十三日，本公司與Templeton訂立協議以延長可換股債券I之到期日及轉換權屆滿日期至發行可換股債券I日期第六週年（即二零一五年六月五日）（「**二零一四年可換股債券I**」）。

於二零一五年八月二十四日，本公司與Templeton訂立補充協議，二零一四年可換股債券I之到期日及轉換權屆滿日期獲進一步延長一年至二零一六年六月五日（「**新到期日**」）。此新可換股債券（「**新可換股債券I**」）之其他條款及條件與原有可換股債券I維持不變。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(a) Convertible bond issued in 2009 (continued)

The extension of the debt and derivative components is considered to be a substantial modification of the 2014 Convertible Bond I after taking into account all relevant facts and circumstances including qualitative factors. As such, the 2014 Convertible Bond I was derecognised and the New Convertible Bond I was recognised.

On 5 June 2015, the carrying amount of the 2014 Convertible Bond I amounted to HK\$131,700,000 was derecognised. On initial recognition of the New Convertible Bond I, the fair value of debt component and derivative components amounted to approximately HK\$100,399,000 and HK\$25,860,000, respectively, are recognised in the consolidated statement of financial position. The fair value of the New Convertible Bond I approximates to the carrying amounts of the 2014 Convertible Bond I as at date of initial recognition, and accordingly no gain or loss is recorded. The effective interest rate of the debt component of the New Convertible Bond I and interest payable of the New Convertible Bond I is 25.6% per annum.

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(a) 於二零零九年發行之可換股債券 (續)

經考慮所有相關事實及情況(包括質量因素)後,延長債務及衍生工具部分被視為二零一四年可換股債券I之重大修訂。因此,二零一四年可換股債券I已獲終止確認,而新可換股債券I已獲確認。

於二零一五年六月五日,二零一四年可換股債券I之賬面值港幣131,700,000元獲終止確認。於初步確認新可換股債券I時,債務部分及衍生工具部分之公允價值分別約為港幣100,399,000元及港幣25,860,000元已於綜合財務狀況表確認。於初步確認日期,新可換股債券I之公允價值與二零一四年可換股債券I之賬面值相若,因此並無錄得收益或虧損。新可換股債券I債務部分之實際利率及新可換股債券I之應付利息為每年25.6厘。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(a) Convertible bond issued in 2009 (continued)

Binomial model is used for valuation of the derivative components of New Convertible Bond I. The major inputs into the model were as follows:

		31 December 2015 二零一五年 十二月三十一日	5 June 2015 二零一五年 六月五日
Stock price	股價	HK\$0.44 港幣0.44元	HK\$0.71 港幣0.71元
Exercise price (Note a)	行使價 (附註a)	HK\$0.52 港幣0.52元	HK\$0.577 港幣0.577元
Volatility (Note b)	波幅 (附註b)	96%	76%
Dividend yield	股息率	0%	0%
Option life	選擇權年期	0.42 years 0.42年	1 year 1年
Risk-free rate (Note c)	無風險率 (附註c)	0.07%	0.08%

Notes:

- (a) On 19 November 2015, the conversion price of New Convertible Bond I was adjusted from HK\$0.577 per share to HK\$0.52 per share upon completion of the rights issue (details set out in Note 34).
- (b) The volatility used in the model was determined with reference to the Company's historical volatility.
- (c) The risk-free rate used in the model was reference to Hong Kong Exchange Fund Notes at the end of the reporting period.

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(a) 於二零零九年發行之可換股債券 (續)

在對新可換股債券衍生工具部分進行估值時乃採用二項式模式。該模式採用以下各項主要輸入數據：

	31 December 2015 二零一五年 十二月三十一日	5 June 2015 二零一五年 六月五日
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Stock price	HK\$0.44 港幣0.44元	HK\$0.71 港幣0.71元
Exercise price (Note a)	HK\$0.52 港幣0.52元	HK\$0.577 港幣0.577元
Volatility (Note b)	96%	76%
Dividend yield	0%	0%
Option life	0.42 years 0.42年	1 year 1年
Risk-free rate (Note c)	0.07%	0.08%

附註：

- (a) 於二零一五年十一月十九日，於供股（詳情載於附註34）完成後，新可換股債券I之換股價由每股港幣0.577元調整為每股港幣0.52元。
- (b) 該模式所採用之波幅乃參考本公司之歷史波幅釐定。
- (c) 該模式所採用之無風險率乃參考於報告期末時之香港外匯基金票據。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(a) Convertible bond issued in 2009 (continued)

As at 31 December 2015, the carrying amount of the debt component of New convertible Bond I was approximately HK\$119,477,000 and the fair value of the derivative components of New Convertible Bond I was approximately HK\$11,996,000. At 31 December 2015, the interest payable of New Convertible Bond I was approximately HK\$68,359,000. During the year ended 31 December 2016, interest expense of approximately HK\$18,000,000 was charged to profit or loss. No conversion was noted for the years ended 31 December 2016 and 2015. On 5 June 2016, the Company fully redeemed the New Convertible Bond I at principal amount of US\$15,000,000 (equivalent to approximately HK\$116,489,000) and repaid interest payable of US\$11,552,000 (equivalent to approximately HK\$89,727,000). A gain on derecognition of the derivative components of convertible bonds of HK\$11,996,000 is credited to profit or loss during the year ended 31 December 2016.

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(a) 於二零零九年發行之可換股債券 (續)

於二零一五年十二月三十一日，新可換股債券I債務部分之賬面值約為港幣119,477,000元及新可換股債券I衍生工具部分之公允價值約為港幣11,996,000元。於二零一五年十二月三十一日，新可換股債券I之應付利息約為港幣68,359,000元。截至二零一六年十二月三十一日止年度，利息開支約港幣18,000,000元於損益中扣除。於截至二零一六年及二零一五年十二月三十一日止年度均並無換股。於二零一六年六月五日，本公司以本金額15,000,000美元（相等於約港幣116,489,000元）悉數贖回新可換股債券I及償還應付利息11,552,000美元（相等於約港幣89,727,000元）。於截至二零一六年十二月三十一日止年度，終止確認可換股債券之衍生工具部分之收益港幣11,996,000元乃記入損益。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(b) Convertible bonds issued in 2016

On 30 May 2016, the Company entered into a subscription agreement with independent subscribers (“**Subscribers**”), pursuant to which, the Subscribers agreed to subscribe for convertible bonds in an aggregate principal amount of US\$52,000,000 (“**2016 Convertible Bonds**”). On 19 July 2016, the issuance of convertible bonds under specific mandate in an aggregate principal amount of US\$52,000,000 (equivalent to HK\$404,560,000) was completed. Details of convertible bonds are set out in the Company’s announcements dated 30 May 2016 and 19 July 2016 and the Company’s circular dated 24 June 2016.

The 2016 Convertible Bonds shall bear interest from and including the issue date to and excluding the maturity date which is two years from the date of the issue date on the outstanding amount of the 2016 Convertible Bonds at the interest rate of 8% per annum.

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(b) 於二零一六年發行之可換股債券

於二零一六年五月三十日，本公司與獨立認購人（「認購人」）訂立認購協議，據此，認購人同意認購本金總額為52,000,000美元之可換股債券（「二零一六年可換股債券」）。於二零一六年七月十九日，本公司根據特別授權完成發行本金總額為52,000,000美元（相等於港幣404,560,000元）之可換股債券。有關可換股債券之詳情載於本公司日期為二零一六年五月三十日及二零一六年七月十九日之公告以及本公司日期為二零一六年六月二十四日之通函。

二零一六年可換股債券將自發行日期（包括該日）起至到期日（不包括該日，為自發行日期起計兩年）止期間，就二零一六年可換股債券之未償還金額按年利率8厘計息。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(b) Convertible bonds issued in 2016 (continued)

The major terms of the 2016 Convertible Bonds are as follows:

(i) Conversion by the bondholders

Subject to certain conditions, the bondholders have the right to convert their bonds into the shares of the Company at the initial conversion price of HK\$0.4 per share (equivalent to approximately US\$0.05 at a fixed exchange rate of US\$1.00 to HK\$7.78), subject to adjustments, at any time on and after a date which is 6 months after the issue date up to the close of business on the 7th business day prior to the maturity date or if such bond shall have been called for redemption before the maturity date, then up to and including the close of business on a date prior to the date of giving the notice of redemption, provided that such conversion rights can only be exercised in respect of the bonds in the aggregate principal amount of not less than US\$600,000 and in the integral multiples of US\$100,000.

(ii) Redemption at maturity

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each bond at the outstanding principal amount on the maturity date.

(iii) Redemption at the option of the Company

The Company may, having given not less than 7 days' notice to the bondholders, redeem the bonds in whole but not in part at any time if, immediately prior to the date of the relevant notice is given, conversion rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in principal amount of the bonds originally issued.

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(b) 於二零一六年發行之可換股債券 (續)

二零一六年可換股債券之主要條款如下：

(i) 債券持有人換股

在若干條件之規限下，債券持有人有權於發行日期後滿六個月當日及之後直至到期日前第七個營業日之營業時間結束止任何時間，以初步換股價每股港幣0.4元（按固定匯率1.00美元兌港幣7.78元計算相等於約0.05美元）（可作調整）將其債券轉換為本公司股份，或倘於到期日前要求贖回有關債券，則直至發出贖回通知之日前當日之營業時間結束（包括該日）止，惟僅本金總額不少於600,000美元且為100,000美元之完整倍數之債券方能行使有關換股權。

(ii) 於到期時贖回

除先前贖回、轉換或購買及註銷外，本公司將於到期日按未償還本金額贖回每張債券。

(iii) 按本公司選擇贖回

倘緊接發出有關通知日期前，原已發行債券本金額90%或以上之換股權將獲行使及／或購買（及相應註銷）及／或贖回生效，本公司可隨時向債券持有人發出不少於七日之通知，以全部而非部分贖回債券。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(b) Convertible bonds issued in 2016 (continued)

On initial recognition of the 2016 Convertible Bond, the fair value of debt component and derivative components amounted to HK\$287,502,000 and HK\$117,058,000, respectively, are recognised in the consolidated statement of financial position. The effective interest rate of the debt component of the 2016 Convertible Bonds and interest payable of the 2016 Convertible Bonds is 27.8% per annum.

Binomial model is used for valuation of the derivative components of the 2016 Convertible Bonds. The major inputs into the model were as follows:

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(b) 於二零一六年發行之可換股債券 (續)

於初步確認二零一六年可換股債券時，債務部分及衍生工具部分之公允價值分別為港幣287,502,000元及港幣117,058,000元於綜合財務狀況表確認。二零一六年可換股債券之債務部分及二零一六年可換股債券之應付利息之實際利率為每年27.8厘。

在對二零一六年可換股債券衍生工具部分進行估值時乃採用二項式模式。該模式採用以下各項主要輸入數據：

		31 December 2016 二零一六年 十二月三十一日	19 July 2016 二零一六年 七月十九日
Stock price	股價	HK\$0.285 港幣0.285元	HK\$0.37 港幣0.37元
Conversion price	換股價	HK\$0.40 港幣0.40元	HK\$0.40 港幣0.40元
Volatility (Note a)	波幅 (附註a)	60%	56%
Dividend yield	股息率	0%	0%
Option life	選擇權年期	1.6 years 1.6年	2 years 2年
Risk-free rate (Note b)	無風險率 (附註b)	1.047%	0.462%

Notes:

- (a) The volatility used in the model was determined with reference to the Company's historical volatility and a set of comparable companies.
- (b) The risk-free rate used in the model was reference to Hong Kong Exchange Fund Notes at the end of the reporting period.

附註：

- (a) 該模式所採用之波幅乃參考本公司之歷史波幅及一組可比較公司釐定。
- (b) 該模式所採用之無風險率乃參照於報告期末時之香港外匯基金票據。

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32. CONVERTIBLE BONDS AND RELATED PAYABLES AND EMBEDDED DERIVATIVE COMPONENTS OF CONVERTIBLE BONDS (continued)

(b) Convertible bonds issued in 2016 (continued)

As at 31 December 2016, the carrying amount of the debt component of the 2016 Convertible Bonds was HK\$324,421,000, and the fair value of the derivative components of the 2016 Convertible Bonds was HK\$56,167,000. During the year ended 31 December 2016, interest expense of the 2016 Convertible Bonds of HK\$36,179,000 was charged to profit or loss. No conversion was noted for the year ended 31 December 2016.

32. 可換股債券及相關應付款項以及可換股債券之嵌入式衍生工具部分 (續)

(b) 於二零一六年發行之可換股債券 (續)

於二零一六年十二月三十一日，二零一六年可換股債券債務部分之賬面值為港幣324,421,000元，而二零一六年可換股債券衍生工具部分之公允價值為港幣56,167,000元。截至二零一六年十二月三十一日止年度，二零一六年可換股債券之利息開支港幣36,179,000元於損益中扣除。於截至二零一六年十二月三十一日止年度均並無換股。

33. DEFERRED REVENUE

33. 遞延收益

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Arising from golf club memberships	來自高爾夫球會會籍	243,398	267,012
Analysed for reporting purposes as:	按報告而分析為：		
Current liabilities	流動負債	49,489	34,349
Non-current liabilities	非流動負債	193,909	232,663
		243,398	267,012

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34. SHARE CAPITAL

34. 股本

		2016 二零一六年		2015 二零一五年	
		Number of shares 股份數目	HK\$'000 港幣千元	Number of shares 股份數目	HK\$'000 港幣千元
Ordinary shares of HK\$0.25 each	每股面值港幣0.25元之普通股				
Authorised:	法定股本：				
At beginning of the year and end of the year	年初及年終	20,000,000,000	N/A 不適用	20,000,000,000	N/A 不適用
Issued and fully paid:	已發行及已繳足股本：				
At beginning of year	年初	11,399,996,101	4,731,480	3,698,713,179	1,834,488
Issue of shares on 13 January 2015 (Note a)	於二零一五年一月十三日 發行股份 (附註a)	-	-	240,000,000	60,591
Issue of shares on 12 June 2015 (Note b)	於二零一五年六月十二日 發行股份 (附註b)	-	-	110,000,000	68,602
Exercise of share options (Note 35)	行使購股權 (附註35)	-	-	22,714,000	17,085
Rights issue (Note c)	供股 (附註c)	-	-	7,328,568,922	2,750,714
At end of year	年終	11,399,996,101	4,731,480	11,399,996,101	4,731,480

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34. SHARE CAPITAL (continued)

Notes:

- (a) On 2 January 2015, arrangements were made for a private placement to an independent third party, Eternity Finance Group Limited (the “**Subscriber**”), a company incorporated in the British Virgin Islands with limited liability, of 240,000,000 ordinary shares in the Company, at a price of HK\$0.253 per share representing a discount of approximately 19.68% to the closing market price of the Company’s shares on 2 January 2015.

Pursuant to a subscription agreement on the same date, the Subscriber subscribed for 240,000,000 ordinary shares in the Company at a price of HK\$0.253 per share (the “**Subscription**”). The proceeds of HK\$9,481,000 were used as general working capital of the Group and the remaining proceeds were used to set off against the loan and related interest payable. Details are set out in Note 39. These new shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 6 June 2014 and rank pari passu with other shares in issue in all aspects. The Subscription was completed on 13 January 2015.

- (b) On 4 June 2015, arrangements were made for a private placement to an independent private investors of 110,000,000 ordinary shares in the Company, at a price of HK\$0.65 per share representing a discount of approximately 17.72% to the closing market price of the Company’s shares on 4 June 2015.

Pursuant to a subscription agreement on the same date, there were more than six placees, subscribed for 110,000,000 new ordinary shares in the Company at a price of HK\$0.65 per share. The proceeds were used as general working capital of the Group. These new shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 28 May 2015 and rank pari passu with other shares in issue in all aspects. Such subscription was completed on 12 June 2015.

- (c) On 18 November 2015, the Company issued and allotted 2,815,077,933 rights shares at a price of HK\$0.376 per right share to the subscribers. The maximum number of right shares available for issuance is 7,328,568,922. Remaining under-subscribed 4,513,490,989 right shares, pursuant to the underwriting agreement signed with an underwriter, were subscribed to the underwriter by the same date.

34. 股本 (續)

附註：

- (a) 於二零一五年一月二日，獨立第三方永恒財務集團有限公司（一間於英屬處女群島註冊成立之有限公司）（「**認購人**」）獲安排按每股港幣0.253元之價格私人配售240,000,000股本公司普通股，該價格較本公司股份於二零一五年一月二日之收市價折讓約19.68%。

根據於同日之認購協議，認購人按每股港幣0.253元之價格認購240,000,000股本公司普通股（「**認購事項**」）。所得款項港幣9,481,000元已用作本集團之一般營運資金，所得款項餘額已用作抵銷貸款及相關應付利息。詳情載於附註39。該等新股份根據於二零一四年六月六日舉行之本公司股東週年大會上授予董事之一般授權發行，與其他已發行股份在所有方面享有同等權益。認購事項於二零一五年一月十三日完成。

- (b) 於二零一五年六月四日，一位獨立私人投資者獲安排按每股港幣0.65元之價格私人配售110,000,000股本公司普通股，該價格較本公司股份於二零一五年六月四日之收市價折讓約17.72%。

根據於同日之認購協議，超過六名承配人按每股港幣0.65元之價格認購110,000,000股本公司新普通股。所得款項已用作本集團之一般營運資金。該等新股份根據於二零一五年五月二十八日舉行之本公司股東週年大會上授予董事之一般授權發行，與其他已發行股份在所有方面享有同等權益。有關認購事項於二零一五年六月十二日完成。

- (c) 於二零一五年十一月十八日，本公司按每股供股股份港幣0.376元之價格向認購人發行及配發2,815,077,933股供股股份。可供發行之供股股份之最高數目為7,328,568,922股。根據與包銷商簽訂之包銷協議，餘下4,513,490,989股未獲認購之供股股份由包銷商於同日前認購。

35. SHARE-BASED PAYMENT TRANSACTIONS

On 29 May 2012, the Company terminated the share options scheme adopted on 7 June 2002 (the “**2002 Scheme**”) and adopted a new share option scheme (the “**2012 Scheme**”) with effect from 25 May 2012. Under the 2012 Scheme, the Board of Directors (the “**Board**”) of the Company may, subject to and in accordance with the provisions of the 2012 Scheme and the Listing Rules, grant share options to any eligible participant to subscribe for shares in the capital of the Company. The options granted under the 2002 Scheme remain valid until those options lapsed on their expiry date.

Qualifying grantees of the 2012 Scheme include any director (including executive, non-executive and independent non-executive), executive, officer, employee, shareholder of the Company or any of the subsidiaries or any of the associated companies or any of the jointly controlled entities and any supplier, customer, consultant, adviser, agent, partner or business associate, who will contribute or has contributed to the development and growth of the Group. Unless otherwise cancelled or amended, the 2012 Scheme will remain in force for a period of ten years from 25 May 2012.

The maximum number of shares issued and to be issued upon exercise of options granted to each eligible participant under the 2012 Scheme (including exercised, cancelled and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the issued share capital of the Company in issue, as at the date of grant.

35. 以股份為基礎之付款交易

於二零一二年五月二十九日，本公司終止於二零零二年六月七日採納之購股權計劃（「**二零零二年計劃**」），並採納一項新購股權計劃（「**二零一二年計劃**」），自二零一二年五月二十五日起生效。根據二零一二年計劃，本公司董事會（「**董事會**」）可根據二零一二年計劃及上市規則之條文及在其規限下向任何合資格參與者授出購股權，以認購本公司股本中之股份。根據二零零二年計劃授出之購股權仍然有效，直至該等購股權於其屆滿日期失效為止。

二零一二年計劃之合資格承授人包括將會或已經對本集團之發展及增長作出貢獻之本公司或其任何附屬公司或其任何聯營公司或其任何共同控制實體之任何董事（包括執行董事、非執行董事及獨立非執行董事）、行政人員、管理人員、僱員、股東及任何供應商、客戶、諮詢人、顧問、代理、合作夥伴或業務合夥人。除非另行註銷或修訂，否則二零一二年計劃將繼續有效，由二零一二年五月二十五日起計為期十年。

根據二零一二年計劃，於任何直至授出日期為止之十二個月期間內授予各合資格參與者之購股權（包括已行使、已註銷及未行使之購股權）獲行使時已經及將予發行之最高股份數目，將不得超過於授出日期本公司已發行股本之1%。

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35. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised later than 10 years after it has been granted.

Same as the 2002 Scheme, HK\$1 should be payable by the grantee on acceptance of an offer by the grantee under the 2012 Scheme. The exercise price per share in relation to an option shall be a price to be determined by the Board and shall be no less than the highest of (a) the official closing price of the shares of the Company as stated in the daily quotation sheet issued by the Stock Exchange on the date on which the option is offered to an eligible participant; (b) the official average closing prices of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of offer of option to an eligible participant; and (c) the nominal value of shares of the Company on the date of offer of option to an eligible participant. During the years ended 31 December 2015 and 2016, no share option was granted under the 2012 Scheme.

Pursuant to the 2002 Scheme and 2012 Scheme, share options held by any eligible participants/qualifying grantees will lapse automatically upon their termination of employment but the Board is empowered to extend the exercise period of the concerned share options at its discretion. Relevant exercise period of share options held by the eligible participant/qualifying grantee whose employment was terminated during the year was extended and approved by the Board. Such change does not constitute modification of the 2002 Scheme and 2012 Scheme.

35. 以股份為基礎之付款交易 (續)

購股權可能獲行使之期間將由董事會全權酌情釐定，惟購股權不得於其授出十年後獲行使。

一如二零零二年計劃，根據二零一二年計劃，承授人於接納獲授之購股權時須支付港幣1元。購股權之每股行使價由董事會釐定，且不得少於以下之最高者：(a)於授出購股權予合資格參與者當日本公司股份於聯交所發出之每日報價表所報之官方收市價；(b)緊接授出購股權予合資格參與者當日前五個營業日本公司股份於聯交所發出之每日報價表所報之平均官方收市價；及(c)於授出購股權予合資格參與者當日本公司股份之面值。於截至二零一五年及二零一六年十二月三十一日止年度，概無根據二零一二年計劃授出購股權。

根據二零零二年計劃及二零一二年計劃，任何合資格參與者／合資格承授人持有之購股權將於其僱傭合約終止時自動失效，惟董事會有權將有關購股權之行使期酌情延長。在年內被終止聘用之合資格參與者／合資格承授人持有之購股權之相關行使期已予延長，並經董事會批准。該變動並不構成二零零二年計劃及二零一二年計劃之修改。

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35. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

The following tables disclose details and movements in share options under the 2002 Scheme during the years ended 31 December 2016 and 2015:

35. 以股份為基礎之付款交易 (續)

下表披露於截至二零一六年及二零一五年十二月三十一日止年度，二零零二年計劃項下之購股權詳情及變動：

Category of grantees 承授人之類別	Date of grant 授出日期	Exercise period 行使期	Exercise price per share 每股行使價	Adjusted exercise price per share due to rights issue 因供股進行調整之每股行使價	Number of shares under options 購股權項下之股份數目						At 31.12.2015 於二零一五年十二月三十一日	At 31.12.2016 於二零一六年十二月三十一日
					At 1.1.2015 於二零一五年一月一日	Granted during the year 年內授出	Transferred during the year 年內轉讓	Exercised during the year 年內行使	Lapsed/cancelled during the year 年內失效/註銷	Addition after adjustment due to rights issue 因供股進行調整後之添置		
Directors 董事	19.1.2007	19.1.2007 – 18.1.2017	HK\$0.406 港幣0.406元	HK\$0.396 港幣0.396元	423,810	-	-	-	-	10,171	433,981	
	22.1.2008	22.1.2008 – 21.1.2018	HK\$0.780 港幣0.780元	HK\$0.762 港幣0.762元	16,800,000	-	-	-	-	403,200	17,203,200	
	16.12.2009	16.12.2009 – 15.12.2019	HK\$0.596 港幣0.596元	N/A 不適用	10,000,000	-	-	(10,000,000) ¹	-	-	-	
	14.12.2010	14.12.2010 – 13.12.2020	HK\$0.420 港幣0.420元	N/A 不適用	11,000,000	-	-	(11,000,000) ¹	-	-	-	
					38,223,810	-	-	(21,000,000)	-	413,371	17,637,181	
Employees of the Group 本集團僱員	22.1.2008	22.1.2008 – 21.1.2018	HK\$0.780 港幣0.780元	HK\$0.762 港幣0.762元	24,500,000	-	-	-	-	588,000	25,088,000	
Other participants 其他參與者	19.1.2007	19.1.2007 – 18.1.2017	HK\$0.406 港幣0.406元	HK\$0.396 港幣0.396元	12,148,000	-	-	(1,714,000) ¹	-	250,416	10,684,416	
	22.1.2008	22.1.2008 – 21.1.2018	HK\$0.780 港幣0.780元	HK\$0.762 港幣0.762元	45,500,000	-	-	-	-	1,092,000	46,592,000	
	16.12.2009	16.12.2009 – 15.12.2019	HK\$0.596 港幣0.596元	HK\$0.582 港幣0.582元	8,750,000	-	-	-	-	210,000	8,960,000	
	14.12.2010	14.12.2010 – 13.12.2020	HK\$0.420 港幣0.420元	HK\$0.410 港幣0.410元	3,000,000	-	-	-	-	72,000	3,072,000	
					69,398,000	-	-	(1,714,000)	-	1,624,416	69,308,416	
					132,121,810	-	-	(22,714,000)	-	2,625,787	112,033,597	
Exercisable at the end of the year 於年終可行使					132,121,810						112,033,597	
Weighted average exercise price per share 每股加權平均行使價					HK\$0.68 港幣0.68元						HK\$0.702 港幣0.702元	

All share options are vested at the date of grant.

所有購股權於授出日期歸屬。

¹ The weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised was HK\$0.79 per share.

¹ 緊接購股權獲行使日期前，本公司股份之加權平均收市價為每股港幣0.79元。

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36. PROMISSORY NOTE

The promissory note with a principal amount of HK\$743,100,000 was non-interest bearing and issued to a related company, Leader Well Management Limited (“**Leader Well**”). The fair value of the promissory note was approximately HK\$585,000,000 at the initial recognition. The fair value had been arrived at using discounted cash flow method by discounting future cash flows at an interest rate of 8.35% per annum based on valuation performed by Vigers. At 31 December 2015, such promissory note amounting to HK\$543,773,000 was measured at amortised cost determined using the effective interest method. On 1 April 2016, the promissory note with carrying amount of HK\$557,208,000 was extinguished through entering an off-setting agreement with Guangzhou HNA Asset Management to setoff the advance to, interest receivables from and other payables to Guangzhou HNA Asset Management with aggregate carrying amount of HK\$549,824,000. The remaining balance of approximately HK\$7,384,000 is classified as amounts due to related companies in the consolidated statement of financial position. During the year ended 31 December 2016, the interest on promissory note is approximately HK\$13,435,000 (2015: HK\$50,590,000).

36. 承兌票據

本金額為港幣743,100,000元之承兌票據為不計息及發行予關連公司卓領管理有限公司(「卓領」)。承兌票據之公允價值於初步確認時約為港幣585,000,000元。基於威格斯進行之估值，公允價值乃使用貼現現金流量法，將未來現金流量按每年8.35%之貼現率貼現而得出。於二零一五年十二月三十一日，有關承兌票據港幣543,773,000元按以實際利率法釐定之攤銷成本計量。於二零一六年四月一日，賬面值為港幣557,208,000元之承兌票據透過與廣州海航資產管理訂立對銷協議來抵銷賬面總值為港幣549,824,000元之給予廣州海航資產管理之墊款、應收廣州海航資產管理之利息及其他應付廣州海航資產管理之款項。餘額約港幣7,384,000元於綜合財務狀況表內被分類為應付關連公司之款項。截至二零一六年十二月三十一日止年度，承兌票據之利息約為港幣13,435,000元(二零一五年：港幣50,590,000元)。

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37. DEFERRED TAXATION

For financial reporting purpose, the deferred tax asset and liabilities are offset and net amount of HK\$237,406,000 (2015: HK\$256,074,000) is presented in the consolidated statement of financial position at 31 December 2016. The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

37. 遞延稅項

就財務報告而言，遞延稅項資產及負債已被抵銷，而淨額港幣237,406,000元（二零一五年：港幣256,074,000元）於二零一六年十二月三十一日之綜合財務狀況表內呈列。以下為已確認之主要遞延稅項負債（資產），以及其於本年度及過往年度之變動：

		Deferred revenue	Prepaid lease payments	Property, plant and equipment 物業、廠房 及設備	Total
		遞延收益	預付租金		合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2015	於二零一五年 一月一日	(78,617)	313,433	34,741	269,557
Exchange realignment	匯兌調整	3,284	(13,796)	(1,649)	(12,161)
Charged (credited) to profit or loss for the year	於年內損益扣除 (計入)	8,619	(12,339)	2,398	(1,322)
At 31 December 2015	於二零一五年 十二月三十一日	(66,714)	287,298	35,490	256,074
Exchange realignment	匯兌調整	4,111	(18,433)	(2,343)	(16,665)
Charged (credited) to profit or loss for the year	於年內損益扣除 (計入)	5,760	(8,241)	478	(2,003)
At 31 December 2016	於二零一六年 十二月三十一日	(56,843)	260,624	33,625	237,406

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37. DEFERRED TAXATION (continued)

At 31 December 2016, the Group has unused tax losses of approximately HK\$498,617,000 (2015: HK\$470,043,000) which are available for offsetting against future profits. No deferred tax asset has been recognised in respect of the tax loss due to the unpredictability of future profit streams for both years. Except below, other losses can be carried forward indefinitely.

37. 遞延稅項 (續)

於二零一六年十二月三十一日，本集團有未使用稅項虧損約港幣498,617,000元（二零一五年：港幣470,043,000元）可用以抵銷未來溢利。因無法預測兩個年度之未來溢利來源，因此並無就稅項虧損確認遞延稅項資產。除下述者外，其他虧損可永久結轉。

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Tax losses to be expired in	將於下列年份到期之稅項虧損		
- 2016	- 二零一六年	-	10,245
- 2017	- 二零一七年	24,588	30,495
- 2018	- 二零一八年	36,958	41,275
- 2019	- 二零一九年	38,484	42,206
- 2020	- 二零二零年	18,569	31,273
- 2021	- 二零二一年	14,959	-
		133,558	155,494

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$43,344,000 (2015: HK\$68,024,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

根據中國企業所得稅法，中國附屬公司自二零零八年一月一日起就獲利所宣派之股息須繳納預扣稅。由於本集團能控制暫時差額之撥回時間，且有關暫時差額很可能不會於可見將來撥回，因此並無於綜合財務報表就中國附屬公司之累計溢利應佔之暫時差額港幣43,344,000元（二零一五年：港幣68,024,000元）作出遞延稅項撥備。

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38. DISPOSAL OF SUBSIDIARIES

As referred to in Note 12(a), on 17 August 2016, the Company and Leader Concept entered into the Agreement in relation to the disposal of the entire issued capital of DTV Disposal Group at a cash consideration of HK\$1. The details of the Agreement is disclosed in Note 12(a). The Disposal was completed on 17 October 2016.

The following are the assets and liabilities in respect of DTV Disposal Group disposed of on the date of completion:

38. 出售附屬公司

誠如附註12(a)所提述，於二零一六年八月十七日，本公司與領意投資訂立該協議，內容有關出售數字電視出售組別之全部已發行股本，現金代價為港幣1元。該協議之詳情於附註12(a)披露。出售事項已於二零一六年十月十七完成。

以下為於完成日期出售之數字電視出售組別之資產及負債：

		HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	435,173
Investment properties	投資物業	38,269
Goodwill	商譽	12,682
Intangible assets	無形資產	277,597
Inventories	存貨	408
Trade receivables	應收貿易賬項	160,883
Prepayments and other receivables	預付款項及其他應收款項	19,608
Restricted bank deposits	受限制銀行存款	269
Bank balances and cash	銀行結存及現金	473
Tax recoverable	可收回稅項	237
Trade and bills payables	應付貿易賬項及應付票據	(15,937)
Other payables and accruals	其他應付款項及應付項目	(21,356)
Amounts due to group entities	應付集團實體款項	(950,000)
Tax liabilities	稅項負債	(88,269)
Net liabilities disposal of	所出售之負債淨額	(129,963)
Transaction costs	交易成本	1,707
Gain on disposal	出售之收益	128,256
		-
Net cash inflow arising on disposal	出售產生之現金流入淨額	
Cash consideration	現金代價	-
Repayment from DTV Disposal Group	數字電視出售組別還款	50,000
Less: bank balances and cash disposed	減：所出售之銀行結存及現金	(473)
		49,527

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38. DISPOSAL OF SUBSIDIARIES (continued)

Pursuant to the Agreement, Leader Concept will procure the DTV Disposal Group to repay the shareholders' loan of HK\$950,000,000 due to the Group in the following manner:

		HK\$'000 港幣千元
Repayment date	還款日期	
At the completion date	於完成日期	50,000
Three months from the date after the completion date	自完成日期翌日起計三個月	500,000
The first anniversary of the date of the completion date	完成日期翌日起計一週年	400,000
		950,000

The impact of DTV Disposal Group's result and cash flows in the current and prior period's is disclosed in Note 12(a).

38. 出售附屬公司 (續)

根據該協議，領意投資將促使數字電視出售組別償還欠付本集團之股東貸款港幣950,000,000元，償還方式如下：

數字電視出售組別於本期間及過往期間之業績及現金流量之影響於附註12(a)披露。

39. MAJOR NON-CASH TRANSACTIONS

Apart from non-cash transaction related to the substantial modification of the convertible bonds of the Group described in Note 32, the Group also entered into the following major non-cash transactions in 2015 and 2016.

For the year ended 31 December 2016, the Group, Guangzhou HNA Asset Management and Leader Well entered into an agreement to offset the principal advance to, interest receivables from and other payables to Guangzhou HNA Asset Management with carrying amount of HK\$549,824,000 (Note 21) against promissory note of HK\$557,208,000 (Note 36).

In addition, during the year ended 31 December 2016, the Group entered into finance lease arrangements in respect of motor vehicles with a total capital value at the inception of the leases of approximately HK\$1,407,000 (2015: approximately HK\$1,408,000).

During the year ended 31 December 2015, pursuant to the terms of the Subscription (Note 34(a)), the total gross subscription proceeds was approximately HK\$60,720,000 of which approximately HK\$9,481,000 was settled in cash and the remaining amount of HK\$51,239,000, pursuant to the deed of assignment and set-off entered into among the Company, a third party and the Subscriber, was offset with the loan from a third party of HK\$50,000,000 and the related interest payable of HK\$1,239,000.

39. 主要非現金交易

除附註32所述與本集團可換股債券之重大修訂相關之非現金交易外，於二零一五年及二零一六年，本集團亦訂立下列主要非現金交易。

截至二零一六年十二月三十一日止年度，本集團、廣州海航資產管理與卓領訂立協議，從而以賬面值為港幣549,824,000元(附註21)之向廣州海航資產管理提供之本金墊款、應收廣州海航資產管理之利息及其他應付廣州海航資產管理之款項抵銷承兌票據港幣557,208,000元(附註36)。

此外，於截至二零一六年十二月三十一日止年度，本集團就於租期開始時資本總值約為港幣1,407,000元(二零一五年：約港幣1,408,000元)之汽車訂立融資租賃安排。

截至二零一五年十二月三十一日止年度，根據認購事項(附註34(a))之條款，認購事項之所得款項總額約為港幣60,720,000元，當中約港幣9,481,000元以現金支付，餘額港幣51,239,000元則根據本公司、一名第三方及認購人訂立之轉讓及抵銷契據，用作抵銷一名第三方貸款港幣50,000,000元及相關應付利息港幣1,239,000元。

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39. MAJOR NON-CASH TRANSACTIONS

(continued)

During the year ended 31 December 2015, the Company, Guangzhou HNA Asset Management and a related company entered into an agreement to offset interest receivables on advance to Guangzhou HNA Asset Management (Note 21) against loan from a related company of HK\$26,256,000.

On 11 February 2015, the Directors decided to occupy a building for use to utilise other receivable due from the Developer of HK\$39,390,000. Such other receivables were reclassified as property, plant and equipment. Details are set out in Note 25.

40. OPERATING LEASES

The Group as lessee

Minimum lease payments paid by the Group under operating leases during the year amounted to approximately HK\$13,188,000 (2015: HK\$2,168,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)

Operating lease payments represent rentals payable by the Group for certain of its office properties and quarters for Directors and staff. Leases are negotiated and rentals are fixed for terms ranging from one to three years (2015: one to ten years).

39. 主要非現金交易 (續)

截至二零一五年十二月三十一日止年度，本公司、廣州海航資產管理及一間關連公司訂立一份協議，從而以向廣州海航資產管理提供墊款之應收利息(附註21)抵銷一間關連公司之貸款港幣26,256,000元。

於二零一五年二月十一日，董事決定佔用一幢樓宇，以動用應收開發商之其他應收款項港幣39,390,000元。該等其他應收款項已重新分類為物業、廠房及設備。有關詳情載於附註25。

40. 經營租賃

本集團作為承租人

年內本集團根據經營租賃已付之最低租金約為港幣13,188,000元(二零一五年：港幣2,168,000元)。

於報告期末時，本集團根據不可撤回經營租賃之未來最低租金承擔之到期應付日如下：

	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Within one year	14,056	13,343
In the second to fifth year inclusive	10,005	23,123
	24,061	36,466

經營租金指本集團就其若干辦公室物業及董事與員工宿舍而應付之租金。租賃乃經磋商而定且租金亦經釐定，租期介乎一至三年(二零一五年：一至十年)不等。

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40. OPERATING LEASES (continued)

The Group as lessor

Property and motor vehicles rental income earned during the year was HK\$33,843,000 (2015: HK\$200,000) which was included in loss for the year from discontinued and continuing operations in the consolidated statement of profit or loss and other comprehensive income.

Advertising space rental income and sub-letting income earned during the year was HK\$1,219,000 (2015: HK\$1,502,000), which was included in loss for the year from continuing operations in the consolidated statement of profit or loss and other comprehensive income.

The Group leases its investment properties, advertising space and motor vehicles and sublets its office space under operating lease arrangements with leases negotiated for terms ranging from one to ten years. All the properties held have committed tenants for terms ranging from one to eight years (2015: one year). A lease includes contingent rentals calculated with reference to gross revenue less expenses and fixed rent period, the remaining leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

At the end of the reporting period, the Group had contracted with tenants for the following minimum lease payments:

40. 經營租賃 (續)

本集團作為出租人

年內賺取之物業及汽車租金收入為港幣33,843,000元(二零一五年:港幣200,000元),有關款項已計入綜合損益及其他全面收益表之已終止業務及持續經營業務之年度虧損。

年內賺取之廣告空間租金收入及分租收入為港幣1,219,000元(二零一五年:港幣1,502,000元),有關款項已計入綜合損益及其他全面收益表之持續經營業務之年度虧損。

本集團按照經營租賃安排出租其投資物業、廣告空間及汽車及分租其辦公空間,經磋商之租期介乎一至十年不等。持有之所有物業均已承租,租期介乎一至八年(二零一五年:一年)不等。租賃包括經參考總收入減開支及固定租期後計算之或然租金,而餘下租賃乃按固定還款基準訂立,概無訂立或然租金安排。

於報告期末時,本集團與租戶就下列最低租金訂立合約:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Within one year	一年內	117,542	1,242
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	466,986	3,016
Over fifth year	超過五年	179,655	731
		764,183	4,989

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41. CAPITAL COMMITMENT

41. 資本承擔

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	有關收購物業、廠房及設備之已訂約但未在綜合財務報表計提撥備之資本開支	834	173

42. CONTINGENT LIABILITIES

42. 或然負債

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Guarantee given to banks, in respect of banking facilities to third parties	就第三方獲授之銀行融資向銀行提供擔保		
– amount that could be required to be paid if the guarantee was called upon in entirety	– 被催繳全數擔保時可能須支付之金額	104,866	99,674
– amount utilised	– 已動用金額	90,085	79,620

At 31 December 2016 and 2015, the Company has provided guarantees to banks in respect of banking facilities granted to subsidiaries at nil consideration. In addition, Sinostride Technology (as defined in Note 47), a subsidiary of the Company included in Intelligent Information Business Disposal Group, entered into a cross guarantee arrangement with third parties whereby the third parties have also provided guarantee to banks in respect of Sinostride Technology's banking facilities for the years ended 31 December 2016 and 2015.

於二零一六年及二零一五年十二月三十一日，本公司為附屬公司獲授之銀行融資免費向銀行提供擔保。此外，中程科技（定義見附註47，一間計入智能信息業務出售組別之本公司附屬公司）與第三方訂立交叉擔保安排，據此，第三方亦於截至二零一六年及二零一五年十二月三十一日止年度就中程科技之銀行融資向銀行提供擔保。

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42. CONTINGENT LIABILITIES (continued)

During the year ended 31 December 2016, Sinostride Technology has provided additional or renewed the existing financial guarantees to the third parties and fair value of these financial guarantees is approximately HK\$12,061,000 (2015: HK\$3,933,000) at initial recognition based on valuation performed by Vigers. During the year ended 31 December 2016, HK\$8,491,000 (2015: HK\$1,366,000) has been amortised and is included in profit or loss. At 31 December 2015, an amount of HK\$6,255,000 had been recognised as liabilities in the consolidated statement of financial position. At 31 December 2016, an amount of HK\$9,258,000 has been recognised as liabilities associated with a disposal group classified as held-for-sale (Note 12(b)).

At 31 December 2016 and 2015, no further provision for financial guarantee contracts has been made as the Directors consider that the default risk of borrowers is low.

43. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all qualifying employees in the MPF Scheme. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries which operate in the PRC are members of a state-managed retirement benefit scheme) operated by the local municipal government. These PRC subsidiaries are required to contribute 13% to 20% (2015: 8% to 20%) of its payroll costs to the retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the specific contribution.

42. 或然負債 (續)

截至二零一六年十二月三十一日止年度，中程科技已向第三方提供額外或更新現有財務擔保，而根據威格斯所進行之估值，該等財務擔保在初步確認時之公允價值約為港幣12,061,000元（二零一五年：港幣3,933,000元）。截至二零一六年十二月三十一日止年度，港幣8,491,000元（二零一五年：港幣1,366,000元）已被攤銷，並計入損益內。於二零一五年十二月三十一日，於綜合財務狀況表確認負債港幣6,255,000元。於二零一六年十二月三十一日，港幣9,258,000元確認為分類為持作出售之出售組別之相關負債（附註12(b)）。

於二零一六年及二零一五年十二月三十一日，並無就財務擔保合約進一步計提撥備，原因是董事認為借方違約之風險低。

43. 退休福利計劃

本集團為所有強制性公積金計劃（「強積金計劃」）下之合資格僱員設立強積金計劃。該計劃之資產存放於受託人控制之基金，與本集團資產分開持有。本集團會按相關工資成本之5%向該計劃作出供款，而僱員亦須按相同比例同時作出供款。

本集團於中國經營之附屬公司之僱員為受當地市政府經營之國家退休福利計劃之成員。該等中國附屬公司則須就其工資成本之13%至20%（二零一五年：8%至20%）向退休福利計劃作出供款。本集團就有關退休福利計劃之唯一責任為作出指定供款。

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43. RETIREMENT BENEFIT SCHEMES

(continued)

The total exposure recognised in profit or loss of HK\$4,840,000 (2015: HK\$5,100,000) represents contributions payable of HK\$1,201,000 (2015: HK\$615,000) to the MPF Scheme and to the state-managed retirement benefit scheme of HK\$3,639,000 (2015: HK\$4,485,000), net of forfeited contributions of HK\$nil (2015: HK\$nil) from employees who left the Group in the current year.

Where there are employees who leave the MPF Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. The amount of forfeited contributions utilised in this manner during the year was HK\$nil (2015: HK\$nil).

44. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes borrowings, convertible bonds and related payables and promissory note as disclosed in Note 31, 32 and 36 respectively, net of cash and cash equivalents and equity attributable to owners of the Company comprising issued share capital and reserves.

43. 退休福利計劃 (續)

於損益中確認之港幣4,840,000元(二零一五年:港幣5,100,000元)之總開支為應向強積金計劃所作供款港幣1,201,000元(二零一五年:港幣615,000元)及應向國家退休福利計劃所作之供款港幣3,639,000元(二零一五年:港幣4,485,000元),有關款項已扣除於本年度離開本集團之僱員之已沒收供款港幣零元(二零一五年:港幣零元)。

倘僱員在供款全數歸屬之前離開強積金計劃,本集團應付供款將按已沒收供款扣減。年內以此種方式動用之已沒收供款為港幣零元(二零一五年:港幣零元)。

44. 資本風險管理

本集團管理其資本以確保本集團內各實體將可以持續方式經營,同時透過優化債務及權益平衡為持份者帶來最大回報。本集團將透過發行新股以及發行新債務或贖回現有債務平衡其整體資本結構。本集團之整體策略與去年保持不變。

本集團資本結構包括債項淨額(其分別包括附註31、32及36所述之借款、可換股債券及相關應付款項及承兌票據),扣除現金及現金等值項目以及本公司擁有人應佔權益(包括已發行股本及儲備)。

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45. FINANCIAL INSTRUMENTS

45a. Categories of financial instruments

45. 金融工具

45a. 金融工具分類

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Continuing operations	持續經營業務		
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)	2,058,149	3,655,465
Available-for-sale financial assets	可供出售金融資產	155,000	847
Financial liabilities	金融負債		
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	56,167	11,996
Amortised cost	攤銷成本	1,716,306	1,676,328
Financial guarantee liabilities	財務擔保負債	-	6,255
Obligations under finance leases	融資租賃承擔	2,271	1,257
Financial assets in disposal group classified as held-for-sale	分類為持作出售之出售組別之金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值項目)	174,525	189,959
Financial liabilities in disposal group classified as held-for-sale	分類為持作出售之出售組別之金融負債		
Financial guarantee liabilities	財務擔保負債	9,258	-
Amortised cost	攤銷成本	219,627	112,480

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綜合財務報表附註

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

45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies

The Group's financial instruments include available-for-sale investments, amounts due from related companies, trade receivables, other receivables, pledged bank deposits, bank balances and cash, trade and bills payables, other payables, amounts due to related companies, borrowings, convertible bonds, embedded derivative components of convertible bonds, financial guarantee liabilities, obligations under finance leases and promissory note. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Market risk

(i) Currency risk

Certain amounts due from related companies, bank balances, borrowings, promissory note (which was fully extinguished in 2016) and convertible bonds of the Group are denominated in foreign currencies, which expose the Group to foreign currency risk.

The transactions and balances relating to discontinued operations are transacted using RMB, the functional currency of the relevant group entities.

45. 金融工具 (續)

45b. 財務風險管理目標及政策

本集團之金融工具包括可供出售投資、應收關連公司款項、應收貿易賬項、其他應收款項、已抵押銀行存款、銀行結存及現金、應付貿易賬項及應付票據、其他應付款項、應付關連公司款項、借款、可換股債券、可換股債券之嵌入式衍生工具部分、財務擔保負債、融資租賃承擔及承兌票據。該等金融工具詳情於各附註披露。該等金融工具有關之風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下文載列如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

就金融工具或管理及計量金融工具風險之方式而言，本集團承受之風險種類並無改變。

市場風險

(i) 貨幣風險

本集團之若干應收關連公司款項、銀行結存、借款、承兌票據(已於二零一六年悉數抵銷)及可換股債券乃以外幣計值，令本集團承受外幣風險。

該等與已終止業務有關之交易及結餘乃以人民幣(相關集團實體之功能貨幣)交易。

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

The carrying amounts of the Group's foreign currencies denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Continuing operations	持續經營業務				
Euro Dollars	歐元	-	-	24,476	-
US\$	美元	2,018	12	380,588	199,832
HK\$	港幣	1,862,820	2,634,986	7,383	543,773

The carrying amounts of inter-company balances of certain group entities which are foreign currency denominated monetary assets at the end of the reporting period are as follows:

		Assets 資產	
		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
GBP	英鎊	655,071	-
US\$	美元	1,082,705	-

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

本集團以外幣計值之貨幣資產及貨幣負債於報告期末時之賬面值如下：

於報告期末時若干集團實體之公司間結餘 (為以外幣計值之貨幣資產) 之賬面值如下：

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in GBP, Euro Dollars and US\$.

The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% (2015: 5%) is the sensitivity rate used and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2015: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where RMB strengthen 5% (2015: 5%) against the relevant currencies. For a 5% (2015: 5%) weakening of RMB against the relevant currencies, there would be an equal and opposite impact on the post-tax loss.

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析

本集團主要承受英鎊、歐元及美元波動之影響。

下表列出本集團對人民幣兌相關外幣升值及貶值5% (二零一五年: 5%) 之敏感度。5% (二零一五年: 5%) 乃獲採用之敏感度比率，並代表管理層對外幣匯率可能合理變動之評估。敏感度分析只包括未償還外幣計值貨幣項目，並就5% (二零一五年: 5%) 匯率變動於報告期末時調整該等項目之換算。下表之正數表示人民幣兌相關貨幣升值5% (二零一五年: 5%) 時會令除稅後虧損減少。倘人民幣兌相關貨幣貶值5% (二零一五年: 5%)，則會對除稅後虧損具有同等但相反影響。

	GBP 英鎊		EURO Dollars 歐元		US\$ 美元		HK\$ 港幣	
	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)
Continuing operations 持續經營業務								
Decrease (increase) in post-tax loss 除稅後虧損減少 (增加)	27,350	-	1,022	-	(29,398)	8,342	(77,465)	(87,308)

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed rate amounts due from related companies and fixed rate convertible bonds.

The Group is exposed to cash flow interest rate risk in relation to the fluctuation of market interest rate on certain variable rate pledged bank deposits, certain variable rate bank balances and certain variable rate bank borrowings. The Group currently does not have any interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

It is the Group's policy to maintain an appropriate level between its fixed rate and variable rate borrowings so as to optimise the fair value and cash flow interest rate risk. The management considers that the cash flow interest rate risk arising from pledged bank deposits and bank balances is insignificant having regard to the stable trend in interest rates and thus no material fluctuation is anticipated in the near future.

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

敏感度分析 (續)

管理層認為，由於年末之風險未能反映年內之風險，因此敏感度分析未能代表固有外匯風險。

(ii) 利率風險

本集團面臨應收關連公司之定息款項及定息可換股債券之公允價值利率風險。

本集團因若干浮息有抵押銀行存款、若干浮息銀行結存及若干浮息銀行借款之市場利率波動而須承受現金流利率風險。本集團目前並無任何無利率對沖政策。然而，管理層監控所面臨之利率風險，並將考慮需要時對沖重大利率風險。

本集團之政策為維持合適水平之定息及浮息借款，以便優化公允價值及現金流量利率風險。管理層認為，鑑於利率趨勢穩定，有抵押銀行存款及銀行結存產生之現金流利率風險並不重大，故預計可見將來不會有重大波動。

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2015: 50 basis points) increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rates on variable rate bank borrowings had been 50 basis points (2015: 50 basis points) higher/lower and all other variables were held constant, the impact on profit or loss would be as follows:

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

敏感度分析

下列之敏感度分析根據於報告期末時浮息銀行借款之利率風險而釐定。分析乃假設於報告期末時之未償還金融工具於全年維持未償還而作出。分析使用增減50個基點(二零一五年: 50個基點), 乃為管理層對利率合理可能變動之評估。

假設浮息銀行借款利率已上升/下跌50個基點(二零一五年: 50個基點), 而所有其他變數保持不變, 對損益將會造成之影響如下:

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Continuing operations	持續經營業務		
Increase in post-tax loss	除稅後虧損增加	5,135	2,129
Discontinued operations	已終止業務		
Increase in post-tax loss	除稅後虧損增加	426	295

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Other price risk

The Group is exposed to price risk on available-for-sale investment and embedded derivatives components of the convertible bonds (Note 32).

No sensitivity analysis is disclosed for the available-for-sale investment which is measured at cost less impairment at the end of the reporting period because the fair value of available-for-sale investment cannot be determined reliably.

For the year ended 31 December 2016, the Group is required to estimate the fair value of derivative component (including conversion option and early redemption option derivative of the convertible bonds) (2015: including conversion option, early redemption option and compulsory conversion option) with changes in fair value to be recognised in the profit or loss as long as the convertible bonds are outstanding. The fair value will be affected either positively or negatively, amongst others, by the changes in the Company's share price and share price volatility.

At 31 December 2016 and 2015, as the conversion price of the convertible bonds is higher than the share price of the Company, the impact to the Group's result due to 10% change in share price and volatility of the share price is immaterial. Accordingly, no sensitivity analysis is presented for both years.

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 其他價格風險

本集團面臨可供出售投資及可換股債券(附註32)之嵌入式衍生工具部分之價格風險。

於報告期末，並無就按成本減減值計量之可供出售投資披露任何敏感度分析，乃由於未能可靠地釐定可供出售投資之公允價值。

截至二零一六年十二月三十一日止年度，只要本集團有發行在外之可換股債券，本集團須估計衍生工具部分(包括可換股債券之換股選擇權及提早贖回權)(二零一五年：包括換股選擇權、提早贖回權及強制換股選擇權)之公允價值，並在損益內確認公允價值變動。公允價值會受(其中包括)本公司股價變動及股價波動之正面或負面影響。

於二零一六年及二零一五年十二月三十一日，由於可換股債券之換股價高於本公司股價，故股價變動及股價波動10%對本集團業績之影響並不重大。因此，並無就此等兩個年度呈列敏感度分析。

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Credit risk

As at 31 December 2016 and 2015, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of contingent liabilities in relation to the financial guarantee issued by the Group is disclosed in Note 42.

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds of the Group is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has limited credit risk for financial guarantee contracts. Management periodically monitors the financial position of each of the third parties to ensure each third party is financially viable to settle the debts due to the banking facilities drawn from financial institutions.

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

信貸風險

於二零一六年及二零一五年十二月三十一日，除該等賬面值最能反映最高信貸風險之金融資產外，將招致本集團財務損失之本集團最高信貸風險乃由附註42所披露有關本集團出具之財務擔保之或然負債金額產生。

為盡量降低信貸風險，本集團管理層採用信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債務。此外，本集團於報告期末時評估每項個別貿易債務之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易對手均為獲國際信貸評級機構給予高信貸評級之銀行，故本集團流動資金方面之信貸風險有限。

本集團就財務擔保合約面對有限度之信貸風險。管理層定期監察各第三方之財務狀況，以確保各第三方在財務上能夠結清自金融機構提取之銀行融資之應付債務。

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

45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group has concentration of credit risk as 33% (2015: 62%) of the total trade receivables as at 31 December 2016 was due from the Group's largest trade debtors. The Group keeps monitoring the level of exposures to ensure that follow up actions and/or corrective action are taken promptly to lower the risk exposure or to recover the overdue balances.

The Group is also exposed to credit risk from amounts due from certain related companies. As at 31 December, 2016, 99% of the amounts due from related companies was due from DTV Disposal Group (2015: 92% was due from Guangzhou HNA Asset Management). The Directors periodically monitor the financial position of each related company to ensure they are financially viable to settle the debts due to the Group.

Other than the above, the Group does not have any other significant concentration of credit risks, with exposure spread over a large number of counterparties on trade receivables.

Liquidity risk

In the management of the liquidity risk, the Group monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as significant source of liquidity. As at 31 December 2016, the Group has available unutilised short-term facilities of approximately HK\$100,000,000 (2015: HK\$31,000,000). The Directors are of the view that the banking facilities could be renewed based on historical experience that the Group has not encountered any difficulties to obtain banking facilities.

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

信貸風險 (續)

於二零一六年十二月三十一日，應收貿易賬項總額中有33%（二零一五年：62%）為應收本集團最大貿易債務人之款項，故本集團面臨信貸集中風險。本集團持續監察風險水平，以確保即時採取跟進行動及／或補救措施，從而降低風險或收回逾期結餘。

本集團亦面臨應收若干關連公司款項之信貸風險。於二零一六年十二月三十一日，應收關連公司款項中有99%為應收數字電視出售組別款項（二零一五年：92%為應收廣州海航資產管理款項）。董事定期監察各關連公司之財務狀況，以確保其財務上可償還應付本集團債務。

除上文所述者外，本集團並無任何其他重大的信貸風險集中情況，而有關風險分散在多名交易對手方之應收貿易賬項上。

流動資金風險

在管理流動資金風險時，本集團監察及維持管理層認為合適之現金及現金等值項目水平，以便為本集團業務提供資金，並減低現金流量波動之影響。管理層監察動用銀行借款之情況並確保遵守貸款契約。

本集團依賴銀行借款作為流動資金之重要來源。於二零一六年十二月三十一日，本集團有可用未動用短期融資約港幣100,000,000元（二零一五年：港幣31,000,000元）。董事認為，銀行融資可根據本集團在獲得銀行融資方面並無遇到任何困難之過往經驗而續訂。

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted cash flows are estimated by using interest rate at the end of the reporting period.

Liquidity and interest risk tables

Continuing operations

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

下表詳列本集團金融負債根據議定還款條款之餘下合約到期日。此表乃根據本集團於可被要求償還之最早日期按金融負債之未貼現現金流量而編製。

下表包括利息及主要現金流量。倘利率為浮動利率，則未貼現現金流量以報告期末時之利率估計。

流動資金及利息風險表

持續經營業務

		Weighted average effective interest rate	Less than 3 months	3 months to 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2016
								未貼現現金流量總額	十二月三十一日之賬面值
		加權平均實際利率	不足三個月	三個月至一年	一至兩年	兩至五年	五年以上	現金流量總額	賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
2016	二零一六年								
Trade and bills payables	應付貿易賬項及應付票據	-	7,021	-	-	-	-	7,021	7,021
Other payables	其他應付款項	-	91,805	-	-	-	-	91,805	91,805
Amounts due to related companies	應付關連公司款項	-	7,475	-	-	-	-	7,475	7,475
Bank borrowings (Note 31) - variable rate (Note iii)	銀行借款 (附註31) - 浮息 (附註iii)	4.42	41,937	46,729	53,213	1,125,297	80,837	1,348,013	1,285,584
Convertible bonds, included the embedded derivative components of convertible bonds (Note iv) - Bonds denominated in US\$ (Note 32(b))	可換股債券，包括可換股債券之嵌入式衍生工具部分 (附註iv) - 以美元計值之債券 (附註32(b))	27.8	-	-	467,908	-	-	467,908	380,588
Obligations under finance lease - fixed rate	融資租賃承擔 - 定息	1.98	155	464	619	1,186	-	2,424	2,271
			148,393	47,193	521,740	1,126,483	80,837	1,924,646	1,774,744

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

Continuing operations (continued)

		Weighted average effective interest rate	Less than 3 months	3 months to 1 year	1 – 2 years	2 – 5 years	Over 5 years	Total	Carrying
								undiscounted cash flows	amount at 31.12.2015
		加權平均 實際利率	不足三個月	三個月至一年	一至兩年	兩至五年	五年以上	未貼現 現金流量總額	十二月三十一日 之賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
2015	二零一五年								
Trade and bills payables	應付貿易賬項及應付票據	-	53,550	-	-	-	-	53,550	53,550
Other payables	其他應付款項	-	171,396	-	-	-	-	171,396	171,396
Amounts due to related companies	應付關連公司款項	-	91	-	-	-	-	91	91
Bank borrowings (Note 31)	銀行借款 (附註31)								
- fixed rate	一定息	5.87	48,589	107,565	-	-	-	156,154	152,078
- variable rate (Note iii)	一浮息 (附註iii)	7.74	27,326	64,526	69,763	472,436	99,827	733,878	567,604
Convertible bonds, included the embedded derivative components of convertible bonds (Note i)	可換股債券，包括 可換股債券之嵌入式 衍生工具部分 (附註i)								
- Bonds denominated in US\$ (Note 32(a))	- 以美元計值之債券 (附註32(a))	25.6	-	205,779	-	-	-	205,779	199,832
Promissory note	承兌票據	8.35	-	-	626,805	-	-	626,805	543,773
Financial guarantee contracts (Note ii)	財務擔保合約 (附註ii)	-	11,340	35,811	-	52,523	-	99,674	6,255
Obligations under finance lease	融資租賃承擔								
- fixed rate	一定息	3.55	77	232	309	748	-	1,366	1,257
			312,369	413,913	696,877	525,707	99,827	2,048,693	1,695,836

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金及利息風險表 (續)

持續經營業務 (續)

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綜合財務報表附註

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45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

Liabilities associates with disposal group classified as held-for-sale

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金及利息風險表 (續)

分類為持作出售之出售組別之相關負債

		Weighted average effective interest rate	Less than 3 months	3 months to 1 year	1 - 2 years	2 - 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2016
		加權平均實際利率	不足三個月	三個月至一年	一至兩年	兩至五年	現金流量總額	十二月三十一日之賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
2016	二零一六年							
Trade and bills payables	應付貿易賬項及應付票據	-	99,415	-	-	-	99,415	99,415
Other payables	其他應付款項	-	6,533	-	-	-	6,533	6,533
Bank borrowings	銀行借款							
- variable rate (Note iii)	- 浮息 (附註iii)	5.57	16,758	99,721	-	-	116,479	113,679
Financial guarantee liability	財務擔保負債	-	-	55,780	37,930	11,156	104,866	9,258
			122,706	155,501	37,930	11,156	327,293	228,885
		Weighted average effective interest rate	Less than 3 months	3 months to 1 year	1 - 2 years	2 - 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2015
		加權平均實際利率	不足三個月	三個月至一年	一至兩年	兩至五年	現金流量總額	十二月三十一日之賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
2015	二零一五年							
Trade and bills payables	應付貿易賬項及應付票據	-	11,864	-	-	-	11,864	11,864
Other payables	其他應付款項	-	21,832	-	-	-	21,832	21,832
Bank borrowings	銀行借款							
- variable rate (Note iii)	- 浮息 (附註iii)	6.55	1,159	79,802	-	-	80,961	78,784
			34,855	79,802	-	-	114,657	112,480

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

45. FINANCIAL INSTRUMENTS (continued)

45b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

Liabilities associates with disposal group classified as held-for-sale (continued)

Notes:

- i. The undiscounted cash flows of convertible bonds represent the redemption amount at maturity date or the earliest date if the bondholder exercised the early redemption option, translated at the prevailing exchange rate at the end of reporting period on the assumption that there would be no conversion. The carrying amount of convertible bonds denominated in US\$ included the debt components carried at amortised cost as at 31 December 2015 with an effective interest rate of 25.6%.
- ii. The amount included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.
- iii. The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.
- iv. The undiscounted cash flows of convertible bonds represent the redemption amount at maturity date translated at the prevailing exchange rate at the end of reporting period on the assumption that there would be no conversion. The carrying amount of convertible bonds denominated in US\$ included the debt component carried at amortised cost as at 31 December 2016 with an effective interest rate of 27.8%.

45. 金融工具 (續)

45b. 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金及利息風險表 (續)

分類為持作出售之出售組別之相關負債 (續)

附註：

- i. 可換股債券之未貼現現金流量乃使用報告期末時之現行匯率(假設並無換股)計算可換股貸款票據於到期日之贖回金額，或倘債券持有人行使提早贖回權，則為於最早日期之贖回金額。以美元計值之可換股債券賬面值包括於二零一五年十二月三十一日以實際利率25.6%按攤銷成本列賬之債務部分。
- ii. 以上財務擔保合約計入之金額為於擔保之對手方要求索取有關款項時，本集團根據安排可能需就全數擔保金額償還之最高金額。根據報告期末時之預期，本集團認為，須根據安排支付任何款項之可能性不大。然而，是項估計可能存在變數，取決於持有已擔保財務應收賬款之對手方遭受信貸損失而按擔保追討之可能性。
- iii. 上述就非衍生金融負債浮動利率工具計入之金額，將於浮動利率之變動與於報告期末時釐定之估計利率變動存在差異時作出變動。
- iv. 可換股債券之未貼現現金流量乃使用報告期末時之現行匯率(假設並無換股)計算於到期日之贖回金額。以美元計值之可換股債券賬面值包括於二零一六年十二月三十一日以實際利率27.8%按攤銷成本列賬之債務部分。

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綜合財務報表附註

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

45. FINANCIAL INSTRUMENTS (continued)

45c. Fair value

Fair value of the Group's material financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's material financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the fair value is observable.

Financial liabilities 金融負債	Fair value as at 31 December 2016 截至二零一六年 十二月三十一日 之公允價值	Fair value hierarchy 公允價值層級	Valuation technique(s) and key inputs 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Sensitivity 敏感度
Embedded derivative components of convertible bonds 可換股債券之嵌入式衍生工具部分	Embedded derivative components of convertible bonds – HK\$56,167,000 (2015: HK\$11,996,000) 可換股債券之嵌入式衍生工具部分 – 港幣56,167,000元 (二零一五年：港幣11,996,000元)	Level 3 第三級別	Binomial method 二項法 The key inputs are: stock price, exercise price, volatility, dividend yield, risk free rate and option life 主要輸入數據：股價、行使價、波幅、股息率、無風險率及選擇權年期	Volatility of 60% (2015: 96%) is applied in the 2016 Convertible Bonds (2015: New Convertible Bond I) by reference to the Company's historical volatility and a set of comparable companies (2015: the Company's historical volatility) 經參考本公司之歷史波幅及一組可比較公司 (二零一五年：本公司之歷史波幅)，二零一六年可換股債券 (二零一五年：新可換股債券I) 應用60% (二零一五年：96%) 之波幅	The higher the volatility in share price, the higher the change in fair value of embedded derivative components of convertible bonds 股價波幅越高，可換股債券之嵌入式衍生工具部分之公允價值變動越高

There were no transfers between levels of the fair value hierarchy during the year ended 31 December 2016 and 2015.

於截至二零一六年及二零一五年十二月三十一日止年度並無公允價值層級級別之間轉移。

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

45. FINANCIAL INSTRUMENTS (continued)

45c. Fair value (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities

		Derivative components of convertible bonds 可換股債券 之衍生 工具部分 HK\$'000 港幣千元
Carrying amount at 1 January 2015	於二零一五年一月一日之賬面值	10,868
Recognition of New Convertible Bond I (Note 32)	確認新可換股債券I (附註32)	25,860
Gain arising on changes of fair value (Note 8)	公允價值變動所產生之收益 (附註8)	(24,726)
Exchange realignment	匯兌調整	(6)
Carrying amount at 31 December 2015	於二零一五年十二月三十一日 之賬面值	11,996
Derecognition	取消確認	(11,996)
Recognition of 2016 Convertible Bonds (Note 32)	確認二零一六年可換股債券 (附註32)	117,058
Gain arising on changes of fair value (Note 8)	公允價值變動所產生之收益 (附註8)	(61,191)
Exchange realignment	匯兌調整	300
Carrying amount at 31 December 2016	於二零一六年十二月三十一日 之賬面值	56,167

The total gains or losses for the year included an unrealised gain of HK\$61,191,000 (2015: HK\$24,726,000) relating to financial liabilities that are measured at fair value at the end of each reporting period. Such fair value gains are included in "other gains and losses" (see Note 8).

年度收益或虧損總額包括未變現收益港幣61,191,000元(二零一五年：港幣24,726,000元)，乃與於各報告期末時按公允價值計量之金融負債有關。該等公允價值收益計入「其他收益及虧損」內(見附註8)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

45. FINANCIAL INSTRUMENTS (continued)

45c. Fair value (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities (continued)

In estimating the fair value of debt and derivative components of convertible bonds, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the debt component of convertible bonds. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. In determining the valuation assumptions and inputs, Management takes into account the market-observable data as well as factors specific to the Group's convertible bonds, as follows:

- Dividend yield – estimated based on the historical dividend yield of the Company at the end of the reporting period;
- Risk free rate – referenced to Hong Kong Exchange Fund Notes at the end of the reporting period;
- Volatility – estimated based on the Company's historical volatility and a set of comparable companies, where appropriate; and
- Share price – referenced to the share price of the Company at Valuation Date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

45. 金融工具 (續)

45c. 公允價值 (續)

金融負債的第三級別公允價值計量的對賬 (續)

於估計可換股債券之債務及衍生工具部分之公允價值時，本集團採用可用範圍內之市場可觀察數據。倘未獲得第一級別輸入數據，本集團會聘用第三方合資格估值師對可換股債券之債務部分進行估值。管理層與合資格外部估值師緊密合作以對模式確立合適估值方法及輸入數據。在釐定估值假設及輸入數據時，管理層計及以下市場可觀察數據以及針對本集團可換股債券之因素：

- 股息率 – 按本公司於報告期末時之歷史股息率估計；
- 無風險率 – 經參考報告期末時之香港外匯基金票據；
- 波幅 – 按本公司之歷史波幅及一組可比較公司 (如適用) 估計；及
- 股價 – 經參考本公司於估值日期之股價。

用於釐定各項資產及負債公允價值之估值方法及輸入數據之資料於上文披露。

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45. FINANCIAL INSTRUMENTS (continued)

45c. Fair value (continued)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. The fair values of debt components and related payables of 2016 Convertible Bonds and New Convertible Bond I are derived using discounted cash flows at an appropriate debt yield from comparable bonds in the markets.

45. 金融工具 (續)

45c. 公允價值 (續)

並非按經常性基準以公允價值計量之本集團金融資產及金融負債之公允價值

除下表所詳述，董事認為，於綜合財務報表中確認之金融資產及金融負債之賬面值接近其公允價值。二零一六年可換股債券及新可換股債券I債務部分及有關應付款項之公允價值乃使用從市場可資比較債券之適當之債務收益率貼現之現金流量得出。

		31 December 2016 二零一六年十二月三十一日		31 December 2015 二零一五年十二月三十一日	
		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公允價值 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公允價值 HK\$'000 港幣千元
Financial liabilities	金融負債				
Debt component of convertible bonds and related payables (Note 32)	可換股債券之債務部分及有關應付款項 (附註32)	324,421	324,354	119,477	118,366

The fair value of the debt component of 2016 Convertible Bonds (2015: debt component of New Convertible Bond I and related payables) categorised as level 3 of the fair value hierarchy is determined assuming redemption on 18 July 2018 (2015: 5 June 2016) and using a debt yield of 29.8% (2015: 25.6%) by assuming the credit strength of the Company to be CCC equivalent.

歸類於公允價值層級第三級別之二零一六年可換股債券 (二零一五年：新可換股債券I之債務部分及有關應付款項) 債務部分之公允價值乃假設於二零一八年七月十八日 (二零一五年：二零一六年六月五日) 贖回而釐定，並經假設本公司之信貸實力為CCC等價，採用債務收益率29.8% (二零一五年：25.6%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

46. RELATED PARTY TRANSACTIONS

Apart from the Agreement as entered with Leader Concept as detailed in Note 12(a), the Group has the following related party transactions:

(a) Transactions with subsidiaries of HNA Group and entities controlled by HNA Group

46. 關連人士交易

除與領意投資訂立該協議（詳情見附註12(a)）外，本集團之關連人士交易如下：

(a) 與海航集團之附屬公司及由海航集團控制之實體進行之交易

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Income	收入		
Interest income on advance to Guangzhou HNA Asset Management	向廣州海航資產管理提供之墊款之利息收入	9,868	42,950
Imputed interest income on interest-free advance to Guangzhou HNA Asset Management	向廣州海航資產管理提供之免息墊款之估算利息收入	-	1,929
Imputed interest income on interest-free amounts due from other subsidiaries of HNA Group	應收海航集團其他附屬公司之免息款項之估算利息收入	1,573	7,914
Golf club membership income from a related company	來自一間關連公司之高爾夫球會會籍收入	11,844	-
Golf club competition events income from a related company	來自一間關連公司之高爾夫球會比賽活動收入	-	2,220
Expenses	開支		
Interest expense paid to a related company	已付一間關連公司之利息開支	-	1,226
Laundry expense to a related company	向一間關連公司支付之洗滌開支	633	1,394
Imputed interest expense on promissory note	承兌票據之估算利息開支	13,435	50,590

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綜合財務報表附註

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

46. RELATED PARTY TRANSACTIONS

(continued)

(b) Compensation of key management personnel

The remuneration of key management members, who are the Directors of the Company during the year, was as follows:

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Short term benefits	短期福利	11,114	11,689
Post-employment benefits	離職後福利	308	275
		11,422	11,964

The remuneration of executive directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

(c) Details of balances with related parties of the Group are set out in the Group's consolidated statement of financial position on pages 92 to 94 and Notes 21 and 38 the consolidated financial statements respectively.

46. 關連人士交易 (續)

(b) 主要管理人員之酬金

主要管理人員(即本公司董事)於本年度之酬金如下:

	2016	2015
	二零一六年	二零一五年
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Short term benefits	11,114	11,689
Post-employment benefits	308	275
	11,422	11,964

執行董事酬金由薪酬委員會按個人表現及市場趨勢釐定。

(c) 與本集團關連人士有關之結餘詳情分別載於本集團綜合財務狀況表第92頁至第94頁及綜合財務報表附註21及38。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2016 and 2015 are as follows:

47. 本公司主要附屬公司之詳情

本公司主要附屬公司於二零一六年及二零一五年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration 註冊成立/ 註冊地點/國家	Principal place of operation 主要營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司持有之 已發行股本/註冊 資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
Continuing operations 持續經營業務						
Santai Corporate Services Limited	Hong Kong 香港	Hong Kong 香港	2 ordinary shares 2股普通股	100	100	Provision of management services 提供管理服務
Hillview Golf Development Company Limited ^{&} ("Hillview") 峰景高爾夫球發展有限公司 ^{&} (「峰景」)	The British Virgin Islands ("B.V.I.") 英屬處女群島 (「英屬處女群島」)	The PRC 中國	50,000 ordinary shares of USD1 each 50,000股每股 面值1美元 之普通股	100	100	Investment holding 投資控股
Dongguan Hillview Golf Company Limited ^{&} ("DG Hillview") 東莞峰景高爾夫有限公司 ^{&} (「東莞峰景」)	The PRC 中國	The PRC 中國	Registered capital USD34,060,000 註冊資本 34,060,000美元	65	65	Operation of golf club and hotel and leisure services 經營高爾夫球會以及酒店及休閒服務
Haihang Shiye Fazhan (Shenzhen) Company Limited ^{&} 海航實業發展(深圳)有限公司 ^{&}	The PRC 中國	The PRC 中國	Registered capital RMB5,000,000 註冊資本 人民幣5,000,000元	100	-	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

47. 本公司主要附屬公司之詳情 (續)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration 註冊成立/ 註冊地點/國家	Principal place of operation 主要營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司持有之 已發行股本/註冊 資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
Continuing operations (continued) 持續經營業務 (續)						
HNA International Property Investment Company Three Limited [§]	B.V.I. 英屬處女群島	UK 英國	1 ordinary share of USD1 1股每股面值 1美元之普通股	100	–	Property investment 物業投資
HNA Newcastle Golf, LLC [§]	US 美國	US 美國	N/A 不適用	100	–	Property investment 物業投資
HNA Trophy Lake Golf, LLC [§]	US 美國	US 美國	N/A 不適用	100	–	Property investment 物業投資
HNA Redmond Ridge, LLC [§]	US 美國	US 美國	N/A 不適用	100	–	Property investment 物業投資
HNA Washington National Golf, LLC [§]	US 美國	US 美國	N/A 不適用	100	–	Property investment 物業投資
HNA Harbour Pointe, LLC [§]	US 美國	US 美國	N/A 不適用	100	–	Property investment 物業投資
HNA Indian Summer Golf, LLC [§]	US 美國	US 美國	N/A 不適用	100	–	Property investment 物業投資
HNA Hawks Prairie Golf, LLC [§]	US 美國	US 美國	N/A 不適用	100	–	Property investment 物業投資

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綜合財務報表附註

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

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

47. 本公司主要附屬公司之詳情 (續)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration 註冊成立/ 註冊地點/國家	Principal place of operation 主要營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司持有之 已發行股本/註冊 資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
Continuing operations (continued) 持續經營業務 (續)						
HNA Plateau Golf, LLC [§]	US 美國	US 美國	N/A 不適用	100	-	Property investment 物業投資
Discontinued operations 已終止業務						
South China Digital TV (Holdings) Limited [^] 華南數字電視集團有限公司 [^]	Hong Kong 香港	Hong Kong 香港	1 ordinary share 1股普通股	-	100	Investment holding 投資控股
廣州市易家通互動信息發展 有限公司 ^{#^}	The PRC 中國	The PRC 中國	Registered capital RMB15,050,000 註冊資本人民幣 15,050,000元	-	100	Provision of DTV technical solutions and equipment 提供數字電視技術方案及 設備
Sino Stride Technology (Holdings) Limited 中程科技集團有限公司	B.V.I. 英屬處女群島	Hong Kong 香港	1,078,959,000 ordinary shares of HK\$0.01 each 1,078,959,000股 每股面值港幣 0.01元之普通股	100	100	Investment holding 投資控股
Sinostride Technology Company Limited [®] ("Sinostride Technology") 中程科技有限公司 [®] (「中程科技」)	The PRC 中國	The PRC 中國	Registered capital RMB113,000,000 註冊資本人民幣 113,000,000元	58.5	58.5	System value-added service solution and development 系統增值服務方案及發展

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

47. 本公司主要附屬公司之詳情 (續)

Name of subsidiary 附屬公司名稱	Place/ country of incorporation/ registration 註冊成立/ 註冊地點/國家	Principal place of operation 主要營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司持有之 已發行股本/註冊 資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
Discontinued operations (continued) 已終止業務 (續)						
Zhejiang Concord Optic – Electronic Technology Company Limited* ^{&} [@] 浙江協和光電科技有限公司 ^{&} [@]	The PRC 中國	The PRC 中國	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	80	80	Inactive 暫無營業
Made Connection Limited	Samoa 索摩亞	Hong Kong 香港	1 ordinary share of US\$1 1股面值1美元 之普通股	100	100	Investment holding 投資控股
Chongqing SinoStride Technology Co., Ltd. ^{&} [@] [#] 重慶中程科技有限公司 ^{&} [@] [#]	The PRC 中國	The PRC 中國	Registered capital RMB200,000,000 註冊資本人民幣 200,000,000元	-	100	Inactive 暫無營業
深圳市泰格信息科技開發有限公司 [#] [^]	The PRC 中國	The PRC 中國	Registered capital RMB20,000,000 註冊資本人民幣 20,000,000元	-	100	Investment holding 投資控股

& Indirectly held through subsidiaries

@ Registered under the laws of the PRC as a Sino-foreign co-operative joint venture

Registered under the laws of the PRC on the form of domestic incorporated entity

^ Disposed of on 17 October 2017

& 透過附屬公司間接持有

@ 根據中國法律註冊為一間中外合作合營企業

根據中國法律註冊為一間內資企業

^ 於二零一七年十月十七日出售

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綜合財務報表附註

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

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

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.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. These subsidiaries operate in Hong Kong and the PRC. The principal activities of these subsidiaries are summarised as follows:

47. 本公司主要附屬公司之詳情 (續)

董事認為，上表列出本公司之附屬公司乃主要影響本年度業績或構成本集團資產淨值之重要部分。董事認為詳列其他附屬公司之資料將會令篇幅過份冗長。

於報告期末時，本公司有其他對本集團而言並非重大之附屬公司。該等附屬公司於香港及中國經營。該等附屬公司主要業務概述如下：

Principal activities 主要業務	Principal place of business 主要業務地點	Number of subsidiaries 附屬公司數目	
		31.12.2016 二零一六年 十二月三十一日	31.12.2015 二零一五年 十二月三十一日
Investment holding 投資控股	US 美國	1	–
	Hong Kong 香港	15	3
	The PRC 中國	2	2
	Ireland 愛爾蘭	1	–
		19	5
Inactive 暫無營業	Hong Kong 香港	7	4
	The PRC 中國	2	3
		9	7
		28	12

None of the subsidiaries had issued any debt securities for the years ended 31 December 2016 and 2015.

概無附屬公司於二零一六年及二零一五年十二月三十一日止年度發行任何債務證券。

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綜合財務報表附註

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

47A. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Country of registration and principal place of business 註冊國家及主要業務地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有之所有權權益及投票權比例		Loss allocated to non-controlling interests 分配至非控股權益之虧損		Accumulated non-controlling interests 累計非控股權益	
		2016 二零一六年	2015 二零一五年	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Sinostride Technology 中程科技	The PRC 中國	41.5	41.5	27,303	21,384	14	27,941
DG Hillview 東莞峰景	The PRC 中國	35.0	35.0	10,598	234	382,526	420,146
Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之個別不重大附屬公司				37	173	(3,989)	(4,154)
				37,938	21,791	378,551	443,933

47A. 重大非控股權益之附屬公司

下表顯示本集團擁有重大非控股權益之非全資附屬公司之詳情：

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綜合財務報表附註

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

47A. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

In the opinion of the Directors, no summarised financial information is disclosed in respect of the Group's individually immaterial subsidiaries that have non-controlling interest because the financial impacts of these subsidiaries are not material to the Group.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Sinostride Technology

47A. 重大非控股權益之附屬公司 (續)

有關擁有重大非控股權益之非全資附屬公司之詳情

董事認為，由於本集團擁有非控股權益之個別非重大附屬公司對本集團造成之財務影響極微，故並無就該等附屬公司披露財務資料概要。

有關本集團具有重大非控股權益之各附屬公司之財務資料概要載列如下。以下財務資料概要指集團內部抵銷前之金額。

中程科技

As at 31 December

於十二月三十一日

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Current assets	流動資產	330,205	377,062
Non-current assets	非流動資產	23,350	23,376
Current liabilities	流動負債	(353,523)	(333,111)
Equity attributable to owners of the Company	本公司擁有人應佔權益	18	39,386
Non-controlling interests	非控股權益	14	27,941

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

47A. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Sinostride Technology (continued)

47A. 重大非控股權益之附屬公司 (續)

中程科技 (續)

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Revenue	收益	239,282	172,383
Expenses	開支	(305,073)	(223,911)
Loss for the year	年度虧損	(65,791)	(51,528)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(38,488)	(30,144)
Loss attributable to the non-controlling interests	非控股權益應佔虧損	(27,303)	(21,384)
Loss for the year	年度虧損	(65,791)	(51,528)
Other comprehensive expense attributable to the owners of the Company	本公司擁有人應佔其他全面開支	(880)	(2,290)
Other comprehensive expense attributable to the non-controlling interests	非控股權益應佔其他全面開支	(624)	(1,625)
Other comprehensive expense for the year	年度其他全面開支	(1,504)	(3,915)
Total comprehensive expense attributable to owners of the Company	本公司擁有人應佔全面開支總額	(39,368)	(32,434)
Total comprehensive expense attributable to non-controlling interests	非控股權益應佔全面開支總額	(27,927)	(23,009)
Total comprehensive expenses for the year	年度全面開支總額	(67,295)	(55,443)
Net cash inflows from operating activities	經營活動所得之現金流入淨額	12,826	29,407
Net cash inflows from investing activities	投資活動所得之現金流入淨額	3,488	3,502
Net cash outflows used in financing activities	融資活動所用之現金流出淨額	(29,761)	(22,810)
Net cash (outflows) inflows	現金 (流出) 流入淨額	(13,447)	10,099

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

47A. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

DG Hillview

47A. 重大非控股權益之附屬公司 (續)

東莞峰景

As at 31 December

於十二月三十一日

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Current assets	流動資產	877,911	472,735
Non-current assets	非流動資產	1,312,059	1,882,111
Current liabilities	流動負債	(148,641)	(147,626)
Non-current liabilities	非流動負債	(948,397)	(1,006,803)
Equity attributable to owners of the Company	本公司擁有人應佔權益	710,406	780,271
Non-controlling interests	非控股權益	382,526	420,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

47A. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

DG Hillview (continued)

47A. 重大非控股權益之附屬公司 (續)

東莞峰景 (續)

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Revenue	收益	148,739	162,006
Expenses	開支	(179,019)	(162,676)
Loss for the year	年度虧損	(30,280)	(670)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(19,682)	(436)
Loss attributable to non-controlling interests	非控股權益應佔虧損	(10,598)	(234)
Loss for the year	年度虧損	(30,280)	(670)
Other comprehensive expense attributable to owners of the Company	本公司擁有人應佔其他全面開支	(50,183)	(37,003)
Other comprehensive expense attributable to non-controlling interests	非控股權益應佔其他全面開支	(27,022)	(19,925)
Other comprehensive expense for the year	年度其他全面開支	(77,205)	(56,928)
Total comprehensive expense attributable to owners of the Company	本公司擁有人應佔總全面開支	(69,865)	(37,439)
Total comprehensive expense attributable to non-controlling interests	非控股權益應佔總全面開支	(37,620)	(20,159)
Total comprehensive expense for the year	年度總全面開支	(107,485)	(57,598)
Net cash outflows from operating activities	經營活動所得之現金流出淨額	(114,175)	(113,827)
Net cash (outflows used in) inflows from investing activities	投資活動 (所用之流出) 所得之現金流入淨額	(31,147)	182,707
Net cash inflows from financing activities	融資活動所得之現金流入淨額	17,507	106,655
Net cash (outflows) inflows	現金 (流出) 流入淨額	(127,815)	175,535

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

48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY 48. 本公司財務狀況及儲備表

		2016 二零一六年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	10,279	11,783
Investments in subsidiaries	於附屬公司之投資	231,252	218,914
Advances to subsidiaries	向附屬公司提供墊款	585,000	931,898
Club debentures	會所債券	700	700
		827,231	1,163,295
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	6,232	4,776
Amounts due from subsidiaries	應收附屬公司款項	2,240,955	850,047
Amount due from a related company	應收一間關連公司款項	385,404	-
Bank balances and cash	銀行結存及現金	968,959	2,639,565
		3,601,550	3,494,388
Current liabilities	流動負債		
Other payables, deposits received and accruals	其他應付款項、已收按金及應付項目	46,110	15,443
Amounts due to subsidiaries	應付附屬公司款項	609,436	102,704
Amount due to a related company	應付一間關連公司款項	7,383	-
Borrowings	借款	24,476	-
Convertible bonds and related payables	可換股債券及相關應付款項	-	187,836
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	-	11,996
Obligations under finance leases	融資租賃承擔	565	266
		687,970	318,245
Net current assets	流動資產淨值	2,913,580	3,176,143
Total assets less current liabilities	總資產減流動負債	3,740,811	4,339,438
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	324,421	-
Embedded derivative components of convertible bonds	可換股債券之嵌入式衍生工具部分	56,167	-
Promissory note	承兌票據	-	543,773
Obligations under finance leases	融資租賃承擔	1,706	991
		382,294	544,764
Net assets	資產淨值	3,358,517	3,794,674
Capital and reserves	股本及儲備		
Share capital	股本	4,731,480	4,731,480
Reserves	儲備	(1,372,963)	(936,806)
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,358,517	3,794,674

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

48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

Movement in the Company's reserves:

48. 本公司財務狀況及儲備表 (續)

本公司儲備變動：

		Capital reserve 資本儲備 HK\$'000 港幣千元 (Note) (附註)	Share option reserve 購股權儲備 HK\$'000 港幣千元	Translation reserve 匯兌儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2015	於二零一五年一月一日	158,100	26,021	51,309	(1,005,317)	(769,887)
Loss for the year	年度虧損	-	-	-	(63,584)	(63,584)
Exchange difference arising during the year	年內產生之匯兌差額	-	-	(97,526)	-	(97,526)
Total comprehensive expense for the year	年度全面開支總額	-	-	(97,526)	(63,584)	(161,110)
Exercise of share options	行使購股權	-	(5,809)	-	-	(5,809)
At 31 December 2015	於二零一五年十二月三十一日	158,100	20,212	(46,217)	(1,068,901)	(936,806)
Loss for the year	年度虧損	-	-	-	(367,316)	(367,316)
Exchange difference arising during the year	年內產生之匯兌差額	-	-	(68,841)	-	(68,841)
Total comprehensive expense for the year	年度全面開支總額	-	-	(68,841)	(367,316)	(436,157)
At 31 December 2016	於二零一六年十二月三十一日	158,100	20,212	(115,058)	(1,436,217)	(1,372,963)

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

48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

Note: Deemed contribution of HK\$158,100,000 as at 31 December 2016 and 2015 represented the fair value adjustment on promissory note.

The Company's statement of financial position was approved and authorised for issue by the board of directors on 20 March 2017 and are signed on its behalf by:

* For identification purpose only

Wang Shuang

DIRECTOR
董事

Xu Haohao

徐昊昊
DIRECTOR
董事

48. 本公司財務狀況及儲備表 (續)

附註：於二零一六年及二零一五年十二月三十一日之視作貢獻港幣158,100,000元指承兌票據之公允價值調整。

本公司之財務狀況表已於二零一七年三月二十日獲董事會批准及授權刊發，並由下列董事代表簽署：

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

RESULTS

業績

For the years ended 31 December

截至十二月三十一日止年度

		2012 二零一二年 HK\$'000 港幣千元	2013 二零一三年 HK\$'000 港幣千元	2014 二零一四年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元 (restated) (經重列)	2016 二零一六年 HK\$'000 港幣千元
Loss attributable to:	應佔虧損：					
Owners of the Company	本公司擁有人	(379,628)	(318,378)	(335,016)	(213,810)	(21,902)
Non-controlling interests	非控股權益	(15,919)	(37,052)	(16,242)	(21,791)	(37,938)
		(395,547)	(355,430)	(351,258)	(235,601)	(59,840)
Loss per share	每股虧損					
Basic (HK cents)	基本 (港仙)	(16.59)	(11.83)	(9.96)	(4.28)	(0.19)
Diluted (HK cents)	攤薄 (港仙)	-	-	-	(4.28)	(0.40)
Dividends	股息	-	-	-	-	-

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

As at 31 December

於十二月三十一日

		2012 二零一二年 HK\$'000 港幣千元	2013 二零一三年 HK\$'000 港幣千元	2014 二零一四年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Total assets	總資產	2,548,311	2,069,470	4,197,493	6,429,176	6,421,122
Total liabilities	總負債	(1,426,030)	(1,185,226)	(2,727,182)	(2,472,863)	(2,682,360)
		1,122,281	884,244	1,470,311	3,956,313	3,738,762
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,077,880	813,975	983,179	3,512,380	3,360,211
Non-controlling interests	非控股權益	44,401	70,269	487,132	443,933	378,551
		1,122,281	884,244	1,470,311	3,956,313	3,738,762