

董事局報告 REPORT OF THE DIRECTORS

本公司董事局(「董事局」)謹此提呈截至二零一七年十二月三十一日止年度之報告及本集團之經審核綜合財務報表。

主要業務及業務回顧

本公司之主要業務為投資控股。其主要附屬公司及聯營公司之主要業務詳情，分別載於綜合財務報表附註1及17。

本集團於本年度開始從事投資業務。除此之外，本集團之主要業務性質於年內並無重大變動。

業務回顧資料之詳情載於本年報第2至12頁之「主席報告」一節。

環境政策及表現

本集團確認環境保護對本集團之長期發展至關重要。為將對環境影響降至最低，本集團將持續不時審閱及改進管理常規之實效。

「環境、社會及管治報告」將於二零一八年六月底發佈。詳情請參閱本公司網站。

遵守法律及法規

本集團之業務主要由本公司在香港及中華人民共和國(「中國」)之附屬公司進行，而本公司本身於百慕達註冊成立，並於香港聯合交易所有限公司(「香港聯交所」)上市。因此，本集團已分配資源確保其業務符合香港、百慕達、中國及澳門之相關法律及法規。

就董事局及管理層所知，本集團已於所有重大方面遵守對本集團之業務及經營產生重大影響之相關法律及法規。於年內，本集團並無嚴重違反或不遵守適用法律及法規的情況。

The board of directors of the Company ("Director(s)") herein present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries and associate are set out in notes 1 and 17 to the consolidated financial statements, respectively.

The Group started to involve in investment business in current year. Other than this, there were no significant changes in the nature of the Group's principal activities during the year.

Details of the business review information are set out in the section headed "Chairman's Statement" on pages 2 to 12 of this annual report.

Environmental Policies and Performance

The Group recognises environmental protection is of vital importance to the long term development of the Group. In order to minimise the environmental impact, the Group will continue to review and improve the effectiveness of its management practices from time to time.

"Environmental, Social and Governance Report" will be published by the end of June 2018. For details, please refer to the Company's website.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong and the People's Republic of China (the "PRC") while the Company itself was incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Accordingly, the Group has allocated resources to ensure its operations are in compliance with relevant laws and regulations in Hong Kong, Bermuda, the PRC and Macau.

As far as the Board and management are aware of, the Group has complied in all material respects with the relevant laws and regulations which have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance of the applicable laws and regulations by the Group.

董事局報告 REPORT OF THE DIRECTORS

主要業務及業務回顧(續)

風險及不確定性

本公司可能面對之主要風險及不確定性於本年報第2至12頁「主席報告」一節中披露。此外，本集團之財務風險管理詳情披露於綜合財務報表附註47。

與僱員、客戶及供應商之關係

董事認為與其僱員、客戶及供應商維持良好工作關係為本集團可持續性發展之關鍵。於年內，本集團與其僱員、客戶及供應商之間並無重大糾紛。

業績及股息

本集團截至二零一七年十二月三十一日止年度之溢利以及本集團於該日期之財務狀況載於第83至244頁之綜合財務報表。

董事局建議向於二零一八年五月三十一日名列本公司股東名冊之股東派付本年度末期股息，每股普通股10.0港仙。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (Cont'd)

Risks and Uncertainties

Principal risks and uncertainties that the Company may face have been disclosed in the section headed "Chairman's Statement" on pages 2 to 12 of this annual report. In addition, details of the Group's financial risk management are disclosed in note 47 to the consolidated financial statements of this annual report.

Relationships with Employees, Customers and Suppliers

The Directors are of view that maintaining a good working relationship with its employees, the customers and suppliers are the keys to the sustainable development of the Group. During the year, there was no significant dispute between the Group and its employees, customers and suppliers.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2017 and the Group's financial position as at that date are set out in the consolidated financial statements on pages 83 to 244.

The Directors recommend the payment of a final dividend of HK10.0 cents per ordinary share in respect of the year to shareholders on the register of members of the Company on 31 May 2018.

董事局報告 REPORT OF THE DIRECTORS

財務資料概要

下表概述本集團就過去五個財政年度之綜合業績、資產、負債及非控股股東權益，此乃節錄自己公佈經審核財務報表。該概要並不構成經審核財務報表之一部分。

SUMMARY FINANCIAL INFORMATION

The following table summarises the consolidated results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements. The summary does not form part of the audited financial statements.

		自二零一六年 四月一日至 二零一六年				
		截至 二零一七年 十二月三十一日 止年度 Year ended 31 December 2017 千港元 HK\$'000	十二月 三十一日 止期間 Period from 1 April 2016 to 31 December 2016 千港元 HK\$'000	截至 二零一六年 三月三十一日 止年度 Year ended 31 March 2016 千港元 HK\$'000	截至 二零一五年 三月三十一日 止年度 Year ended 31 March 2015 千港元 HK\$'000	截至 二零一四年 三月三十一日 止年度 Year ended 31 March 2014 千港元 HK\$'000
本公司普通股 股東應佔溢利	Profit attributable to ordinary equity holders of the Company	6,004	134,050	396,874	399,394	270,020
總資產	Total assets	19,769,192	5,526,957	5,608,055	5,567,868	5,276,784
總負債	Total liabilities	7,551,191	2,567,227	2,830,863	2,635,299	2,565,507
本公司普通股股東 應佔權益	Equity attributable to ordinary equity holders of the Company	12,217,991	2,949,371	2,688,403	2,742,074	2,481,970
非控股股東權益	Non-controlling interests	10	10,359	88,789	190,495	229,307
		12,218,001	5,526,957	5,608,055	5,567,868	5,276,784

董事局報告 REPORT OF THE DIRECTORS

股本及購股權

本公司於年內的股本變動詳情載於綜合財務報表附註34。於年內，本公司購股權並無變動。

優先購買權

本公司之章程細則或百慕達法律均無有關本公司須按比例向現有本公司之股東發行新股之優先購買權之規定。

購買、贖回或出售本公司之上市證券

於本年度內，本公司或其任何附屬公司概無購買、贖回或出售本公司之任何上市證券。

可分派儲備

於報告期末，本公司按照一九八一年百慕達公司法計算可作分派之儲備達11,070,305,000港元。

主要客戶及供應商

於回顧年度，本集團五大客戶之銷售額佔本年度銷售總額之46%，其中最大客戶之銷售額達26%。本集團五大供應商之採購額佔本年度總採購額之46%。

董事或任何彼等之緊密聯繫人或任何股東(就董事所知，其擁有本公司已發行股本5%以上)概無於本集團五大客戶中擁有任何實益權益。

SHARE CAPITAL AND SHARE OPTIONS

Details of movement in the Company's share capital during the year are set out in note 34 to the consolidated financial statements. There were no movements in the Company's share options during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

DISTRIBUTABLE RESERVES

At the end of the reporting period, the Company's reserves available for distribution, calculated in accordance with the Bermuda Companies Act 1981, amounted to HK\$11,070,305,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, sales to the Group's five largest customers accounted for 46% of the total sales for the year and sales to the largest customer included therein amounted to 26%. Purchases from the Group's five largest suppliers accounted for 46% of the total purchases for the year.

None of the Directors 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 share capital) had any beneficial interest in the Group's five largest customers.

董事局報告 REPORT OF THE DIRECTORS

董事

於本年度及直至本報告日期，董事如下：

執行董事：

黃琪珺先生 (於二零一七年七月十五日獲委任)
蒙建強先生 (於二零一八年二月一日獲委任)
馮潮澤先生
劉軍春先生
穆先義先生 (於二零一七年七月十五日獲委任)
李曉明先生 (於二零一七年十二月二十九日獲委任)
黃泰倫先生 (於二零一七年一月二十六日獲委任)
蒙翰廷先生 (於二零一七年十月一日獲委任)
趙權先生 (於二零一七年十二月十五日辭任)
趙展鴻先生 (於二零一七年七月十五日辭任)
劉健輝先生 (於二零一七年七月十五日辭任)
范寧先生 (於二零一七年七月十五日辭任)
蒙永濤先生 (於二零一七年七月十五日辭任)

非執行董事：

鄧竟成先生 (於二零一七年七月十五日獲委任)
鄧傑先生 (於二零一七年七月十五日獲委任)

獨立非執行董事：

范佐浩先生
謝文彬先生
龍子明先生
李傑之先生
梁繼昌先生 (於二零一七年七月十五日獲委任)

DIRECTORS

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

Executive directors:

Mr. Huang Qijun (appointed on 15 July 2017)
Mr. Mung Kin Keung (appointed on 1 February 2018)
Mr. Fung Chiu Chak, Victor
Mr. Liu Junchun
Mr. Mu Xianyi (appointed on 15 July 2017)
Mr. Li Xiaoming (appointed on 29 December 2017)
Mr. Wong Tai Lun Kenneth (appointed on 26 January 2017)
Mr. Mung Hon Ting Jackie (appointed on 1 October 2017)
Mr. Zhao Quan (resigned on 15 December 2017)
Mr. Chiu Chin Hung (resigned on 15 July 2017)
Mr. Lau Kin Fai (resigned on 15 July 2017)
Mr. Fan Ning (resigned on 15 July 2017)
Mr. Meng Yongtao (resigned on 15 July 2017)

Non-executive directors:

Mr. Tang King Shing (appointed on 15 July 2017)
Mr. Tang Kit (appointed on 15 July 2017)

Independent non-executive directors:

Mr. Fan Chor Ho
Mr. Tse Man Bun
Mr. Lung Chee Ming, George
Mr. Li Kit Chee
Mr. Leung Kai Cheung (appointed on 15 July 2017)

董事局報告 REPORT OF THE DIRECTORS

董事(續)

根據本公司之章程細則規定，蒙建強先生、馮潮澤先生、劉軍春先生、穆先義先生、李曉明先生、蒙翰廷先生、鄧竟成先生、鄧傑先生及梁繼昌先生將會退任，並將於即將召開之股東週年大會上膺選連任。

本公司已收到范佐浩先生、謝文彬先生、龍子明先生、李傑之先生及梁繼昌先生之年度獨立確認書，而於本報告日期，本公司仍然認為彼等為獨立人士。

董事及高層管理人員之簡歷

本集團董事及高層管理人員之簡歷載於年報第13至第23頁。

董事之服務合約

建議於即將召開之股東週年大會上膺選連任之董事，概無與本公司訂立服務合約，要求本公司為終止該合約須給予一年以上通知，或支付等同一年以上酬金的賠償或其他款項。

獲准許彌償條文

根據本公司之章程細則及符合遵守相關條文，董事、本公司公司秘書及其他高級職員就有關本公司事務因彼等執行各自的職務而執行的職責或與此有關之其他事宜所作行為而可能招致或引致之所有行動、成本、支出、虧損、損害及開支，從本公司資產及溢利中獲得彌償，確保就此免受任何損害。

本公司已於本年度內為董事、本公司的公司秘書及其他高級職員就彼等各別本著真誠執行職責過程中針對彼等一名或多名之法律行動而安排適當保險保障。

DIRECTORS (Cont'd)

In accordance with the Company's Bye-laws, Mr. Mung Kin Keung, Mr. Fung Chiu Chak, Victor, Mr. Liu Junchun, Mr. Mu Xianyi, Mr. Li Xiaoming, Mr. Mung Hon Ting, Jackie, Mr. Tang King Shing, Mr. Tang Kit and Mr. Leung Kai Cheung will retire and being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George, Mr. Li Kit Chee and Mr. Leung Kai Cheung and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 13 to 23 of the annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which requires the Company, in order to terminate such contract, to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws of the Company and subject to the relevant provisions therein, the Directors, the company secretary of the Company and other officers acting in relation to the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she shall or may incur or sustain by or by reason of any act done about the execution of the duties of their respective offices.

The Company has arranged appropriate insurance cover for the Directors, the company secretary of the Company and other officers in respect of legal actions against one or more of them in the course of execution of their respective duties in good faith during the year.

董事局報告 REPORT OF THE DIRECTORS

董事於交易、安排或合約之權益

於年度內，概無任何董事及董事之關連實體直接或間接在本公司之控股公司或其任何附屬公司為訂約方而與本集團之業務有關之任何重要交易、安排或合約中擁有重大權益。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding companies of the Company or any of the Company's subsidiaries was a party during the year.

董事及主要行政人員於股份及相關股份之權益及好倉

於報告期末，概無本公司董事及主要行政人員（「主要行政人員」）於本公司或其相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股本及相關股份中擁有本公司按證券及期貨條例第352條存置之登記冊所記錄，或根據上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及香港聯交所之權益或好倉。

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

At the end of the reporting period, none of the Directors and chief executive of the Company ("Chief Executive") had registered an interest or long positions in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

於二零一七年十二月三十一日，各董事或主要行政人員概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有根據證券及期貨條例第352條須記錄，或根據標準守則須知會本公司及聯交所之權益或淡倉。

As at 31 December 2017, none of the Directors or Chief Executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及主要行政人員購買股份或債券之權利

除上文「董事及主要行政人員於股份及相關股份之權益及好倉」及下文「購股權計劃」一節所披露者外，於本年度內任何時間，概無授予任何董事或彼等各自之配偶或未成年子女或主要行政人員透過購買本公司股份或債券之方法而獲得利益之權利，而彼等亦無行使任何該等權利，本公司或其任何附屬公司概無訂立任何安排，致使董事可購買任何其他法人團體之該等權利。

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from those disclosed under the heading "Directors' and Chief Executive's interests and long positions in shares and underlying shares" above and in the section headed "Share Options Schemes" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children or Chief Executive or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

董事局報告 REPORT OF THE DIRECTORS

權益掛鈎協議

購股權計劃

本公司設立購股權計劃，向為本集團成功營運作出貢獻之合資格參與者提供獎勵及回報。於二零一二年八月八日，本公司採納一項購股權計劃（「購股權計劃」）。有關購股權計劃之進一步詳情載於綜合財務報表附註35。

自購股權計劃之採納日期二零一二年八月八日起至二零一七年十二月三十一日（包括首尾兩日），並無購股權獲授出、行使、到期或失效，以及購股權計劃項下亦無任何未行使購股權。

於本年度，購股權計劃下概無授予任何董事或其各自之配偶或未成年子女、或主要行政人員透過購買本公司股份或債券而獲得利益之權利，而彼等亦無行使任何該等權利，本公司或其任何附屬公司概無訂立任何安排，致使董事可取得任何其他法人團體之該等權利。

EQUITY-LINKED ARRANGEMENTS

Share option schemes

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. On 8 August 2012, the Company adopted a share option scheme (the "Share Option Scheme"). Further details of the Share Option Scheme are disclosed in note 35 to the consolidated financial statements.

From 8 August 2012, the date of adoption of the Share Option Scheme, to 31 December 2017 (both dates inclusive), no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

During the year, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Director or their respective spouses or minor children, or Chief Executive or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate under the Share Option Scheme.

董事局報告 REPORT OF THE DIRECTORS

主要股東於股份及相關股份之權益

於報告期末，按本公司根據證券及期貨條例第336條須存置之股東權益記錄持有本公司已發行股本5%以上之權益如下：

於股份之好倉：

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At the end of the reporting period, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in shares:

名稱 Name	身份 Capacity	持有股數 Number of shares held	佔本公司 已發行 股本百分比 Percentage of the Company's issued share capital
海南省慈航公益基金會 ⁽¹⁾ Hainan Province Cihang Foundation ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
盛唐發展有限公司 ⁽¹⁾ Tang Dynasty Development Co. Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
海南交管控股有限公司 ⁽¹⁾ Hainan Traffic Administration Holding Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
海航集團有限公司 ⁽¹⁾ (「海航集團」) HNA Group Co., Ltd. ⁽¹⁾ (「HNA Group」)	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
海航實業集團有限公司 ⁽¹⁾ HNA Holding Group Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
海航投資控股有限公司 ⁽¹⁾ HNA Investment Holding Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
北京海航金融控股有限公司 ⁽¹⁾ Beijing HNA Financial Holdings Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66

董事局報告 REPORT OF THE DIRECTORS

主要股東於股份及相關股份之權益(續) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

於股份之好倉：(續)

Long positions in shares: (Cont'd)

名稱 Name	身份 Capacity	持有股數 Number of shares held	佔本公司 已發行 股本百分比 Percentage of the Company's issued share capital
海航金控國際有限公司 ⁽¹⁾ HNA Financial Holdings International Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
香港海航實業集團有限公司 ⁽¹⁾ Hong Kong HNA Holding Group Co. Limited ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144	74.66
HNA Finance I Co., Ltd. (「HNA Finance I」)	實益擁有人 Beneficial owner	2,540,222,144	74.66
中央匯金投資有限責任公司 ⁽²⁾ Central Huijin Investment Limited ⁽²⁾	股份抵押權益 Security interest in shares	365,000,000	10.73
中國建設銀行股份有限公司 China Construction Bank Corporation	股份抵押權益 Security interest in shares	365,000,000	10.73
中國交通建設股份有限公司	實益擁有人 Beneficial owner	171,000,000	5.03

附註：

Notes:

- 根據證券及期貨條例，該等各方因其於HNA Finance I之股本權益而被視為於2,540,222,144股股份中擁有權益。
- 根據證券及期貨條例，該方因其於中國建設銀行股份有限公司(其於365,000,000股股份中擁有抵押權益)之股本權益而被視為於365,000,000股股份中擁有權益。
- These parties were deemed to have interests in 2,540,222,144 shares under SFO by virtue of their equity interests in HNA Finance I.
- This party was deemed to be interested in the 365,000,000 shares under SFO by virtue of its equity interest in China Construction Bank Corporation which had a security interest over 365,000,000 shares.

除前述者外，於二零一七年十二月三十一日，概無人士(上文「董事及主要行政人員於股份及相關股份之權益及好倉」一節所述權益之董事及主要行政人員除外)已登記擁有本公司股份或相關股份中須根據證券及期貨條例第336條予以記錄之權益或淡倉。

Apart from the foregoing, as at 31 December 2017, no person, other than the Directors and Chief Executive, whose interests are set out in the section headed "Directors' and Chief Executive's interests and long positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

董事局報告 REPORT OF THE DIRECTORS

主要股東於股份及相關股份之權益(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

於報告期後及於本報告日期，根據證券及期貨條例第336條規定本公司備存的登記冊記錄，以下人士擁有本公司已發行股本5%以上權益：

於股份之好倉及淡倉：

Subsequent to the end of the reporting period and the date of this report, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions and short positions in shares:

名稱 Name	身份 Capacity	持有股數 (好倉(「L」)/ 淡倉(「S」)) Number of shares held (Long positions ("L")/ Short positions ("S"))		佔本公司 已發行 股本百分比 Percentage of the Company's issued share capital
Hainan Cihang Charity Foundation, Inc. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66	
	其他權益 Other interests	1,394,214,012 (S)	40.98	
海南省慈航公益基金會 ⁽¹⁾ Hainan Province Cihang Foundation ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66	
	其他權益 Other interests	1,394,214,012 (S)	40.98	
盛唐發展有限公司 ⁽¹⁾ Tang Dynasty Development Co. Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66	
	其他權益 Other interests	1,394,214,012 (S)	40.98	
盛唐發展(洋浦)有限公司 ⁽¹⁾ Sheng Tang Development (Yangpu) Co. Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66	
	其他權益 Other interests	1,394,214,012 (S)	40.98	
海南交管控股有限公司 ⁽¹⁾ Hainan Traffic Administration Holding Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66	
	其他權益 Other interests	1,394,214,012 (S)	40.98	

董事局報告 REPORT OF THE DIRECTORS

主要股東於股份及相關股份之權益(續) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

於股份之好倉及淡倉：(續)

Long positions and short positions in shares: (Cont'd)

名稱 Name	身份 Capacity	持有股數 (好倉(「L」) /淡倉(「S」)) Number of shares held (Long positions ("L")/ Short positions ("S"))	佔本公司 已發行 股本百分比 Percentage of the Company's issued share capital
海航集團 ⁽¹⁾ HNA Group ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
海航實業集團有限公司 ⁽¹⁾ HNA Holding Group Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
海南海航實業控股有限公司 ⁽¹⁾ Hainan HNA Holding Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
Pan-American Aviation Holding Company ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
海航投資控股有限公司 ⁽¹⁾ HNA Investment Holding Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
北京海航金融控股有限公司 ⁽¹⁾ Beijing HNA Financial Holdings Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
海航金控國際有限公司 ⁽¹⁾ HNA Financial Holdings International Co., Ltd. ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98

董事局報告 REPORT OF THE DIRECTORS

主要股東於股份及相關股份之權益(續) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

於股份之好倉及淡倉：(續)

Long positions and short positions in shares: (Cont'd)

名稱 Name	身份 Capacity	持有股數	
		(好倉(「L」) /淡倉(「S」)) Number of shares held (Long positions ("L")/ Short positions ("S"))	佔本公司 已發行 股本百分比 Percentage of the Company's issued share capital
香港海航實業集團有限公司 ⁽¹⁾ Hong Kong HNA Holding Group Co. Limited ⁽¹⁾	受控法團權益 Interest of controlled corporation	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
HNA Finance I ⁽¹⁾	實益擁有人 Beneficial owner	2,540,222,144 (L)	74.66
	其他權益 Other interests	1,394,214,012 (S)	40.98
PAG Holdings Limited ⁽²⁾	股份抵押權益 Security interest in shares	1,394,359,960 (L)	40.98
	其他權益 Other interests	1,394,214,012 (L)	40.98
Pacific Alliance Group Limited ⁽²⁾	股份抵押權益 Security interest in shares	1,394,359,960 (L)	40.98
	其他權益 Other interests	1,394,214,012 (L)	40.98
Pacific Alliance Investment Management Limited ⁽²⁾	股份抵押權益 Security interest in shares	1,394,359,960 (L)	40.98
	其他權益 Other interests	1,394,214,012 (L)	40.98
Pacific Alliance Group Asset Management Limited ⁽²⁾	股份抵押權益 Security interest in shares	1,394,359,960 (L)	40.98
	其他權益 Other interests	1,394,214,012 (L)	40.98
Pacific Alliance Asia Opportunity Fund L.P. ⁽²⁾	股份抵押權益 Security interest in shares	1,394,359,960 (L)	40.98
	其他權益 Other interests	1,394,214,012 (L)	40.98
PA Glamorous Opportunity X Limited	股份抵押權益 Security interest in shares	1,394,359,960 (L)	40.98
	其他權益 Other interests	1,394,214,012 (L)	40.98

董事局報告 REPORT OF THE DIRECTORS

主要股東於股份及相關股份之權益(續) SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Cont'd)

於股份之好倉及淡倉：(續)

Long positions and short positions in shares: (Cont'd)

名稱 Name	身份 Capacity	持有股數 (好倉("L") /淡倉("S")) Number of shares held (Long positions ("L")/ Short positions ("S"))	佔本公司 已發行 股本百分比 Percentage of the Company's issued share capital
中央匯金投資有限責任公司 ⁽²⁾ Central Huijin Investment Limited ⁽²⁾	股份抵押權益 Security interest in shares	662,000,000 (L)	19.46
中國建設銀行股份有限公司 China Construction Bank Corporation	股份抵押權益 Security interest in shares	662,000,000 (L)	19.46
中國交通建設股份有限公司	實益擁有人 Beneficial owner	171,000,000 (L)	5.03

附註：

Notes:

- 根據證券及期貨條例，該等各方因其於HNA Finance I之股本權益而被視為於2,540,222,144股股份之好倉及於1,394,214,012股股份之淡倉中擁有權益。
 - 根據證券及期貨條例，該等各方其於PA Glamorous Opportunity X Limited之股本權益而被視為於2,788,573,972股股份之好倉中擁有權益。
 - 根據證券及期貨條例，該方因其於中國建設銀行股份有限公司(於662,000,000股股份中擁有抵押權益)之股本權益而被視為於662,000,000股股份之好倉中擁有權益。
- These parties were deemed to have interests in long positions in 2,540,222,144 shares and short positions in 1,394,214,012 shares under the SFO by virtue of their equity interests in HNA Finance I.
 - These parties were deemed to be total interested in long positions in 2,788,573,972 shares under the SFO by virtue of their equity interest in PA Glamorous Opportunity X Limited.
 - This party was deemed to be interested in long positions in 662,000,000 shares under the SFO by virtue of its equity interest in China Construction Bank Corporation which had a security interest over 662,000,000 shares.

關連交易

(a) 不獲豁免持續關連交易

二零一四年總協議

於二零一四年十一月三日，泰昇地基(香港)有限公司(「泰昇地基(香港)」)、泰昇工程服務有限公司(「泰昇工程服務」)、先進機械工程有限公司(「先進機械工程」)及泰昇建築工程有限公司(「泰昇建築工程」)訂立一份總協議(「二零一四年總協議」)，以規管彼等(包括其附屬公司)之間之業務關係及分包工程，期限自二零一四年十一月三日起至二零一七年三月三十一日止(首尾兩天包括在內)。

自二零一七年一月一日至二零一七年三月三十一日止之期間內，以下分包工程由上述公司進行：

- (i) 泰昇建築工程向泰昇地基工程有限公司(「泰昇地基工程」)(泰昇地基(香港)之全資附屬公司)分包地基工作約1,092,000港元。
- (ii) 泰昇建築工程向先進工程營造有限公司(「先進工程營造」)(先進機械工程之全資附屬公司)分包與塔式起重機有關之租賃及工程工作約551,000港元。
- (iii) 泰昇地基土力工程有限公司(「泰昇地基土力工程」)(「泰昇地基(香港)」之全資附屬公司)向泰昇工程策劃有限公司(泰昇建築工程之附屬公司)分包建設服務協調工作約300,000港元。

CONNECTED TRANSACTIONS

(a) *Non-exempt continuing connected transactions*

2014 Master Agreement

On 3 November 2014, Tysan Foundation (Hong Kong) Limited ("TFHKL"), Tysan Engineering Company Limited ("TECL"), Proficiency Equipment Limited ("PEL") and Tysan Building Construction Company Limited ("TBC") entered into a master agreement (the "2014 Master Agreement") to regulate the business relationship and subcontracting of works among them (including their subsidiaries) for a term commencing from 3 November 2014 and ending on 31 March 2017, both days inclusive.

During the period from 1 January 2017 to 31 March 2017, the following subcontracting works were entered into amongst the companies mentioned above:

- (i) TBC subcontracted foundation works of approximately HK\$1,092,000 to Tysan Foundation Limited ("TFL"), a wholly-owned subsidiary of TFHKL.
- (ii) TBC subcontracted rental and engineering works relating to tower cranes of approximately HK\$551,000 to Proficiency Engineering Limited ("PEN"), a wholly-owned subsidiary of PEL.
- (iii) Tysan Foundation Geotechnical Limited ("TFGL"), a wholly-owned subsidiary of TFHKL, subcontracted building services coordination works of approximately HK\$300,000 to Tysan Project Management Limited, a subsidiary of TBC.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(a) 不獲豁免持續關連交易(續)

二零一四年總協議(續)

泰昇地基(香港)及先進機械工程均為本公司之附屬公司。泰昇建築工程及泰昇工程(香港)由本公司執行董事馮潮澤先生(「馮先生」)最終全資擁有。此外，直至二零一七年四月二十七日為止，泰昇地基(香港)由祥澤有限公司(「祥澤」，為一間由馮先生全資擁有之公司)擁有5%股權，亦在該等各方進行上述分包工程時為馮先生當時之緊密聯繫人。因此，泰昇地基(香港)及泰昇建築工程根據聯交所證券上市規則(「上市規則」)第14A.07條為本公司之關連人士。因而，上述交易根據上市規則構成本公司之持續關連交易。隨於二零一七年四月二十七日祥澤將其於泰昇地基(香港)之權益進行轉讓後，自二零一七年四月二十七日起，泰昇地基(香港)成為本公司之全資附屬公司。

二零一七年總協議

於二零一七年七月六日，本公司(為其本身及代表本集團其他成員公司)與馮先生(為其本身及代表馮先生擁有或控制之公司，統稱「馮氏集團」)訂立新總協議(「二零一七年總協議」)，以規管彼等(包括其附屬公司)之間之業務關係及分包工程，期限自二零一七年七月六日起至二零一九年十二月三十一日止(首尾兩天包括在內)。

CONNECTED TRANSACTIONS (Cont'd)

(a) Non-exempt continuing connected transactions (Cont'd)

2014 Master Agreement (Cont'd)

Both TFHKL and PEL are subsidiaries of the Company. TBC and TEHK are ultimately wholly-owned by Mr. Fung Chiu Chak, Victor ("Mr. Fung"), an executive director of the Company. In addition, until 27 April 2017, TFHKL, was 5%-owned by Fortunate Pool Limited ("Fortunate Pool"), a company wholly-owned by Mr. Fung, which was also a then close associate of Mr. Fung when these parties entered into the above subcontracting works. Consequently, TFHKL and TBC are connected persons of the Company under Rule 14A.07 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Thus, the transactions mentioned above constitute continuing connected transactions for the Company under the Listing Rules. TFHKL became a wholly-owned subsidiary of the Company since 27 April 2017 following the transfer by Fortunate Pool of its interests in TFHKL on 27 April 2017.

2017 Master Agreement

On 6 July 2017, the Company (for itself and on behalf of other members of the Group) entered into a new master agreement (the "2017 Master Agreement") with Mr. Fung (for himself and on behalf of companies owned or controlled by Mr. Fung, collectively "Fung Group") to regulate the business relationship and subcontracting of works among them (including their subsidiaries) for a term commencing from 6 July 2017 and ending on 31 December 2019, both days inclusive.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(a) 不獲豁免持續關連交易(續)

二零一七年總協議(續)

自二零一七年七月六日至二零一七年十二月三十一日止之期間內，以下分包工程由上述公司進行：

- (i) 泰昇建築工程分別向泰昇地基土力工程及泰昇地基工程分包地基及地盤勘查工作分別約126,000港元及7,000港元。
- (ii) 泰昇建築工程向先進工程營造分包與塔式起重機有關之工程工作約18,000港元。

馮先生為本公司之執行董事。因此，根據上市規則第十四A章，馮先生及馮先生所擁有或控制30%或以上之公司為本公司之關連人士。因此，根據上市規則，上述交易構成本公司之持續關連交易。

地基總協議

於二零一七年九月二十二日，泰昇地基(香港)(為其本身及代表本公司之附屬公司)、德廣置業有限公司(「德廣」)及香港海島建設地產有限公司(「香港海島建設」)(為彼等本身及代表其附屬公司及其控股公司不時控制之公司)就本集團成員公司向海航集團成員公司提供地基工程訂立總協議(「地基總協議」)，期限自二零一七年九月二十二日起至二零一九年十二月三十一日止(首尾兩天包括在內)。

CONNECTED TRANSACTIONS (Cont'd)

(a) Non-exempt continuing connected transactions (Cont'd)

2017 Master Agreement (Cont'd)

During the period from 6 July 2017 to 31 December 2017, the following subcontracting works were entered into amongst the companies mentioned above:

- (i) TBC subcontracted foundation and site investigation works of approximately HK\$126,000 and HK\$7,000 to TFGL and TFL, respectively.
- (ii) TBC subcontracted engineering works relating to tower cranes of approximately HK\$18,000 to PEN.

Mr. Fung is an executive director of the Company. As such, Mr. Fung and companies owned or controlled by Mr. Fung as to 30% or more are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Thus, the transactions mentioned above constitute continuing connected transactions for the Company under the Listing Rules.

Foundation Master Agreement

On 22 September 2017, TFHKL (for itself and for and on behalf of the subsidiaries of the Company), Denco Properties Limited ("Denco") and Hongkong Island Construction Properties Co., Limited ("HIC") (for themselves and for and on behalf of their subsidiaries and companies controlled by their holding companies from time to time) entered into a master agreement (the "Foundation Master Agreement") in relation to the provision of foundation works by members of the Group to members of HNA Group for a term commencing from 22 September 2017 and ending on 31 December 2019, both days inclusive.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(a) 不獲豁免持續關連交易(續)

地基總協議(續)

自二零一七年九月二十二日至二零一七年十二月三十一日止之期間內，以下分包工程由上述公司進行：

- (i) 德廣向泰昇地基土力工程分包地基工作約342,880,000港元。
- (ii) 香港海島建設向泰昇地基土力工程分包地基工作約443,800,000港元。

HNA Finance I(本公司之控股股東)為海航集團之成員公司。德廣及香港海島建設為海航集團之非全資附屬公司，因此根據上市規則第十四A章為本公司之關連人士。因此，根據上市規則，上述交易構成本公司之持續關連交易。

BIM總協議

於二零一七年九月二十二日，本公司(為其本身及代表本公司之附屬公司)與海南海建工程管理總承包有限公司(「海南海建」)(為其本身及代表其附屬公司及其控股公司不時控制之公司)就海航集團成員公司向本集團成員公司提供籌備建築信息模型(「BIM」)、就BIM有關事項進行衝突測試及諮詢(「BIM模型服務」)及管理、編輯及搜尋BIM文件及BIM模型之平台(「BIM平台」)訂立總協議(「BIM總協議」)，期限自二零一七年九月二十二日起至二零二二年十二月三十一日止(首尾兩天包括在內)。

CONNECTED TRANSACTIONS (Cont'd)

(a) Non-exempt continuing connected transactions (Cont'd)

Foundation Master Agreement (Cont'd)

During the period from 22 September 2017 to 31 December 2017, the following subcontracting works were entered into amongst the companies mentioned above:

- (i) Denco subcontracted foundation works of approximately HK\$342,880,000 to TFGL.
- (ii) HIC subcontracted foundation works of approximately HK\$443,800,000 to TFGL.

HNA Finance I, the controlling shareholder of the Company, is a member of the HNA Group. Denco and HIC are non-wholly-owned subsidiaries of HNA Group and are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Thus, the transactions mentioned above constitute continuing connected transactions for the Company under the Listing Rules.

BIM Master Agreement

On 22 September 2017, the Company (for itself and for and on behalf of the subsidiaries of the Company) and Hainan Marine Construction Project Management Contracting Company Limited ("Hainan Marine Construction") (for itself and for and on behalf of its subsidiaries and companies controlled by its holding companies from time to time) entered into a master agreement (the "BIM Master Agreement") in relation to the provision of the preparation of building information model ("BIM"), running of the conflict tests and consultation on BIM related matters ("BIM Modelling Services") and a platform for managing, editing and searching BIM documents and BIM models ("BIM Platform") by members of HNA Group to members of the Group for a term commencing from 22 September 2017 and ending on 31 December 2022, both days inclusive.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(a) 不獲豁免持續關連交易(續)

BIM總協議(續)

自二零一七年九月二十二日至二零一七年十二月三十一日止之期間內，以下服務由海南海建提供予本集團：

- (i) 向雅晉集團有限公司及萬璋發展有限公司(本公司之全資附屬公司)提供BIM模型服務分別為約224,000港元及289,000港元。
- (ii) 向雅晉集團有限公司及萬璋發展有限公司提供BIM平台分別為約38,000港元及56,000港元。

HNA Finance I(本公司之控股股東)為海航集團之成員公司。海南海建為海航集團之非全資附屬公司，因此根據上市規則第十四A章為本公司之關連人士。因此，根據上市規則，上述交易構成本公司之持續關連交易。

根據上市規則第14A.40條，獨立非執行董事已審閱該等持續關連交易，並確認該等持續關連交易乃：

- (1) 於本集團之日常及一般業務過程中進行；
- (2) 按正常或較佳之商業條款進行；及
- (3) 按照監管彼等之有關協議，按公平合理及符合本公司股東整體利益之條款進行。

CONNECTED TRANSACTIONS (Cont'd)

(a) Non-exempt continuing connected transactions (Cont'd)

BIM Master Agreement (Cont'd)

During the period from 22 September 2017 to 31 December 2017, the following services were provided by Hainan Marine Construction to the Group:

- (i) Provision of BIM Modelling Services to Top Genius Holdings Limited and Milway Development Limited, wholly-owned subsidiaries of the Company, amounted to approximately HK\$224,000 and HK\$289,000, respectively.
- (ii) Provision of BIM Platform to Top Genius Holdings Limited and Milway Development Limited amounted to approximately HK\$38,000 and HK\$56,000, respectively.

HNA Finance I, the controlling shareholder of the Company, is a member of HNA Group. Hainan Marine Construction is a non-wholly-owned subsidiary of HNA Group and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the transactions mentioned above constitute continuing connected transactions for the Company under the Listing Rules.

Pursuant to Rule 14A.40 of the Listing Rules, the independent non-executive directors have reviewed these continuing connected transactions and confirmed that these continuing connected transactions have 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 interests of the shareholders of the Company as a whole.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(a) 不獲豁免持續關連交易(續)

有關回顧年度之上述持續關連交易之款項並未超過該等交易之年度上限(倘適用)。

關於上述持續關連交易，董事確認本公司於本回顧年度已根據上市規則第十四A章遵守披露規定。

本公司核數師安永會計師事務所獲委聘根據香港會計師公會所頒佈之香港保證工作準則第3000號「審核或審閱歷史財務資料以外之核證工作」，並參考《實務說明》第740號「關於香港上市規則所述持續關連交易之核數師函件」，就本集團之持續關連交易出具報告。安永會計師事務所已根據上市規則第14A.56條發出其無保留意見函件，當中載有其有關本集團本年度內所披露之持續關連交易(連同提交予香港聯交所之副本)之結果及結論，並確認彼等並無發現任何事實導致彼等認為該等持續關連交易：

- (1) 並無獲董事局批准；
- (2) 在涉及由本集團提供貨物或服務之情況下，在所有重大方面並不符合本集團之定價政策；
- (3) 在所有重大方面並無根據監管該等交易之相關協議訂立；及
- (4) 已超出本公司日期為二零一四年十一月二十八日(就二零一四年總協議而言)、二零一七年八月十五日(就二零一七年總協議而言)及二零一七年十月二十六日(就地基總協議及BIM總協議而言)之通函各自所披露之上限。

CONNECTED TRANSACTIONS (Cont'd)

(a) Non-exempt continuing connected transactions (Cont'd)

The amounts in respect of the continuing connected transactions mentioned above during the year under review have not exceeded the annual cap, where applicable, for the transactions.

In respect of the continuing connected transactions mentioned above, the Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year under review.

Ernst & Young, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Review of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued the unqualified letter containing their findings and conclusions in respect of the continuing connected transactions during the year disclosed above by the Group (with a copy provided to the Hong Kong Stock Exchange) in accordance with Rule 14A.56 of the Listing Rules and confirmed that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (1) have not been approved by the board of Directors;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve provision of goods or services by the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (4) have exceeded the cap disclosed in the respective circulars of the Company dated 28 November 2014 (in respect of 2014 Master Agreement), 15 August 2017 (in respect of 2017 Master Agreement) and 26 October 2017 (in respect of Foundation Master Agreement and BIM Master Agreement).

關連交易(續)

(b) 啟德NKIL 6562及6565號之項目發展協議

於二零一七年七月六日，浩信工程有限公司(「浩信」，本公司之全資附屬公司)與德廣就發展於土地註冊處註冊為新九龍內地地段第6562號之一段或一塊土地連同其上所有宅院及樓宇(「6562號地塊」)訂立一項項目發展協議(「6562號項目發展協議」)，及與香港海島建設就發展於土地註冊處註冊為新九龍內地地段第6565號之一段或一塊土地連同其上所有宅院及樓宇(「6565號地塊」)訂立一項項目發展協議(「6565號項目發展協議」)。

根據項目發展協議，德廣及香港海島建設同意獨家委任浩信為彼等各自之獨家代理，以分別開發6562號地塊及6565號地塊，而浩信將收取一筆等於直至發展實際完成後十二個月止所產生項目成本之5%之款項作為薪酬。

德廣及香港海島建設均為海航集團之非全資附屬公司，而海航集團則為HNA Finance I(本公司之控股股東)之控股公司。因此，德廣及香港海島建設(HNA Finance I之聯繫人)為本公司於上市規則第十四A章項下之關連人士。根據上市規則，上述交易因此構成本公司之關連交易。

CONNECTED TRANSACTIONS (Cont'd)

(b) Project Development Agreements for Kai Tak NKIL 6562 and 6565

On 6 July 2017, Gainful Engineering Limited ("Gainful"), a wholly-owned subsidiary of the Company, entered into a project development agreement (the "6562 Project Development Agreement") with Denco in relation to the development of the piece or parcel of ground registered in the Land Registry as New Kowloon Inland Lot No. 6562 together with the messuages erections and buildings thereon ("6562 Land Parcel"), and a project development agreement (the "6565 Project Development Agreement") with HIC in relation to the development of the piece or parcel of ground registered in the Land Registry as New Kowloon Inland Lot No. 6565 together with the messuages erections and buildings thereon ("6565 Land Parcel").

Pursuant to the project development agreements, Denco and HIC agreed to exclusively appoint Gainful as their respective sole agents to develop the 6562 Land Parcel and the 6565 Land Parcel respectively, and Gainful will receive an amount equal to 5% of the project costs incurred up to the end of the twelve months after practical completion of the development as remuneration.

Denco and HIC are both non-wholly-owned subsidiaries of HNA Group, which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company. Denco and HIC being associates of HNA Finance I are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Thus, the transactions mentioned above constitute connected transactions for the Company under the Listing Rules.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(b) 啟德NKIL 6562及6565號之項目發展協議(續)

由二零一七年七月六日至二零一七年十二月三十一日，浩信錄得來自德廣及香港海島建設之項目發展收入分別為約2,383,000港元及2,982,000港元。

有關項目發展協議之詳情載於本公司日期為二零一七年七月六日、二零一七年七月二十七日、二零一七年八月十一日、二零一七年八月十五日及二零一七年九月四日之公告及日期為二零一七年八月十五日之通函。

(c) 收購泰昇地基(香港)40%股權

於二零一六年四月十九日，本公司、祥澤及馮先生訂立一項買賣協議，據此，本公司同意購買及祥澤同意出售本公司非全資附屬公司泰昇地基(香港)40%股權(「地基交易」)。地基交易分兩個階段進行。有關收購泰昇地基(香港)35%股權之地基交易第一階段已於二零一六年七月四日完成。本公司收購泰昇地基(香港)餘下5%股權之地基交易第二階段已於二零一七年四月二十七日完成。

於地基交易第二階段完成前，泰昇地基(香港)之95%及5%股權乃分別由本公司及祥澤擁有。祥澤由馮先生全資擁有。因此，祥澤(作為泰昇地基(香港)之主要股東)及馮先生(作為本公司之執行董事)被視為本公司之關連人士。根據上市規則第十四A章，地基交易因此構成本公司一項關連交易。

有關地基交易之其他詳情載於本公司日期為二零一七年四月二十七日之公告以及載述於綜合財務報表附註43。

CONNECTED TRANSACTIONS (Cont'd)

(b) Project Development Agreements for Kai Tak NKIL 6562 and 6565 (Cont'd)

From 6 July 2017 to 31 December 2017, Gainful has recorded project development income amounted to approximately HK\$2,383,000 and HK\$2,982,000 from Denco and HIC, respectively.

Details of the Project Development Agreements were set out in the Company's announcements dated 6 July 2017, 27 July 2017, 11 August 2017, 15 August 2017 and 4 September 2017 and a circular dated 15 August 2017.

(c) Acquisition of 40% equity interest in TFHKL

On 19 April 2016, the Company, Fortunate Pool and Mr. Fung entered into a sale and purchase agreement, pursuant to which the Company agreed to purchase and Fortunate Pool agreed to sell 40% equity interest in TFHKL, a non-wholly-owned subsidiary of the Company (the "Foundation Transaction"). The Foundation Transaction takes place in two phases. Phase 1 of the Foundation Transaction for acquisition of 35% equity interest in TFHKL was completed on 4 July 2016. Phase 2 of the Foundation Transaction, in which the Company acquired the remaining 5% equity interest in TFHKL, was completed on 27 April 2017.

Before completion of Phase 2 of the Foundation Transaction, 95% and 5% of the equity interests of TFHKL were owned by the Company and Fortunate Pool, respectively. Fortunate Pool is wholly-owned by Mr. Fung. Therefore Fortunate Pool, being a substantial shareholder of TFHKL, and Mr. Fung, being an executive director of the Company, are considered as connected persons of the Company. The Foundation Transaction therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Further details of the Foundation Transaction are set out in the Company's announcement dated 27 April 2017 and included in note 43 to the consolidated financial statements.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(d) 成立 HKICIM Fund II, L.P.

於二零一七年十月十三日，經修訂及重列之獲豁免有限合夥協議(「基金II合夥協議」)乃由海實國際有限公司(「海實國際」)、Benefit Developments Limited (「BDL」，本公司之全資附屬公司)及 HKICIM (GP) II Limited (「HKICIM (GP) II」，本公司之全資附屬公司)就成立 HKICIM Fund II, L.P. (「基金II」)而訂立，及認購協議(「基金II認購協議」)乃就 BDL對基金II之出資承擔而訂立。根據基金II合夥協議及基金II認購協議，BDL及 HKICIM (GP) II 已有條件地同意承諾向基金II作出注資合共約728,000,000港元，佔承擔基金規模約12.07%(「基金II認購事項」)。

根據基金II合夥協議，HKICIM (GP) II (作為基金II之普通合夥人)負責基金II之日常營運及管理，並收取於每年曆年之十二月三十一日相等於基金II承諾注資總額1%之年度管理費，作為管理基金II事宜之補償。年內，HKICIM (GP) II 已錄得來自基金II之管理費收入約6,443,000港元。

海實國際為海航實業集團有限公司之全資附屬公司，而海航實業集團有限公司則為 HNA Finance I (本公司之控股股東)之控股公司。因此，海實國際及基金II (HNA Finance I 之聯繫人)為本公司於上市規則第十四A章項下之關連人士。因此，根據上市規則第十四A章，基金II認購事項及收取來自基金II之管理費分別構成本公司一項關連交易及一項持續關連交易。

有關基金II之其他詳情載於本公司日期為二零一七年十月十三日、二零一七年十月十六日、二零一七年十一月三日及二零一七年十一月二十一日之公告及日期為二零一七年十一月四日之通函。

CONNECTED TRANSACTIONS (Cont'd)

(d) Formation of HKICIM Fund II, L.P.

On 13 October 2017, an amended and restated exempted limited partnership agreement (the "Fund II Partnership Agreement") was entered into between Hisea International Co., Ltd. ("Hisea"), Benefit Developments Limited ("BDL") (a wholly-owned subsidiary of the Company) and HKICIM (GP) II Limited ("HKICIM (GP) II") (a wholly-owned subsidiary of the Company) in relation to the formation of HKICIM Fund II, L.P. ("Fund II") and a subscription agreement (the "Fund II Subscription Agreement") was entered into in relation to the capital commitment of BDL to Fund II. Pursuant to the Fund II Partnership Agreement and the Fund II Subscription Agreement, both BDL and HKICIM (GP) II have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK\$728 million to Fund II, representing approximately 12.07% of the committed fund size (the "Fund II Subscription").

Pursuant to the Fund II Partnership Agreement, HKICIM (GP) II, as a general partner of Fund II, is responsible for the day-to-day operation and management of Fund II, and receive an annual management fee equal to 1% of the aggregate capital commitments of Fund II as at 31 December of each calendar year as compensation for managing affairs of Fund II. During the year, HKICIM (GP) II has recorded management fee income of approximately HK\$6,443,000 from Fund II.

Hisea is a wholly-owned subsidiary of HNA Holding Group Co., Ltd., which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company. Accordingly, both Hisea and Fund II are associates of HNA Finance I, and are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Fund II Subscription and the receipt of management fee from Fund II, constitute a connected transaction and a continuing connected transaction of the Company respectively under Chapter 14A of the Listing Rules.

Further details of Fund II are set out in the Company's announcements dated 13 October 2017, 16 October 2017, 3 November 2017 and 21 November 2017, and a circular dated 4 November 2017.

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(e) 建議出售附屬公司

於二零一七年十一月十三日，剛毅投資有限公司、上海長寧頓肯房地產經紀有限公司、紅光投資有限公司及佳利威有限公司(統稱「上海賣方」，各為本公司之全資附屬公司)與海南海航首府投資有限公司(「海航首府」，一家於中國成立之有限公司，為海航集團之附屬公司)就按現金代價人民幣585,800,000元出售上海賣方於泰昇房地產(上海)有限公司之全部股權(「上海出售」)訂立一項股權轉讓協議。

於二零一七年十一月十三日，曜基有限公司(「瀋陽賣方」，本公司之全資附屬公司)與海南海航基礎設施投資集團股份有限公司(「海航基礎設施」，一家於中國成立之有限公司，其股份在上海證交所上市，並為海航集團之附屬公司)就按現金代價人民幣762,000,000元出售瀋陽賣方於泰昇房地產(瀋陽)有限公司之全部股權(「瀋陽出售」)訂立一項股權轉讓協議。

於二零一七年十一月十三日，興懋有限公司(「天津賣方」，本公司之全資附屬公司)與海航首府就按現金代價人民幣435,800,000元出售天津賣方於泰昇房地產開發(天津)有限公司之全部股權(「天津出售」)訂立一項股權轉讓協議。

CONNECTED TRANSACTIONS (Cont'd)

(e) Proposed disposal of subsidiaries

On 13 November 2017, Great Regent Investments Limited, Shanghai Changning Duncan Property Consulting Company Limited, Red Shine Investment Limited and Carriway Limited (collectively, the "Shanghai Sellers"), each being a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Hainan HNA Shou Fu Investment Co., Ltd. ("HNA Shou Fu"), a company established in the PRC with limited liability and is a subsidiary of HNA Group, for disposal of the Shanghai Sellers' entire equity interests in Tysan Land (Shanghai) Limited at a cash consideration of RMB585.8 million (the "Shanghai Disposal").

On 13 November 2017, Sparkle Key Limited (the "Shenyang Seller"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Hainan HNA Infrastructure Investment Group Co., Ltd. ("HNA Infrastructure"), a company established in the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange and is a subsidiary of HNA Group, for disposal of Shenyang Seller's entire equity interest in Tysan Land (Shenyang) Limited at a cash consideration of RMB762 million (the "Shenyang Disposal").

On 13 November 2017, Great Prosper Limited (the "Tianjin Seller"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with HNA Shou Fu for disposal of Tianjin Seller's entire equity interest in Tysan Property Development (Tianjin) Co. Ltd. at a cash consideration of RMB435.8 million (the "Tianjin Disposal").

關連交易(續)

(e) 建議出售附屬公司(續)

海航首府及海航基礎設施為海航集團之附屬公司，而海航集團則為HNA Finance I(本公司之控股股東)之控股公司。因此，根據上市規則第十四A章，海航首府及海航基礎設施為本公司之關連人士，且股權轉讓協議項下擬進行之各項交易構成本公司之關連交易。

於財務報表之日期，上海出售、瀋陽出售及天津出售尚未完成。有關上海出售、瀋陽出售及天津出售之其他詳情載於本公司日期為二零一七年十一月十三日、二零一七年十二月四日及二零一七年十二月二十七日之公告及日期為二零一七年十二月七日之通函，以及載述於綜合財務報表附註12。

(f) 成立HKICIM Fund III, L.P.

於二零一七年十一月三十日，海實國際、Benefit Developments III Limited(「BDL III」，本公司之全資附屬公司)及HKICIM (GP) III Limited(「HKICIM (GP) III」，本公司之全資附屬公司)就成立HKICIM Fund III, L.P.(「基金III」)訂立經修訂及重列之獲豁免有限合夥協議(「基金III合夥協議」)及就BDL III對基金III之出資承擔訂立認購協議(「基金III認購協議」)。根據基金III合夥協議及基金III認購協議，BDL III及HKICIM (GP) III已有條件地同意承諾向基金III注資合共約633,160,000港元，佔承擔基金規模約16.57%(「基金III認購事項」)。

CONNECTED TRANSACTIONS (Cont'd)

(e) Proposed disposal of subsidiaries (Cont'd)

HNA Shou Fu and HNA Infrastructure are subsidiaries of HNA Group, which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company. Accordingly, HNA Shou Fu and HNA Infrastructure are connected persons of the Company and each of the transactions contemplated under the equity transfer agreements constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

The Shanghai Disposal, Shenyang Disposal and Tianjin Disposal were not yet completed as at the date of the financial statements. Further details of the Shanghai Disposal, Shenyang Disposal and Tianjin Disposal are set out in the Company's announcements dated 13 November 2017, 4 December 2017 and 27 December 2017, and a circular dated 7 December 2017, and included in note 12 to the consolidated financial statements.

(f) Formation of HKICIM Fund III, L.P.

On 30 November 2017, an amended and restated exempted limited partnership agreement (the "Fund III Partnership Agreement") was entered into between Hisea, Benefit Developments III Limited ("BDL III") (a wholly-owned subsidiary of the Company) and HKICIM (GP) III Limited ("HKICIM (GP) III") (a wholly-owned subsidiary of the Company) in relation to the formation of HKICIM Fund III, L.P. ("Fund III") and a subscription agreement (the "Fund III Subscription Agreement") was entered into in relation to the capital commitment of BDL III to Fund III. Pursuant to the Fund III Partnership Agreement and the Fund III Subscription Agreement, both BDL III and HKICIM (GP) III have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK\$633.16 million to Fund III, representing approximately 16.57% of the committed fund size (the "Fund III Subscription").

董事局報告 REPORT OF THE DIRECTORS

關連交易(續)

(f) 成立HKICIM Fund III, L.P. (續)

根據基金III合夥協議，HKICIM (GP) III (作為基金III之普通合夥人)負責基金III之日常營運及管理，並收取於每年曆年之十二月三十一日相等於基金III承諾注資總額1%之年度管理費，作為管理基金III事宜之補償。

海實國際為海航實業集團有限公司之全資附屬公司，而海航實業集團有限公司則為HNA Finance I(本公司之控股股東)之控股公司。因此，海實國際及基金III(HNA Finance I之聯繫人)為本公司於上市規則第十四A章項下之關連人士。因此，根據上市規則第十四A章，基金III認購事項及收取來自基金III之管理費分別構成本公司一項關連交易及一項持續關連交易。

基金III合夥協議及基金III認購協議已於二零一八年一月十一日在股東特別大會上以本公司之普通決議案通過。有關基金III之其他詳情載於本公司日期為二零一七年十一月三十日及二零一八年一月十一日之公告及日期為二零一七年十二月二十一日之通函。

CONNECTED TRANSACTIONS (Cont'd)

(f) Formation of HKICIM Fund III, L.P.(Cont'd)

Pursuant to the Fund III Partnership Agreement, HKICIM (GP) III, as a general partner of Fund III, is responsible for the day-to-day operation and management of Fund III, and receive an annual management fee equal to 1% of the aggregate capital commitments of Fund III as at 31 December of each calendar year as compensation for managing affairs of Fund III.

Hisea is a wholly-owned subsidiary of HNA Holding Group Co., Ltd., which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company. Accordingly, both Hisea and Fund III are associates of HNA Finance I, and are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Fund III Subscription and the receipt of management fee from Fund III, constitute a connected transaction and a continuing connected transaction of the Company respectively under Chapter 14A of the Listing Rules.

The Fund III Partnership Agreement and Fund III Subscription Agreement were passed by ordinary resolutions of the Company at the special general meeting on 11 January 2018. Further details of Fund III are set out in the Company's announcements dated 30 November 2017 and 11 January 2018, and a circular dated 21 December 2017.

董事局報告 REPORT OF THE DIRECTORS

根據上市規則第 13.21 條之披露

根據上市規則第 13.21 條之披露規定，以下披露乃就本公司兩項貸款協議而提供，有關協議載有本公司控股股東履行責任之契諾如下：

- (a) 根據本公司及本公司一間全資附屬公司與(在其他金融機構中)一間銀行(「第一代理人」)於二零一七年二月二十日就一筆最多為數 2,602,000,000 港元之一年期貸款融資訂立之融資協議，倘海航集團未經第一代理人事先書面同意下不再為本公司單一最大最終股東，則會發生違約事件；及
- (b) 根據本公司及本公司一間全資附屬公司與(在其他金融機構中)一間銀行(「第二代理人」)於二零一七年六月二日就一筆最多為數 2,220,830,000 港元之一年期貸款融資訂立之融資安排，倘海航集團未經第二代理人事先書面同意下不再為本公司單一最大最終股東，則會發生違約事件。

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosures are included in respect of two of the Company's loan agreements, which contain covenants requiring performance obligations of the controlling shareholder of the Company, as follows:

- (a) Pursuant to a facility agreement entered into by the Company and a wholly-owned subsidiary of the Company with, among other financial institution, a bank (the "First Agent") on 20 February 2017, for a one-year loan facility up to HK\$2,602,000,000, an event of default arises if HNA Group ceases to be the single largest ultimate shareholder of the Company without prior written consent of the First Agent; and
- (b) Pursuant to a facility arrangement entered into by the Company and a wholly-owned subsidiary of the Company with, among other financial institutions, a bank (the "Second Agent") on 2 June 2017, for a one-year loan facility up to HK\$2,220,830,000, an event of default arises if HNA Group ceases to be the single largest ultimate shareholder of the Company without prior written consent of the Second Agent.

董事局報告 REPORT OF THE DIRECTORS

足夠公眾持股量

根據本公司所得公開資料及據董事所知，於本報告日期，本公司全部已發行股本最少25%乃由公眾人士持有。

報告期後事件

本集團於報告期後之重大事件之詳情載於綜合財務報表附註48。

核數師

安永會計師事務所任滿告退，有關續聘其為本公司核數師之決議案，將於即將召開之股東週年大會上提呈。

承董事局命

黃琪璿
主席

香港
二零一八年三月二十三日

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares were held by the public as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in note 48 to the consolidated financial statements.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Huang Qijun
Chairman

Hong Kong
23 March 2018