



FRONTIER SERVICES GROUP

Frontier Services Group Limited
先豐服務集團有限公司

(incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 00500)



CONTENTS

目錄

		Page(s) 頁
Corporate Information	公司資料	2 – 3
Chairman's Statement	主席報告	4 – 7
Management Discussion and Analysis	管理層討論及分析	8 – 19
Corporate Governance Report	企業管治報告	20 – 29
Environmental, Social and Governance Report	環境、社會及管治報告	30 – 35
Biographical Details of Directors and Senior Management	董事及高級管理人員之履歷詳情	36 – 42
Report of the Directors	董事會報告	43 – 54
Independent Auditor's Report	獨立核數師報告	55 – 63
Audited Consolidated Financial Statements	經審核綜合財務報表	
Consolidated Income Statement	綜合收益表	64
Consolidated Statement of Comprehensive Income	綜合全面收益表	65
Consolidated Statement of Financial Position	綜合財務狀況表	66 – 67
Consolidated Statement of Changes in Equity	綜合權益變動表	68 – 69
Consolidated Statement of Cash Flows	綜合現金流量表	70 – 71
Notes to Consolidated Financial Statements	綜合財務報表附註	72 – 207
Five Year Financial Summary	五年財務概要	208

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Erik D. Prince (*Chairman*)
Mr. Ko Chun Shun, Johnson (*Deputy Chairman*)
Mr. Luo Ning (*Deputy Chairman*)
Dr. Hua Dongyi (*Chief Executive Officer*)
Mr. Hu Qinggang

Independent Non-Executive Directors

Mr. Yap Fat Suan, Henry
Professor Lee Hau Leung
Dr. Harold O. Demuren

Audit Committee

Mr. Yap Fat Suan, Henry (*Chairman*)
Professor Lee Hau Leung
Dr. Harold O. Demuren

Nomination Committee

Mr. Erik D. Prince (*Chairman*)
Mr. Ko Chun Shun, Johnson
Mr. Yap Fat Suan, Henry
Professor Lee Hau Leung
Dr. Harold O. Demuren

Remuneration Committee

Professor Lee Hau Leung (*Chairman*)
Mr. Erik D. Prince
Mr. Ko Chun Shun, Johnson
Mr. Yap Fat Suan, Henry
Dr. Harold O. Demuren

COMPANY SECRETARY

Mr. Chan Kam Kwan, Jason

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

LEGAL ADVISERS

Baker & McKenzie
Michael Li & Co.
Reed Smith LLP

董事會

執行董事

Erik D. Prince 先生(*主席*)
高振順先生(*副主席*)
羅寧先生(*副主席*)
華東一博士(*行政總裁*)
胡慶剛先生

獨立非執行董事

葉發旋先生
李效良教授
Harold O. Demuren 博士

審核委員會

葉發旋先生(*主席*)
李效良教授
Harold O. Demuren 博士

提名委員會

Erik D. Prince 先生(*主席*)
高振順先生
葉發旋先生
李效良教授
Harold O. Demuren 博士

薪酬委員會

李效良教授(*主席*)
Erik D. Prince 先生
高振順先生
葉發旋先生
Harold O. Demuren 博士

公司秘書

陳錦坤先生

獨立核數師

羅兵咸永道會計師事務所
執業會計師

法律顧問

貝克•麥堅時律師事務所
李智聰律師事務所
Reed Smith LLP

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

Bank of Communications Co., Limited
China Everbright Bank
Hang Seng Bank Limited
Industrial and Commercial Bank of China

主要往來銀行

交通銀行股份有限公司
中國光大銀行
恒生銀行有限公司
中國工商銀行

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suite 3902, 39th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

主要營業地點

香港
金鐘
夏慤道16號
遠東金融中心
39樓3902室

SHARE REGISTRARS AND TRANSFER OFFICE

Principal Registrars

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

股份過戶登記處

主要登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

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

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心
22樓

INVESTOR RELATIONS

Investor Relations Department
Frontier Services Group Limited
Telephone: (852) 3766 1077
Fax: (852) 3007 0386
Website: www.fsgroup.com
www.irasia.com/listco/hk/frontier
Email: ir@fsgroup.com

投資者關係

投資者關係部
先豐服務集團有限公司
電話: (852) 3766 1077
傳真: (852) 3007 0386
網站: www.fsgroup.com
www.irasia.com/listco/hk/frontier
電子郵件: ir@fsgroup.com

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders

2017 was an important year for the growth and development of Frontier Services Group Limited ("the Company") and its subsidiaries (collectively, the "Group"). The Group can now proudly say that we are the first integrated security, logistics and insurance company in the world. We offer multinational teams of professionals working across a global office network, multiple security licenses in frontier markets, strong asset base and an undisputed track record of helping clients overcome the complex challenges presented by doing business in frontier markets.

In the past year, the Group has taken critical steps to build out our global footprint opening new offices and obtaining security licenses in key strategic markets across Africa and Asia in order to provide fully for the evolving needs of our clients. Most importantly, the Group has made significant investments in personnel by recruiting more staff, investing in training facilities and facilitating the graduations of multiple classes from our training courses. Our goal is simple — to provide world class security, logistics and insurance services to the highest international standards regardless of the location.

DELIVERING ACROSS THE BELT & ROAD

The Group's business is now focused on four strategic Belt & Road regions — North West, South West, Middle East and Africa. The North West Region is comprised of Kazakhstan, Uzbekistan and Pakistan with its regional office in Kashgar, China. Currently, the focus of the region is serving the China Pakistan Economic Corridor ("CPEC") and its related projects. In 2017, the Group also opened offices in the regions to support clients in country with their security, logistics and insurance needs.

The South West Region is made up of Myanmar, Laos, Thailand and Cambodia. In Myanmar, the Group signed a partnership agreement with the country's leading security firm. With the Myanmar partnership in place, the Group can now provide security services to its key clients across the country. In Laos, the Group broke ground on a new security training facility across the border from China in Boten.

Operating from the regional office in Dubai, the Middle East is the Group's newest region comprised of U.A.E. and Qatar. The region is home to key logistics routes for the Belt & Road as well as construction and energy projects. With the Group's unique combination of security, logistics, and insurance services, the Company is ready to face the requirements of our clients in the region.

尊敬之股東：

二零一七年是先豐服務集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)增長及發展之重要年度。本集團現時可謂全球第一家綜合安保、物流及保險公司，並引以為傲。本集團之多元國籍專業團隊分佈全球各地之辦事處，並持有前沿市場之各種安保牌照及穩固資產基礎，在協助客戶應付經營前沿市場業務時面臨之複雜挑戰方面擁有無可置疑之彪炳往績記錄。

在過去一年，本集團採取關鍵舉措，藉著開設新辦事處逐步建立本集團之全球版圖，同時取得非洲及亞洲主要策略性市場之安保牌照，全面配合客戶不斷轉變之需求。最重要的是，本集團作出重大人力資源投資，招聘更多員工、投資於培訓中心及促進本集團不同級別培訓課程之學生完滿畢業。本集團之目標簡要精確，正正是不受地點所限，提供符合最高國際水平之全球頂尖安保、物流及保險服務。

服務橫跨一帶一路

本集團業務現時集中於四個策略性一帶一路地區，分別為西北、西南、中東及非洲。西北地區包括哈薩克斯坦、烏茲別克斯坦及巴基斯坦，其地區辦事處位於中國喀什市。該地區之目前重點是為中巴經濟走廊及其相關項目提供服務。於二零一七年，本集團亦於該等地區開設辦事處，以支援客戶在國內之安保、物流及保險需求。

西南地區由緬甸、老撾、泰國及柬埔寨組成。在緬甸，本集團與該國家之領先保安公司簽訂合夥協議。憑藉緬甸合夥，本集團現時可向該國家之主要客戶提供安保服務。在老撾，本集團取得突破性進展，在中國至磨丁之邊境地區開設新安全培訓中心。

本集團之最新地區中東包括阿拉伯聯合酋長國及卡塔爾，而本集團於設於杜拜之地區辦事處經營該地區之業務。該地區之一帶一路主要物流路線以及建設及能源項目之起源之地。憑藉本集團結合安保、物流及保險之獨一無二服務，本公司已準備就緒，可滿足該地區客戶之需求。

CHAIRMAN'S STATEMENT

主席報告

With the longest history, Africa is the Group's most mature region with the key focus markets of Kenya, Democratic Republic of Congo ("DRC") and South Africa, and the secondary markets of Tanzania, Mozambique and Uganda. The Group expanded its regional office in Nairobi, Kenya to be the first regional office to offer integrated security, logistics, and insurance service solutions.

STRONGER SERVICE OFFERINGS

Security

The Group's security services are at the core of everything we do. If our clients are not safe, they cannot work effectively. We have further expanded our risk mitigation capabilities through local security licenses, regional operational centers and a global security center in Dubai overseeing security projects and providing centralized governance. With local security license in place, clients can trust that their projects are staffed with the Group employees. In addition, the Group invested in Beijing's International Security and Defense College ("ISDC") in order to have a training facility for clients as well as training our own staff to the highest international standards. Already, the Group has graduated multiple classes of international security professionals in China. With our new facility in Boten, Laos, we will be able offer our clients and staff an additional training location prior to deploying to projects in the region. Additionally, the Group utilizes the latest technology from tracking to communications to provide information and communication in real time, mitigating risk before they can affect our clients.

Logistics

In April, the Group opened our global logistics center in Shanghai, which now has more than 20 staff focused on supporting our four regions and 20 countries. The Group is now able to interface directly with our clients and link them to our overseas offices, logistics teams and operations. From Africa to China, we help our clients with the unique challenges of logistics in frontier markets. With local teams in each of our target countries, we are able to provide knowledge and past experience saving our clients valuable time and cost. In addition, with global tracking capabilities, we can ensure that goods are secure throughout their transit.

作為本集團營運歷史最悠久之地區，非洲是最發展成熟之地區，主要重點市場包括肯尼亞、剛果民主共和國及南非，而第二市場為坦桑尼亞、莫桑比克及烏干達。本集團已擴展其地區辦事處至肯尼亞奈洛比，成為首個提供安保、物流及保險綜合解決方案之地區辦事處。

超卓服務

安保

本集團之安保服務是所有業務之核心。倘客戶並不安全，彼等亦不能有效工作。我們透過地方安保牌照、地區營運中心以及位於杜拜之全球安保中心監察安保項目及提供中央管治，以進一步擴展減低風險之能力。取得地方安保牌照後，客戶可信賴本集團之員工並聘用本集團員工參與彼等之項目。此外，本集團投資於北京國際安全防衛學院，以為客戶及本集團員工提供國際最高水平之培訓中心以及培訓。本集團已在中國培訓數批已畢業之國際安保專業人士。憑藉本集團在老撾磨丁開設之新培訓中心，本集團在分派人手至地區之不同項目前，能夠向客戶及員工提供額外培訓地點。此外，本集團運用涵蓋追蹤至通訊之最新技術，實時提供資訊及通訊，在風險對客戶造成影響前減低有關風險。

物流

於四月，本集團於上海開設全球物流中心，現時共聘用超過20名員工，專注於為本集團之四個地區及二十個國家提供支援服務。本集團現時能夠直接與客戶接觸，並轉介他們至本集團之海外辦事處、物流團隊及營運分部。本集團協助遍及非洲至中國之客戶應付於前沿市場之物流挑戰。在每一個目標國家之地方團隊配合下，本集團能夠提供知識及過往經驗，為客戶節省寶貴時間及成本。此外，依憑全球性追蹤實力，本集團能夠確保貨品於運送過程中安全無損。

CHAIRMAN'S STATEMENT

主席報告

Maleth Aero Limited

Maleth Aero Limited ("MAL"), the Group's Malta based air operation company continued to see positive growth with more aircraft coming under management and greater utilization of the existing fleet, covering Europe, Northern Africa and Central Asia. Multiple contracts for its wide body aircraft over the slower parts of the year and high demand for charter service allowed for significant growth in revenue. MAL has recently brought an Airbus 340 under management which will be the largest aircraft ever to be registered in Malta.

Transit Freight Forwarding (Pty) Ltd

Transit Freight Forwarding (Pty) Ltd ("TFF") the Group's logistics subsidiary headquartered in Johannesburg, South Africa with offices in Lusaka, Zambia and Harare, Zimbabwe. TFF grew revenues for the second straight year. Growth was driven by higher demand from existing customers as well as new specialized logistics projects across greater Africa.

Phoenix Aviation Limited

Phoenix Aviation Limited, the Group's Nairobi, Kenya based air operations company signed a partnership agreement with its longtime air ambulance partner AMREF Flying Doctors. The agreement gives allows the businesses to share customers and resources while jointly marketing their capabilities.

Cheetah Logistics SARL

Cheetah Logistics SARL ("Cheetah"), the Group's Kinshasa, DRC based trucking operation, saw further growth improved performance for the year. With the business now coming under TFF management, Cheetah is improving the efficiency and profitability of its work.

Insurance

The Group's insurance business developed under the leadership of the newly appointed Head of Insurance. The Group insurance business strategy will focus on large commercial risk coverage in our four regions and 20 countries. Based on the Group's unparalleled advantage in security and logistics services, we are able to offer one-stop service that packages comprehensive risk management together with logistics. We help our clients operated identify, transfer and manage their risks through tailor made insurance programs. Through our integrated global office network in target markets, The Group looks to act as a bridge between local insurance company in frontier market that needs to access Chinese customers and the capacity support from Chinese insurance market. At the same time, Chinese insurance companies need to expand their coverage to overseas projects and look to the Group to play the role of their local representative.

Maleth Aero Limited

本集團位於馬耳他之航空業務公司 Maleth Aero Limited (「MAL」) 繼續錄得正面增長，在管飛機數量日益增長，且其現有機隊之使用範圍擴大，遍及歐洲、北非以及中亞。年內其更大型飛機獲得多份合約，且包機服務需求殷切，帶動收益大幅增長。MAL 近期納入一部空中巴士 340 至其在管理飛機隊，該飛機將為馬耳他有史以來已登記之最大型飛機。

Transit Freight Forwarding (Pty) Ltd

Transit Freight Forwarding (Pty) Ltd (「TFF」) 是本集團之物流附屬公司，其總部設於南非約翰尼斯堡，並於贊比亞盧薩卡以及津巴布韋哈拉雷設立辦事處。TFF 連續第二年錄得收入增長。有關增長受現有客戶較需求增加以及遍及整個非洲地區之嶄新專門物流項目受所帶動。

鳳凰航空

鳳凰航空，本集團位於肯尼亞奈洛比之航空業務公司與其長期空中救護服務合夥 AMREF Flying Doctors 簽訂合夥協議。該協議使兩家公司可分享客戶及資源，同時共同推廣其實力。

Cheetah Logistics SARL

本集團位於剛果民主共和國金沙薩之貨運業務 Cheetah Logistics SARL (「Cheetah」) 年內錄得進一步增長及更卓越表現。憑藉 TFF 現時日增之管理業務，Cheetah 逐漸提升其工作之效率及盈利能力。

保險

本集團之保險業務在新委任之保險總監之領導下發展。本集團之保險業務策略將專注於本集團四個地區及二十個國家之大型商業風險範圍。根據本集團於安保及物流服務傲視同儕之優勢，我們能夠提供涵蓋全面風險管理及物流之一站式服務。我們透過度身制定之保險計劃，協助客戶營運、識別、轉移及管理風險。憑證我們於目標市場之全球綜合辦事處網絡，本集團致力擔任連接於前沿市場需要接觸中國客戶之地方保險公司與中國保險市場中相關實力支援兩者之間之橋樑。同時，中國保險公司需要擴展其業務範圍至海外項目，因此該等公司指望本集團擔任彼等之地方代表。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK FOR 2018

With the build out of the platform in 2017, the Group has added depth and breadth to its capabilities, teams and service offerings. Moreover, with new management and corporate governance at each of its subsidiaries, the businesses are operating at greater efficiency than ever before. With a significant pipeline of opportunities focused on delivering world-class service capabilities across the Belt & Road, we look ahead to 2018 with confidence.

Erik D. Prince

Chairman

Hong Kong, 26 March 2018

二零一八年展望

本集團於二零一七年逐步建立平台，在此基礎上擴張其實力、團隊以及服務之基礎及範圍。此外，在本集團各附屬公司之新任管理層及企業管治引領下，業務營運效率達致新高水平。憑藉專注於提供橫跨一帶一路之世界頂尖服務之龐大機遇，本集團滿懷信心，昂首步入二零一八年。

Erik D. Prince

主席

香港，二零一八年三月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVIEW OF RESULTS

Overall Performance

業績回顧

整體表現

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	724,414	576,889
Cost of direct materials and job expenses	直接材料成本及工作開支	(131,705)	(130,697)
Cost of aircraft management services	飛機管理服務成本	(125,448)	(48,134)
Data costs	數據成本	(6,950)	(8,033)
Employee benefit expenses	僱員福利開支	(178,612)	(166,129)
Sub-contracting charges	分包費用	(295,382)	(246,900)
Operating lease rentals	經營租約租金	(22,412)	(18,014)
Repairs and maintenance costs	維修及保養費用	(35,694)	(42,948)
Depreciation and amortisation	折舊及攤銷	(35,375)	(34,115)
Other income and other gains/(losses), net	其他收入及其他收益/(虧損), 淨額	6,309	20,911
Other operating expenses	其他營運費用	(88,552)	(84,743)
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	592	10,712
Provision for impairment of goodwill and other intangibles	商譽及其他無形資產之減值撥備	(9,000)	(9,970)
Provision for impairment of property, plant and equipment and assets held for sale, net	物業、機器及設備以及持作出售資產之減值撥備, 淨額	(23,633)	(17,362)
Operating loss	營運虧損	(221,448)	(198,533)
Interest income	利息收入	9,463	13,857
Finance costs	融資成本	(18,213)	(23,339)
Share of loss of associates	應佔聯營公司虧損	(2,859)	(561)
Loss before income tax	除所得稅前虧損	(233,057)	(208,576)
Income tax credit/(expenses)	所得稅抵免/(開支)	9,955	(910)
Loss for the year	年度虧損	(223,102)	(209,486)

Frontier Services Group Limited (the "Company") and its subsidiaries (together, the "Group") reported a consolidated revenue of HK\$724,414,000 for the year ended 31 December 2017. The financial effect of the Group's acquisition of Maleth Aero Limited ("Maleth") was the fundamental driver of the 25.6% annual revenue growth. For 2017, the Group reported an operating loss of HK\$221,448,000, an 11.5% increase over 2016's reported operating loss of HK\$198,533,000. However, reported results for 2017 included non-recurring income and expenses/provisions, such as a gain on the disposal of available-for-sale financial assets and substantial impairment charges against goodwill, other intangibles, property, plant and equipment and assets held for sale, which had a combined negative effect on the reporting operating loss by HK\$43,726,000 on a net basis.

先豐服務集團有限公司(「本公司」, 連同其附屬公司統稱「本集團」)錄得截至二零一七年十二月三十一日止年度之綜合收入724,414,000港元。本集團收購Maleth Aero Limited(「Maleth」)所產生之財務影響, 是本集團錄得25.6%之年度收入增長之基本推動因素。二零一七年, 本集團錄得營運虧損221,448,000港元, 較二零一六年錄得之營運虧損198,533,000港元出現11.5%增長。然而, 二零一七年錄得之業績已計入非經常性收入及開支/撥備(如出售可供出售金融資產之收益以及商譽、其他無形資產、物業、機器及設備及持作出售資產之重大減值支出), 這對所錄得之營運虧損造成合併負面影響43,726,000港元(按淨額基準計算)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As a result, the reported operating loss for 2017 would have decreased for 5.1% versus the same figure for 2016 if those extraordinary items had been excluded. While core operating expenses were reduced as a percentage of revenue and greater overhead leverage was achieved, the Group's net loss was HK\$223,102,000 for the year ended 31 December 2017.

Financial Key Performance Indicators

Basic loss per share 每股基本虧損

因此，倘不計及此等非經常性項目，所錄得之二零一七年之營運虧損將較二零一六年減少5.1%。儘管核心營運費用佔收入之百分比下跌及並已利用更大的營運槓桿，本集團於截至二零一七年十二月三十一日止年度之虧損淨額為223,102,000港元。

財務關鍵績效指標

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年	2016 二零一六年
Basic loss per share	每股基本虧損	(15.84) cents 仙	(17.06) cents 仙

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Total assets	資產總值	884,177	912,467
Shareholders' funds	股東資金	263,674	275,403
Net asset value per share (excluding non-controlling interests)	每股資產淨值 (扣除非控股權益)	18 cents	22 cents
Cash and bank balances	現金及銀行結存	302,057	299,388
Current ratio	流動比率	1.42	1.34
Total liabilities-to-total assets ratio	總負債資產比率	0.56	0.56
Price to book ratio	市賬率	9.11	4.66

The basic loss per share was HK\$0.1584 for 2017, relative to basic loss per share of HK\$0.1706 for 2016. At 31 December 2017, the Group had total assets of HK\$884,177,000, marking a 3.1% decline versus the same figure for 2016 due to minimal capital expenditures and impairment charges taken against intangibles, property, plant and equipment and assets held for sale. The current ratio and total liabilities-to-total assets ratio at year-end 2017 were 1.42 and 0.56 respectively. While the Group's total liabilities-to-total assets ratio experienced very little increase, the material annual change in the current ratio resulted from an increase principally in trade receivables and payables during 2017. The pronounced increase in the Company's share price over 2017, closing at year-end at HK\$1.64, and a decline in Group's net assets were the primary catalysts in the increase in the price-to-book ratio.

二零一七年之每股基本虧損為0.1584港元，而二零一六年則為每股基本虧損0.1706港元。於二零一七年十二月三十一日，本集團擁有資產總值884,177,000港元，較二零一六年下跌3.1%，此乃由於較少資本支出以及就無形資產、物業、機器及設備及持作出售資產計提之減值支出所致。於二零一七年底，流動比率及總負債資產比率分別為1.42及0.56。於二零一七年，儘管本集團之總負債資產比率增幅甚微，流動比率則主要因貿易應收款項及應付款項增加而導致年內出現重大變動。本公司股價於二零一七年出現明顯上升，年底報收1.64港元，而本集團資產淨值減少是市賬率上升之主要導致因素。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue

收入

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Aviation and logistics business	航空及物流業務	704,587	555,462
Financial market information business	金融市場資訊業務	19,827	21,427
		724,414	576,889

Consolidated revenue for 2017 was HK\$724,414,000, marking growth of 25.6% on an annual basis. The incorporation of full-year results for Maleth was the primary driver of the annual growth in total revenue. More specifically, Maleth contributed approximately HK\$143,757,000 of revenue to the Group's 2017 revenue. As a result, and in line with past years, aviation and logistics ("AL") business accounted for 97% of the Group's 2017 revenue. The Group's remaining legacy unit, financial market information ("FMI") business, produced HK\$19,827,000 of revenue for the full-year 2017, a decline of 7.5% versus 2016 as market demand slackened.

本集團於二零一七年之綜合收入為724,414,000港元，按年增長25.6%。Maleth之全年業績合併入賬為推動總收入年度增長之主要因素。更具體而言，Maleth為本集團於二零一七年之貢獻收入約143,757,000港元。因此，與過往年度一致，航空及物流（「航空及物流」）業務佔本集團二零一七年收入97%。本集團餘下的傳統業務單位金融市場資訊（「金融市場資訊」）業務於二零一七年全年產生收入19,827,000港元，較二零一六年下跌7.5%，乃由於市場需求疲軟所致。

Gain on Disposal of Available-for-Sale Financial Assets

出售可供出售金融資產之收益

The gain on disposal of available-for-sale financial assets for the year ended 31 December 2017 represents the net gain on disposal of shares of Yunfeng Financial Group Limited ("YFGL") in the market.

截至二零一七年十二月三十一日止年度之出售可供出售金融資產之收益指於市場上出售雲鋒金融集團有限公司（「雲鋒集團」）之股份之淨收益。

Provision for Impairment of Other Intangibles

其他無形資產減值撥備

Other intangibles of HK\$9,000,000 associated with the Group's operating businesses was impaired in 2017. The decision to take this impairment against an AL subsidiary, namely Phoenix Aviation Limited ("PAL"), was reached after a careful internal review of those business units and discussion among the Group's senior management. Impairment made due to the scale down of its maintenance business and a decline in the franchise's core air ambulance business within a generally more competitive marketplace in east and central Africa, which has had a secondary, negative effect on pricing. In the future, the Group will continue to monitor the carrying value of its acquired other intangibles in accordance with its accounting practices.

與本集團經營業務有關之其他無形資產9,000,000港元已於二零一七年減值。就航空及物流業務附屬公司Phoenix Aviation Limited（「鳳凰航空」）作出有關減值決定乃經審慎內部審閱該等業務單位及本集團高級管理層之間討論後作出。由於本集團縮減其維修業務及位於東非及中非競爭通常較為激烈之特許經營核心空中救護業務出現下跌，對定價產生繼發效應及負面影響，因此作出減值。未來，本集團將繼續根據其會計實務監察所收購之其他無形資產之賬面值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Provision for Impairment of Property, Plant and Equipment and Assets Held for Sale, net

The Group recorded HK\$23,633,000 provision for impairment loss against the aircraft fleet for the year ended 31 December 2017. The carrying amount of property, plant and equipment is measured periodically against the resale market for comparable assets. The market for aviation assets is cyclical, with substantial changes in resale pricing common over time. Consequently, the Group impaired specific aircraft within its fleet to better reflect the likely value achievable in a resale scenario as at 31 December 2017, and will closely monitor if an impairment indicator is identified.

REVIEW OF OPERATING SEGMENTS

Aviation and Logistics Business

With continuous growth in the Group's AL segment in 2017, HK\$704,587,000 of revenue was reported from operating subsidiaries mainly from Africa, southern Europe and mainland China. The effects of Maleth acquisition and organic growth in Transit Freight Forwarding Proprietary Limited ("TFF") were fundamental catalyst in AL segment revenue growth comparing 2016. The Group will continue to implement cost containment measures to increase profitability and potential value in the AL segment.

TFF, a South African based warehouse and logistics company, generated HK\$364,005,000 of revenue in 2017. This 13.1% revenue growth reflected the effect price increases at TFF in 2017 and were in line with management expectations. With new board members and senior management, TFF conducted a new thorough cost analysis and will develop a specialty logistics division to further increase its operational efficiency and profitability of the company.

Cheetah Logistics SARL, a Congolese logistics company, has improved its performance in 2017 and will continue to strive for further improvements in their revenue and profitability in 2018.

Maleth, a Malta based aircraft management services company, was acquired in July 2016. With full-year results included, Maleth contributed HK\$143,757,000 to total revenue in 2017. With expected expansion through managing more aircraft, we are optimistic about the operations and results of Maleth in 2018.

物業、機器及設備以及持作出售資產之減值撥備，淨額

截至二零一七年十二月三十一日止年度，本集團就機隊減值虧損撥備為23,633,000港元。本集團乃參照可資比較資產之轉售市場定期計量物業、機器及設備之賬面值。航空資產市場具有週期性，轉售價格通常會隨著時間推移而出現重大變動。因此，本集團已經對其機隊內之個別飛機作出減值，以更佳反映於二零一七年十二月三十一日在轉售情況下可達致之可能價值，而倘識別任何減值跡象，則將會緊密監察有關情況。

經營分部回顧

航空及物流業務

二零一七年，本集團航空及物流分部持續增長，主要位於非洲、歐洲南部及中國內地之營運附屬公司錄得收入704,587,000港元。Maleth收購事項及Transit Freight Forwarding Proprietary Limited (「TFF」)之內部增長是航空及物流分部收入較二零一六年增長之基本推動因素。本集團將繼續實施成本控制措施，以增加航空及物流分部之盈利能力及潛在價值。

TFF (位於南非之倉儲及物流公司)於二零一七年產生收入364,005,000港元。此13.1%收入增長反映TFF於二零一七年提升價格之效應及與管理層所預期者一致。憑藉董事會之新成員及高級管理人員，TFF將進行全面成本分析，並將發展專業物流部門，進一步提升公司之營運效率及盈利能力。

剛果(金)物流公司Cheetah Logistics SARL於二零一七年之表現有所改善，並將繼續致力進一步改善二零一八年之收入及盈利能力。

Maleth (位於馬耳他之飛機管理服務公司)於二零一六年七月獲收購。於全年業績入賬後，Maleth於二零一七年貢獻總收入143,757,000港元。由於預期透過管理更多飛機擴充，本集團對Maleth於二零一八年之營運及業績持樂觀態度。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PAL, a Kenyan aviation company based in Nairobi, reported a 24.0% decline in revenue compared to 2016. With political instability and decreased flying hours from the United Nations deeply impacted on the overall results of PAL. Improved performance is expected from PAL upon the implementation of cost containment measures in 2017.

The Group has increased its segment loss by 27.6% to HK\$161,987,000 comparing 2017. With the launch of new global logistics centers and various cost containment measures, positive impacts will be expected from AL results in 2018.

Financial Market Information Business (“FMI segment”)

For the year ended 31 December 2017, the Group's FMI segment generated reported revenue of HK\$19,827,000. This legacy business unit provides online financial market data and related information. FMI segment revenue for 2017 represents a 7.5% decline against comparable figure for 2016. Considered non-core to the Group's overall results and outlook, the FMI segment produced a small operating loss of HK\$219,000 for the year ended 31 December 2017 as demand for its services declined during the year.

Direct Investments

Direct investments is the Group's segment for available-for-sale financial assets and other direct investment holdings. For 2017, the Group generated HK\$5,875,000 in operating loss from the direct investments segment. This resulted from an expenses provision for closing down one of the associates being partially offset by the gain on disposal of shares of YFGL in the open market during the year. For 2016, the comparable reported profit from the direct investments segment also included a profit of HK\$10,712,000 resulting from the disposal of shares in YFGL.

PROSPECTS

In 2017, the Group completed major progress on the buildout of its four regions, including expanding its office footprint into key markets, establishing security licenses and partnerships, new facilities and expanding its team of international professionals across its service offerings. With these new capabilities, the Group enters 2018 with a full pipeline of programs and projects.

鳳凰航空(總部設於奈洛比之肯尼亞航空公司)與二零一六年相比錄得收入減少24.0%。政局不穩及聯合國之飛行時數減少對鳳凰航空之整體業績影響至深。於二零一七年實施成本控制措施後，預期鳳凰航空之表現將有所改善。

與二零一七年相比，本集團之分部虧損增加27.6%至161,987,000港元。憑藉推出新的全球物流中心及多項成本控制措施，預期將對於二零一八年航空及物流之業績有正面影響。

金融市場資訊業務(「金融市場資訊分部」)

截至二零一七年十二月三十一日止年度，本集團之金融市場資訊分部錄得收入19,827,000港元。該傳統業務單位提供線上金融市場數據及相關資訊。金融市場資訊分部於二零一七年之收入較二零一六年之可資比較數據下跌7.5%。由於年內對有關服務之需求下跌，金融市場資訊分部於截至二零一七年十二月三十一日止年度錄得少量經營虧損219,000港元，故該分部並不被視為本集團整體業績及前景之核心分部。

直接投資

直接投資分部為本集團持有可供出售金融資產及其他直接投資之分部。二零一七年本集團之直接投資分部產生經營虧損5,875,000港元。此乃由於年內結束其中一間聯營公司之撥備開支所致，該開支被於公開市場出售雲鋒集團股份之收益所部分抵銷。於二零一六年，直接投資分部錄得之可資比較報告盈利亦包括因出售雲鋒集團前身公司之股份而導致產生之盈利10,712,000港元。

前景

於二零一七年，本集團在四個範疇之發展均取得重大進展，包括擴展其辦公室網絡至主要市場、建立安保牌照及合夥關係、嶄新設施及擴充其服務範圍之國際專業團隊。憑藉該等新實力，本集團於二零一八年全面開展各項計劃及項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Company's combines security, logistics and insurance services into integrated solutions for its client. Security continues to be the main differentiator and the entry point for key customers. Projects often begin with security risk assessments ("SRA") and insurance plans. Once the projects move forward, the suggestions laid out in the SRA then transforms into the active security management and a full insurance solution for the project. With a total risk management solution in place through security and insurance services, clients can then focus on logistics to bring in key personnel, equipment and materials. After the project completes construction and is operational, clients then focus on logistics for offtake and supply chain. This integrated solution through the project life cycle allows the Group to serve client as a true partner and not just a one-off service provider.

Key projects along the Belt and Road continue to be the Company's main focus along with major infrastructure, resources and oil & gas projects in its target markets. In addition, the Company is focused on special projects, which are often public private partnerships ("PPP") in national infrastructure, resources, energy, fisheries and security. These special projects allow the Group to leverage its deep relationships, subsidiary companies and service offerings in major concession agreements, where the Group serves as both an equity partner and service provider.

Security capabilities of the Group are further enhanced through the expansion of the Dubai based global security center. The center maintains the latest technology to monitor and communicate with operations and offices around the world. Security services are split between training and operations. Training includes the firm's security training facility in Beijing and new facilities to be built in strategic locations for the North West and South West regions of the Belt and Road. These training centers are focused on preparing both the Group clients and internal personnel for work in frontier markets. In addition, the firm also has mobile training teams that can be sent to the project site to supplement a client or team's knowledge base. Operations are focused on process and procedures from the global office and close communication with the Regional Operations Centers ("ROC") and Tactical Operations Centers ("TOC") at the project site.

Secured logistics continues to leverage the firm's local capabilities and office combined with the oversight from the group's global logistics center in Shanghai. Integration of logistics subsidiaries with air, ground and sea capabilities across Asia to Africa gives the Group a unique advantage in door to door logistics with an emphasis in last mile capability.

本公司為其客戶提供將安保、物流及保險服務結合之綜合解決方案。安保繼續使本集團脫穎而出，並為與主要客戶建立業務關係之開端。項目普遍以安保風險評估(「安保風險評估」)及保險計劃開展。一旦項目有所進展，安全風險評估所擬定之建議則會轉為項目之積極安保管理及全面保險解決方案。透過安保及保險服務實施全面風險管理解決方案，客戶則可專注於物流以帶來主要人員、設備及材料。項目建設完成及投入營運後，客戶則會專注於採購及供應鏈之物流。此涵蓋整個項目週期之綜合解決方案令本集團能夠與客戶建立真正之合夥關係，而非僅作為一次性之服務供應商。

沿著一帶一路之主要項目繼續為本公司在其目標市場之主要基礎建設、資源及油氣項目之主要重點。此外，本公司專注於特別項目，該等項目一般為國家基礎建設、資源、能源、漁業及安全之公私合作(「PPP」)。該等特別項目令本集團能夠充分善用其擔任股權合夥人及服務供應商之主要特許權協議中之深厚關係、附屬公司及服務範圍。

本集團透過擴充於杜拜之全球安保中心，進一步提升其安保營運能力。該中心設有最新技術以監察全球各地之營運及辦公室並與之通訊。安保服務分為培訓及營運。培訓包括本公司於北京之安全培訓中心以及將於一帶一路西北及西南地區之戰略性位置建設之新中心。該等培訓中心專注於培訓本集團客戶及內部人員，令彼等作好準備於前沿市場工作。此外，本公司亦設有流動培訓團隊，可派駐項目現場以向客戶或團隊提供知識支援。營運專注於全球辦公室之流程及程序以及與地區營運中心(「地區營運中心」)及項目現場之戰略營運中心(「戰略營運中心」)緊密聯繫。

安保物流繼續利用本公司之地方營運能力及辦公室，並由本集團位於上海之全球物流中心監督。綜合物流附屬公司與亞洲至非洲之航運、陸運及海運能力，為本集團提供獨一無二之點到點物流優勢，著重直接運送到最終目的地「最後一哩」能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Insurance services are focused on major projects across the Belt and Road as a part of the Group's total risk management solution. The Group's advantage lies with its significant footprint in target markets, security service offerings and partnerships with local insurance companies. By being able to serve clients locally while leveraging the international insurance market, the Group is able to offer unique insurance solutions not available in the market.

With the significant progress of 2017 and a strong pipeline for 2018, the Group looks forward to its strongest prospects for growth since the Company's inception. In 2018, the Group will be able to demonstrate its unique capabilities in overcoming the challenges of frontier markets.

EMPLOYEES

The Group has developed its human resources policies and procedures based on performance and merit. The Group ensures that the pay level of its employees is competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems. The Group provides on-the-job training to its employees in addition to retirement benefit schemes and medical insurance. Employees are offered discretionary year-end bonus based on individual merit.

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group to recognise their contribution to the success of the Group. The Company has granted 14,497,030 share options under its share option scheme during the year ended 31 December 2017 (2016: 24,632,060).

The Company also operates a share award scheme to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Company has granted 1,137,000 shares under its share award scheme during the year ended 31 December 2017 (2016: 10,067,000).

The total number of employees of the Group as at 31 December 2017 was 432 (2016: 430).

保險服務專注於橫跨一帶一路之主要項目，作為本集團總風險管理解決方案之一部分。本集團之優勢為其於目標市場之龐大網絡、提供安保服務及與地方保險公司之合夥關係。本集團透過向地方客戶提供服務，同時利用國際保險市場，提供市場唯一之獨特保險解決方案。

憑藉二零一七年之重大進展及二零一八年之強勁計劃，本集團展望自公司開展業務以來最強勁之增長前景。於二零一八年，本集團將能夠克服前沿市場之挑戰，彰顯其獨樹一幟之實力。

僱員

本集團制訂了基於員工表現及貢獻之人力資源政策及程序。本集團確保在其薪酬及獎金制度之整體範圍內，僱員之薪酬水平具有競爭力及按表現掛鈎基準支付僱員報酬。本集團除提供退休福利計劃及醫療保險外，亦為其僱員提供在職培訓。僱員按個人貢獻於年底獲取酌情發放之花紅。

本公司設有購股權計劃，藉此向本集團之合資格董事及僱員提供獎勵及報酬，以表彰其對本集團之成功所作出之貢獻。於截至二零一七年十二月三十一日止年度，本公司根據其購股權計劃授出 14,497,030 份購股權（二零一六年：24,632,060 份）。

本公司亦設有一項股份獎勵計劃，以表彰若干僱員及人士對本集團所作之貢獻，並給予獎勵以挽留該等人士為本集團之持續營運及發展效力，亦為本集團之進一步發展吸引合適人才。於截至二零一七年十二月三十一日止年度，本公司根據其股份獎勵計劃授出 1,137,000 股股份（二零一六年：10,067,000 股）。

本集團於二零一七年十二月三十一日之僱員總數為 432 名（二零一六年：430 名）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Liquidity and Financial Resources

At 31 December 2017, the Group recorded total assets of HK\$884,177,000 (2016: HK\$912,467,000) which were financed by liabilities of HK\$496,236,000 (2016: HK\$513,536,000), non-controlling interests of HK\$124,267,000 (2016: HK\$123,528,000) and shareholders' equity of HK\$263,674,000 (2016: HK\$275,403,000). The Group's net asset value per share (excluding non-controlling interests) as at 31 December 2017 amounted to HK\$0.18 (2016: HK\$0.22).

The Group recorded cash and bank balances of HK\$302,057,000 (2016: HK\$299,388,000) and total borrowings of HK\$258,347,000 (excluding facility arrangement fees of HK\$4,788,000) (2016: HK\$318,164,000 (excluding facility arrangement fees of HK\$1,380,000)) as at 31 December 2017. During the year ended 31 December 2017, bank loans amounting to HK\$153,705,000 (2016: HK\$220,921,000) in aggregate were matured and repaid by internal resources. The Group's borrowings, which comprise of bank loans, finance leases and other loan and are denominated in United States dollars ("US\$"), South African Rand ("ZAR") and Euro ("EUR"), will mature in 1 to 4 years (2016: 1 to 4 years) as at 31 December 2017. Except for the borrowings of HK\$59,439,000 (2016: HK\$45,635,000), which are interest bearing at fixed rates, the remaining balances of HK\$198,908,000 (2016: HK\$272,529,000) are interest bearing at floating rates as at 31 December 2017. On the basis of the Group's net borrowings (total borrowings less cash and bank balances) relative to the shareholders' equity and non-controlling interests, the Group's gearing ratio was Nil (2016: 0.07) as at 31 December 2017.

On 13 March 2017, the Company issued 216,000,000 new shares at an issue price of HK\$0.90 each. Net proceeds of HK\$192,456,000 was raised for the working capital for the development and expansion of the Group's existing AL Business. As at 31 December 2017, approximately HK\$134,000,000 has been used for the intended purpose of which approximately HK\$33,100,000 has been used for aircraft operation, approximately HK\$8,300,000 on for license fees, approximately HK\$7,500,000 for office related deposits, approximately HK\$75,100,000 for other operating expenditures such as staff costs, rentals and transportation service fees, and approximately HK\$10,000,000 for loan interest payment. The remaining net proceeds will be used as intended.

財務回顧

流動資金及財務資源

於二零一七年十二月三十一日，本集團錄得資產總值為884,177,000港元(二零一六年：912,467,000港元)，包括負債496,236,000港元(二零一六年：513,536,000港元)、非控股權益124,267,000港元(二零一六年：123,528,000港元)及股東權益263,674,000港元(二零一六年：275,403,000港元)。本集團於二零一七年十二月三十一日扣除非控股權益後之每股資產淨值為0.18港元(二零一六年：0.22港元)。

於二零一七年十二月三十一日，本集團錄得現金及銀行結存302,057,000港元(二零一六年：299,388,000港元)及貸款總額258,347,000港元(不包括融資安排費用4,788,000港元)(二零一六年：318,164,000港元(不包括融資安排費用1,380,000港元))。於截至二零一七年十二月三十一日止年度，合共153,705,000港元(二零一六年：220,921,000港元)之銀行貸款已到期，並已透過內部資源償還。於二零一七年十二月三十一日，本集團之貸款(由銀行貸款、融資租賃及其他貸款組成及以美元(「美元」)、南非蘭特(「南非蘭特」)及歐元(「歐元」)列值)將於一至四年到期(二零一六年：一至四年)。於二零一七年十二月三十一日，除貸款59,439,000港元(二零一六年：45,635,000港元)按固定利率計息外，餘下結存198,908,000港元(二零一六年：272,529,000港元)乃按浮動利率計息。按本集團貸款淨額(貸款總額減現金及銀行結存)比對股東權益及非控股權益，本集團於二零一七年十二月三十一日之負債比率為零(二零一六年：0.07)。

於二零一七年三月十三日，本公司已按每股發行價0.90港元發行216,000,000股新股份。籌集所得款項淨額192,456,000港元，作為本集團現有航空及物流業務發展及擴張之營運資金。於二零一七年十二月三十一日，約134,000,000港元已按擬定用途使用，其中約33,100,000港元已用於飛機營運、約8,300,000港元用作特許費用、約7,500,000港元用作辦公室相關按金、約75,100,000港元用作員工成本、租金及運輸服務費等其他經營開支，而約10,000,000港元用作支付貸款利息。餘下所得款項淨額將用作擬定用途。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

At 31 December 2017, the Company had 351,162,575 outstanding share options (2016: 361,856,173), out of which 146,046,918 share options (2016: 133,949,888) were granted under its share option schemes. If all of the remaining outstanding share options were exercised, a gross proceeds of approximately HK\$358,000,000 (2016: HK\$339,000,000) in aggregate would be raised before deducting any issuance expenses. Subsequent to the financial position date, 50,000,000 share options were exercised at an exercise price at HK\$1.50 each and 52,557,828 share options were lapsed on 9 January 2018 and 10 January 2018 respectively.

Treasury Policies

The Group adopts conservative treasury policies and has tight controls over its cash management. The Group's cash and bank balances are held mainly in Hong Kong dollars ("HK\$"), Renminbi ("RMB"), US\$ and EUR. Other than the bank deposits pledged for the Group's bank borrowings, surplus cash is generally placed in term deposits and investments in light of the Group's funding requirements.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group currently operates mainly in Hong Kong, Africa, Malta and mainland China.

For operations in Hong Kong, most of the transactions are denominated in HK\$ and US\$. The exchange rate of US\$ against HK\$ is relatively stable, and the related currency exchange risk is considered minimal.

For operations in Africa, most of the transactions are denominated in US\$, Kenyan Shillings ("KES") and ZAR. The exchange rates of KES and ZAR against HK\$ have decreased by 0.1% and increased by 11.7% respectively during the year ended 31 December 2017. No financial instrument was used for hedging purposes for the year due to the prohibitive cost of available hedging opportunities. The Group is closely monitoring the currency exchange risk of KES and ZAR and will consider the use of financial instrument for hedging purposes, if necessary.

For operations in Malta, most of the transactions are denominated in EUR and US\$. The exchange rate of EUR against HK\$ has increased by 14.0% during the year ended 31 December 2017. No financial instrument was used for hedging purposes for the year. The Group is closely monitoring the currency exchange risk of EUR and will consider the use of financial instrument for hedging purposes, if necessary.

於二零一七年十二月三十一日，本公司有351,162,575份(二零一六年：361,856,173份)尚未行使之購股權，其中146,046,918份(二零一六年：133,949,888份)購股權為根據其購股權計劃授出之購股權。倘所有餘下尚未行使之購股權獲行使，將可籌得合共約358,000,000港元(二零一六年：339,000,000港元)之所得款項總額(未扣除任何發行開支)。於財務狀況表日後，50,000,000份購股權已按每股1.50港元之行使價於二零一八年一月九日已行使及52,557,828份購股權已於二零一八年一月十日失效。

財務政策

本集團採納穩健財務政策，嚴格控制其現金管理。本集團之現金及銀行結存主要以港元(「港元」)、人民幣(「人民幣」)、美元及歐元持有。除為本集團之銀行貸款抵押之銀行存款外，現金盈餘一般存作定期存款及投資(視乎本集團之資金需求而定)。

匯率波動風險及有關對沖

本集團現時主要於香港、非洲、馬耳他及中國內地經營業務。

就香港之經營業務而言，大部份交易乃以港元及美元列值。美元兌港元之匯率相對穩定，故有關貨幣匯兌風險被視為極低。

就非洲之經營業務而言，大部份交易乃以美元、肯尼亞先令(「肯尼亞先令」)及南非蘭特列值。肯尼亞先令及南非蘭特兌港元之匯率於截至二零一七年十二月三十一日止年度分別下跌0.1%及上升11.7%。由於可用之對沖機會成本過高，故此年內本公司並無使用金融工具以作對沖。本集團密切監察肯尼亞先令及南非蘭特之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

就馬耳他之經營業務而言，大部份交易乃以歐元及美元列值。歐元兌港元之匯率於截至二零一七年十二月三十一日止年度上升14.0%。本公司於本年度並無使用金融工具以作對沖。本集團密切監察歐元之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For operations in mainland China, most of the transactions are denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The exchange rate of RMB against HK\$ has devalued since August 2015. No financial instrument was used for hedging purposes for the period. The Group is closely monitoring the currency exchange risk of RMB and is looking for any opportunities to mitigate the currency exchange risk of RMB.

Material Acquisitions and Disposals of Subsidiaries and Associates

On 28 April 2017, a wholly-owned subsidiary of the Company entered into a conditional investment agreement for the acquisition of 25% equity interest in the International Security and Defense College ("ISDC"), a training school in Beijing principally engaged in the provision of private security training courses, for a consideration of approximately RMB10,000,000 (equivalent to approximately HK\$12,156,000). Subsequently, the wholly-owned subsidiary entered into a loan agreement with ISDC, pursuant to which the wholly-owned subsidiary would provide a loan of RMB5,749,000 (equivalent to approximately HK\$6,877,000). The acquisition of 25% equity interest in ISDC was completed on 7 July 2017.

Save as mentioned above, the Group did not have any other material acquisitions or disposals of subsidiaries and associates during the year ended 31 December 2017.

Charges on Assets

At 31 December 2017, the Group had bank deposits amounting to approximately HK\$231,365,000 (2016: HK\$216,208,000) and certain trade receivables of approximately HK\$11,682,000 (2016: HK\$9,366,000) pledged to banks as security for bank borrowings. In addition, an indirect wholly-owned subsidiary of the Company has also issued a fixed and floating debenture on all the assets of this subsidiary as securities for its banking facilities.

Future Plans for Material Investments or Capital Assets and Capital Expenditure Commitments

As at 31 December 2017, the Group had capital expenditure commitments for investment in associates and purchase of land-use-rights amounting to HK\$7,058,000 (2016: Nil) and HK\$35,889,000 (2016: Nil) respectively. Apart from the aforesaid, the Group did not have any concrete future plans for material investments or capital assets and material capital expenditure commitments as at 31 December 2017.

However, the Group always seeks for new investment opportunities in order to broaden the revenue and profit potential of the Group and enhance shareholders' value in long term.

就中國內地之經營業務而言，大部份交易乃以人民幣列值。人民幣兌換外幣受中國政府頒佈之外匯管制規則及規例規限。人民幣兌港元之匯率自二零一五年八月起開始貶值。本公司於本期間並無使用金融工具以作對沖。本集團密切監察人民幣之匯兌風險，並正尋求任何可減低人民幣匯兌風險之機會。

重大收購及出售附屬公司及聯營公司

於二零一七年四月二十八日，本集團之一家全資附屬公司訂立有條件投資協議，以收購國際安全防衛學院（「國際安全防衛學院」，一所位於北京主要從事提供私人安全培訓課程之訓練學院）之25%股本權益，代價約為人民幣10,000,000元（相等於約12,156,000港元）。隨後，該全資附屬公司與國際安全防衛學院訂立貸款協議，據此該全資附屬公司將提供一筆人民幣5,749,000元（相等於約6,877,000港元）貸款。收購國際安全防衛學院之25%股本權益已於二零一七年七月七日完成。

除上文所述者外，截至二零一七年十二月三十一日止年度，本集團並無進行任何其他重大之附屬公司及聯營公司收購或出售事項。

資產抵押

本集團於二零一七年十二月三十一日有銀行存款約231,365,000港元（二零一六年：216,208,000港元）及若干貿易應收款項約11,682,000港元（二零一六年：9,366,000港元）已抵押予銀行，作為銀行貸款之保證金。此外，本公司之一家間接全資附屬公司亦利用其所有資產發行固定及浮動債權證，作為其銀行融資之保證金。

有關重大投資或資本資產及資本開支之未來計劃

於二零一七年十二月三十一日，本集團擁有投資於聯營公司及購買土地使用權之資本開支承擔分別為7,058,000港元（二零一六年：無）及35,889,000港元（二零一六年：無）。除上述者外，於二零一七年十二月三十一日，本集團並無任何有關重大投資或資本資產及重大資本開支之具體未來計劃。

然而，本集團一直尋求新投資機會，以擴大本集團收益及溢利潛力，及長遠而言提高股東價值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Contingent Liabilities

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

At 31 December 2017, an indirect wholly-owned subsidiary of the Company has issued a fixed and floating debenture on all the assets of this subsidiaries as securities for its banking facilities of US\$3,000,000 (equivalent to approximately HK\$23,454,000) (2016: US\$3,000,000 (equivalent to approximately HK\$23,268,000)) provided by a bank to a customer as a guarantee against the subsidiary's potential failure to meet obligations to complete the services. At 31 December 2017, the bank has issued guarantees of US\$1,322,000 (equivalent to approximately HK\$10,335,000) (2016: US\$1,420,000 (equivalent to approximately HK\$11,014,000)) under this arrangement.

Events After The Financial Position Date

Exercise of Share Options

On 9 January 2018, Mr. Erik D. Prince, the chairman of the Company, exercised his right to subscribe 50,000,000 share options, out of his total share options of 102,557,828 at an exercise price of HK\$1.50 per share which were granted to him on 10 January 2014 under the share option scheme adopted by the Company on 28 March 2012. The total proceeds of approximately HK\$75,000,000 resulted from the exercise of share options were received by the Company. The remaining unexercised share options of 52,557,828 at an exercise price of HK\$1.50 were subsequently expired and lapsed on 10 January 2018.

或然負債

本集團在日常業務過程中不時涉及各類申索、訴訟、調查及法律程序。儘管本集團並不預期任何該等法律程序的結果(個別或整體)將會對其財務狀況或經營業績造成重大不利影響，惟訴訟結果難以預料。因此，本集團或會面對索賠裁決或達成和解協議而可能對其於特定期間的經營業績或現金流量造成不利影響。

於二零一七年十二月三十一日，本公司之一間間接全資附屬公司利用其所有資產發行固定及浮動債權證，作為其獲得3,000,000美元(相等於約23,454,000港元)(二零一六年：3,000,000美元(相等於約23,268,000港元))之銀行融資之擔保，該擔保乃由一間銀行向一名客戶提供，作為該間附屬公司可能未能履行責任完成服務之擔保。於二零一七年十二月三十一日，該間銀行根據該項安排發出的擔保為1,322,000美元(相等於約10,335,000港元)(二零一六年：1,420,000美元(相等於約11,014,000港元))。

財務狀況表日期後事件

行使購股權

於二零一八年一月九日，本公司主席Erik D. Prince先生自根據本公司於二零一二年三月二十八日採納之購股權計劃於二零一四年一月十日向其授出之合共102,557,828份購股權中，以每股股份1.50港元之行使價行使其認購50,000,000份購股權之認購權利。行使購股權產生之所得款項總額約75,000,000港元已由本公司收取。按行使價為1.50港元之餘下尚未獲行使的52,557,828份購股權隨後於二零一八年一月十日屆滿及失效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Subscription of Shares

On 2 March 2018, the Company entered into three separate subscription agreements with three subscribers, namely Easy Flow Investment Limited ("Easy Flow"), Taiping Trustees Limited and Trinity Gate Limited (together as the "Subscribers"), pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers has conditionally agreed to subscribe for up to a total of 640,000,000 subscription shares at the subscription price of HK\$1.30 each, amounting to total gross proceeds of no more than approximately HK\$832 million. As Easy Flow is a substantial shareholder of the Company and a connected person of the Company. The subscription of shares by Easy Flow constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Please refer to the announcement of the Company dated 2 March 2018 for more information.

Except as disclosed above and elsewhere in the financial statements, the Group did not have any other material events occurred subsequent to the financial position date.

認購股份

於二零一八年三月二日，本公司與三名認購人（即盈動投資有限公司（「盈動」）、太平信託有限公司及 Trinity Gate Limited（統稱「該等認購人」））訂立三份獨立之該等認購協議，據此，本公司已有條件同意向該等認購人配發及發行，而該等認購人已有條件同意認購最多合共 640,000,000 股認購股份，認購價為每股 1.30 港元，所得款項總額不超過約 832,000,000 港元。由於盈動為本公司之主要股東及本公司之關連人士，盈動進行之認購股份構成上市規則項下本公司之關連交易，並須遵守上市規則第 14A 章項下之申報、公告及獨立股東批准規定。進一步詳情請參閱日期為二零一八年三月二日之公告。

除上文及於財務報表其他地方所披露者外，本集團於財務狀況表日期後並無發生任何其他重大事件。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTRODUCTION

Frontier Services Group Limited (the “Company”, together with its subsidiaries as the “Group”) is firmly committed to the overall standards of corporate governance and has always recognised the importance of accountability, transparency and protection of shareholders’ interest in general. The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own corporate governance policy, subject to amendments from time to time.

COMPLIANCE WITH THE CG CODE

Throughout the year ended 31 December 2017, the Board of Directors (the “Board”) of the Company has reviewed the Group’s corporate governance practices and is satisfied that the Company has complied with the code provisions of the CG Code from time to time.

BOARD OF DIRECTORS

At the date of this annual report, the Board of the Company comprises 8 directors, including 5 executive directors (Mr. Erik D. Prince (Chairman), Mr. Ko Chun Shun, Johnson (Deputy Chairman), Mr. Luo Ning (Deputy Chairman), Dr. Hua Dongyi (Chief Executive Officer) and Mr. Hu Qinggang) and 3 independent non-executive directors (Mr. Yap Fat Suan, Henry, Professor Lee Hau Leung and Dr. Harold O. Demuren).

The roles of the Chairman and the Chief Executive Officer are separate and are exercised by different individuals. One of the independent non-executive directors is a professional accountant, which is in compliance with the requirement of the Listing Rules. There are also 3 board committees under the Board, which are the Audit Committee, the Nomination Committee and the Remuneration Committee.

The key responsibilities of the Board include, among other things, formulating the Group’s overall strategies, setting management targets, regulating and reviewing internal controls, formulating the Company’s corporate governance policy, supervising management’s performance while the day-to-day operations and management of the Group are delegated by the Board to management, and ensuring adequacy of resources, qualifications, experience and training programs and budget of the financial staff.

簡介

先豐服務集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)堅決致力履行企業管治之整體標準，並一直認定問責性、透明度及保障股東整體利益之重要性。本公司已採納香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治守則及企業管治報告(「企業管治守則」)之守則條文，作為其自身之企業管治政策，惟不時作出修訂。

遵守企業管治守則

於截至二零一七年十二月三十一日止年度之整個年度內，本公司董事會(「董事會」)已檢討本集團之企業管治常規，並認為本公司已不時遵守企業管治守則之守則條文。

董事會

於本年報日期，本公司董事會由八名董事組成，包括五名執行董事(Erik D. Prince先生(主席)、高振順先生(副主席)、羅寧先生(副主席)、華東一博士(行政總裁)及胡慶剛先生)及三名獨立非執行董事(葉發旋先生、李效良教授及Harold O. Demuren博士)。

主席與行政總裁之職責分離，並由不同人士擔任。根據上市規則之規定，其中一位獨立非執行董事為專業會計師。董事會轄下亦設有三個董事會委員會，即審核委員會、提名委員會及薪酬委員會。

董事會之主要職責包括(其中包括)制定本集團之整體策略、設定管理目標、監管及檢討內部控制、制定本公司之企業管治政策、監督管理人員之表現並確保財務人員獲得充足資源、符合資格、擁有足夠經驗及得到足夠培訓及預算，而本集團之日常營運及管理則由董事會轉授予管理人員。

CORPORATE GOVERNANCE REPORT

企業管治報告

In accordance with the Company's Bye-laws, at each annual general meeting of the Company one-third of the directors for the time being or, if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years.

Each of the independent non-executive directors is appointed for a specific term of not more than 3 years and is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Bye-laws and the Listing Rules. To determine the non-executive directors' independence, assessments are carried out upon appointment, annually and at any other time where the circumstances warrant reconsideration by the Nomination Committee. The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board determined that all the independent non-executive directors meet the requirements for independence as set out in Rule 3.13 of the Listing Rules. Mr. Luo Ning is an employee of CITIC Group Corporation, a substantial shareholder of the Company. There is no material relationship between each of the Board members.

Every newly appointed director will be given an induction so as to ensure that he/she has appropriate understanding of the Group's business and of his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements. The directors may request the Company to provide independent professional advice at the Company's expense to discharge his/her duties to the Company. Directors' training is an ongoing process. During the year, the Company had provided to the directors regular updates and presentations on changes and developments to the Group's business and to the legislative regulatory environments in which the Group operates. All directors are also encouraged to attend relevant training courses at the Company's expense. All directors are required to provide the Company with their record of training they received during the year ended 31 December 2017.

During the year ended 31 December 2017, the Board has reviewed and monitored the training and continuous professional development of directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory requirements, the code of conducts, the CG Code and the disclosure in the Corporate Governance Report.

The directors acknowledge their responsibility for preparing the financial statements and ensuring that the financial statements are prepared as to give a true and fair view and on a going concern basis in accordance with the statutory requirements and applicable financial reporting standards.

根據本公司章程細則，在每年之本公司股東週年大會上，當時三分之一（如董事之數目並非三之倍數，則最接近但不少於三分之一）之董事須輪席退任，惟每名董事均應至少每三年輪席退任一次。

各獨立非執行董事按不超過三年之指定任期獲委任，並須根據本公司之章程細則及上市規則在本公司之股東週年大會上輪席退任及重選。為確定非執行董事之獨立性，本公司於委任後、每年及於提名委員會須重新考慮情況下之任何其他時間進行評估。本公司已接獲各獨立非執行董事根據上市規則第3.13條就獨立性作出之年度確認書。董事會釐定全體獨立非執行董事均符合上市規則第3.13條所載之獨立性規定。羅寧先生為本公司之主要股東中國中信集團有限公司之僱員。各董事會成員之間概無重大關係。

每名新任董事將獲安排簡介，以確保其能根據上市規則以及相關法定及監管規定適當掌握本集團之業務及其職責及責任。董事可要求本公司提供獨立專業建議以履行其於本公司之職責，費用概由本公司承擔。本公司持續開展董事培訓。年內，本公司已定期向董事提供本集團業務變動與發展及本集團營運所處之法例監管環境之最新情況及介紹。本公司亦鼓勵全體董事參加相關培訓課程，費用概由本公司承擔。全體董事均須向本公司提供彼等於截至二零一七年十二月三十一日止年度所獲培訓之記錄。

截至二零一七年十二月三十一日止年度，董事會已檢討及監督董事及高級管理人員之培訓及持續專業發展。董事會亦已檢討及確保履行相關法例及監管規定、操守守則、企業管治守則及企業管治報告披露。

董事確認彼等負責編製財務報表，並確保財務報表乃根據法定規定及適用財務報告準則按持續營運基準編製，以作出真實而公平的反映。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

The Audit Committee currently comprises 3 independent non-executive directors, namely Mr. Yap Fat Suan, Henry (Chairman), Professor Lee Hau Leung and Dr. Harold O. Demuren.

Under its terms of reference, the Audit Committee is required, among other things, to oversee the relationship with the independent auditor, to review the Group's interim and annual consolidated financial statements, to monitor compliance with statutory and listing requirements, to ensure adequacy of resources, qualifications, experience and training programs and budget of the financial staff, and to engage independent legal or other advisers if necessary to perform investigations. The Audit Committee also takes up the role as a risk management committee of the Company and is responsible for facilitating the risk assessment process and timely communication with the Board where appropriate, and ensuring key business and operational risks are properly identified and managed.

During the year ended 31 December 2017, the Audit Committee, among other matters, reviewed reports from the independent auditor regarding the audit on annual consolidated financial statements and the review on nonexempt continuing connected transactions, discussed the risk management and internal control of the Group, and met with the independent auditor. The Audit Committee, acting as a risk management committee of the Company, reviewed the scope, extent and effectiveness of the Group's risk management and internal control systems. Further information is disclosed in the section titled "RISK MANAGEMENT AND INTERNAL CONTROL" below.

Nomination Committee

The Nomination Committee currently comprises 5 directors, namely Mr. Erik D. Prince (Chairman), Mr. Ko Chun Shun, Johnson, Mr. Yap Fat Suan, Henry, Professor Lee Hau Leung and Dr. Harold O. Demuren.

The terms of reference of the Nomination Committee have been determined with reference to the CG Code. Under its terms of reference, the Nomination Committee is responsible for identifying potential directors and making recommendations to the Board on the appointment or re-appointment of directors of the Company. Potential new directors are selected on the basis of their qualifications, skills and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board.

審核委員會

審核委員會目前包括三位獨立非執行董事，即葉發旋先生(主席)、李效良教授及Harold O. Demuren博士。

根據審核委員會之職權範圍，審核委員會須(其中包括)監察與獨立核數師之關係、審閱本集團之中期及年度綜合財務報表、監察法定與上市規定之遵守情況、確保財務人員獲得充足資源、符合資格、擁有足夠經驗及得到足夠培訓及預算，以及在有需要時委聘獨立之法律或其他顧問以進行調查。審核委員會亦承擔本公司風險管理委員會的職責，負責促進風險評估程序及與董事會的及時溝通(如適當)，確保正確識別及管理主要業務及營運風險。

截至二零一七年十二月三十一日止年度，審核委員會(其中包括)已審閱獨立核數師有關審核年度綜合財務報表以及審閱非豁免持續關連交易作出之報告，已討論本集團之風險管理及內部監控，並與獨立核數師會面。審核委員會(作為本公司風險管理委員會)已檢討本集團風險管理及內部監控系統之範疇、規限與效益。進一步資料於下文「風險管理及內部監控」一節披露。

提名委員會

提名委員會目前由五位董事組成，即Erik D. Prince先生(主席)、高振順先生、葉發旋先生、李效良教授及Harold O. Demuren博士。

提名委員會之職權範圍乃參考企業管治守則釐定。根據其職權範圍，提名委員會負責物色潛在董事及就本公司董事之任命或連任向董事會作出建議。潛在新董事乃基於提名委員會認為將為董事會工作帶來裨益之資歷、技能及經驗篩選。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee is also responsible for the review of the Board's diversity policy, considering factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service of board members, and review the measurable objectives that the Board has set for implementing the Board's diversity policy, and monitor the progress on achieving the measurable objectives.

Remuneration Committee

The Remuneration Committee currently comprises 5 directors, namely Professor Lee Hau Leung (Chairman), Mr. Erik D. Prince, Mr. Ko Chun Shun, Johnson, Mr. Yap Fat Suan, Henry and Dr. Harold O. Demuren.

The terms of reference of the Remuneration Committee have been determined with reference to the CG Code. Under the terms of reference of the Remuneration Committee, the responsibilities of the Remuneration Committee include, inter alia, assisting the Company in the administration of a formal and transparent procedure for developing remuneration policies, making recommendations to the Board on the remuneration packages of individual executive directors and senior management, and ensuring that no director or any of his/her associates is involved in deciding his/her own remuneration.

During the year ended 31 December 2017, the work performed by the Remuneration Committee includes, inter alia, the review of the Group's remuneration policy for its executive directors and senior management and their levels of remuneration.

BOARD DIVERSITY POLICY

In 2013, the Board adopted a board diversity policy (the "Policy") setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All board appointments are based on merit and contribution, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee reviews the Policy on a regular basis and discusses any revisions that may be required, and recommends any such revisions to the Board for consideration and approval.

提名委員會亦負責檢討董事會成員多元化政策，所考慮的因素包括但不限於董事會成員之性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，以及檢討董事會已就實施董事會成員多元化政策而制定之可計量目標，並監察該等可計量目標之達標程度。

薪酬委員會

薪酬委員會目前包括五名董事，即李效良教授（主席）、Erik D. Prince先生、高振順先生、葉發旋先生及Harold O. Demuren博士。

薪酬委員會之職權範圍乃參考企業管治守則釐定。根據薪酬委員會之職權範圍，薪酬委員會之責任包括（其中包括）協助本公司管理制定薪酬政策之正式及透明程序，就各執行董事及高級管理人員之薪酬待遇向董事會作出建議，並確保並無董事或其任何聯繫人參與釐定其自身薪酬。

截至二零一七年十二月三十一日止年度，薪酬委員會所履行之工作包括（其中包括）檢討本集團對其執行董事及高級管理人員之薪酬政策以及彼等之薪酬水平。

董事會多元化政策

於二零一三年，董事會已採納一套董事會多元化政策（「政策」），該政策載列達致董事會多元化之方針。本公司考慮董事會成員多元化時，會考慮多個範疇，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期，以達致董事會成員多元化。所有董事會委任根據功績及貢獻，且按客觀條件考慮候選人，並審慎考慮董事會多元化之裨益。提名委員會定期檢討政策，討論是否需作任何修訂，並向董事會建議任何該等修訂，以供董事會考慮及批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

ATTENDANCE RECORDS AT MEETINGS

The attendance records of each director at the various meetings of the Company during the year ended 31 December 2017 are set out as below:

會議出席記錄

截至二零一七年十二月三十一日止年度，各董事出席本公司各次會議之記錄載列如下：

		Attended/Eligible to Attend 已出席/合資格出席				
		Annual general meeting 股東 週年大會	Board meetings 董事會 會議	Audit committee meetings 審核委員會 會議	Nomination committee meeting 提名委員會 會議	Remuneration committee meetings 薪酬委員會 會議
Number of meetings	會議次數	1	8	2	1	4
Executive Directors	執行董事					
Mr. Erik D. Prince	Erik D. Prince 先生	1/1	7/8	N/A 不適用	1/1	4/4
Mr. Ko Chun Shun, Johnson	高振順先生	1/1	8/8	N/A 不適用	1/1	4/4
Mr. Luo Ning	羅寧先生	1/1	6/8	N/A 不適用	N/A 不適用	N/A 不適用
Dr. Hua Dongyi	華東一博士	1/1	6/8	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Hu Qinggang	胡慶剛先生	1/1	5/8	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-Executive Directors	獨立非執行董事					
Mr. Yap Fat Suan, Henry	葉發旋先生	1/1	5/8	2/2	1/1	4/4
Professor Lee Hau Leung	李效良教授	1/1	5/8	2/2	1/1	4/4
Dr. Harold O. Demuren	Harold O. Demuren 博士	1/1	5/8	2/2	1/1	4/4

DIRECTORS' 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 to the Listing Rules to regulate the directors' securities transactions. Having made specific enquiry by the Company, all directors have confirmed that they have complied with the required standard set out in the Model Code regarding directors' securities transactions throughout the year ended 31 December 2017.

董事之證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」），以監管董事之證券交易。經本公司作出特定查詢後，所有董事均確認彼等於截至二零一七年十二月三十一日止年度全年遵守有關董事之證券交易之標準守則所載之規定準則。

CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2017, all current directors have participated in continuous professional development as shown below:

Executive Directors

Mr. Erik D. Prince

Reading relevant materials in relation to listing rules update and corporate governance

Mr. Ko Chun Shun, Johnson

Reading relevant materials in relation to listing rules update and corporate governance

Mr. Luo Ning

Reading relevant materials in relation to listing rules update and corporate governance

Dr. Hua Dongyi

Reading relevant materials in relation to listing rules update and corporate governance

Mr. Hu Qinggang

Reading relevant materials in relation to listing rules update and corporate governance

Independent Non-Executive Directors

Mr. Yap Fat Suan, Henry

Reading relevant materials in relation to listing rules update and corporate governance

Professor Lee Hau Leung

Reading relevant materials in relation to listing rules update and corporate governance

Dr. Harold O. Demuren

Reading relevant materials in relation to listing rules update and corporate governance

持續專業發展

根據企業管治守則之守則條文第A.6.5條，全體董事均須參加持續專業發展，以發展及更新彼等之知識及技能，確保彼等向董事會作出知情及相關的貢獻。截至二零一七年十二月三十一日止年度，全體參加持續專業發展之現任董事如下：

執行董事

Erik D. Prince 先生

閱讀有關上市規則更新及企業管治之相關資料

高振順先生

閱讀有關上市規則更新及企業管治之相關資料

羅寧先生

閱讀有關上市規則更新及企業管治之相關資料

華東一博士

閱讀有關上市規則更新及企業管治之相關資料

胡慶剛先生

閱讀有關上市規則更新及企業管治之相關資料

獨立非執行董事

葉發旋先生

閱讀有關上市規則更新及企業管治之相關資料

李效良教授

閱讀有關上市規則更新及企業管治之相關資料

Harold O. Demuren 博士

閱讀有關上市規則更新及企業管治之相關資料

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

The Company engaged PricewaterhouseCoopers Hong Kong as its statutory auditor for the year ended 31 December 2017. The statement by the independent auditor of the Company and the Group regarding their reporting responsibilities on the financial statements of the Company and the Group is set out in the Independent Auditor's Report on pages 55 to 63 of this Annual Report.

The remuneration in respect of services provided by PricewaterhouseCoopers Hong Kong to the Group in 2017 is summarised as follows:

		HK\$'000 千港元
Auditing services	審核服務	2,945
Non-auditing services	非審核服務	
Fee for review of interim report	審閱中期報告費用	181
Fee for corporate governance reporting, and environmental, social and governance reporting	企業管治報告以及環境、社會及管治報告費用	320
		3,446

COMPANY SECRETARY

The Company does not engage an external service provider as its Company Secretary. Mr. Chan Kam Kwan, Jason, being the Company Secretary of the Company, has taken no less than 15 hours of relevant professional training during the year ended 31 December 2017.

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibilities

The Board has the overall responsibility for setting forth proper risk management culture and risk appetite for the Group, evaluating and determining the level of risk that the Group should take and monitor regularly, and demonstrating openness, integrity and accountability to stakeholders in the decision-making process. The Board, through the Audit Committee, has also devoted to maintain sound and effective risk management and internal control systems in order to safeguard the assets, to achieve business objectives and to ensure compliance with relevant legislation and regulations. The Group's management continues to allocate resources for the design, implementation and monitoring of the risk management and internal control systems. The Group established the risk management and internal control systems with aims to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

核數師酬金

截至二零一七年十二月三十一日止年度，本公司委聘香港羅兵咸永道會計師事務所為其法定核數師。本公司及本集團之獨立核數師就彼等對本公司及本集團財務報表之申報責任聲明載於本年報第55頁至63頁之獨立核數師報告。

於二零一七年，有關香港羅兵咸永道會計師事務所向本集團提供服務之酬金概述如下：

公司秘書

本公司並無外聘服務供應商擔任公司秘書。於截至二零一七年十二月三十一日止年度，本公司之公司秘書陳錦坤先生已接受不少於15個小時之相關專業培訓。

風險管理及內部監控

責任

董事會須整體負責為本集團設立適當的風險管理文化及風險偏好，評估及釐定本集團承擔的風險水平並進行定期監控，以及向利益相關者展示公開、誠信及負責的決策過程。董事會亦致力透過審核委員會維持健全有效之風險管理及內部監控系統，以保護資產、實現業務目標及確保遵守有關法例及法規。本集團管理層持續分配資源，以設計、執行及監察風險管理及內部監控系統。本集團已建立風險管理及內部監控系統，旨在管理而非消除未能達成業務目標之風險，並僅可就決策過程中作出之判斷、人為錯誤、欺詐或其他違規行為導致之重大錯誤陳述或損失提供合理但非絕對保證。

Control Framework

Risk Management Policy has been established to set forth the risk management framework and to maintain a consistent basis for the identification, analysis, evaluation, treatment, monitoring and reporting of risks at all levels across the Group to support the achievement of the Group's overall strategic objectives.

The Group has adopted the Enterprise Risk Management framework, which is published by the Committee of Sponsoring Organisations of the Treadway Commission (the "COSO") and involves identifying risks and opportunities that are relevant to the Group's objectives and organisational structure, evaluating those using appropriate qualitative and quantitative techniques, and formulating risk management plans that are consistent with the Group's risk appetite. The Group has chosen both "top-down and bottom-up" approaches in relation to risk management and internal control. It involves collating and appraising bottom-up input from the heads of all corporate departments, and senior management of business units of the Group, with refinements and adjustments through top-down input from the Board in an iterative manner.

With reference to the Internal Audit Manual of the Group, the Group's internal audit function has been established to provide risk-based and objective assurance, advice and insight to the Board through the Audit Committee. It also helps the Group accomplish its strategic objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes of the Group. To ensure that key risks are addressed, expectations are managed and results are properly communicated, the internal audit function maintains on-going communication with the Board, the Audit Committee, senior management, other assurance providers and employees during audit assignment planning, execution and wrap-up.

2017 Review

During the year, the Audit Committee and the Board have conducted an ongoing review and monitoring of the effectiveness of the risk management, reviewed and discussed the internal control review report submitted. A comprehensive risk assessment exercise was conducted to identify and prioritise the key risks perceived and faced by the Group. Certain key risks summarised in the form of a risk register were identified and categorised into strategic business, financial, operational and compliance aspects in a risk heat map in terms of impact and likelihood of occurrence. The Group performed internal control related activities according to the Internal Audit Plan of 2017. The internal audit function assessed the major changes in the organisational structure that occurred during the previous audit cycle and the changes that were planned for the coming audit cycle. Revisiting and updating the internal audit plan was considered for any major organisational changes.

監控框架

本集團已制定風險管理政策，以載列風險管理框架及維持識別、分析、評估、處理、監控及匯報本集團所有水平風險之一致基準，以協助本集團實現整體戰略目標。

本集團已採納由Committee of Sponsoring Organisations of the Treadway Commission (「COSO」)刊發的企業風險管理框架，以此識別與本集團目標及組織架構有關的風險及機遇、評估適當定量及定性技術的使用以及編製與本集團風險偏好一致的風險管理計劃。本集團已選定「自上而下及自下而上」的雙向風險管理及內部監控方法。該方法涉及收集及評價所有公司部門主管及本集團業務單位高級管理層的自下而上輸入數據，經董事會的自上而下輸入數據反復完善及調整。

本集團已根據其內部審計手冊建立內部審計職能，負責透過審核委員會向董事會提供風險及客觀保證、意見及觀點。其亦引入系統化及嚴格的方法，評估及提升本集團風險管理、內部監控及管治程序的有效性，協助本集團達成其戰略目標。為確保應對主要風險、管理預期及妥善了解結果，內部審計職能於規劃、執行及總結審核任務時，與董事會、審核委員會、高級管理層、其他核證機構及僱員維持持續溝通。

二零一七年審閱

年內，審核委員會及董事會已持續檢討及監察風險管理之有效性，並審閱及討論所呈交之內部監控檢討報告。本集團已進行全面風險評估，以識別本集團潛在和面臨的主要風險及區分主次。於按風險影響及發生可能性編製的風險坐標圖內，風險登記表所概述的若干主要風險已識別並分類為策略業務、財務、營運及合規方面之風險。本集團已根據二零一七年之內部審計計劃進行有關內部監控之活動。內部審計職能評估上一審計週期內發生的組織架構主要變動及為下一審計週期所計劃的變動，並就任何主要組織變動修訂及更新內部審計計劃。

CORPORATE GOVERNANCE REPORT

企業管治報告

Based on the reviews, the Board considered that (i) the Group's risk management and internal control systems were effective and adequate with reference to the COSO; and (ii) the Group had complied satisfactorily with the requirements of the CG Code in respect of risk management and internal control systems.

Subsequent to the yearend, the Company has put in place internal control measures to regularly monitor, manage, control and/or mitigate any possible sanction risks in the countries wherein the Group has or will have operations. The internal control measures, including but not limited to, the followings:—

- To assess and evaluate sanction risks, with consultation with external legal counsel, before the Group carries out new business in any sanctioned countries;
- To perform regular review and assess sanction risks with consultation with external legal counsel on the countries where the Group has business operations and which may be subject to sanctions imposed by other countries;
- To engage external legal counsel to provide regular training programs and information update in relation to trade or economic sanctions to senior management of the Group; and
- If any, to disclose the status of the Group's business in the sanction countries and its business intention relating to the sanction countries in the interim and annual reports, and to issue an announcement as soon as practicable to inform its shareholders if it believes in sanction countries will put them at risk.

Furthermore, the Group has established a sanctions risk management committee (comprising the chairman of the Board and all three independent non-executive directors and chaired by the Chief Executive Office of the Company) to take charge of such measures.

During the year, Cheetah Logistics SARL ("Cheetah"), a company provides transport logistics services, continues to conduct its business in the DRC, which is a country subject to certain sanctions imposed by the governments of the US, EU, UN and Australia (the "Authorities"). The Company has consulted and received confirmation from a legal adviser that Cheetah's operation in the DRC does not fall within the scope of sanctioned activities imposed by the Authorities therefore it is not subject to any sanctions risk.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board recognises the importance of effective communication with the shareholders and investors. The Company communicates with the shareholders and investors through various channels including investors' conferences, TV interviews, press releases, and publication of interim and annual reports, announcements, circulars and other corporate communications and publications available on the websites of The Stock Exchange of Hong Kong Limited and the Company.

根據上述審閱，董事會認為(i)本集團參照COSO的風險管理及內部監控系統有效且充分；及(ii)本公司已妥為遵守企業管治守則有關風險管理及內部監控系統之規定。

年結日後，本公司已實施內部控制措施，以定期監察、管理、控制及／或減低本集團經營或將會經營業務之國家之任何潛在制裁風險。內部控制措施包括不但不限於以下各項：

- 評估及評核制裁風險，並在任何遭制裁國家進行任何新業務前，向外部法律顧問諮詢意見；
- 透過向外部法律顧問諮詢意見，定期審閱及評估本集團經營業務之國家及可能面臨其他國家施加制裁之國家之制裁風險；
- 委聘外部法律顧問向本集團高級管理層提供有關貿易或經濟制裁之定期培訓課程及最新資料；及
- 於中期報告及年報披露本集團在遭制裁國家之業務狀況及其有關制裁國家之業務計劃(如有)，並如果本集團認為在制裁國家進行業務令其承擔風險，在可行情況下盡快向其股東發出公佈。

此外，本集團已成立制裁風險管理委員會(由董事會主席及全體三名獨立非執行董事組成，並由本公司行政總裁擔任主席)，以負責該等措施。

年內，一家提供運輸物流服務之公司Cheetah Logistics SARL(「Cheetah」)繼續於剛果民主共和國進行業務，該國家遭美國、歐盟、聯合國及澳洲等地政府(「該等有關係當局」)施加若干制裁。本公司已向法律顧問諮詢意見及獲其確認，Cheetah於剛果民主共和國進行之業務並不屬於該等有關係當局施加制裁之活動範圍內，因此其不會面臨任何制裁風險。

投資者關係及股東權利

董事會深知與股東及投資者進行有效溝通之重要性。本公司透過多種渠道與股東及投資者進行溝通，包括投資者會議、電視採訪、新聞稿及於香港聯合交易所有限公司及本公司之網站刊發的中期報告及年報、公告、通函以及其他企業通訊及刊物。

CORPORATE GOVERNANCE REPORT

企業管治報告

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual directors.

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual directors.

The Board always ensures that shareholders' and investors' views are heard and understood, and welcomes their questions and concerns relating to the Group's management and governance. The Company's website provides email address and telephone number to enable the shareholders to make any enquiries and concerns to the Board. Shareholders may also at any time send their enquiries and concerns to the Board by addressing to the Chief Executive Officer by post or by email. The contact details are set out in the Corporate Information section of this Annual Report.

Subject to Section 74 of the Companies Act 1981 of Bermuda (the "Act") and Bye-law 58 of the Bye-laws of the Company, shareholders holding in aggregate not less than 10% of the paid-up capital of the Company have the right, by written requisition to the Board or the Company Secretary of the Company, to request a special general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within three months after the deposit of such requisition. Any number of shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the requirements and procedures as set out in Section 79 of the Act for putting forward such proposal at a general meeting.

There were no changes in the Company's constitutional documents during the year ended 31 December 2017.

本公司之股東大會提供董事會與股東直接溝通之機會。本公司鼓勵股東透過出席股東週年大會及其他股東大會，在會上與董事會會面及交流意見，並於會上行使其投票權，藉此參與公司事務。本公司將安排向股東寄發載有提呈決議案詳情之大會通告及通函。於股東大會上將就各項重大事項(包括選舉個別董事)獨立提呈決議案。

本公司之股東大會為董事會及股東提供直接溝通機會。本公司鼓勵股東透過出席股東週年大會及其他股東大會，在大會上與董事會會面與交流意見，及行使彼等於大會之投票權，藉此參與公司事務。本公司將安排載有提呈決議案詳情之大會通告及通函寄送予股東。於股東大會上，將就各項重大事項(包括選舉個別董事)獨立提呈決議案。

董事會始終保證會聆聽及瞭解股東及投資者之意見，並歡迎彼等就本集團之管理及管治提出問題及關注事項。本公司之網站提供電子郵件地址及聯絡電話，以便股東向董事會提出任何查詢及關注事項。股東亦可透過向行政總裁寄件或發送電子郵件隨時向董事會發送彼等之查詢及關注事項。聯絡詳情載於本年報公司資料一節。

根據百慕達一九八一年公司法(「公司法」)第74條及本公司章程細則之章程細則第58條，合共持有不少於10%本公司已繳足股本之股東有權透過向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何業務交易，而有關會議須於遞交有關要求後之三個月內舉行。於提出要求之日期佔不少於本公司總投票權5%之任何股東人數或不少於100名之本公司股東，有權於本公司股東大會上提出建議以供考慮。股東於股東大會上提出之有關建議須根據公司法第79條所載列之規定及程序作出。

於截至二零一七年十二月三十一日止年度，本公司之章程文件並無任何變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THE REPORT

This is the second Environmental, Social and Governance (“ESG”) report of Frontier Services Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”). The report summarises the performance for the year ended 31 December 2017.

This report covers the key operations of the Group in two differentiated services, including distribution and warehousing, and aviation. The report is compiled in accordance with the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Group believes that creating long-term value for stakeholders is important to sustain its business success. As a company with services spanning across several continents, the Group strives to engage and gain trust and support from its various stakeholders. These include customers, employees, suppliers, investors and the wider community as a whole. The Group engages its stakeholders on a regular basis, through various channels, such as conferences, interviews and surveys. Stakeholders’ inputs on what ESG issues matter the most are collected and prioritised. The following sections of the report cover environmental protection, employment and labour practices, operating practices and community investment.

ENVIRONMENTAL PROTECTION

The Group is committed to operating in a sustainable manner through mitigating emissions, improving energy efficiency and reducing its impacts on the environment.

The Group recognises that pollution prevention and resource conservation are keys to a sustainable environment, and effectively integrates these concepts into its business decision making.

Enhancing fuel efficiency is a key focus of the Group’s environmental protection efforts and technology play a key part in driving the Group’s sustainable development. For example, at the Group’s ground logistics business, drag-reducing devices are installed on trucks to improve fuel efficiency and reduce greenhouse gas (GHG) emissions. These devices are expected to lower fuel usage by 5%.

Responsible waste management practices are adopted in the Group’s processes. For example, within the Group’s aviation business, used oil from aircraft servicing and maintenance is siphoned into drums for storage and recycling by qualified vendors. The Group encourages proper waste segregation and storage in designated receptacles on its premises to facilitate material recovery and biological treatment.

關於本報告

本報告是先豐服務集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之第二份環境、社會及管治(「環境、社會及管治」)報告。本報告概述截至二零一七年十二月三十一日止年度的表現。

本報告涵蓋本集團於分配送運及倉儲和航空兩項不同服務的主要營運。本報告乃根據香港聯合交易所有限公司證券上市規則附錄二十七「環境、社會及管治報告指引」所編製。

本集團相信為利益相關者締造長期價值對維持其業務成功尤其重要。作為一家服務遍布各個大洲的企業而言，本集團致力與廣大利益相關者溝通並獲得彼等之信任及支持。該等利益相關者包括客戶、僱員、供應商、投資者及整個廣大社會。透過會議、面談及調查等多個渠道，本集團定期與其利益相關者交流，並已收集及優先處理利益相關者對至關重要的環境、社會及管治事宜的意見。本報告以下各節涵蓋環境保護、僱傭及勞工常規、營運常規及社區投資。

環境保護

本集團致力透過減排、提高能源效益及減少環境影響，實現持續經營。

本集團深明防止污染及節省資源是締造可持續環境的關鍵，並將該等概念有效融入其業務決策過程之中。

提高燃油效率是本集團環保措施之主要重點，而技術在推動本集團之可持續發展中發揮關鍵作用。例如，在地面物流業務方面，本集團在貨車安裝減阻裝置，以提升燃油效率及減少溫室氣體(GHG)排放。預期該等裝置可省油5%。

本集團在業務過程中採取負責任之廢棄物管理常規。例如，在本集團之航空業務方面，來自飛機服務及維護後的廢機油抽入桶內存儲並交由合資格供應商回收處理。本集團鼓勵適當地分類廢棄物及存放於其工作場所的指定容器內，方便材料回收及生物處理。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group takes proactive measures to minimise the environmental impact arising from its operations. For instance, the Group's flagship aviation business has relocated its full power engine runs to a designated area located on the southern end of Wilson Airport in Kenya, far from the neighbouring community and sensitive natural habitats. This helps to reduce the impact of air and noise pollution arising from aircraft test runs and vehicle movements. When replacing fleet vehicles, the Group also takes fuel efficiency into account in its decision making process. Fleet vehicles are constantly monitored for excessive fuel usage. Where necessary, drivers are trained to drive the vehicles in the most fuel-efficient ways by observing practices with regard to tyre pressures, harsh braking and acceleration, as well as driver behaviour.

All employees are responsible and accountable for operating in an environmentally responsible manner.

The Group has worked towards to raise staff awareness of environmental management by implementing sustainable practices at workplace. For example, to avoid energy wastage, employees are reminded to turn off idle electrical appliances. To lower paper consumption, double-sided printing, recycling of used paper and use of electronic documentation are strongly encouraged. Dedicated bins have been set up at the Group's offices to facilitate waste separation and recycling. Waste paper from the offices is delivered to an approved paper recycler.

The Group strives to drive the environmental performance of its logistics solutions to another level by continuous monitoring and improvement. Regular reviews are carried out on a timely basis to evaluate and explore alternative eco-friendly measures and practices. Going forward, part of the Group's strategy is to increase strategic investment in energy-efficient technologies, such as replacing existing lighting systems with LED lamps at the premises of its aviation business.

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group believes that people are the foundation of its business growth. The Group's human resources policies and procedures have set key aspects such as compensation, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits. It is paramount for the Group to attract qualified talent both internally and externally to support business ambitions.

本集團積極採取各種措施，致力減少其業務對環境造成的影響。例如，本集團的旗艦航空業務已將發動機滿功率測試遷址至肯尼亞Wilson機場南端的指定區域，遠離周邊社區及敏感的天然棲息地。此舉有助於減少飛機試飛及車輛移動產生的空氣及噪音污染的影響。當替換車隊汽車時，本集團在其決策過程中亦慮及燃油效率。本集團定期監察車隊汽車過度使用燃油之情況。在有需要時，司機獲提供培訓，透過遵守有關輪胎氣壓、急速煞車及加速以及司機行為的常規，以最具燃油效率方式駕駛汽車。

全體僱員均有責任以環保方式營運，並對此負責。

本集團透過於工作地點實行可持續常規，致力提升員工的環保意識。例如，本集團提醒員工關閉閒置電器設備避免能源浪費。為減少紙張消耗，本集團提倡雙面打印、循環再用廢紙及強烈建議使用電子文件。本集團辦公室已設置指定垃圾箱，有助進行廢棄物分類及回收。辦公室之廢紙亦送往認可紙張回收商。

本集團憑藉持續監察及改善，致力提高其物流解決方案之環保表現至另一個水平。本集團適時進行檢討，評估和研究其他環保措施及常規。未來，本集團策略的一部分是增加節能技術的策略性投資，例如在其航空業務的場所內，以LED燈替代現有照明系統。

僱傭及勞工常規

僱傭

本集團認為人才是業務增長的基石。本集團的人力資源政策及程序已載列薪酬、招聘及晉升、工時、休息時間、平等機會、多元化、反歧視、福利及其他利益等主要方面。吸引內外部分合資格人才對支持實現本集團業務目標而言至關重要。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group's remuneration mechanism is performance-based and competitive. Eligible employees are entitled to other benefits in addition to basic salary, such as medical insurance and retirement funds. Share option and share award schemes are in place to reward and differentiate performance. The remuneration packages are reviewed regularly to keep up with the market.

The Group is committed to providing employees with an inclusive workplace that embraces and promotes diversity and equal opportunity. The Group has zero tolerance towards harassment and discrimination of any form. Employees are hired and selected based on their merits regardless of their race, colour, age, religion, sex and national origin. For example, the Group's flagship aviation business adopted a "Fair and Just Culture Policy" to ensure that all personnel are treated fairly. At the Group's ground logistics business where it employs most people, grievance procedures are enforced to make sure that the concerns of the employees are heard and addressed in an equitable and fair manner.

Health and Safety

Occupational health and safety (OHS) is the Group's first priority when operating businesses. The Group adopts proper procedures at the workplace to identify, mitigate and monitor health and safety risks. Hazard assessments and safety monitoring are also carried out frequently; results are followed up in a timely manner to drive continuous improvement. Proper personal protective equipment and training are provided to employees. The Group protects the safety of its people and assets by undertaking scrupulous fire prevention measures, organising safety awareness workshops and providing firefighting training. Fire and evacuation drills are conducted periodically.

The Group's flagship aviation business is certified by the Department of Occupational Safety and Health Services under the Ministry of Health of the Republic of Kenya, in recognition of its achievements in upholding workplace safety. The Group's major ground logistics business in South Africa has embarked on OHSAS 18001 compliance and certification. With the Group's freight forwarding business, a toolbox talks covering topics such as safety, hazards, health and equipment operations is held with the frontline workers on a daily basis.

The Group is committed to protecting the health and safety of all individuals affected by its activities, including its employees, contractors and the public. The Group will provide a safe and healthy working environment, and will not compromise the health and safety of any individual.

Employees are encouraged and supported to maintain a healthy work-life balance. In addition to subscribing to all standard aviation safety regulations, the Group's flight operations have enhanced regimes around pre-flight rest and duty hours to further minimise OHS-related risks caused by fatigue.

本集團的薪酬機制與表現掛鉤，並具有競爭力。除了基本薪金，合資格僱員可享有其他利益，例如醫療保險及退休金在內的其他福利。同時設有購股權及股份獎勵計劃以獎賞及區分表現。本集團定期檢討薪酬組合，以與市場維持一致水平。

本集團致力向僱員提供包容的工作場所，支持和提倡多元化及機會平等。本集團對任何形式的騷擾及歧視均持零容忍態度。僱員招聘及篩選秉承唯才是用原則，而不論其種族、膚色、年齡、宗教、性別及國籍。例如，本集團的旗艦航空業務採取「公平公正文化政策」，確保所有人員獲得平等對待。本集團僱員人數最多的地面物流業務設有申訴程序，確保我們能傾聽以及平等公平地消除僱員的擔憂。

健康與安全

本集團於業務營運過程中格外重視職業健康與安全(OHS)。本集團於工作場所採納適當的程序，以識別、減低及監督健康與安全的風險。本集團亦定期進行危險評估及安全監督工作，並及時跟進有關結果，推動持續改進。本集團向僱員提供適當的個人保護設備及培訓，並透過實施嚴謹的防火措施、組織安全意識研討會及提供防火培訓，保障員工及資產的安全。本集團亦定期舉行火警及疏散演習。

本集團的旗艦航空業務獲得肯尼亞共和國健康部的職業安全及健康服務認證，認可其於維護工作場所安全方面的成就。本集團在符合及取得OHSAS(職業健康和安全管理系統)18001認證後，方展開於南非之主要地面物流業務。在貨運代理服務方面，本集團亦每日為前線員工舉辦安全座談會，涵蓋安全、危機、健康及設備操作等主題。

本集團致力保障其業務所影響之每一名個人之健康及安全，包括其僱員、承辦商及公眾人士。本集團將提供一個安全健康之工作環境，且不會損害任何個人之健康及安全。

本集團鼓勵及支持僱員維持工作與生活之間的健康平衡。除遵守所有標準航空安全規例外，本集團的航務運營設有關於飛前休息及值班時間的完善制度，以進一步降低疲勞引致的職業健康與安全相關風險。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Development and Training

The Group believes that talent development is integral to sustaining its competitive advantage and organic growth. Training programmes are set up at business level to support daily job functions. For instance, the Group places a high priority on honing the skills of its ground logistics staff with a focus on the operation of warehouse equipment. Furthermore, highly customised training courses are available for pilots and engineers within the Group's aviation business. The Group also provides support and assistance to staff to attend external training courses that are relevant to their areas of expertise, in order to facilitate employees' professional growth and career progression.

Labour Standards

The Group strives to adhere to applicable local and international labour standards and strictly prohibits the use of child or forced labour in its operations. The Group's suppliers and contractors are expected to attain the same standard in their labour practices.

OPERATING PRACTICES

Supply Chain Management

The Group works closely with its suppliers and service providers to support and optimise its complete logistic solutions. The Group aspires to exert a positive influence over its suppliers to promote the awareness of sustainability and manage risks within its supply chain. These include environmental, social and governance practices. A scrupulous and rigorous process for supplier monitoring and screening has been implemented.

Product Responsibility

Since its establishment, the Group has focused on helping its customers operate more securely and efficiently in frontier markets. The Group emphasises on service quality and reliability to differentiate itself in the market and help its clients focus on meeting their project milestones on time and within budget. The Group's aviation business, for example, has implemented an ISO 9001-certified quality management system, with a wide scope of provision of aviation logistics services, such as worldwide charter flights and medical air ambulance charter. To maintain the reliability of its aviation services, the Group conducts forecasts on capacity, demand patterns and customer requirements to address potential bottlenecks caused by hangar space, associated logistics and custom procedures.

發展及培訓

本集團認為人才發展是維持其競爭優勢及內生增長的不可或缺的元素。本集團因應不同業務設置培訓計劃，涵蓋所有日常工作。例如，本集團優先培訓地面物流員工以倉庫設備操作為主的技能。此外，本集團航空業務的飛行員和工程師均可參與切合其需要的培訓課程。本集團亦支持和協助員工參與有關彼等專業領域的外部培訓課程，促進僱員專業進步及事業晉升。

勞工準則

本集團致力遵循適用的地方及國際勞工準則，嚴禁於業務中使用童工或強迫勞工。本集團期望供應商及承包商之勞工常規中亦符合相同標準。

營運常規

供應鏈管理

本集團與貨品及服務供應商密切合作，支持及優化全面物流解決方案。本集團期望對供應商帶來正面影響，提升供應商的可持續發展意識及管理供應鏈的風險，包括環境、社會及管治常規的風險。本集團已執行謹慎及嚴格的供應商監督及篩選程序。

產品責任

自其成立以來，本集團一直專注於協助客戶在前沿市場安全及有效率經營。本集團著重服務質素及信譽，此令其在市場中脫穎而出，並有助其客戶按預定時間表及預算達成彼等之項目里程碑。舉例而言，本集團的航空業務已實行IOS 9001認證質量管理體系，可提供廣泛的飛機物流服務，例如全球包機航班及醫療空中救護包機。為維持航空服務的可信賴程度，本集團會進行自身能力、需求模式及客戶要求預測，以應對機庫空間、相關物流及海關程序可能引致的瓶頸狀況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Furthermore, a complaint handling mechanism is in place to address customers' concerns. Complaints are properly documented upon receipt and subsequently followed up in a timely and efficient manner. Once complaints are verified, compensation is provided to customers in accordance with established procedures and with reference to prior cases.

Collected personal data is only accessible by authorised personnel and is handled in a confidential manner.

Anti-corruption

The Group maintains a high standard of anti-corruption measures and have zero-tolerance for any form of bribery, corruption or fraud. Upon employment, all employees are informed with specific requirements relating to the corruption policies in the company, and provided anti-corruption training in order to combat the relevant risks to the business. In addition, a whistle-blowing procedure for anti-corruption is established with the objective to provide a confidential channel to report on suspected irregularities.

COMMUNITY INVESTMENT

The Group is committed to supporting the development of the community where it operates and works closely with a number of charities to reach out the local communities. In the past, the Group supported Carolina for Kibera's Child Outreach Programme in Nairobi, Kenya, by participating in educational fieldtrips to promote children's awareness in conserving wildlife. The Group's business also cooperated with Support Teacher Empowerment Trust and provided training to teachers and equipped them with necessary knowledge and skills to support and educate the disadvantaged youths. In South Africa, one of the Group's major business locations, the Group worked with Phakamani Trust, a local non-profit organisation aiming to empower rural young women, to combat poverty and unemployment.

As the export warehouse for a large fast-moving consumer goods company, food items are at times rejected due to numerous reasons. These products are then donated to various charitable organisations such as churches and children homes. The Group has always provided the transport of these food items free of charge.

In November 2017, the Group held its first graduation ceremony for its first International Security Specialist Programme (ISSP) at the International Security and Defense College in China. The programme trains local talents at high international standards and prepares them for the challenges of managing security programme across the Belt and Road initiative, which aims to strengthen the connectivity, development and cooperation of the region.

此外，本集團制定了投訴處理制度，旨在解決客戶的問題。一經接到投訴，將妥為記錄，隨後會進行及時、有效的跟進。投訴一經核實，將依據既定程序並參照先前案例向客戶作出補償。

僅獲授權人士可查閱所收集的個人資料，並以保密方式處理有關資料。

反腐敗

本集團維持高標準的防腐敗措施，對任何形式的貪污、腐敗或欺詐採取零容忍的態度。所有員工一旦獲聘用後，均獲知會有關反腐敗政策之特定規定，並獲提供反腐敗培訓，消除對公司的相關風險。此外，本集團已制定反腐敗舉報程序，旨在為疑似違規行為提供保密的舉報途徑。

社區投資

本集團竭盡所能支持其業務所在之社區發展，並與眾多慈善機構密切合作，惠及當地社區。過往，本集團曾經組織學生參與具有教育意義的實地考察旅行，提高他們保護野生動物的意識，支持肯尼亞奈洛比的Carolina for Kibera 組織的學生拓展項目(Child Outreach Programme)。本集團還與Support Teacher Empowerment Trust攜手合作，為教師提供培訓，令他們具備必需知識及技術，支援及教育弱勢青年。此外，本集團還夥同Phakamani Trust 協助本集團的主要業務地點之一的南非消除貧困及失業。Phakamani Trust為當地的非牟利組織，旨在幫助農村青年婦女獨立自強。

作為一家大型快速消費品公司的出口倉庫，食品產品不時因多種原因而被退回。該等產品隨即捐贈予如教會及兒童之家等不同慈善機構。本集團一直免費為該等食品產品提供運輸服務。

於二零一七年十一月，本集團為其首個國際安全專家計劃於中國之國際安全防衛學院舉行首個畢業典禮。該計劃按國際高水平培訓地方人才，令他們具備相關能力，可應付在管理一帶一路舉措所涵蓋地區之安保計劃中面對之挑戰。一帶一路舉措旨在加強地區連繫、發展及合作。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

REGULATORY COMPLIANCE

The Group is not aware of any non-compliance with laws and regulations that have a significant impact on the Group relating to areas such as environmental protection, employment and labour practices and operating practices during the reporting period.

監管合規

本集團並不知悉有任何不遵守法律及法規的情況，以致對本集團於報告期內的環保、僱傭及勞工常規及經營常規等方面造成重大影響。

2017 ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Environmental KPIs

環境關鍵績效指標

Nitrogen Oxides emissions (NOx)	二氧化氮排放量
Sulphur Oxides emissions (Sox)	二氧化硫排放量
Particulate matter emissions (PM)	矽粒性物質排放量
Total greenhouse gas (GHG) emissions	溫室氣體總排放量
Scope 1 — Direct emissions and removals	範圍1 — 直接排放及減除
Scope 2 — Energy indirect emissions	範圍2 — 能源間接排放
Total hazardous waste produced	所產生之有害廢棄物總量
Total non-hazardous waste produced	所產生之無害廢棄物總量
Total energy consumption	能源總耗量
Total direct energy consumption	直接能源總耗量
Diesel oil	柴油
Gasoline/Petrol	汽油
Kerosene	煤油
Total direct energy consumption intensity by revenue	以收益計之直接能源總耗密度
Total indirect energy consumption	間接能源總耗量
Purchased electricity	已購買電力
Total indirect energy consumption intensity by revenue	以收益計之間接能源總耗密度
Water consumption	耗水量
Water consumption intensity by revenue	以收益計之耗水量密度

二零一七年環境關鍵績效指標

Unit 單位	2017 二零一七年
tonne 噸	12.64
tonne 噸	0.02
tonne 噸	0.91
tonne CO2e 二氧化碳排放噸數	7,640.19
tonne CO2e 二氧化碳排放噸數	6,716.63
tonne CO2e 二氧化碳排放噸數	923.56
tonne 噸	7.07
tonne 噸	152.55
kWh 千瓦時	28,251,508.79
kWh 千瓦時	27,218,161.91
kWh 千瓦時	11,765,608.67
kWh 千瓦時	12,573.84
kWh 千瓦時	15,439,979.41
kWh/HKD'000 revenue 千瓦時／收益千港元	36.44
kWh 千瓦時	1,033,346.88
kWh 千瓦時	1,033,346.88
kWh/HKD'000 revenue 千瓦時／收益千港元	1.38
m3 立方米	19,178.60
m3 /HKD'000 revenue 立方米／收益千港元	0.03

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

EXECUTIVE DIRECTORS

Mr. Erik D. Prince, aged 48, has been appointed as an executive director and the Chairman of the Company since 10 January 2014. He is also a director of a subsidiary of the Company and the chairman of the Nomination Committee and a committee member of the Remuneration Committee of the Company. Mr. Prince is a US-born entrepreneur, philanthropist, military veteran and private equity investor with business interests in Africa, Europe, the Middle East and North America in the fields of logistics, aviation services, manufacturing, natural resources development and energy. He is the founder and chairman of Frontier Resource Group, a private equity firm active across the African continent in areas such as exploration, mining and energy development. Mr. Prince is the founder of Blackwater, a global private security company, which he sold in 2010 after successfully growing the company over the course of more than a decade into the premier provider of global security and logistics solutions to the United States Government and others. In addition, Mr Prince purchased Presidential Airways in 2003 and grew it from a one-plane operation into a global logistics and aviation business with over 70 fixed and rotary wing aircraft operating in Africa, the Middle East and North America; he sold the company in 2010. Mr. Prince was educated at Hillsdale College. Upon graduation, he enlisted in the US Navy, where he served as a Navy SEAL officer until 1996.

Mr. Ko Chun Shun, Johnson, aged 66, has been an executive director of the Company since 1998 and a Deputy Chairman of the Company since January 2014. He is also a director of various subsidiaries of the Company and is a committee member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Ko is a non-executive director of Yunfeng Financial Group Limited and KuangChi Science Limited, both of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is an independent non-executive director, a committee member of the audit committee and the chairman of the remuneration committee of Meitu, Inc., which is listed on the Main Board of the Stock Exchange. Mr. Ko has extensive experience in direct investment, merger and acquisition, TMT (Technology, Media and Telecom) and financial service.

執行董事

Erik D. Prince 先生，48歲，由二零一四年一月十日起獲委任為本公司之執行董事兼主席。彼亦為本公司一家附屬公司之董事及本公司提名委員會主席與薪酬委員會委員。Prince先生為美國出生之企業家、慈善家、退伍軍人及私募股本投資者，於非洲、歐洲、中東及北美洲之物流、航空服務、製造、天然資源發展及能源行業擁有業務權益。彼為Frontier Resource Group之創辦人及主席，該公司為一家活躍於非洲大陸之勘探、採礦及能源開發等範疇之私募股本公司。Prince先生為全球私人安保公司黑水之創辦人，彼成功於超過十年期間將該公司發展為向美國政府及其他組織提供全球安保及物流解決方案之頂級服務商後，於二零一零年將其出售。此外，Prince先生於二零零三年購入Presidential Airways，並將其由一架飛機之營運發展成為擁有超過70架固定翼及旋翼式飛機並於非洲、中東及北美洲經營之全球物流及航空業務，彼於二零一零年出售該公司。Prince先生於Hillsdale College接受教育。畢業後，彼獲徵召加入美國海軍，並擔任海軍海豹部隊軍官直至一九九六年。

高振順先生，66歲，由一九九八年起擔任本公司之執行董事，及由二零一四年一月起擔任本公司副主席。彼亦為本公司多家附屬公司之董事及本公司提名委員會及薪酬委員會之委員。高先生為雲鋒金融集團有限公司及光啟科學有限公司的非執行董事，兩家公司均於香港聯合交易所有限公司（「聯交所」）主板上市。彼為美圖公司（於聯交所主板上市）的獨立非執行董事、審核委員會委員及薪酬委員會主席。高先生於直接投資、合併及收購、TMT（科技、媒體及電訊）及金融服務方面擁有豐富經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

Mr. Luo Ning, aged 59, has been an executive director of the Company since October 2006 and a Deputy Chairman of the Company since January 2014. Mr. Luo is currently an assistant president of CITIC Group Corporation, a substantial shareholder of the Company, a deputy-chairman of CITIC Guoan Group, the chairman and general manager of CITIC Networks Co., Ltd, and the chairman of CITIC Guoan Information Industry Company Limited, which is a public company listed on the Shenzhen Stock Exchange in the People's Republic of China ("PRC"). He is a director of Baiyin Nonferrous Group Co., Ltd., a company listed on the Shanghai Stock Exchange in PRC. Mr. Luo is a non-executive director of Asia Satellite Telecommunications Holdings Limited and an executive director of CITIC Telecom International Holdings Limited, both of which are listed on the Main Board of the Stock Exchange. He is also a non-executive director of Lajin Entertainment Network Group Limited, which is listed on the Growth Enterprise Market of the Stock Exchange. He also holds directorships in several other subsidiaries of CITIC Group Corporation. Mr. Luo has extensive experience in telecommunication business and holds a Bachelor Degree in Communication Speciality from The Wuhan People's Liberation Army Institute of Communication Command in the PRC.

Dr. Hua Dongyi, aged 53, has been appointed as an executive director and the Acting Chief Executive Officer of the Company since 26 July 2016. On 22 March 2017, he has officially become the Chief Executive Officer of the Company. He is also an executive director of VDM Group Limited, which is listed on the Australian Securities Exchange. Dr. Hua graduated from the Chengdu University of Technology (formerly known as Chengdu College of Geology) with a Bachelor Degree in Engineering in 1984, and also received his Master Degree and Doctoral Degree in Engineering from the China University of Geosciences in 1990 and 1996 respectively. Dr. Hua has over 20 years' experience in international engineering project bidding, international contract management of consulting projects, project management, project evaluation, cost and risk management and planning, organising, implementing, operating of major infrastructure projects and constructing and developing of large mining projects.

Mr. Hu Qinggang, aged 43, has been an executive director of the Company since October 2006. He is also a director of various subsidiaries of the Company. He has extensive experience in the finance field and had worked in the Finance Department of CITIC Group Corporation, a substantial shareholder of the Company, as the deputy director of the Finance and Planning Division. Mr. Hu holds a Bachelor Degree in Economics from the Beijing University of Technology and a Master Degree in Economics from the University of International Business and Economics in the PRC.

羅寧先生，59歲，由二零零六年十月起擔任本公司執行董事，並由二零一四年一月起擔任本公司副主席。羅先生目前為中國中信集團有限公司（本公司之主要股東）之助理總裁、中信國安集團之副董事長、中信網絡有限公司之董事長兼總經理及中信國安信息產業股份有限公司（於中華人民共和國（「中國」）深圳證券交易所上市之公司）之董事長。彼現時擔任白銀有色集團股份有限公司（於中國上海證券交易所上市之公司）之董事。彼擔任亞洲衛星控股有限公司之非執行董事及中信國際電訊集團有限公司之執行董事，該等公司均於聯交所主板上市。彼亦擔任為拉近網娛集團有限公司之非執行董事，該公司在聯交所創業板上市。彼亦於中國中信集團有限公司其他多家附屬公司擔任董事一職。羅先生擁有豐富之電訊業務經驗，並持有中國武漢解放軍通訊指揮學院通訊專業學士學位。

華東一博士，53歲，已於二零一六年七月二十六日獲委任為本公司執行董事兼署理行政總裁。於二零一七年三月二十二日，彼已正式成為本公司的行政總裁。彼亦為VDM Group Limited（於澳洲證券交易所上市）之執行董事。華博士於一九八四年畢業於成都理工大學（前稱成都地質學院），獲得工程學學士學位，並分別於一九九零年及一九九六年獲得中國地質大學工程學碩士學位及博士學位。華博士於國際工程項目招標、顧問項目、項目管理、項目評估、成本及風險管理之國際合約管理、主要基礎建設項目之計劃、組織、執行及營運，以及大型採礦項目之建設與開發擁有逾20年經驗。

胡慶剛先生，43歲，由二零零六年十月起擔任本公司之執行董事。彼亦為本公司若干附屬公司之董事。彼擁有豐富財務領域經驗，並曾任職中國中信集團有限公司（本公司之主要股東）之財務部，擔任財務及計劃部副處長。胡先生持有北京工業大學之經濟學士學位及中國對外經濟貿易大學之經濟碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yap Fat Suan, Henry, aged 72, has been an independent non-executive director of the Company since 2004. He is also the chairman of the Audit Committee, and a committee member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Yap holds a Master Degree in Business Administration from the University of Strathclyde, Glasgow, in the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. He retired as the managing director of Johnson Matthey Hong Kong Limited in June 2007 and prior to that appointment he was the general manager of Sun Hung Kai Development (China) Limited. He is also an independent non-executive director of Concord New Energy Group Limited, which is listed on the Main Board of the Stock Exchange, and Brockman Mining Limited, which is listed on the Main Board of the Stock Exchange and the Australian Securities Exchange.

Professor Lee Hau Leung, aged 65, has served as an independent non-executive director of the Company since 2014. He is also the chairman of the Remuneration Committee and a committee member of the Audit Committee and the Nomination Committee of the Company. Professor Lee is the Thoma Professor of Operations, Information and Technology at the Graduate School of Business at Stanford University and the chairman of the board of the Fung Academy. His areas of specialisation include supply chain management, information technology, global logistics system design, inventory planning, and manufacturing strategy. He is the founding and current co-director of the Stanford Value Chain Innovation Initiative. He was elected a member of the United States National Academy of Engineering in 2010. He obtained his Bachelor of Social Science degree in Economics and Statistics from The University of Hong Kong in 1974, his Master of Science degree in Operational Research from the London School of Economics in 1975, and his Master of Science and PhD degrees in Operations Research from the Wharton School of the University of Pennsylvania in 1983. He was awarded an Honorary Doctorate of Engineering degree by the Hong Kong University of Science and Technology in 2006 and an Honorary Doctorate from the Erasmus University of Rotterdam in 2008. Professor Lee is an independent non-executive director of each of Lion Rock Group Limited (formerly known as 1010 Printing Group Limited), a company listed on the Main Board of the Stock Exchange; Synnex Corporation, a public company listed on The New York Stock Exchange in the United States; and Esquel Enterprises Limited, a private company based in Hong Kong. Also, Professor Lee has been re-designated as a non-executive director of Global Brands Group Holding Limited, a company listed on the Main Board of the Stock Exchange, since 14 June 2017.

獨立非執行董事

葉發旋先生，72歲，由二零零四年起擔任本公司之獨立非執行董事。彼亦為本公司審核委員會主席以及提名委員會及薪酬委員會委員。葉先生持有英國格拉斯哥斯特拉斯克萊德大學工商管理碩士學位。彼為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員，彼擁有豐富財務及會計經驗。彼於二零零七年六月辭任莊信萬豐貴金屬香港有限公司董事總經理一職，在此委任之前，彼為新鴻基發展(中國)有限公司之總經理。彼亦為協合新能源集團有限公司(於聯交所主板上市)及布萊克萬礦業有限公司(於聯交所主板及澳洲證券交易所上市)之獨立非執行董事。

李效良教授，65歲，由二零一四年起擔任本公司獨立非執行董事。彼亦為本公司薪酬委員會主席以及審核委員會及提名委員會委員。李教授為史丹福大學商學研究院營運、資訊及科技Thoma教授以及Fung Academy之董事會主席。其專研範疇包括供應鏈管理、資訊科技、環球物流系統設計、存貨規劃及製造策略。彼為Stanford Value Chain Innovation Initiative之創辦及現任聯席主任。彼於二零一零年獲選為美國國家工程學院院士。彼於一九七四年取得香港大學經濟及統計學社會科學學士學位，於一九七五年取得倫敦經濟學院統籌學理學碩士學位，並於一九八三年在賓夕凡尼亞大學華頓商學院取得統籌學理學碩士及博士學位。彼分別於二零零六年及二零零八年獲香港科技大學頒授工程學榮譽博士學位及鹿特丹伊拉斯姆斯大學榮譽博士學位。李教授分別為聯交所主板上市之獅子山集團有限公司(前稱匯星印刷集團有限公司)、美國紐約證券交易所上市之Synnex Corporation及Esquel Enterprises Limited(一家總部位於香港之私人公司)之獨立非執行董事。此外，李教授已自二零一七年六月十四日起獲重新委任為於聯交所主板上市之利標品牌有限公司之非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Dr. Harold O. Demuren, aged 72, has served as an independent non-executive director of the Company since 2014. He is also a committee member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. Dr. Demuren is an aeronautical engineer and the chief executive officer of Harold Demuren Consulting. With over 45 years of experience in both the public and private sectors of the aviation industry, Dr. Demuren has been a strong proponent of aviation safety and security, especially advocating and spreading safety regulatory oversight on the African continent. He was the chief executive officer of Afrijet Airlines, a successful cargo airline, which had strategic alliances with foreign partners servicing Africa, Europe and the Americas from 1998 to 2005. He is the founder of Evergreen Apple Nigeria, the first fully integrated fixed based operations and maintenance facility hangar in Nigeria. He was appointed as the Director General of the Nigerian Civil Aviation Authority from 2005 to 2013 and was the first to provide vital information to the public on the failed attempt of the "Christmas Day Bomber" in 2009. He successfully attained US Federal Aviation Administration (FAA) Category One Certification for Nigeria and was the first African to be elected as the President of the International Civil Aviation Organisation (ICAO) General Assembly in Montreal in 2010. For his contribution to aviation safety globally, Dr. Demuren has received numerous awards including the 2010 Laura Taber Barbour Air Safety Award and the 2014 FSF-Boeing Aviation Safety Lifetime Achievement Award from Flight Safety Foundation. Dr. Demuren holds a Master of Science degree in Aeronautical Engineering from the Kiev Institute of Aeronautical Engineers in the former Soviet Union and a Doctor of Science degree in the field of gas turbines, specialising in aircraft jet engines, from the Massachusetts Institute of Technology (MIT).

Harold O. Demuren 博士，72歲，由二零一四年起擔任本公司獨立非執行董事。彼亦為本公司審核委員會、提名委員會及薪酬委員會委員。Demuren 博士為航空工程師及 Harold Demuren Consulting 之行政總裁。Demuren 博士在航空業的公共及私營機構擁有逾45年經驗，一直致力提倡航空安全及保安，特別是提倡並在非洲大陸推廣安全監管。彼曾為 Afrijet Airlines 之行政總裁，該成功之貨運航空公司於一九九八年至二零零五年與外國夥伴建立策略性聯盟，服務非洲、歐洲及美洲。彼為尼日利亞首個全面整合固定基地營運及維修設施機庫 Evergreen Apple Nigeria 之創辦人。彼於二零零五年至二零一三年獲委任為尼日利亞民航局局長，並為首位就二零零九年「聖誕節炸彈客」引爆失敗事件向公眾提供重要訊息的人士。彼成功為尼日利亞取得美國聯邦航空總署（「美國聯邦航空總署」）一級認證，並於二零一零年在蒙特利爾成為首位獲選為國際民用航空組織（「國際民航組織」）大會主席的非洲人。Demuren 博士曾獲頒多個獎項，包括獲飛行安全基金會頒授二零一零年 Laura Taber Barbour 航空安全獎（Laura Taber Barbour Air Safety Award）及二零一四年飛行安全基金會－波音航空安全終身成就獎（FSF-Boeing Aviation Safety Lifetime Achievement Award），以表彰彼對全球航空安全的貢獻。Demuren 博士持有前蘇聯 Kiev Institute of Aeronautical Engineers 之航空工程理學碩士學位，及麻省理工學院（「麻省理工學院」）燃氣渦輪領域之理學博士學位，專門研究噴氣式飛機引擎。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

SENIOR MANAGEMENT

Mr. Wong Heung Ming, Henry, aged 48, has been the Chief Financial Officer of the Company since April 2017. Mr. Wong has more than 27 years of experience in finance, accounting, internal controls and corporate governance in mainland China, Hong Kong, Singapore, London, Japan and the United States. Prior to joining the Group, Mr. Wong held senior finance and internal audit positions for multinational companies listed in the United States and Hong Kong. His experience covers a variety of industries including manufacturing, fast-moving consumer goods, real estate development and media. He had also held senior roles in Deloitte Touche Tohmatsu and PricewaterhouseCoopers for over 10 years. Mr. Wong graduated from City University of Hong Kong in 1993 with a bachelor's degree in Accountancy and also obtained a master's degree in Electronic Commerce from The Open University of Hong Kong in 2003. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants as well as certified internal auditor. He currently serves as an independent non-executive director of Shifang Holding Limited, a company listed on the Main Board of the Stock Exchange.

Mr. J. David Whittingham, aged 37, is the Group Vice President & Head of Africa. Mr. Whittingham oversees the companies businesses across Africa in addition to supporting the group leading special projects, mergers & acquisitions and investor relations. Previously, Mr. Whittingham served as Managing Director and Head of Investment Banking at Yunfeng Financial Group Limited (formerly known as Reorient Group Limited), where he advised the Company on many of its early acquisitions. For the past 15 years, he has been based in China working across the globe advising and consulting clients on joint ventures, overseas acquisitions, capital raising initiatives, and global market entry solutions. Mr. Whittingham has a wealth of cross-border experience that includes advising many of China's largest state owned and private enterprises on acquisitions and market entry in the United States, Africa, Europe, and Latin America. Mr. Whittingham began his finance career working for Cantor Fitzgerald in Hong Kong. He holds a Bachelor's Degree from Georgetown University in Political Economy and Chinese, and is fluent in Mandarin.

高級管理人員

黃向明先生，48歲，自二零一七年四月擔任本公司之財務總裁。黃先生擁有超過27年於中國內地、香港、新加坡、倫敦、日本及美國從事財務、會計、內部監控及企業管治之經驗。加入本集團前，黃先生於美國及香港上市之跨國公司擔任高級財務及內部審計職位。彼之經驗涉及多個行業，包括製造、快速消費品、房地產發展及媒體。彼於德勤•關黃陳方會計師行及羅兵咸永道會計師事務所擔任高級職位超過10年。黃先生於一九九三年畢業於香港城市大學，持有會計學士學位，並於二零零三年取得香港公開大學之電子商業碩士學位。他是英國特許公認會計師公會及香港會計師公會之資深會員，以及註冊內部審計師。彼現時擔任聯交所主板上市之十方控股有限公司之獨立非執行董事。

J. David Whittingham 先生，37歲，本集團副總裁及非洲區主管。Whittingham 先生監管整個非洲地區之公司業務，並支援集團牽頭之特別項目、併購及投資者關係。Whittingham 先生過往曾擔任雲鋒金融集團有限公司(前稱瑞東集團有限公司)之董事總經理及投資銀行部主管，彼就該公司之早期收購事項提供意見。過去15年，彼常駐中國，並為全球客戶提供有關合營企業、海外收購、籌資策劃及全球市場進入解決方案的諮詢及顧問服務。Whittingham 先生擁有豐富的跨境經驗，包括向許多中國大型國企及私企提供有關美國、非洲、歐洲及拉丁美洲收購事項及市場進入的意見。Whittingham 先生於香港 Cantor Fitzgerald 開始其金融領域職業生涯。彼持有喬治城大學(Georgetown University)政治經濟及中文學士學位及精通普通話。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Mr. Uldarico Ard Peregrino Jr., aged 48, is the Chief Security Officer of the Group and a director of various subsidiaries of the Company. He has advised the corporate and national security level programs in the industry since 1994, and has managed complex, global integrated security and logistics programs in various capacities over the past 20 years. Mr. Peregrino began his career as a United States Marine. After completing his seven-plus years of service, Mr. Peregrino entered the International Corporate Security industry, quickly progressing to managing large VIP security operations and developing critical training for close protection teams. He also served as a local law enforcement officer where he was awarded two "Valor Awards". Among other certifications, Mr. Peregrino holds one of the most respected Aviation Security Certification, the AVSEC PMC certified by ICAO. He has published papers on many security topics and has participated in the international arena as a featured speaker for the corporate security industry and law enforcement.

Mr. Liu Jun, Jason, aged 45, is the Head of Logistics of the Group overseeing the Group's logistics for sea, air and ground transportation solutions across the entire business regions. Mr. Liu is based in Group's global logistics centre in Shanghai and brings with him over 19 years of experience in the international logistics industry. Previously, he was General Manager of Sinotrans (Australia) Pty Limited and was responsible for all the logistics services in Australia, which was the world's largest iron ore project from 2007 to 2011. Mr. Liu has a bachelor's degree in International Shipping Management from Shanghai Maritime University and a master's degree in Logistics Engineering and Management from the University of Western Australia.

Mr. Su Bin, aged 38, is the Head of Group Insurance division, focusing on the global risk opportunities and providing insurance solutions to the Group. Mr. Su has over 10 years of experience in comprehensive and tailor-made risk and insurance solutions for multinational enterprises and international projects. Before joining the Group, he worked as Director Construction & Energy of JLT Insurance Broker Co., a Jardine Matheson associate company. He had served clients in power generation, infrastructure, oil and gas, renewable energy etc. in high-risk areas such as Southeast Asia, Central Asia, Africa and South America. Mr. Su also worked as Assistant General Manager of the Captive Insurance Department of Generali China, Assistant General Manager of P&C Technical Department of Jiangtai Insurance Broker Co. He holds Master Degree of Insurance (Central University of Finance and Economics), Bachelor Degree of Economics (Beijing Commercial College), ANZIIF (Fellow) CIP, and is a registered broker of China Insurance Regulatory Commission.

Uldarico Ard Peregrino Jr. 先生，48歲，本集團安保總裁及本公司多家附屬公司之董事。彼自一九九四年以來從事企業及國家安保水平行業諮詢服務，並於過去20年歷任數職，管理複雜的全球綜合安保及物流項目。Peregrino先生最初為美國海軍陸戰隊隊員。結束長達七年多的軍旅生涯後，Peregrino先生投身國際企業安保行業，並很快進升至管理大型重要人物安保業務及開發嚴格的近身保護團隊培訓。彼亦曾擔任地方執法官員，並兩次獲授「英勇獎」。在其他資格認證當中，Peregrino先生持有最備受推崇之航空安全證書(Aviation Security Certification)，由國際民用航空組織認證之航空安全專業管理證書(AVSEC PMC)。彼已發表大量有關安保主題的論文，並於國際舞台上為企業安保行業及執法機構演講。

劉俊先生，45歲，現任本集團物流部主管，監管本集團整個業務地區之海陸空運輸解決方案之物流安排。劉先生駐守本集團設於上海之全球物流中心，期間彼累積超過19年之國際物流行業經驗。過往，彼曾於二零零七年至二零一一年擔任Sinotrans (Australia) Pty Limited之總經理，負責該全球最大型鐵礦項目在澳洲之所有物流服務。劉先生持有上海海事大學之國際航運管理專業學士學位以及西澳大學之物流工程及管理碩士學位。

蘇彬先生，38歲，本集團總部保險分部主管，專注於全球風險機會及為本集團提供保險解決方案。蘇先生於為跨國企業及國際項目提供全面及度身制定之風險及保險解決方案方面擁有超過10年經驗。加入本集團前，彼曾於怡和洋行聯屬公司怡和保險經紀有限公司擔任建築及能源總監。彼曾為於東南亞、中亞、非洲及南美等高風險地區之發電、基礎建設、油氣、可再生能源客戶提供服務。蘇先生亦曾任職中意人壽專屬保險部之副總經理以及江泰保險經紀股份有限公司財產及傷亡技術部門之副總經理。彼持有中央財經大學之保險碩士學位、北京商學院之經濟學士學位以及澳大利亞新西蘭保險與金融學會(資深會員)認證保險師資格，並為中國保險監督管理委員會之登記經紀。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

Mr. Shi Yi, John, aged 51, is the Head of Southwest Region of the Group, overseeing the Group's business and operations in Myanmar, Laos, Cambodia and Thailand. Mr. Shi has over 30 years of security expertise and is an expert in criminal investigation, administrative protection and personal safety in China. Before joining the Group, he was one of the founders of International Security Defensive College (ISDC), one of China's foremost safety training and education institutions. Prior to that, Mr. Shi was also co-founder and president of CRISK, a China-based risk advisory service body. CRISK was once a leading security risk advisory body in China specializing in risk assessment and safety planning for companies outside of China. He is one of the key contributors to the "Guide to the Safety Management of Business Institutions and Personnel Outside China" published by the Chinese Ministry of Commerce in 2012. Mr. Shi started his career as a security professional in Beijing Public Security Bureau and was responsible for the safety management of important state agencies in Beijing. He graduated from Beijing Police College with a degree in Public Security Management.

Mr. Lv Chaohai, aged 54, is the Head of Northwest Region, who is responsible to oversee the Company's business and operations in Pakistan, Kazakhstan, Uzbekistan and other major countries in Northwest Asia. Prior to working with the Company, Mr. Lv was vice president of Xinjiang Production and Construction Corporations and the chairman of its international company, having extensive overseas working experience in project operation, equipment procurement as well as localization, security, training, education and employment of Chinese and foreign labor. Mr. Lv is a graduate of Xi'an Jiaotong University and a certificate holder of senior engineer and construction engineer.

Ms. Li Haijie, Kathy, aged 42, is the Global Human Resources Director of the Group, overseeing human resources systems and best practice across all of the offices, subsidiaries and operations of the Group from Asia to Africa. Ms. Li is responsible for creating and implementing human resource strategy of the Group in support of the Group's strategic direction and business plan. She is a human resource and business professional with extensive experience in human resources, finance, business administrations and operations. Ms. Li holds a bachelor's degree in International Trade from the Ocean University of China, a MSc degree in Business Management from the University of International Business and Economics, a MBA from the University of Edinburgh and is a Certified Public Accountant of China.

Mr. Chan Kam Kwan, Jason, aged 44, has been the Company Secretary of the Company since 2006. He is also a director of various subsidiaries of the Company. He graduated from the University of British Columbia in Canada with a Bachelor Degree in Commerce and holds a certificate of Certified Public Accountant issued by the Washington State Board of Accountancy in the United States. He has extensive experience in accounting and corporate finance.

史一先生，51歲，為本集團西南區主管，監管本集團於緬甸、老撾、柬埔寨及泰國之業務及營運。史先生擁有超過30年之安保專業經驗，是中國刑事調查、行政保護及個人安全之專家。加入本集團前，彼是中國其中一間最先進之安全培訓及教育機構國際安全防衛學院(ISDC)之創辦人之一。在此之前，史先生亦為CRISK(一間以中國為基地之風險顧問服務機構)之共同創辦人及總裁。CRISK曾是中國領先安全風險顧問機構，專長於為中國境外公司進行風險評估及安全規劃。彼是中國商務部於二零一二年刊發之《境外中資企業機構和人員安全管理指南》之其中一名主要貢獻方。史先生之事業以在北京市公安局擔任安保專家為開端，負責北京重要國家機構之安全管理。彼畢業於北京警察學院，持有治安管理專業學士學位。

呂超海先生，54歲，為西北區主管，負責監管本公司於巴基斯坦、哈薩克斯坦、烏茲別克斯坦及亞洲西北其他主要國家之業務及營運。加入本公司之前，呂先生曾擔任新疆兵團建工集團副總裁兼國際公司主席，在項目營運、設備採購以及屬地化、安保、培訓、教育及使用中外勞動力就業方面擁有豐富的海外工作經驗。呂先生畢業於西安交通大學，持有高級工程師及建造師證書。

李海潔女士，42歲，本集團全球人力資源總監，監管本集團在亞洲至非洲地區所有辦事處、附屬公司及營運之人力資源系統及最佳常規。李女士負責為本集團制定及實施人力資源策略，以配合本集團之策略性指示及業務計劃。彼是人力資源及商業專業人士，擁有豐富之人力資源、財務、工商管理及營運經驗。李女士持有中國海洋大學國際貿易學士學位、對外經濟貿易大學之工商管理學士學位及愛丁堡大學之工商管理碩士學位，並為中國註冊會計師。

陳錦坤先生，44歲，由二零零六年起擔任本公司之公司秘書。彼亦為本公司多家附屬公司之董事。彼畢業於加拿大英屬哥倫比亞大學，持有商業學士學位，並持有美國華盛頓州會計委員會頒發之執業會計師證書。彼於會計及企業財務方面擁有豐富經驗。

REPORT OF THE DIRECTORS

董事會報告書

The directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activities of Frontier Services Group Limited (the "Company") are investment holding and management. Details of the principal activities of the principal subsidiaries are set out in Note 16 to the consolidated financial statements.

An analysis of the performance of the Company and its subsidiaries (the "Group") for the year by operating segments is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated income statement on page 64.

The Board of Directors (the "Board") of the Company does not recommend the payment of any dividend (2016: Nil) for the year.

BUSINESS REVIEW

A review of the business of the Group as required by Schedule 5 to the Hong Kong Companies Ordinance are set out in the Chairman's Statement and the Management Discussion and Analysis of this Annual Report. The review forms part of the Report of the Directors.

Description of the principal risks and uncertainties facing the Group are provided in the paragraph below.

Detailed discussions on the Group's environmental policies, relationships with its key stakeholders, and compliance with relevant laws and regulations which have a significant impact on the Group are set out in the Environmental, Social and Governance Report of this Annual Report. The discussions form part of the Report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to various risks, including factors that are unique to the Group and the markets in which it operates, in addition to those risks that are shared by most other businesses. The Group has implemented a risk management and internal control framework to identify current and foreseeable risks at different levels of the Group in order to monitor and mitigate their adverse impacts.

董事謹提呈彼等之報告及截至二零一七年十二月三十一日止年度之經審核綜合財務報表。

主要業務

先豐服務集團有限公司(「本公司」)之主要業務為投資控股及管理。主要附屬公司之主要業務詳情載列於綜合財務報表附註16。

本公司及其附屬公司(「本集團」)按營運分部劃分之年內表現分析載列於綜合財務報表附註5。

業績及分派

本集團截至二零一七年十二月三十一日止年度之業績載列於第64頁之綜合收益表。

本年度，本公司董事會(「董事會」)不建議派付任何股息(二零一六年：無)。

業務回顧

香港《公司條例》附表5所規定之本集團業務回顧載列於本年報主席報告及管理層討論及分析中。該回顧構成董事會報告之一部份。

關於本集團面對的主要風險及不確定因素的敘述載於下文各段。

有關本集團的環保政策、與其重要利益相關者之關係及遵守對本集團構成重大影響的相關法律及法規的討論詳情載於本年報之環境、社會及管治報告。有關討論構成董事會報告之一部份。

主要風險及不確定因素

本集團面對多種風險，除大部份其他業務都會面對的風險外，當中亦包括本集團及其營運所在市場的特定因素。本集團已實施風險管理及內部監控框架來識別本集團不同層面目前及可預見的風險，以監察及減輕風險帶來的不利影響。

REPORT OF THE DIRECTORS

董事會報告書

The following discussion highlights the risks that are believed to be most germane to the Group at this time. Any or all of the Group's business, financial status, operations, personnel, and outlook may be adversely or, potentially, materially affected by the identified risks. The scope of the risks influencing the Group may exceed those presented herein, so the following is not intended to be comprehensive. Rather, the list of risks may include in the future unknown matters that ultimately have an impact, material or otherwise, on the Group.

Geopolitical Environment — The Group's core business is the provision of logistics, security and insurance services to customers operating across the One Belt One Road region from Asia to Africa. The Group's target geographies include many of the world's fastest growing markets. However, the orderly transition of elected leadership, especially within less developed countries, has been challenged at times, creating localised political risk. In addition, regional pockets of terrorism, often directed toward governments and related agencies, can compound the geopolitical risk inherent. Therefore, diversification, across end-markets, service capabilities and operating locations, is the cornerstone of the Group's process to mitigate geopolitical risk.

Economic Environment — The Group employs a strategy of diversification to hedge against cyclical downturns in geographic regions and specific end-markets. Nevertheless, the Group's regional markets, writ large, have been and will continue to be affected by commodity prices and balance-of-trade issues.

Compliance — Similar to the intrinsic geopolitical risk arising from operating in Africa, corruption is found in fast-growing markets. The Group rigorously adheres to all applicable anti-bribery statutes of various jurisdictions and offers a thorough anti-corruption training program to all of its staff members to reduce the risk of corruption to the business.

Aviation — The Group has invested considerable resources into the development of its aviation capabilities. The global aviation market carries numerous inherent risks, from the safe operation of aircraft to the evolution of local regulatory policies. The Group follows all policies and procedures to ensure that its aviation operations are fully compliant with the relevant civil aviation authority and that it operates its fleet in the safest and most reliable manner.

Competition — The Group has endeavoured to be the first business to bring a complete logistics, security and insurance service solution to One Belt One Road markets. Within its primary aviation and logistics segment — air and ground — the Group faces strong competition from existing vendors specialising in one or more of the Group's lines of service. The Group continually adapts its tactical response to the ever-changing competitive landscape across its target markets. Combining security services with logistics, aviation and insurance offerings is a huge market differentiator.

下文討論所提及的風險相信為現時與本集團關係最為密切的風險。當中所識別的風險均可能對本集團任何或全部業務、財務狀況、營運、僱員及前景造成不利或潛在重大影響。影響本集團的風險範圍可能超出本報告書所呈列的範圍，故此下文並不擬作為詳盡資料。反之，風險列表可能包括日後最終對本集團造成重大或其他方面的影響的未知事宜。

地緣政治環境 — 本集團的核心業務橫跨亞洲至非洲，為向於一帶一路地區經營業務的客戶提供物流、安保及保險服務。本集團的目標地區包括很多全球增長最迅速的市場。然而，尤其是在低度發展國家當選領導層的有序過渡仍然不時面臨挑戰，造成地方政治風險。此外，針對政府及有關當局的地區恐怖主義活動時有發生，令固有的地緣政治風險惡化。因此，在終端市場、服務能力及營運地點三方面作多元化發展，是本集團減低地緣政治風險過程的基礎。

經濟環境 — 本集團採取多元化的策略對沖地區及特定終端市場的週期性經濟衰退。儘管如此，本集團的區域市場一直並將繼續受到商品價格及貿易平衡問題的顯著影響。

合規 — 與在非洲經營業務產生的內在地緣政治風險相類似，貪污亦經常在迅速增長的市場出現。本集團嚴格遵從各個司法權區內所有適用的反行賄法規，並為其所有僱員提供全面的反貪培訓課程，以減低業務的貪污風險。

航空 — 本集團已為發展其航空服務能力投入大量資源。全球航空市場有多項固有風險，包括飛機的安全運作以至地方監管政策的演變。本集團遵守所有政策及程序，以確保其航空業務全面符合相關民航機關的規定，並以最安全及最可靠的方式營運其機隊。

競爭 — 本集團致力成為首項為一帶一路市場提供全面物流、安保及保險服務解決方案的公司。本集團首要的航空及物流分部(包括航空及地面)令其面臨來自現有供應商的激烈競爭，而該等供應商都專門從事一項或以上本集團所提供的服務。本集團不斷因應目標市場瞬息萬變的競爭環境採取策略性的應對措施。將安保服務與物流、航空及保險服務相結合，令本集團從市場中脫穎而出。

REPORT OF THE DIRECTORS

董事會報告書

Global Operations — The Group, headquartered in Hong Kong, now conducts operations in three continents, Asia, Africa and Europe. As a result, considerable ongoing coordination is required to manage the business in the most effective manner across multiple time zones and numerous geographies.

Financial — The Group operates across multiple jurisdictions and conducts business in multiple foreign currencies. The Group also has a substantial amount of collateralised debts. As such, the Group is exposed to foreign exchange trends, margin calls on secured debts and general liquidity risks. The Group monitors its cash position and overall near- and medium-term liquidity on a weekly basis, and makes all necessary adjustments to ensure that the business has a functioning capital structure.

Strategy — The Group is fully committed to its strategic development of an integrated logistics, security and insurance service offering. The execution of this vision requires great coordination among the Group's operating businesses, in addition to the cooperation of other potential partners. Further, the fulfillment of the Group's strategy may require the addition of new geographic or service capabilities, either through greenfield investment or corporate acquisition. While the Group proactively plans for these potential requirements, there are no assurances that the required investment opportunities will exist in the future.

Personnel — The Group's success is ultimately determined by its dedicated staff, and the ability to grow the business is predicated on the Group's ability to recruit, train, and retain highly qualified personnel who share a passion for the corporate vision. The loss of any key staff member or a failure to attract new personnel could have a negative and potentially material effect on the Group and its prospects.

Highly Regulated Business — The Group is subject to any number of national and local regulatory bodies by virtue of its global operations. Failure to comply with any one of the applicable regulatory regimes could have an adverse impact on the Group. Consequently, the Group expends substantial resources ensuring its businesses operate in a fully compliant manner, often with the assistance of third-party service providers who specialise in such matters.

Sanction risks — The Group is subject to sanction risks imposed by various bodies by virtue of its global business in frontier markets. These sanction risks might impose restrictions to the Group's business and might have an adverse impact on the Group. The Company has put in place various measures, including but not limited to seeking external legal counsel's advise and setting up a sanction risk management committee, to ensure these sanction risks would not have a negative impact on the Group.

全球業務 — 本集團的總部設於香港，現時於亞洲、非洲及歐洲三大洲經營業務。因此，本集團必須持續進行大量的協調工作，方能以最有效的方式管理其於不同時區及多個地區的業務。

財務 — 本集團在多個司法權區內營運，並以多種外幣經營業務。本集團亦擁有巨額的資產抵押債務。因此，本集團面對有關外匯走勢、已抵押債務被追加繳付保證金及整體流動資金的風險。本集團每星期監察其現金狀況以及短期及中期的整體流動資金狀況，並會作出所有必要調整，以確保業務擁有正常運作的資金架構。

策略 — 本集團致力達致物流、安保及保險綜合服務的策略性發展。除與其他潛在業務夥伴合作外，實現此一願景亦需要本集團所經營的各項業務間的良好協調。此外，達成本集團的策略可能需要增添新的地區或服務能力，而此可透過全新領域的投資或企業收購達致。雖然本集團積極為這些潛在需求進行規劃，但概無保證日後將會出現所需的投資機遇。

僱員 — 本集團的成功全然取決於其努力不懈的員工，而業務增長的能力則取決於本集團招聘、培訓及挽留熱切追求同一企業願景的卓越僱員的能力。流失任何主要員工或未能吸引新僱員均可能對本集團及其前景造成負面及潛在的重大影響。

受高度規管的業務 — 由於本集團經營全球業務，故此其受到多個國家及地方監管機構的規限。未能遵守任何一個適用監管體制均可能對本集團造成不利影響。因此，本集團已投放大量資源，以確保以全面合規的方式經營其業務，當中不時涉及專門處理該等事宜的第三方服務供應商的協助。

制裁風險 — 本集團因其於前沿市場之全球業務而承擔不同機構施加之制裁風險。該等制裁風險可能限制本集團之業務及可能對本集團造成不利影響。本公司已實施不同措施，包括但不限於諮詢外部法律顧問的意見及已成立制裁風險管理委員會，以確認該等制裁風險不會對本集團造成負面影響。

REPORT OF THE DIRECTORS

董事會報告書

SHARE CAPITAL, SHARE OPTIONS AND SHARE AWARD

Details of the movements in the share capital, share options and share award of the Company during the year ended 31 December 2017 are set out in Notes 30, 31 and 32 to the consolidated financial statements respectively.

RESERVES

The Company's distributable reserves as at 31 December 2017, which solely comprised contributed surplus, amounted to approximately HK\$558,899,000 (2016: HK\$558,899,000). Details of the movements in the reserves of the Group during the year are set out in Note 33 to the consolidated financial statements.

DONATIONS

Charitable and other donations made by the Group during the year ended 31 December 2017 amounted to HK\$89,000 (2016: HK\$531,000).

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and assets, liabilities, non-controlling interests and shareholders' equity of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 208 of the Annual Report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or there is no restriction against such rights under the laws of Bermuda.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its listed securities during the year ended 31 December 2017. Neither the Company nor any of its subsidiaries, except the trustee of the share award scheme of the Company, has purchased or sold any of the Company's listed securities during the year ended 31 December 2017.

股本、購股權及股份獎勵

截至二零一七年十二月三十一日止年度，本公司股本、購股權及股份獎勵之變動詳情分別載列於綜合財務報表附註30、31及32。

儲備

本公司於二零一七年十二月三十一日可供分派之儲備(全部均為實繳盈餘)約為558,899,000港元(二零一六年：558,899,000港元)。年內，本集團之儲備變動詳情載列於綜合財務報表附註33。

捐款

截至二零一七年十二月三十一日止年度，本集團所作慈善及其他捐款達89,000港元(二零一六年：531,000港元)。

五年財務概要

本集團過去五個財政年度之已公佈業績及資產、負債、非控股權益以及股東權益之概要(摘錄自經審核綜合財務報表)載列於本年報第208頁。本概要並不構成經審核綜合財務報表之一部份。

優先購買權

本公司章程細則內並無有關優先購買權之規定，百慕達法例亦無對該等權利作出限制。

購買、贖回或出售本公司上市證券

截至二零一七年十二月三十一日止年度，本公司並無贖回任何其上市證券。截至二零一七年十二月三十一日止年度，本公司及其任何附屬公司(本公司股份獎勵計劃之受託人除外)概無購買或出售本公司任何上市證券。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS

The directors of the Company during the year ended 31 December 2017 and up to the date of this report are:

Executive Directors

Mr. Erik D. Prince ("Mr. Prince")
Mr. Ko Chun Shun, Johnson ("Mr. Ko")
Mr. Luo Ning ("Mr. Luo")
Dr. Hua Dongyi ("Dr. Hua")
Mr. Hu Qinggang ("Mr. Hu")

Independent Non-Executive Directors

Mr. Yap Fat Suan, Henry ("Mr. Yap")
Professor Lee Hau Leung ("Professor Lee")
Dr. Harold O. Demuren ("Dr. Demuren")

In accordance with the Company's Bye-laws, Mr. Ko, Professor Lee and Dr. Demuren will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all independent non-executive directors and considers them to be independent. Under the terms of their appointment, the independent non-executive directors are appointed for a specific term and are subject to retirement by rotation in accordance with the Company's Bye-laws.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws and subject to the statutes, every director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in the execution of his office or otherwise in relation thereto. The Company has taken out and maintained insurance against the liability and costs associated with defending any proceedings which may be brought against the directors of the Company. The level of coverage is reviewed annually.

董事

於截至二零一七年十二月三十一日止年度及截至本報告日期，本公司之董事如下：

執行董事

Erik D. Prince 先生(「Prince 先生」)
高振順先生(「高先生」)
羅寧先生(「羅先生」)
華東一博士(「華博士」)
胡慶剛先生(「胡先生」)

獨立非執行董事

葉發旋先生(「葉先生」)
李效良教授(「李教授」)
Harold O. Demuren 博士(「Demuren 博士」)

根據本公司章程細則，高先生、李教授及 Demuren 博士將於應屆股東週年大會上輪席退任，符合資格並願膺選連任。

本公司已收到所有獨立非執行董事之年度獨立性確認函，並認為彼等為獨立人士。根據委任條款，獨立非執行董事按特定任期獲委任，且須根據本公司章程細則輪席退任。

獲准許之彌償保證條文

根據本公司章程細則及在法規之規限下，各董事將會就履行其職責或與此有關的其他事宜而蒙受或招致之所有成本、費用、開支、損失及責任獲得本公司以其資產作出彌償。本公司已就本公司董事可能面對任何法律程序中之抗辯所招致之責任及費用投購及續購保險，並每年檢討投保範圍。

REPORT OF THE DIRECTORS

董事會報告書

EQUITY-LINKED AGREEMENTS

Other than the share option scheme and the share award scheme of the Company as set out in Notes 31 and 32 to the consolidated financial statements respectively and the preference shares issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company, as set out in Note 34 to the consolidated financial statements, there were no other equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares entered into by the Company during the year ended 31 December 2017 or subsisted as at 31 December 2017.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 36 to 42 of the Annual Report.

股票掛鈎協議

除分別載於綜合財務報表附註31及32之本公司購股權計劃及股份獎勵計劃以及載於綜合財務報表附註34由本公司全資附屬公司DVN (Group) Limited發行之優先股外，本公司概無於截至二零一七年十二月三十一日止年度訂立或於二零一七年十二月三十一日存續其他將會或可能導致本公司發行股份，或規定本公司訂立任何將會或可能導致本公司發行股份之協議之股票掛鈎協議。

董事服務合約

擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂立不可於一年內免付補償(法定補償除外)而終止之服務合約。

董事於交易、安排或合約中之重大權益

於年結日或截至二零一七年十二月三十一日止年度內任何時間，本公司或其附屬公司概無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益且仍然存續之重要交易、安排或合約。

董事及高級管理人員之履歷詳情

本公司之董事及本集團之高級管理人員之履歷詳情載列於年報第36頁至42頁。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

At 31 December 2017, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations, as defined in Part XV of the Securities and Futures Ordinance (the "SFO") and as recorded in the register required to be kept by the Company under Section 352 of 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long Positions in Shares and Underlying Shares of the Company

Name of director 董事姓名	Number of ordinary shares held 所持普通股數目				Total 總計	Number of underlying shares held 所持相關股份數目		% of the issued share capital of the Company 佔本公司已發行股本百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Personal interests 個人權益		Grand total 總計		
Mr. Prince Prince 先生	30,575,000	—	—	30,575,000	307,673,485 (Note (i)) (附註(i))	338,248,485	23.33%	
Mr. Ko 高先生	—	2,040,816 (Note (ii)) (附註(ii))	223,776,719 (Note (iii)) (附註(iii))	225,817,535	—	225,817,535	15.58%	
Dr. Hua 華博士	—	—	—	—	26,834,060 (Note (iv)) (附註(iv))	26,334,060	1.85%	
Mr. Hu 胡先生	9,814,000	—	—	9,814,000	—	9,814,000	0.68%	
Mr. Yap 葉先生	—	—	—	—	1,400,000 (Note (iv)) (附註(iv))	1,400,000	0.10%	
Professor Lee 李教授	1,400,000	—	—	1,400,000	—	1,400,000	0.10%	
Dr. Demuren Demuren 博士	1,400,000	—	—	1,400,000	—	1,400,000	0.10%	

董事於本公司或任何相聯法團股份及相關股份之權益及淡倉

於二零一七年十二月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份及相關股份中擁有須記入本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須另行知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

於本公司股份及相關股份之好倉

REPORT OF THE DIRECTORS

董事會報告書

Notes:

- (i) This represents Mr. Prince's interest in the option for the rights to subscribe for up to 307,673,485 new shares of the Company, details of which are disclosed in Note 31(b) to the consolidated financial statements.
- (ii) These shares were held by the spouse of Mr. Ko.
- (iii) This represents:
 - (a) the deemed interests of Mr. Ko in the 48,276,719 ordinary shares of the Company held by First Gain International Limited under the SFO by virtue of his interests in First Gain International Limited; and
 - (b) the deemed interests of Mr. Ko in the 175,500,000 ordinary shares of the Company held by Rich Hill Capital Limited under the SFO by virtue of his interests in Rich Hill Capital Limited.
- (iv) These represent the share options of the Company granted to the respective directors under the Company's share option scheme, details of which are disclosed in Note 31 to the consolidated financial statements.

Save as disclosed above, at 31 December 2017, none of the directors had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations which had been recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above and in the share option disclosed in Note 31 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or minor children, 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.

附註：

- (i) 該數字指Prince先生於有權認購最多307,673,485股本公司新股份之購股權中之權益，詳情於綜合財務報表附註31(b)披露。
- (ii) 該等股份由高先生之配偶持有。
- (iii) 該數字指：
 - (a) 根據證券及期貨條例，由於高先生於First Gain International Limited之權益，故被視作擁有First Gain International Limited持有之48,276,719股本公司普通股之權益；及
 - (b) 根據證券及期貨條例，由於高先生於Rich Hill Capital Limited之權益，故被視作擁有Rich Hill Capital Limited持有之175,500,000股本公司普通股之權益。
- (iv) 該等數字指根據本公司購股權計劃授予有關董事之本公司購股權，詳情於綜合財務報表附註31披露。

除上文所披露者外，於二零一七年十二月三十一日，概無董事於本公司或其任何相聯法團之股份或相關股份中擁有須記入根據證券及期貨條例第352條而存置之登記冊之任何權益或淡倉，或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

董事收購股份之權利

除上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節中所披露及綜合財務報表附註31所披露之購股權外，任何董事或彼等各自之配偶或未成子女概無於年內任何時間獲授予可藉購入本公司股份而獲益之權利，亦無行使任何該等權利。本公司或其任何附屬公司亦無參與訂立任何安排，致使董事可取得任何其他法團之該等權利。

REPORT OF THE DIRECTORS

董事會報告書

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

At 31 December 2017, other than the interests and short positions of the directors or chief executive of the Company as disclosed in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above, the following interests of 5% or more 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 and Underlying Shares of the Company

Name	Number of ordinary shares held 所持普通股數目			Total	Number of underlying shares held 所持相關股份數目		% of the issued share capital of the Company 佔本公司已發行股本百分比
	Direct beneficially owned	Through controlled corporation	Security interests		Through controlled corporation	Grand total	
名稱	直接實益擁有	透過受控公司	證券權益	總計	透過受控公司	總計	
Easy Flow Investments Limited 盈動投資有限公司	237,592,607	—	—	237,592,607	—	237,592,607	16.39%
CITIC Investment (HK) Limited	—	237,592,607 (Note (i)) (附註(i))	—	237,592,607	—	237,592,607	16.39%
CITIC Corporation Limited 中國中信有限公司	—	237,592,607 (Note (ii)) (附註(ii))	—	237,592,607	—	237,592,607	16.39%
CITIC Limited 中國中信股份有限公司	—	237,592,607 (Note (iii)) (附註(iii))	—	237,592,607	—	237,592,607	16.39%
CITIC Group Corporation 中國中信集團有限公司	—	237,592,607 (Note (iv)) (附註(iv))	—	237,592,607	—	237,592,607	16.39%
Rich Hill Capital Limited	175,500,000	—	—	175,500,000	—	175,500,000 (Note (v)) (附註(v))	12.11%

主要股東及其他人士於股份之權益

於二零一七年十二月三十一日，除上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節中所披露之本公司董事或主要行政人員之權益及淡倉外，根據本公司按照證券及期貨條例第336條存置之權益登記冊記錄，擁有本公司已發行股本5%或以上之權益之主要股東及其他人士如下：

於本公司股份及相關股份之好倉

REPORT OF THE DIRECTORS

董事會報告書

Notes:

- (i) CITIC Investment (HK) Limited is deemed to be interested in the 237,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in Easy Flow Investments Limited.
- (ii) CITIC Corporation Limited is deemed to be interested in the 237,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in CITIC Investment (HK) Limited.
- (iii) CITIC Limited is deemed to be interested in the 237,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in CITIC Corporation Limited.
- (iv) CITIC Group Corporation is deemed to be interested in the 237,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in CITIC Limited. Mr Luo, a deputy chairman and an executive director of the Company, is an employee of CITIC Group Corporation.
- (v) Mr. Ko is deemed to be interested in the 175,500,000 shares of the Company held by Rich Hill Capital Limited under the SFO by virtue of his interests in Rich Hill Capital Limited. Such interest forms a part of the corporate interests in the ordinary shares of the Company interested by Mr. Ko as set out in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above. Mr. Ko is a director of Rich Hill Capital Limited.

Save as disclosed above, at 31 December 2017, no other person (other than the directors or chief executive of the Company whose interests are set out in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" 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.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 44% (2016: 50%) of the total sales for the year ended 31 December 2017 and sales to the largest customer included therein amounted to approximately 30% (2016: 31%). Purchases from the Group's five largest suppliers accounted for approximately 7% (2016: 7%) of the total purchases for the year ended 31 December 2017 and purchases from the largest supplier included therein amounted to approximately 2% (2016: 4%).

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own 5% or more of the Company's issued share capital) had any beneficial interest in any of the Group's five largest customers or suppliers.

附註：

- (i) 根據證券及期貨條例，由於CITIC Investment (HK) Limited持有盈動投資有限公司之權益，故被視作擁有盈動投資有限公司持有之本公司237,592,607股普通股之權益。
- (ii) 根據證券及期貨條例，由於中國中信有限公司持有CITIC Investment (HK) Limited之權益，故被視作擁有盈動投資有限公司持有之本公司237,592,607股普通股之權益。
- (iii) 根據證券及期貨條例，由於中國中信股份有限公司持有中國中信有限公司之權益，故被視作擁有盈動投資有限公司持有之本公司237,592,607股普通股之權益。
- (iv) 根據證券及期貨條例，由於中國中信集團有限公司持有中國中信股份有限公司之權益，故被視作擁有盈動投資有限公司持有之本公司237,592,607股普通股之權益。本公司之副主席及執行董事羅先生為中國中信集團有限公司之僱員。
- (v) 根據證券及期貨條例，由於高先生持有Rich Hill Capital Limited之權益，故被視作擁有Rich Hill Capital Limited持有之175,500,000股本公司股份之權益。該等權益構成上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節內載列之高先生擁有本公司普通股之公司權益之一部份。高先生為Rich Hill Capital Limited之董事。

除上文所披露者外，於二零一七年十二月三十一日，概無其他人士(本公司董事或主要行政人員除外，彼等之權益已載列於上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節中)於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

主要客戶及供應商

於回顧年度，本集團售予五大客戶之銷售額約佔截至二零一七年十二月三十一日止年度之銷售總額44%(二零一六年：50%)，售予其中最大客戶之銷售額約佔30%(二零一六年：31%)。本集團五大供應商之採購額佔截至二零一七年十二月三十一日止年度採購總額約7%(二零一六年：7%)，其中最大供應商之採購額約佔2%(二零一六年：4%)。

本公司董事或彼等任何聯繫人或就董事所知任何擁有本公司已發行股本5%或以上之股東概無於本集團任何五大客戶或供應商擁有任何實益權益。

REPORT OF THE DIRECTORS

董事會報告書

CONNECTED TRANSACTIONS

During the year ended 31 December 2017, the Group conducted certain transactions with connected persons which constituted continuing connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). These transactions are also regarded as related party transactions under applicable accounting principles, which are set out in Note 37 to the consolidated financial statements and with respect of which the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Continuing Connected Transactions

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out in Note 37(a)(i) to the consolidated financial statements and have confirmed that these continuing connected transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) 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.

The Board of the Company engaged the independent auditor of the Company to report on the continuing connected transactions on a sample basis in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews 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. The independent auditor has issued a letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the letter has been provided to the Company for submission to the Stock Exchange.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its directors, the directors confirmed that the Company has maintained at least 25% public float during the year as required under the Listing Rules.

關連交易

截至二零一七年十二月三十一日止年度，本集團與關連人士進行的若干交易構成香港聯合交易所有限公司證券上市規則（「上市規則」）項下之持續關連交易。該等交易亦被視作適用會計原則下之關聯人士交易，並載於綜合財務報表附註37，就此本公司已符合上市規則第十四A章之披露規定。

持續關連交易

本公司獨立非執行董事已審閱綜合財務報表附註37(a)(i)所載之持續關連交易，並確認該等持續關連交易乃在下列情況下訂立：

- (i) 於本集團一般及日常業務過程中；
- (ii) 按正常商業條款或更佳條款；及
- (iii) 根據規管該等交易之相關協議按公平合理之條款訂立，且符合本公司股東之整體利益。

本公司董事會已委聘本公司之獨立核數師遵照香港會計師公會所頒佈之香港核證工作準則第3000號「審核或審閱過往財務資料以外之核證工作」及參照實務說明第740號「關於香港上市規則下持續關連交易之核數師函件」，對持續關連交易作出抽查報告。獨立核數師已發出載有關於本集團根據上市規則第14A.38條於上文披露之持續關連交易之發現及結論之函件。函件副本已提供予本公司以便呈交聯交所。

足夠公眾持股量

根據本公司所得之公開資料及據董事所知，董事確認，本公司之公眾持股量於年內一直符合上市規則之規定，維持不少於25%。

REPORT OF THE DIRECTORS

董事會報告書

EVENTS AFTER THE FINANCIAL POSITION DATE

Except for the information as disclosed in Note 38 to the consolidated financial statements, the Group did not have any other material events occurred subsequent to the financial position date.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Erik D. Prince
Chairman

Hong Kong, 26 March 2018

財務狀況日後事項

除綜合財務報表附註38所披露之資料外，本集團於財務狀況日後概無發生任何其他重大事宜。

核數師

羅兵咸永道會計師事務所已審核綜合財務報表，任滿告退，並符合資格且願於本公司應屆股東週年大會膺選連任。

代表董事會

Erik D. Prince
主席

香港，二零一八年三月二十六日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the Shareholders of Frontier Services Group Limited
(Incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Frontier Services Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 64 to 207, which comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

羅兵咸永道

致先豐服務集團有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

先豐服務集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第64至207頁的綜合財務報表，包括：

- 於二零一七年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

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

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

- Goodwill, intangible assets and property, plant and equipment impairment assessment
- Going concern assumption

Key Audit Matter

Goodwill, intangible assets and property, plant and equipment impairment assessment

Refer to Note 4 (Critical accounting estimates and judgements), Note 14 (Property, plant and equipment) and Note 15 (Goodwill and other intangibles) to the consolidated financial statements

As at 31 December 2017, the Group had goodwill before impairment of HK\$2,102,000 arising from the acquisitions of Maleth Aero Limited in the Aviation and Logistics Business segment (“AL Business Segment”). The goodwill is subject to an annual impairment assessment performed by management.

How our audit addressed the Key Audit Matter

Our procedures in relation to management’s goodwill, intangible assets and property, plant and equipment impairment assessment included the following:

We evaluated and challenged the composition of management’s future cash flow forecasts used in their value-in-use calculations, and the process by which they were prepared. We found that the cash flow forecasts prepared by management were subject to oversight and review by the directors of the Company and was consistent with the board of directors of the Company approved budgets.

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 商譽、無形資產以及物業、機器及設備之減值評估
- 持續經營之假設

關鍵審計事項

商譽、無形資產以及物業、機器及設備減值評估

請參閱綜合財務報表附註4 (關鍵會計估計及判斷)、附註14 (物業、機器及設備)及附註15 (商譽及其他無形資產)

於二零一七年十二月三十一日，貴集團從收購航空及物流業務分部(「航空及物流業務分部」)之Maleth Aero Limited產生的商譽(扣除減值前)為2,102,000港元。有關商譽將由管理層進行年度減值評估。

我們的審計如何處理關鍵審計事項

我們對管理層就商譽、無形資產以及物業、機器及設備作出之減值評估執行下列審計程序：

我們評估及查詢管理層於計算使用價值時所使用的未來現金流量預測的組成，以及彼等編製預測的程序。我們發現管理層編製的現金流量預測已經貴公司董事監督及審閱，且與貴公司董事會批准的預算一致。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

In addition, the Group also owned, as at 31 December 2017, intangible assets and property, plant and equipment before impairment of HK\$35,019,000 and HK\$292,283,000, respectively. A significant portion of the intangible assets and property, plant and equipment relates to the AL Business Segment. These assets require an impairment assessment if an impairment indicator is identified.

The AL Business Segment has been loss making since becoming part of the Group in 2013 and recorded an operating loss of HK\$161,987,000 for the year ended 31 December 2017. This represented an impairment indicator for the relevant intangible assets and property, plant and equipment.

Management performed an impairment assessment in respect of the goodwill and intangible assets of each AL Business Segment related Cash Generating Unit ("CGU") using the value-in-use method which involved significant judgement in determining the assumptions used in the calculations. The key assumptions include:

- annual growth rate;
- long-term growth rate; and
- discount rate.

How our audit addressed the Key Audit Matter

We compared the current year actual results with the amounts included in the prior year cash flow forecast to consider the quality of management's forecasting, and we checked that management had considered the current year actual results in the preparation of this year's forecasts. We also inquired of management to understand the reasons for the deviation of the actual results for the current year from prior year forecast, comparing the explanations to our market knowledge and expectations, and checked that the relevant factors had been taken into account in this year's forecasts.

The procedures we performed over management's key assumptions used in the cash flow forecasts included:

- comparing annual growth rate to historical actual figures;
- benchmarking the long-term growth rate against industry forecasts;
- benchmarking the discount rate against our research on the discount rate for comparable companies.

關鍵審計事項

此外，於二零一七年十二月三十一日，貴集團亦分別擁有無形資產以及物業、機器及設備(扣除減值前)35,019,000港元及292,283,000港元。大部份無形資產以及物業、機器及設備與航空及物流業務分部有關。如發現任何減值跡象，則須對該等資產進行減值評估。

航空及物流業務分部自二零一三年併入貴集團以來一直錄得虧損，且於截至二零一七年十二月三十一日止年度錄得營運虧損161,987,000港元。此乃相關無形資產以及物業、機器及設備的減值跡象。

管理層已採用使用價值法就航空及物流業務分部各現金產生單位(「現金產生單位」)的商譽及無形資產進行減值評估。該方法於釐定計算所用假設時涉及重大判斷。主要假設包括：

- 年度增長率；
- 長期增長率；及
- 折現率。

我們的審計如何處理關鍵審計事項

我們透過比較本年度實際結果與上年度現金流量預測的金額，考量管理層預測之質素，我們也核對管理層於編製本年度的預測時已考慮本年度之實際結果。我們亦向管理層作出查詢，以了解本年度實際結果有別於上年度預測的原因，比較有關解釋與我們的市場知識及預測，並核對相關因素已於本年度預測時納入考慮。

我們對管理層於現金流量預測所使用的主要假設執行下列審計程序：

- 比較年度增長率與過往實際數據；
- 以行業預測為基準比較長期增長率；
- 以我們對可比較公司折現率的研究為基準比較折現率。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

In relation to the impairment assessment of property, plant and equipment in each AL Business Segment related CGU, management determined the recoverable amount as the higher of value-in-use and fair value less costs of disposal, which was calculated by benchmarking against the price quotation of a comparable model in the second-hand market.

A provision for impairment of HK\$9,000,000 and HK\$19,531,000 was made for the other intangibles and property, plant and equipment, respectively, for the year ended 31 December 2017. No provision for impairment on the goodwill was considered necessary as at 31 December 2017.

We focused on this area due to the significance of the balances and the significant judgements involved in the assessment of the recoverable amounts of the CGUs including the assumptions used in the calculation of value-in-use as well as the judgement required to identify suitable market comparable data to determine the fair value less costs of disposal of property, plant and equipment.

How our audit addressed the Key Audit Matter

We evaluated sensitivity analysis performed by management around the key assumptions by calculating the degree to which these assumptions would need to change to trigger further material impairment. We determined that the calculation was most sensitive to the growth rates and discount rate assumptions, and we discussed and challenged management's view on the likelihood of such a change in the growth rates and discount rate.

In relation to the fair value less costs of disposal of property, plant and equipment, we checked, on a sample basis, the market price quotations for comparable property, plant and equipment identified by management to the relevant source. We also compared, on a sample basis, the key specifications, including the model, year of manufacture, equipment and modifications of the comparable property, plant and equipment with those owned by the Group to assess the suitability of the comparison. We also performed our own internet search, on a sample basis, on the fair value less costs of disposal of similar property, plant and equipment.

Based on the procedures performed, we found management's goodwill, intangible assets and property, plant and equipment impairment assessment to be supportable based on the available evidence.

關鍵審計事項

就航空及物流業務分部各現金產生單位的物業、機器及設備減值評估而言，管理層釐定可收回金額為使用價值與公允價值減出售成本的較高者，乃以可比較模型於二手市場的報價為基準計算。

截至二零一七年十二月三十一日止年度分別就其他無形資產以及物業、機器及設備計提減值撥備9,000,000港元及19,531,000港元。管理層認為於二零一七年十二月三十一日毋須就商譽計提減值撥備。

我們專注於此事項是因為有關結餘屬重大，且評估現金產生單位可收回金額涉及重大判斷(包括計算使用價值所使用的假設及確定市場上的適當可比較對象以釐定物業、機器及設備的公允價值減出售成本所需的判斷)。

我們的審計如何處理關鍵審計事項

我們透過計算主要假設為觸發進一步重大減值需要作出調整的水平對管理層按主要假設的敏感度分析進行評估。我們釐定有關計算對增長率及折現率假設最為敏感，且我們討論及向管理層查詢有關增長率及折現率變動可能性的看法。

就物業、機器及設備的公允價值減出售成本而言，我們抽查管理層所確定的可比較物業、機器及設備的市場報價與相關來源。我們亦抽樣比較可比較物業、機器及設備與貴集團所擁有的主要規格(包括模型、生產年份、設備及修改)以評估比較的適當性。我們本身亦透過互聯網抽樣調查類似物業、機器及設備的公允價值減出售成本。

基於所執行的審計程序，我們認為管理層就商譽、無形資產以及物業、機器及設備作出之減值評估乃有據可依。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

Going concern assumption

Refer to Note 2.1 to the consolidated financial statements

For the year ended 31 December 2017, the Group had incurred net losses of HK\$223,102,000 and had an operating cash outflows of HK\$119,034,000.

The Group is therefore dependent on its existing cash resources, available facilities from bank and cash flows to be generated from operations to finance the future operations of the Group. The forecast of its cash flows generated from operations involved key assumptions such as revenue growth and gross profit margin.

Management of the Group has performed a cash flow forecast and concluded that there will be sufficient funds to meet its financial obligations as and when they fall due in the next twelve months from 31 December 2017 to support going concern basis of preparation of the consolidated financial statements.

We focused on this assessment as it involved consideration of future events and application of significant judgements and estimates and accordingly, this was an area of our audit focus.

How our audit addressed the Key Audit Matter

In assessing the appropriateness of management's going concern assumption in preparing the consolidated financial statements, the following audit procedures have been performed by us:

- Confirming the cash balances and available facilities as at 31 December 2017 by circulation of bank confirmations;
- Reviewing the signed agreement for the acquisition of the land use right to ensure the payment terms are properly reflected in the cash flow forecast;
- Checking the bank statements to confirm the proceeds from Erik Prince's exercise of share options have been received by the Company;
- Assessing the appropriateness of key assumptions used in the cash flow forecast for the Group's major operations by (i) obtaining sales agreements, sales invoices and bidding proposals for future projects to support the projected revenue, (ii) comparing the pro-rated revenue per the latest management account to projected revenue, and (iii) comparing projected gross margin to historical gross profit margin.
- Evaluating the sensitivity of the Group's cash flow forecast by considering downside scenarios against reasonable possible changes to the above key assumptions.

Based on the procedures described, we found that the judgements and estimates made by management in preparing the working capital forecast for the purposes of going concern assessment were supportable by available evidence.

關鍵審計事項

持續經營假設

請參閱綜合財務報表附註 2.1

截至二零一七年十二月三十一日止年度，貴集團產生淨虧損223,102,000港元及營運現金流出淨額119,034,000港元。

因此，貴集團依賴其現有現金資源、可用銀行融資以及營運所產生的現金流，為貴集團之未來營運提供資金。其營運產生之現金流預測涉及收益增長及毛利率等主要假設。

貴集團管理層已作出現金流預測，並認為其將有充足資金以應付於二零一七年十二月三十一日起未來十二個月之到期財務責任，以支持編製綜合財務報表時所用之持續經營基準。

我們專注於此評估是因為其涉及考慮未來事件以及應用重大判斷及估計，因此，此範圍是我們之審計重點。

我們的審計如何處理關鍵審計事項

於評估管理層於編製綜合財務報表時所用之持續經營基準之合適性時，我們已採用以下審計程序：

- 透過傳閱銀行詢證函確認於二零一七年十二月三十一日的現金結餘及可動用融資；
- 審閱收購土地使用權之已簽署協議，以確保付款條款已適當反映於現金流預測；
- 檢查銀行賬單以確認貴公司已收取 Erik Prince 行使購股權之所得款項；
- 透過(i)取得有關未來項目之銷售協議、銷售發票及標書，以支持預測收益；(ii)根據最近期管理賬目比較按比例計算收益與預測收入；及(iii)比較預測毛利率與過往毛利率，評估貴集團主要業務之現金流預測所用主要假設之適合性；
- 透過考慮在下跌情況下對上述主要假設作出之合理可能變動，評估本集團現金流預測之敏感度。

基於上述程序，我們認為管理層就持續經營評估編製營運資金預測時所作出之判斷及估計乃有據可依。

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 all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

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

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

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

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

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 judgement 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

We communicate with the Audit Committee 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 the Audit Committee 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.

From the matters communicated with the Audit Committee, 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.

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

The engagement partner on the audit resulting in this independent auditor's report is Chan Hin Gay Gabriel.

出具本獨立核數師報告的審計項目合夥人是陳顯基。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, 26 March 2018

香港，二零一八年三月二十六日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

			2017 二零一七年	2016 二零一六年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入	6	724,414	576,889
Cost of direct materials and job expenses	直接材料費用及工作開支	10	(131,705)	(130,697)
Cost of aircraft management services	飛機管理服務成本		(125,448)	(48,134)
Data costs	數據成本		(6,950)	(8,033)
Employee benefit expenses	僱員福利開支	7	(178,612)	(166,129)
Sub-contracting charges	分包費用		(295,382)	(246,900)
Operating lease rentals	經營租約租金		(22,412)	(18,014)
Repairs and maintenance costs	維修及保養成本		(35,694)	(42,948)
Depreciation and amortisation	折舊及攤銷	14, 15 & 20	(35,375)	(34,115)
Other income and other gains/(losses), net	其他收入及其他收益/(虧損), 淨額		6,309	20,911
Other operating expenses	其他營運費用		(88,552)	(84,743)
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	21	592	10,712
Provision for impairment of goodwill and other intangibles	商譽及其他無形資產之減值撥備	15	(9,000)	(9,970)
Provision for impairment of property, plant and equipment and assets held for sale, net	物業、機器及設備以及持作出售資產之減值撥備, 淨額	14	(23,633)	(17,362)
Operating loss	營運虧損		(221,448)	(198,533)
Interest income	利息收入		9,463	13,857
Finance costs	融資成本	8	(18,213)	(23,339)
Share of loss of associates	應佔聯營公司虧損	17	(2,859)	(561)
Loss before income tax	除所得稅前虧損		(233,057)	(208,576)
Income tax credit/(expenses)	所得稅抵免/(開支)	9	9,955	(910)
LOSS FOR THE YEAR	年度虧損	10	(223,102)	(209,486)
Attributable to:	以下應佔:			
Equity holders of the Company	本公司權益持有人	33	(223,760)	(209,816)
Non-controlling interests	非控股權益		658	330
			(223,102)	(209,486)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司權益持有人應佔每股虧損	11		
Basic and diluted loss per share	每股基本及攤薄虧損		(15.84) cents 仙	(17.06) cents 仙

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Note 附註			
	LOSS FOR THE YEAR	(223,102)	(209,486)
	Other comprehensive income/(loss)		
	Items that have been reclassified or may be subsequently reclassified to profit or loss		
	Foreign exchange differences	14,653	(21,350)
	Change in value of available-for-sale financial assets	(125)	(11,815)
21	Realisation of equity instrument reserve upon disposal of available-for-sale financial assets	(604)	(10,910)
33			
	Other comprehensive income/(loss) for the year, net of tax	13,924	(44,075)
	TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(209,178)	(253,561)
	Attributable to:		
	Equity holders of the Company	(209,917)	(253,879)
	Non-controlling interests	739	318
		(209,178)	(253,561)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日

			2017 二零一七年	2016 二零一六年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、機器及設備	14	272,752	337,728
Goodwill and other intangibles	商譽及其他無形資產	15	28,121	35,327
Interests in associates	於聯營公司之權益	17	9,848	7,185
Pledged bank deposits	已抵押銀行存款	25	—	66,070
Restricted cash	受限制現金	25	—	5,045
Deferred income tax assets	遞延所得稅資產	18	7,249	5,345
Non-current prepayments	非即期預付款	19	27,675	28,348
Prepaid operating lease rentals	預付經營租約租金	20	1,351	1,393
Available-for-sale financial assets	可供出售金融資產	21	42	61
Total non-current assets			347,038	486,502
CURRENT ASSETS				
流動資產				
Inventories	存貨	22	11,287	6,183
Trade receivables	貿易應收款項	23	120,434	87,480
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	24	82,900	77,414
Tax receivables	應收稅項		905	960
Available-for-sale financial assets	可供出售金融資產	21	—	1,281
Restricted cash	受限制現金	25	5,085	9,991
Pledged bank deposits	已抵押銀行存款	25	231,365	150,138
Short-term bank deposits	短期銀行存款	25	379	—
Cash and cash equivalents	現金及現金等價物	25	65,228	68,144
Assets held for sale		14(iv)	517,583 19,556	401,591 24,374
Total current assets			537,139	425,965
CURRENT LIABILITIES				
流動負債				
Trade payables	貿易應付款項	26	116,254	79,134
Other payables and accruals	其他應付款項及應計費用	27	65,969	49,735
Borrowings	貸款	28	194,654	187,681
Tax payables	應付稅項		133	465
Total current liabilities			377,010	317,015
Net current assets			160,129	108,950

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日

			2017 二零一七年	2016 二零一六年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Total assets less current liabilities	資產總值減流動負債		507,167	595,452
NON-CURRENT LIABILITIES	非流動負債			
Borrowings	貸款	28	58,905	129,103
Deferred income tax liabilities	遞延所得稅負債	18	52,775	60,455
Other long-term liabilities	其他長期負債		7,546	6,963
Total non-current liabilities	非流動負債總值		119,226	196,521
Net assets	資產淨值		387,941	398,931
EQUITY	權益			
Equity attributable to the Company's equity holders	本公司權益持有人應佔權益			
Share capital	股本	30	144,970	123,370
Reserves	儲備	33	118,704	152,033
			263,674	275,403
Non-controlling interests	非控股權益	34	124,267	123,528
Total equity	總權益		387,941	398,931

Signed on behalf of the Board on 26 March 2018 by

代表董事會於二零一八年三月二十六日簽署

Erik D. Prince

Director

董事

Hua Dongyi

華東一

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔			Non-controlling interests 非控股權益 HK\$'000 千港元	Total equity 總權益 HK\$'000 千港元	
		Note 附註	Share capital 股本 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元			Total 總計 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日		122,950	403,795	526,745	116,250	642,995
Comprehensive income/(loss)	全面收益/(虧損)						
Loss for the year	年度虧損		—	(209,816)	(209,816)	330	(209,486)
Other comprehensive loss	其他全面虧損						
Foreign exchange differences	匯兌差額		—	(21,338)	(21,338)	(12)	(21,350)
Change in value of available-for-sale financial assets	可供出售金融資產之價值變更	21	—	(11,815)	(11,815)	—	(11,815)
Realisation of equity instrument reserve upon disposal of available-for-sale financial assets	出售可供出售金融資產後變現權益工具儲備	33	—	(10,910)	(10,910)	—	(10,910)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)		—	(44,063)	(44,063)	(12)	(44,075)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額		—	(253,879)	(253,879)	318	(253,561)
Acquisition of subsidiaries	收購附屬公司		—	—	—	6,960	6,960
Disposal of subsidiaries	出售附屬公司		—	(8,202)	(8,202)	—	(8,202)
Transactions with equity holders	與權益持有人之交易						
Share-based compensation	以股份支付之補償		—	21,477	21,477	—	21,477
Exercise of share options	行使購股權		420	3,653	4,073	—	4,073
Symmetrical put and call option	對稱認沽及認購期權	13	—	(6,963)	(6,963)	—	(6,963)
Shares acquired for share award scheme	為股份獎勵計劃購買之股份		—	(7,848)	(7,848)	—	(7,848)
			420	2,117	2,537	6,960	9,497
At 31 December 2016	於二零一六年十二月三十一日		123,370	152,033	275,403	123,528	398,931

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔				
		Share capital 股本	Reserves 儲備	Total 總計	Non- controlling interests 非控股權益	Total equity 總權益
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	Note 附註					
At 1 January 2017	於二零一七年一月一日	123,370	152,033	275,403	123,528	398,931
Comprehensive income/(loss)	全面收益/(虧損)					
Loss for the year	年度虧損	—	(223,760)	(223,760)	658	(223,102)
Other comprehensive income/(loss)	其他全面收益/(虧損)					
Foreign exchange differences	匯兌差額	—	14,572	14,572	81	14,653
Change in value of available-for-sale financial assets	可供出售金融資產之價值變更	—	(125)	(125)	—	(125)
	21					
Realisation of equity instrument reserve upon disposal of available-for-sale financial assets	出售可供出售金融資產後變現權益工具儲備	—	(604)	(604)	—	(604)
	33					
Other comprehensive income for the year, net of tax	年度其他全面收益(除稅後)	—	13,843	13,843	81	13,924
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	—	(209,917)	(209,917)	739	(209,178)
Transactions with equity holders	與權益持有人之交易					
Issue of shares	發行股份	21,600	170,856	192,456	—	192,456
Share-based compensation	以股份支付之補償	—	10,880	10,880	—	10,880
Lapse of share options	購股權失效	—	(879)	(879)	—	(879)
Shares acquired for share award scheme	為股份獎勵計劃購買之股份	—	(4,269)	(4,269)	—	(4,269)
		21,600	176,588	198,188	—	198,188
At 31 December 2017	於二零一七年十二月三十一日	144,970	118,704	263,674	124,267	387,941

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

			2017 二零一七年	2016 二零一六年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營活動之現金流量			
Cash used in operations	營運所用之現金	35	(118,380)	(161,788)
Income tax paid	已付所得稅		(654)	(3,713)
Net cash used in operating activities	經營活動所用之現金淨值		(119,034)	(165,501)
CASH FLOWS FROM INVESTING ACTIVITIES	來自投資活動之現金流量			
Purchase of property, plant and equipment	購買物業、機器及設備	14	(10,052)	(4,862)
Purchase of intangibles	購買無形資產	15	(7,982)	—
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	35	25,729	11,763
Proceeds from disposal of assets held for sale	出售持作出售資產之所得款項		780	4,650
Acquisition of subsidiaries, net of cash acquired	收購附屬公司(扣除已收購現金)		—	8,337
Acquisition of an associate	收購一家聯營公司		(12,156)	—
Loan to an associate	向一家聯營公司提供貸款		(6,877)	—
Increase in short-term bank deposits	短期銀行存款增加		(379)	—
Interest received	已收利息		9,463	20,519
Proceeds from redemption of available-for-sale financial assets	贖回可供出售金融資產之所得款項	21	19	29
Net proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產之所得款項淨額		1,144	17,706
Disposal of subsidiaries, net of cash disposed	出售附屬公司(扣除已出售現金)	35	—	(4,842)
Net cash (used in)/generated from investing activities	投資活動(所用)/所得之現金淨值		(311)	53,300
CASH FLOWS FROM FINANCING ACTIVITIES	來自融資活動之現金流量			
Interest paid	已付利息		(22,283)	(20,461)
Decrease in pledged bank deposits	已抵押銀行存款減少		—	223,553
Decrease/(increase) in restricted cash	受限制現金減少/(增加)		10,050	(7,765)
Purchase of shares for share award scheme	為股份獎勵計劃購買股份		(4,269)	(7,848)
Proceeds from exercise of share options	行使購股權所得款項		—	4,073
Proceeds from issue of shares	發行股份所得款項		192,456	—
Repayment of bank loans	償還銀行貸款		(153,705)	(220,921)
Repayment of other loans	償還其他貸款		(301)	—
Drawdown of bank loans	提取銀行貸款		112,875	5,181
Repayment of capital element of finance leases	償還融資租賃之資本部份		(21,666)	(15,002)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)之現金淨值		113,157	(39,190)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
	Note 附註		
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之減少淨值	(6,188)	(151,391)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	68,144	223,365
Exchange differences	匯兌差額	3,272	(3,830)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等價物	65,228	68,144
	25		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

Frontier Services Group Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its principal place of business is Suite 3902, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong. The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of aviation and logistics services and the provision of online financial market information. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors (the “Board”) of the Company on 26 March 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

1 一般資料

先豐服務集團有限公司(「本公司」)為一家在百慕達註冊成立之有限責任公司，其主要營業地點位於香港金鐘夏慤道16號遠東金融中心39樓3902室。本公司及其附屬公司(統稱「本集團」)主要從事提供航空及物流服務及提供線上金融市場資訊業務。本公司在香港聯合交易所有限公司(「聯交所」)主板上市。

除另有說明外，該等綜合財務報表乃以港元(「港元」)呈列，而所有款項已捨入至最接近之千位數(千港元)。

該等綜合財務報表已由本公司之董事會(「董事會」)於二零一八年三月二十六日批准刊發。

2 主要會計政策概要

編製此等綜合財務報表所應用之主要會計政策載於下文。除另有說明外，此等政策在所呈報之所有年度內貫徹應用。

2.1 編製基準

本集團之綜合財務報表乃根據《香港財務報告準則》(「香港財務報告準則」)，整體而言包括香港會計師公會(「香港會計師公會」)頒佈之所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋及香港《公司條例》(第622章)之規定編製。該等綜合財務報表亦遵從香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.1 Basis of Preparation *(continued)*

The consolidated financial statements have been prepared under the historical cost convention, as modified by (i) the revaluation of available-for-sale financial assets and derivative financial instruments, which are carried at fair value and (ii) the assets held for sale which are measured at fair value less cost of disposal. The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Going concern

For the year ended 31 December 2017, the Group reported a loss of HK\$223,102,000 (2016: HK\$209,486,000) and recorded net cash used in operating activities of HK\$119,034,000 (2016: HK\$165,501,000). As at 31 December 2017, the Group's cash and cash equivalents amounted to HK\$65,228,000 (2016: HK\$68,144,000).

The Group is developing its service offerings in security, logistics and insurance services in Africa, South East Asia and the Middle East. The steps undertaken by the Group to achieve the above objective includes, amongst others, setting up a global security center in Dubai, United Arab Emirates; investing in training facilities and purchasing security equipment and vehicles; and actively pursuing new opportunities in these service offerings with new customers. Whilst the continual expansion of the Group's service offerings is expected to generate income in the future, the Group would require considerable capital investments and working capital for these developments of which the required funding are yet to be secured.

2 主要會計政策概要(續)

2.1 編製基準(續)

該等綜合財務報表已按照歷史成本法(經(i)重估按公允價值列賬之可供出售金融資產及衍生金融工具及(ii)按公允價值減出售成本計量之持作出售資產修訂)編製。編製符合香港財務報告準則之綜合財務報表需要使用若干關鍵會計估算，亦需要管理層在應用本集團會計政策之過程中作出判斷。涉及須作出更多判斷或更複雜之範疇，或假設及估計對綜合財務報表而言屬重要之範疇於附註4披露。

持續經營

截至二零一七年十二月三十一日止年度，本集團錄得虧損223,102,000港元(二零一六年：209,486,000港元)及錄得經營活動所用之現金淨值119,034,000港元(二零一六年：165,501,000港元)。於二零一七年十二月三十一日，本集團之現金及現金等價物為65,228,000港元(二零一六年：68,144,000港元)。

本集團現正於非洲、東南亞及中東地區開發其安保服務、物流及保險服務。本集團為實現上述目標採取之措施包括(當中)於阿拉伯聯合酋長國杜拜成立一間全球安保中心、投資於培訓中心及購買安保設備及汽車，並積極尋求向新客戶提供該等服務之新機遇。隨著本集團服務範圍持續擴張，預期未來將產生收入，因此本集團將需龐大資本投資及營運資金以配合該等發展，而本集團尚未取得所需資金。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Going concern (continued)

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and development of the Group's businesses and its available sources of financing to assess whether the Group will have sufficient funds to fulfill its financial obligations to continue as a going concern. The Group has taken the following measures to improve the Group's financial position, which include but not limited to the followings:

- (i) On 9 January 2018, Mr. Erik D. Prince, the Chairman of the Board of Directors of the Company, has exercised 50,000,000 share options at an exercise price of HK\$1.5 per share to subscribe for 50,000,000 new shares. Total proceeds for the exercise of options amounted to HK\$75,000,000 were received;
- (ii) On 2 March 2018, the Company announced that it has entered into three subscription agreements with three subscribers (the "Subscribers"), pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers have agreed to subscribe for up to 640,000,000 ordinary shares of the Company at the price of HK\$1.30 each (the "Share Subscription"). One of the Subscribers, a company that is ultimately controlled by a state-owned enterprise in the PRC, is a substantial shareholder of the Company; whilst another subscriber is a current shareholder of the Company. Total gross proceeds for this Share Subscription amounted to approximately HK\$832,000,000 and the completion of the subscription is subject to the approval at the Company's upcoming special general meeting and the Listing Committee of the Stock Exchange of Hong Kong Limited having granted the dealing of and permission to deal in the subscribed shares;

2 主要會計政策概要(續)

2.1 編製基準(續)

持續經營(續)

鑑於上述情況，本公司董事已審慎考慮本集團業務之未來流動資金及發展及其可用資金來源，以評估本集團會否將有充足資金按持續基準履行其財務責任。本集團已採取以下措施，改善本集團之財務狀況，當中包括但不限於如下：

- (i) 於二零一八年一月九日，本公司董事會主席Erik D. Prince先生已按行使價每股1.5港元行使50,000,000股購股權，以認購50,000,000股新股份。行使購股權之所得款項總額為75,000,000港元已由本公司收取；
- (ii) 於二零一八年三月二日，本公司公佈其已與三名認購人(「該等認購人」)訂立三份認購協議，據此，本公司已有條件同意向該等認購人配發及發行及該等認購人已同意認購最多640,000,000股本公司普通股，價格為每股1.30港元(「股份認購」)。其中一名該等認購人(由中國國有企業最終控制之公司)為本公司之主要股東，而另一名認購人為本公司之現時股東。本次股份認購之所得款項總額約為832,000,000港元，而該認購事項完成須待於本公司即將舉行之股東特別大會上獲得批准及香港聯合交易所有限公司上市委員會批准認購股份上市及買賣後，方可作實；

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Going concern (continued)

- (iii) As at 31 December 2017, the Group had unutilized banking facilities of approximately HK\$31,000,000. The Group has communicated continuously with the principal banks on the Group's performance to ensure the existing banking facilities, which are fully secured by the Group's pledged bank deposits amounted to HK\$184,816,000, to be continuously available to the Group. The directors of the Company are of the opinion that such banking facilities will be renewed upon expiry in 2018 and continue to be available to the Group for the next twelve months from 31 December 2017; and
- (iv) Implementing measures to improve profitability and cost containment measures to reduce capital and operational expenditures.

The management has prepared cash flow projections covering a period of 12 months from 31 December 2017. The cash flow projections has taken into account the anticipated cash flows generated from the Group's operations, possible changes in its operating performance, the successful completion of the Share Subscription and the continuous availability of the Group's existing banking facilities. These assumptions about future events and conditions are subject to inherent estimation and uncertainties. The directors, after making due enquiries and considering the basis of management's projections described above, believe that there will be sufficient financial resources to meet its financial obligations as and when they fall due in the coming 12 months from 31 December 2017. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2 主要會計政策概要(續)

2.1 編製基準(續)

持續經營(續)

- (iii) 於二零一七年十二月三十一日，本集團未動用之銀行融資約31,000,000港元。本集團已持續就本集團之表現與往來銀行溝通，以確保本集團可繼續取得現有銀行融資，該等融資由本集團之質押銀行存款184,816,000港元悉數抵押。本公司董事認為，該等銀行融資將於二零一八年屆滿後重續，並將於二零一七年十二月三十一日起未來12個月繼續可供本集團使用；及
- (iv) 實施改善盈利能力及成本控制措施，以減低資本及營運開支。

管理層已編製涵蓋於二零一七年十二月三十一日起計12個月期間之現金流量預測。現金流量預測已計及本集團營運產生之預期現金流量、其營運表現之可能變動、股份認購事項成功完成及現有銀行融資可持續供本集團使用。該等有關未來事件及狀況之假設視乎內部估計及不確定因素而定。董事經作出妥為查詢及考慮到下述管理層預測基準後，認為在其財務責任於二零一七年十二月三十一日起計未來12個月期間到期時將有充足財務資源履行該等責任。因此，綜合財務報表已按持續經營基準編製。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs

In the current year, the Group has adopted all the following standards and amendments for the first time for the accounting period beginning on 1 January 2017:

HKAS 7 (Amendments)	<i>Disclosure Initiatives</i>
HKAS 12 (Amendments)	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
HKFRS 12 (Amendments)	<i>As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle</i>

The adoption of these amendments does not have any material impact on the Group's financial statements for the year.

The amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities, see Note 28(e) for details.

The following new and amended HKFRSs have been issued, but are not effective for the Group's accounting period beginning on 1 January 2017 and have not been adopted early:

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響

本集團已於本年度就於二零一七年一月一日開始會計期間首次採納以下所有準則及詮釋：

香港會計準則第7號之修訂	主動披露行為
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號之修訂	香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分

採納該等修訂對本集團本年度財務報表並無任何重大影響。

香港會計準則第7號之修訂規定須披露融資活動所導致之負債變動，有關詳情請參見附註28(e)。

以下新訂及修訂香港財務報告準則已經頒佈，惟於二零一七年一月一日開始之本集團會計期間尚未生效，而本集團亦無提早採納：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKAS 28 (Amendments)	Measuring an Associate or Joint Venture at Fair Value	1 January 2018
HKAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HKFRS 1 (Amendments)	Deletion of Short-Term Exemptions for First-Time Adopters	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-Based Payment Transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 (Amendments) and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HK (IFRIC) Int-22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK (IFRIC) Int-23	Uncertainty Over Income Tax Treatments	1 January 2019

The adoption of HKAS 28 (Amendments), HKAS 40 (Amendments), HKFRS 1 (Amendments), HKFRS 2 (Amendments), HKFRS 4 (Amendments), HKFRS 10 (Amendments), HK (IFRIC) Int-22 and HK (IFRIC) Int-23 would not have any significant impact on the Group's results of operations and financial position.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

香港會計準則第28號之修訂	按公允價值計量之聯營公司或合資公司	二零一八年一月一日
香港會計準則第40號之修訂	轉讓投資物業	二零一八年一月一日
香港財務報告準則第1號之修訂	刪除首次採用者之短期豁免	二零一八年一月一日
香港財務報告準則第2號之修訂	以股份為基礎的支付交易之分類及計量	二零一八年一月一日
香港財務報告準則第4號之修訂	連同香港財務報告準則第4號保險合同應用香港財務報告準則第9號金融工具	二零一八年一月一日
香港財務報告準則第9號	金融工具	二零一八年一月一日
香港財務報告準則第10號之修訂及香港會計準則第28號之修訂	投資者與其聯營公司或合資公司之間之資產出售或注資	二零一八年一月一日
香港財務報告準則第15號	來自客戶合約之收入	二零一八年一月一日
香港財務報告準則第16號	租賃	二零一九年一月一日
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價	二零一八年一月一日
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅之不確定性之處理	二零一九年一月一日

採納香港會計準則第28號之修訂、香港會計準則第40號之修訂、香港財務報告準則第1號之修訂、香港財務報告準則第2號之修訂、香港財務報告準則第4號之修訂、香港財務報告準則第10號之修訂、香港(國際財務報告詮釋委員會)詮釋第22號及香港(國際財務報告詮釋委員會)詮釋第23號不會對本集團之經營業績及財務狀況造成任何重大影響。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKFRS 9 “Financial instruments”

HKFRS 9 “Financial instruments” replaces the whole of HKAS 39. HKFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. Classification is driven by the entity’s business model for managing the debt instruments and their contractual cash flow characteristics.

Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability’s own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

The Group has reviewed its financial assets and liabilities and expects that the Group’s financial asset that is currently classified as available-for-sale (“AFS”) will satisfy the conditions for classification as at fair value through other comprehensive income (“FVOCI”) and hence there will be no change to the accounting for these assets. Accordingly, the Group does not expect the new guidance to affect the classification and measurement of these financial assets.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(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「金融工具」完全取代香港會計準則第39號。香港財務報告準則第9號就債務工具投資訂有三項金融資產分類類別：攤銷成本、按公允價值計入其他全面收益(「其他全面收益」)及按公允價值計入損益。分類按實體管理債務工具的業務模式及其合約現金流量特性決定。

權益工具投資始終按公允價值計量。然而，管理層可以不可撤銷地選擇在其他全面收益中呈列公允價值的變動，惟有關工具不得持作買賣用途。如權益工具乃持作買賣用途，則其公允價值變動於損益呈列。金融負債訂有兩個分類類別：攤銷成本及按公允價值計入損益。倘非衍生金融負債指定為按公允價值計入損益，因負債本身的信貸風險變動而產生的公允價值變動於其他全面收益確認，除非該等公允價值變動會在損益造成會計錯配，在此情況下，則所有公允價值變動均於損益確認。隨後不得將有關金額從其他全面收益轉撥至損益。就持作買賣金融負債(包括衍生金融負債)而言，所有公允價值變動均於損益呈列。

本集團已審閱其金融資產及負債，並預期本集團分類為可供出售之金融資產將符合按公允價值計入其他全面收益之條件，因此，該等資產之會計處理將不會有變動。因此，本集團並不預期新指引將影響該等金融資產之分類及計量。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKFRS 9 "Financial instruments" (continued)

HKFRS 9 also introduces a new model for the recognition of impairment losses — the expected credit losses ("ECL") model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a "three stage" approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost, a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables, this day-1 loss will be equal to their lifetime ECL.

Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

The new impairment model requires the recognition of impairment provisions based on ECL rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. The historical credit losses are immaterial.

Based on the historical experience of the Group, the default rates of the outstanding balances with customers and related parties are low. Hence, the directors of the Company do not expect that the application of HKFRS 9 would result in a significant impact on the Group's impairment provisions.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

香港財務報告準則第9號「金融工具」(續)

香港財務報告準則第9號亦為確認減值虧損引入了一個新模型 — 預期信貸虧損(「預期信貸虧損」)模型，這構成香港會計準則第39號的已產生虧損模型的變動。香港財務報告準則第9號包含一種「三階段」方法，這種方法以初始確認後金融資產信用質素的變動為基礎。資產隨信用質素變動在這三個階段內轉變，不同階段決定實體對減值虧損的計量方法及實際利率法的運用方式。新規定意味著，實體在對未發生信用減值按攤銷成本計量的金融資產初始確認時，必須將12個月內的預期信貸虧損作為首日損失在損益中確認。對於應收賬款，首日損失將等於其整個週期的預期信貸虧損。

當信貸風險顯著增加時，使用整個週期的預期信用損失(而非12個月內的預期信用損失)計量減值。

新減值模型要求按預期信貸虧損確認減值撥備，而非僅產生的信貸虧損(根據香港會計準則第39號的情況下)。其適用於按攤銷成本分類的金融資產、以按公允價值計入其他全面收益計量的債務工具、香港財務報告準則第15號「客戶合約收益」下的合約資產、應收租賃款項、貸款承擔及若干金融擔保合同。過往信貸虧損較少。

根據本集團之過往經驗，客戶與關聯人士拖欠未償付結餘之比率偏低。因此，本公司董事預期應用香港財務報告準則第9號將不會對本集團之減值撥備有重大影響。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKFRS 9 “Financial instruments” (continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard. In the opinion of the directors of the Company, the application of HKFRS 9 would not have a material impact on the Group's financial position and results of operations. HKFRS 9 must be applied for financial years commencing on or after 1 January 2018.

HKFRS 15 “Revenue from contracts with customers”

HKFRS 15 “Revenue from Contracts with Customers” — This new standard replaces the previous revenue standards: HKAS 18 “Revenue” and HKAS 11 “Construction Contracts”, and the related Interpretations on revenue recognition. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach:

- (1) Identify the contract(s) with customer;
- (2) Identify separate performance obligations in a contract;
- (3) Determine the transaction price;
- (4) Allocate transaction price to performance obligations; and
- (5) Recognise revenue when performance obligation is satisfied.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

香港財務報告準則第9號「金融工具」(續)

新準則亦引入擴大了的披露規定及呈報變動。預期將改變本集團有關其金融工具的披露性質及範圍，尤其是在新準則採納的年度內。本公司董事認為，應用香港財務報告準則第9號將不會對本集團之財務狀況及營運業績造成重大影響。香港財務報告準則第9號必須於二零一八年一月一日或之後開始之財政年度應用。

香港財務報告準則第15號「來自客戶合約之收入」

香港財務報告準則第15號「來自客戶合約之收入」— 該項新準則取代之前的收入準則：香港會計準則第18號「收入」及香港會計準則第11號「建築合同」，以及與收入確認相關的詮釋。香港財務報告準則第15號利用五個步驟，確立釐定確認收入時間及金額的全面框架：

- (1) 識別客戶合約；
- (2) 識別合約中的個別履約責任；
- (3) 釐定交易價格；
- (4) 將交易價格分配至履約責任；及
- (5) 於履行履約責任時確認收入。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKFRS 15 "Revenue from contracts with customers" (continued)

The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an "earnings processes" to an "asset liability" approach based on transfer of control. HKFRS 15 provides specific guidance on capitalisation of contract cost, license arrangements and principal versus agent considerations. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The major revenue stream for the Group is provision of services, the performance obligations of this revenue is currently recognised when the related services are rendered.

Impact on the revenue recognition timing and amount may arise when multiple performance obligations are identified and satisfied. Transaction price should be allocated to each distinct performance obligation identified based on relative stand alone selling prices, which is the price that is normally charged for the individual good or services when they are sold separately to customers. Incremental costs to obtain a contract will be capitalised under HKFRS 15 if they are expected to be recovered in long term. This could result in additional deferred costs for certain contracts with customers which incur a commission or agency cost at the time of signing up a long term service contract. However, such costs may be expensed as incurred as a practical expedient if the amortisation period of the asset is one year or less. The contracts with customers entered into by the Group are normally for a term less than one year. Management has performed preliminary assessment on the implementation of HKFRS 15 and the initial result indicated that it would not result in any significant impact on the Group's financial position and results or operation other than changes on the disclosure.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

香港財務報告準則第15號「來自客戶合約之收入」(續)

核心原則是一間公司應確認收入以體現按反映公司預期就交換協定貨品或服務而應得的代價的金額，向客戶轉讓有關貨品或服務。其由以「盈利處理」為基礎的收入確認模型，轉移至以轉移控制權為基礎的「資產負債」方法。香港財務報告準則第15號就合約成本資本化、特許安排及委託人對代理人考慮點提供具體指引。其亦就實體與客戶訂立的合約所產生的收入及現金流量的性質、金額、時間及不確定性設定一套嚴密的披露規定。本集團的主要收入來源是提供服務，該收入的履約責任目前於提供相關服務時確認。

倘識別及完成多重履約義務，則可能會對收入確認時間及金額產生影響。交易價格應分配至根據相關獨立售價識別之每一個可明顯區分的履約責任，有關獨立售價即就獨立向客戶出售個別商品或服務時一般收取之價格。倘預計獲得合約的增加成本將於長遠而言會收回，則有關成本將根據香港財務報告準則第15號資本化。這或會導致與客戶訂立的若干合約出現額外遞延成本，在簽立長期服務合約時產生佣金或代理成本。然而，倘資產的攤銷期為一年或以下，將有關成本在發生時計為支出，為可行權宜之法。本集團與客戶訂立的合約期限一般少於一年。管理層已就香港財務報告準則第15號的實施情況進行初步評估，且初步結果顯示其不會對本集團的財務狀況及經營業績(不包括所披露變動)造成任何重大影響。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKFRS 15 “Revenue from contracts with customers” (continued)

Meanwhile, there will be additional disclosure requirement under HKFRS 15 upon its adoption. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

HKFRS 16 “Leases”

HKFRS 16, “Leases” addresses the definition of a lease, recognition and measurement of leases. The standard replaces HKAS 17 “Leases” and related interpretations. The Group is a lessee of office premises, which are currently classified as operating leases. The Group’s future operating lease commitments, which are not reflected in the consolidated statement of financial position, under non-cancellable operating lease of HK\$113,957,000 as at 31 December 2017, is set out in Note 36(b).

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

香港財務報告準則第15號「來自客戶合約之收入」(續)

同時，香港財務報告準則第15號獲採納時，將須作出更詳盡披露。香港財務報告準則第15號於二零一八年一月一日或之後開始之年度期間生效，並可提早應用。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號「租賃」闡述租賃的定義以及租賃的確認及計量。該準則取代香港會計準則第17號「租賃」及有關詮釋。本集團為辦公室處所的承租人，相關租約現時分類為經營租約。本集團根據於二零一七年十二月三十一日之不可撤銷經營租約項下之未來經營租約承擔(並非於綜合財務狀況表中反映)為113,957,000港元，有關詳情載於附註36(b)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKFRS 16 "Leases" (continued)

HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated statement of financial position. Instead, all non-current leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in Group's consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in right-of-use asset and an increase in financial liability in the consolidated statement of financial position. This will affect related ratios, such as increase in debt to capital ratio. In the consolidated statement of comprehensive income, leases will be recognised in the future as depreciation and amortisation and will no longer be recorded as property rental and related expenses. Interest expense on the lease liability will be presented separately from depreciation and amortisation under finance costs. As a result, the property rental and related expenses under otherwise identical circumstances will decrease, while depreciation and amortisation and the interest expense will increase. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to apply until the financial year beginning on or after 1 January 2019, including the adjustment of prior years. It is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

香港財務報告準則第16號「租賃」(續)

香港財務報告準則第16號為租約的會計處理提供新規定，且於未來將不再允許承租人於綜合財務狀況表以外確認若干租約。所有非流動租約必須以資產(就使用權而言)及金融負債(就付款責任而言)的形式確認。因此，各項租約將納入本集團的綜合財務狀況表。少於12個月的短期租約及低值資產的租約獲豁免申報責任。因此，新訂準則將導致綜合財務狀況表中的使用權資產增加及金融負債增加，並將對相關比率帶來影響，例如債務對資本比率將有所增加。於綜合全面收益表中，租約將於未來確認為折舊及攤銷，並將不再入賬記錄為物業租金及相關開支。租約負債的利息開支將在融資成本項下與折舊及攤銷分開呈列。因此，相同情況下的物業租金及相關開支將會減少，而折舊及攤銷以及利息開支將會增加。使用權資產的直線折舊和租賃負債應用的實際利率法的組合，將導致租約首年在損益扣賬的總開支較高，以及開支於租約年期後期有所減少。本集團預期在二零一九一月一日或之後開始之財政年度之前不會應用該新準則，包括就過往年度作出的調整。預期該等租約承擔之若干部分將須於綜合財務狀況表中確認為使用權資產及租約負債。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

HKFRS 16 "Leases" (continued)

The Group has disclosed its non-cancellable operating lease commitments in Note 36(b). As a result of the adoption of the new standard, there will be no operating lease commitment.

Nevertheless, it is expected that there will be no material impact on the financial position and performance of the Group as the total expenses to be recognised by us over the entire lease period and our total net profit over the lease period is not expected to be materially affected. The adoption of HKFRS 16 would not affect our total cash flows in respect of the leases.

The accounting for lessors will not significantly change.

We are continuing to assess the specific magnitude of the adoption of HKFRS 16 to the relevant financial statement areas and will conduct a more detailed assessment on the impact as information become available closer to the planned initial date of the adoption of 1 January 2019.

There are no other new, amended or revised standards that are not yet effective that are expected to have any impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

香港財務報告準則第16號「租賃」(續)

本集團已於附註36(b)披露其不可撤銷經營租約承擔。由於採納新準則，故將不會有經營租約承擔。

然而，預期本集團之財務狀況及表現將不會受到重大影響，原因是預期本集團將確認於整個租約期間之開支總額及於整個租約期間之純利總額將不會受到重大影響。採納香港財務報告準則第16號將不會影響本集團就該等租約之現金流量總額。

出租人之會計處理將不會有重大變動。

我們將繼續評估採納香港財務報告準則第16號對財務報表相關範疇之具體影響範圍，且將在接近計劃初始採納日期二零一九年一月一日時可獲得更多資訊時進行更詳盡評估。

預期並無尚未生效的其他新訂、修訂或經修訂的準則會於本報告期間或未來報告期間對本集團以及可預見未來交易造成任何影響。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. If the business combination is achieved in stages, the acquisition date carrying amount of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

2 主要會計政策概要(續)

2.2 綜合

(a) 附屬公司

附屬公司指本集團擁有控制權之實體。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司在控制權轉移至本集團之日全面綜合入賬，在控制權終止之日起停止綜合入賬。

本集團以購買法作為業務合併之入賬方法。收購附屬公司之轉讓代價指已轉讓資產、本集團對被收購方之前擁有人產生之負債及已發行股本權益之公允價值。轉讓代價包括或然代價安排所產生之任何資產或負債之公允價值。收購相關成本於產生時支銷。業務合併所收購之可識別資產及所承擔之負債及或然負債初步按其於收購日之公允價值計量。根據逐項收購基準，本集團按公允價值或按非控股權益應佔被收購方可識別資產淨值確認金額之比例確認於被收購方之任何非控股權益。倘業務合併分階段完成，收購方過去於被收購方持有之股本權益之收購日賬面值按收購日之公允價值重新計量。重新計量產生之任何收益或虧損於損益內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement" in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses (Note 2.8). Cost includes direct attributable cost of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid/received and the relevant share of the carrying amount of net assets of the subsidiary acquired/disposed of is recorded in equity.

2 主要會計政策概要(續)

2.2 綜合(續)

(a) 附屬公司(續)

本集團將予轉讓之任何或然代價均按於收購日之公允價值予以確認。被視為資產或負債之或然代價之公允價值之隨後變動，根據香港會計準則第39號「金融工具：確認及計量」於損益中確認。分類為權益之或然代價並無重新計量，其隨後結算計入權益。

集團內公司間之交易以及所產生之結餘、收入及開支予以對銷。於資產內確認之公司間交易產生之溢利及虧損亦予以對銷。附屬公司之會計政策已按需要作出改變，以確保與本集團採用之政策符合一致。

在本公司之財務狀況表內，於附屬公司之投資按成本值扣除減值虧損(附註2.8)列賬。成本包括投資直接產生之成本。附屬公司之業績由本公司按已收及應收股息入賬。

不會導致失去控制權之非控股權益之交易入賬列作權益交易——即以彼等為擁有人之身份與擁有人進行交易。任何已付／已收代價之公允價值與所收購／出售相關應佔附屬公司之資產淨值賬面值間之差額入賬列作權益。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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

(b) Associates

An associate is an entity over which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss (Note 2.8). Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

The carrying amount of the investments in associates is tested for impairment in accordance with the policy described in Note 2.8.

2 主要會計政策概要(續)

2.2 綜合(續)

(a) 附屬公司(續)

當本集團不再擁有控制權時，於該實體之任何保留權益按失去控制權當日之公允價值重新計量，而賬面值之變動則於損益內確認。就其後入賬列作聯營公司、合資公司或金融資產之保留權益而言，公允價值指初始賬面值。此外，先前於其他全面收益內確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味著先前在其他全面收益內確認之金額於損益內確認。

(b) 聯營公司

聯營公司指本集團或本公司對其管理有重大影響力但無控制權或共同控制權之實體，包括參與財務及營運政策決定。

於聯營公司之投資以權益會計法入賬，初步以成本確認，並增加或減少賬面值以確認投資者於收購日後應佔被投資方之溢利或虧損。本集團於聯營公司之投資包括收購時已識別之商譽(扣除任何累計減值虧損(附註2.8))。於收購聯營公司擁有權後，聯營公司成本與本集團所佔聯營公司可識別資產及負債的淨公允價值之任何差額入賬列為商譽。

於聯營公司之投資之賬面值已根據附註2.8所述之政策作減值測試。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Associates (continued)

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

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

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

2 主要會計政策概要(續)

2.2 綜合(續)

(b) 聯營公司(續)

如於聯營公司之擁有權被削減但仍保留重大影響力，則僅將之前在其他全面收益中確認之相應部份數額重新分類至損益(如適當)。

本集團應佔收購後聯營公司之溢利或虧損於綜合收益表內確認，而應佔收購後其他全面收益之變動則於其他全面收益賬內確認，並對投資賬面值作出相應調整。如本集團應佔聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款項，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易之未實現收益按本集團於聯營公司之權益對銷。除非交易顯示所轉讓資產有減值跡象，否則未實現虧損亦予以對銷。聯營公司之會計政策已按需要作出改變，以確保與本集團採用之政策符合一致。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(c) Goodwill

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

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

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

2.3 Segment Reporting

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

2 主要會計政策概要(續)

2.2 綜合(續)

(c) 商譽

商譽最初按所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之股本權益於收購日之公允價值高於所收購可認別淨資產公允價值之差額計量。

就減值測試而言，業務合併所獲得之商譽會分配至預期可受益於合併協同效應的各現金產生單位(「現金產生單位」)或現金產生單位組別。商譽所分配的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層次。商譽乃於經營分部層次進行監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。商譽賬面值與可收回金額作比較，可收回金額為使用價值與公允價值減銷售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

2.3 分部報告

營運分部之報告方式須與本集團之主要營運決策者獲提供之內部報告之方式一致。作出策略性決定之本公司董事會是主要營運決策者，其負責分配資源及評估營運分部之表現。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within "finance costs". All other foreign exchange gains and losses are presented in the consolidated income statement within "other operating expenses".

Foreign exchange differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 主要會計政策概要(續)

2.4 外幣匯兌

(a) 功能及列賬貨幣

各集團實體之財務報表所列項目均以該實體營運所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以港元列賬，而港元為本公司之功能貨幣及本集團之呈列貨幣。

(b) 交易及結餘

外幣交易乃採用交易日期或項目重新估值當日之匯率換算為功能貨幣。結算此等交易所產生之匯兌盈虧及將以外幣計值之貨幣資產和負債按年終匯率換算所產生之匯兌盈虧在綜合收益表確認。

與貸款有關之匯兌盈虧於綜合收益表列賬為「融資成本」。所有其他匯兌盈虧於綜合收益表列賬為「其他營運費用」。

非貨幣性金融資產(如分類為可供出售之股票)之匯兌差額計入其他全面收益。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign Currency Translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the financial position date;
- (ii) Income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Foreign exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the foreign exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are recognised in profit or loss.

2 主要會計政策概要(續)

2.4 外幣匯兌(續)

(c) 集團公司

所有功能貨幣與列賬貨幣不同之集團實體(當中並無嚴重通脹經濟體之貨幣)之業績和財務狀況按如下方法換算為列賬貨幣：

- (i) 所呈報之各財務狀況表內之資產和負債按財務狀況日之收市匯率換算；
- (ii) 各收益表內之收入及支出按平均匯率換算(除非此匯率並非交易日期現行匯率之累計影響之合理約數，在此情況下，收支項目按交易日期之匯率換算)；及
- (iii) 所有由此產生之匯兌差額於其他全面收益內確認。

於收購海外實體時所產生之商譽及公允價值調整乃作為該海外實體之資產及負債處理，並按收市匯率換算。所產生之匯兌差額於其他全面收益內確認。

於出售海外業務(即出售本集團於海外業務之全部權益，或出售涉及失去於旗下包括海外業務之附屬公司之控制權，或出售涉及失去於旗下包括海外業務之合資公司之共同控制權，或出售涉及失去於旗下包括海外業務之聯營公司之重大影響力)時，所有於權益內累計且屬本公司權益持有人應佔該業務之匯兌差額均於損益內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign Currency Translation (continued)

(c) Group companies (continued)

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated foreign exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated foreign exchange differences is reclassified to profit or loss.

2.5 Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 主要會計政策概要(續)

2.4 外幣匯兌(續)

(c) 集團公司(續)

倘部份出售並不會導致本集團失去對附屬公司(包括海外業務)之控制權，按比例所佔之累計匯兌差額乃重新歸於非控股權益，且並非於損益內確認。

就所有其他部份權益出售(即本集團於聯營公司或合資公司之擁有權減少，而並無導致本集團失去重大影響力或共同控制權)而言，累計匯兌差額之相應份額乃重新分類至損益。

2.5 物業、機器及設備

所有物業、機器及設備乃按歷史成本減折舊及減值虧損列賬。歷史成本包括收購項目直接產生之開支。

其後成本只有在與該項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，才計入資產之賬面值或確認為獨立資產(如適用)。被替換部份之賬面值不再予以確認。所有其他維修及保養費用在其發生之財政期間內於綜合收益表支銷。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, Plant and Equipment (continued)

Depreciation of property, plant and equipment, which is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, is provided at the following annual rates:

Leasehold properties	Over the remaining life of the lease (45 years commencing 2004)
Leasehold improvements	Over the shorter of the term of the lease (45 years commencing 2004) and the estimated useful life
Hangars	2.5%
Aircraft and aviation equipment	5% to 10%
Plant, machinery and tooling	10% to 38%
Trucks, trailers and containers	8% to 20%
Motor vehicles	18% to 20%
Office equipment	12.5% to 33%
Furniture and fixtures	12.5% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within "other income and other gains" in the consolidated income statement.

2 主要會計政策概要(續)

2.5 物業、機器及設備(續)

按其估計可使用年期以直線法將成本分攤至其剩餘價值來計算之物業、機器及設備之折舊按下列年率計提撥備：

租賃物業	按剩餘租賃年期(自二零零 四年起計45年)
租賃物業裝修	按租賃年期(自二零零四年 起計45年)及估計可使 用年期(以較短者為準)
飛機庫	2.5%
飛機及航空設備	5%至10%
機器、機械及工具	10%至38%
貨車、拖車及集裝箱	8%至20%
汽車	18%至20%
辦公室設備	12.5%至33%
傢俬及裝置	12.5%至25%

在每個財務狀況日對資產之剩餘價值及可使用年期進行檢討，及在適當時調整。若資產之賬面值高於其估計可收回金額，其賬面值會即時撇減至可收回金額(附註2.8)。

出售物業、機器及設備之盈虧乃比較所得款項與賬面值而釐定，並於綜合收益表內確認為「其他收入及其他收益」。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Other Intangibles

Other intangibles with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Other intangibles with indefinite useful lives are not amortised.

Amortisation of other intangibles, which is calculated using straight-line method to allocate their costs over their estimated useful lives, is provided at the following basis:

Operating certificates and trademark	Over the estimated useful lives of 9 – 15 years
Non-compete agreements	Over the non-compete periods of 4 – 6 years
Other rights	Over the estimated useful lives of 1-2 years

Management reviews the expected useful live at each financial position date based on the estimated period over which future economic benefits will be received by the Group and takes into account the level of future competition, the risk of technological or functional obsolescence of the assets, and the expected changes in the market.

Other intangibles are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of other intangibles are measured at the difference between the net disposal proceeds and the carrying amount of the assets and are recognised with “other income and other gains” in the consolidated income statement in the period when the assets are derecognised.

2.7 Non-Current Prepayments

Prepayments for engine overhaul and maintenance costs of aircraft are recorded as noncurrent prepayments as it is not expected to be utilised within twelve months and management has discretion over whether or not these costs have to be incurred. Upon consumption, these prepayments are charged to the consolidated income statement.

2 主要會計政策概要(續)

2.6 其他無形資產

具有固定可使用年期之其他無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有無限可使用年期之其他無形資產不予攤銷。

按其估計可使用年期以直線法將成本分攤之其他無形資產攤銷按下列基準計提撥備：

營運證書及商標	按估計可使用年期9至15年
不競爭協議	按不競爭期間4至6年
其他使用權	按估計可使用年期1至2年

管理層於各財務狀況日根據本集團可收取未來經濟利益之估計期間，計及未來競爭水平、資產之技術或功能貶值風險以及預期市場變動對預計可使用年期加以檢討。

其他無形資產於出售或預期不會因使用或出售而產生未來經濟利益時取消確認。取消確認其他無形資產所產生之盈利或虧損按出售所得款項淨額與資產賬面值之差額計量，並於資產取消確認之期間於綜合收益表確認為「其他收入及其他收益」。

2.7 非即期預付款

由於預期不會於十二個月內動用及管理層可酌情決定該等成本是否須產生，故飛機引擎檢修及保養費用預付款列作非即期預付款。該等預付款於消耗後計入綜合收益表。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of Non-Financial Assets, Interests in Subsidiaries and Associates

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

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

The Group determines at each financial position date whether there is any objective evidence that the interest in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount in the profit or loss.

2 主要會計政策概要(續)

2.8 非金融資產以及於附屬公司、聯營公司之權益減值

具有無限可使用年期之非金融資產 — 如商譽或不擬使用之無形資產 — 不予攤銷，惟會每年或於有事件或情況變動顯示賬面值可能無法收回時進行減值測試。須攤銷之非金融資產在有事件或情況變化顯示資產賬面值可能無法收回時，應就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允價值扣除銷售成本與使用價值兩者之較高者為準。於評估減值時，資產按可獨立識辨現金流量之最低水平(現金產生單位)分組。出現減值之非金融資產(商譽除外)會於各財務狀況日進行檢討，以確定有否可能轉回減值。

當收到於附屬公司之權益之股息時，如股息超過附屬公司在宣派股息期間之全面收益總額，或在獨立財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在綜合財務報表之賬面值時，必須對有關投資進行減值測試。

本集團在每個財務狀況日釐定是否有客觀證據證明聯營公司權益已減值。如權益已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並於損益確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Non-Current Assets Held for Sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than interests in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increase in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of derecognition.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position. Non-current assets are not depreciated or amortised while they are classified as held for sale.

2 主要會計政策概要(續)

2.9 持作出售非流動資產

倘非流動資產之賬面值主要透過一項出售交易收回，且該出售極有可能進行，則有關非流動資產被分類為持作出售類別。非流動資產按賬面值及公允價值減出售成本之較低者列賬。遞延稅項資產、因僱員福利產生之資產、金融資產(於附屬公司及聯營公司之權益除外)及投資物業(均分類為持作出售類別)將繼續根據附註2其他部份所載之政策計量。

減值虧損乃就資產之任何初步或其後撇減至公允價值減銷售成本而確認。收益就資產之公允價值減銷售成本之任何其後增幅而確認，惟確認金額不超過先前已確認之任何累計減值虧損。於出售非流動資產日期並無先前確認之收益或虧損於終止確認當日予以確認。

分類為持作出售之非流動資產於財務狀況表與其他資產獨立呈列。非流動資產分類為持作出售時不會折舊或攤銷。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Assets

(a) Classification

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the financial position date classified as non-current assets. The Group's loans and receivables comprise trade receivables, deposits and other receivables, and cash and bank balances in the consolidated statement of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of other categories. They are included in non-current assets unless the financial asset matures or management intends to dispose of it within twelve months after the financial position date.

2 主要會計政策概要(續)

2.10 金融資產

(a) 分類

本集團金融資產分類為以下各項：按公允價值計入損益、貸款及應收款項及可供出售金融資產。分類視乎購入該等金融資產之目的而定。管理層於初步確認時釐定其金融資產之分類。

(i) 按公允價值計入損益之金融資產

按公允價值計入損益之金融資產為持作買賣之金融資產。倘金融資產主要用作短期出售，則列入此類別。除非衍生工具已被指定作對沖用途，否則亦分類為持作買賣。倘預期能於十二個月內結算，該類別資產分類為流動資產，否則分類為非流動資產。

(ii) 貸款及應收款項

貸款及應收款項為有固定或待定付款，且並無於活躍市場報價之非衍生金融資產。該等項目列賬為流動資產，惟於財務狀況日後十二個月以後才到期者分類為非流動資產。本集團之貸款及應收款項包括綜合財務狀況表之貿易應收款項、按金及其他應收款項以及現金及銀行結存。

(iii) 可供出售金融資產

可供出售金融資產為指定列入此類別或並無分類為任何其他類別之非衍生金融資產，除非於財務狀況日後十二個月內該金融資產到期或管理層擬出售有關投資，否則列賬為非流動資產。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Assets (continued)

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the consolidated income statement within “other income and other gains/(losses), net” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of “other income and other gains/(losses), net” when the Group’s right to receive payments is established.

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

2 主要會計政策概要(續)

2.10 金融資產(續)

(b) 確認及計量

經常規途徑買賣之金融資產，於交易日(即本集團承諾購買或出售資產當日)確認。對於所有並非按公允價值計入損益之金融資產初步以公允價值另加交易成本確認。按公允價值計入損益之金融資產初步按公允價值確認，而交易成本則於綜合收益表支銷。倘從金融資產收取現金流量之權利已屆滿或轉讓，且本集團已將其擁有權之絕大部份風險及回報轉讓，則金融資產將取消確認。可供出售金融資產及按公允價值計入損益之金融資產其後按公允價值列賬。貸款及應收款項其後使用實際利率法按攤銷成本列賬。

「按公允價值計入損益之金融資產」類別因公允價值變動而產生之盈虧會於產生期間在綜合收益表列賬為「其他收入及其他收益／(虧損)，淨額」。按公允價值計入損益之金融資產所產生之股息收入在本集團確立收取付款之權利時，於綜合收益表確認為「其他收入及其他收益／(虧損)，淨額」。

分類為可供出售之貨幣性及非貨幣性證券之公允價值變動在其他全面收益內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Assets (continued)

(b) Recognition and measurement (continued)

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as "gains on disposal of available-for-sale financial assets".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of "other income and other gains/(losses), net". Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of "other income and other gains/(losses), net" when the Group's right to receive payments is established.

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

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired or have been legally transferred and the Group has transferred substantially all the risks and rewards of the financial asset.

2 主要會計政策概要(續)

2.10 金融資產(續)

(b) 確認及計量(續)

當分類為可供出售之證券售出或減值時，在權益中確認之累計公允價值調整作為「出售可供出售金融資產之收益」計入綜合收益表。

使用實際利率法計算之可供出售證券之利息於綜合收益表確認為「其他收入及其他收益／(虧損)，淨額」。可供出售權益工具之股息在本集團確立收取付款之權利時，於綜合收益表確認為「其他收入及其他收益／(虧損)，淨額」。

當存在一項可依法強制執行之權利可對銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均予對銷，並把淨金額列入綜合財務狀況表內。可依法強制執行之權利不得依賴未來事件而定，而在一般業務過程中以及倘公司或交易對手一旦出現違約、無力償債或破產時，亦必須具有約束力。

(c) 取消確認

當收取金融資產所得現金流量之權利已經屆滿或已被合法轉讓，且本集團已轉讓該項金融資產之絕大部份風險及回報，該金融資產(或如適用，一項金融資產之一部份或一組同類金融資產之一部份)將取消確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of Financial Assets

(a) Assets carried at amortised cost

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

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- (i) Significant financial difficulty of the issuer or obligor;
- (ii) A breach of contract, such as default or delinquency in interest or principal payments;
- (iii) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- (iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- (v) The disappearance of an active market for that financial asset because of financial difficulties; or

2 主要會計政策概要(續)

2.11 金融資產減值

(a) 按攤銷成本列賬之資產

本集團於各報告期結束時評估是否存在客觀證據顯示一項或一組金融資產出現減值。只有存在客觀證據顯示於首次確認資產後發生一宗或多宗事件導致出現減值(虧損事件)，而該宗或該等虧損事件對該項或該組金融資產之估計未來現金流量所構成之影響可合理估計，則該項金融資產或該組金融資產乃經已減值及產生減值虧損。

本集團用於釐定是否存在減值虧損客觀證據之標準包括：

- (i) 發行人或責任承擔人遇上嚴重財政困難；
- (ii) 違反合約，例如逾期或拖欠償還利息或本金付款；
- (iii) 本集團基於與借款人財政困難有關之經濟或法律理由，向借款人提供貸款人不考慮之特惠條件；
- (iv) 借款人有可能破產或進行其他財務重組；
- (v) 因財政困難而令該項金融資產之活躍市場不再存在；或

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of Financial Assets (continued)

(a) Assets carried at amortised cost (continued)

(vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- adverse changes in the payment status of borrowers in the portfolio; and
- national or local economic conditions that correlate with defaults on the assets in the portfolio.

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

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

Impairment testing of trade and other receivables is described in Note 2.14.

2 主要會計政策概要(續)

2.11 金融資產減值(續)

(a) 按攤銷成本列賬之資產(續)

(vi) 可觀察數據顯示某金融資產組合自初步確認後，其估計未來現金流量出現可計量之減幅，惟有關減幅尚未能於組合中個別金融資產內識別，包括：

- 組合中借款人之還款狀況出現不利變動；及
- 與該組合中逾期還款資產相關之全國或地方性經濟狀況。

就貸款及應收款項而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現之估計未來現金流量(不包括尚未產生之未來信用虧損)之現值兩者之差額計量。資產賬面值將予遞減，而虧損金額則於綜合收益表確認。倘貸款或持有至到期投資按浮息計息，則計量任何減值虧損之貼現率為根據合約釐定之現行實際利率。在實際應用中，本集團可利用可觀察市場價格按工具之公允價值計量減值。

倘減值虧損金額於往後期間有所減少，而該減少可客觀地與確認減值後發生之事件(例如債務人之信用評級有所改善)有關連，則先前已確認之減值虧損可在綜合收益表撥回。

貿易及其他應收款項之減值測試載於附註2.14。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of Financial Assets (continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria set out in Note 2.10(a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2 主要會計政策概要(續)

2.11 金融資產減值(續)

(b) 分類為可供出售之資產

本集團於各報告期結束時評估是否存在客觀證據顯示一項或一組金融資產已出現減值。就債務證券而言，本集團使用上文附註2.10(a)所述標準。就分類為可供出售之股本投資而言，證券之公允價值大幅或長期下跌至低於其成本，亦屬資產已出現減值之證據。倘可供出售金融資產出現任何此等跡象，累計虧損(按收購成本與目前公允價值之差額扣除該金融資產過往於損益確認之任何減值虧損計量)將從權益中扣除，並於綜合收益表確認。權益工具於綜合收益表確認之減值虧損不能透過綜合收益表撥回。倘於較後期間，分類為可供出售之債務工具公允價值上升，升幅亦可與於損益確認減值虧損後發生之事件客觀關連，減值虧損則於綜合收益表內撥回。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Financial Liabilities

(a) Classification

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. The Group's financial liabilities include trade payables, other payables and accruals, borrowings and other financial liabilities.

(b) Recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value, in the case of a financial liability not at fair value through profit or loss, less transaction costs that are directly attributable to the issue of the financial liability.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the profit or loss.

2.13 Inventories

Inventories, mainly represent spare parts and consumables for aircraft maintenance, are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 主要會計政策概要(續)

2.12 金融負債

(a) 分類

本集團依據產生負債之相關目的分類金融負債。本集團之金融負債包括貿易應付款項、其他應付款項及應計費用、貸款以及其他金融負債。

(b) 確認及計量

金融負債於本集團成為該工具合約條文之訂約方時確認。倘金融負債並非按其公允價值於損益內列賬，所有金融負債按公允價值初步確認，減去發行金融負債直接應佔交易成本。

(c) 取消確認

金融負債於該負債項下之義務被解除、註銷或屆滿時取消確認。

如一項現有金融負債被來自同一貸款方且大部份條款均有差別之另一項金融負債所取代，或現有負債之條款被大幅修改，此種置換或修改視作取消確認原有負債並確認新負債處理，而兩者之賬面值差額於損益內確認。

2.13 存貨

存貨主要指用於飛機維修之零部件及耗材，以成本值及可變現淨值兩者中較低者入賬。成本值乃採用加權平均成本法釐定。可變現淨值為一般業務過程中之估計售價減適用可變銷售開支。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Trade and Other Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets, except for those with maturities greater than twelve months after the financial position date are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within "other operating expenses". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the consolidated income statement.

2.15 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2 主要會計政策概要(續)

2.14 貿易及其他應收款項

貿易應收款項為在日常業務過程中就銷售商品或提供服務而應收客戶之款項。貿易及其他應收款項為並無於活躍市場報價之具有固定或可釐定付款金額之非衍生金融資產。貿易及其他應收款項分類為流動資產，惟到期日超過財務狀況日後十二個月之有關款項則分類為非流動資產。

貿易及其他應收款項初步按公允價值確認，其後使用實際利率法按攤銷成本計量，並減去減值撥備。當有客觀證據顯示本集團未能根據應收款項原訂條款收回所有到期款項，則會確立貿易及其他應收款項之減值撥備。撥備金額為應收款項賬面值與估計未來現金流量現值間之差額，並按原實際利率折現。有關應收款項之賬面值透過使用備抵賬項扣減，而虧損金額在綜合收益表內確認為「其他營運費用」。倘貿易應收款項不可收回，則會於其備抵賬項予以撇銷。其後收回之先前已撇銷金額列入綜合收益表之其他營運費用。

2.15 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款及原到期日為三個月或以下之其他短期高流動性投資。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where the company's shares are acquired from the market by the Employee Share Trust under the employee share scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for employee share scheme and deducted from total equity. Upon vesting, the related costs of the vested shares for employee share scheme purchased from the market are credited to shares held for employee share scheme, with a corresponding decrease in employee share-based compensation reserve for employee share scheme.

2.17 Trade and other Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) after the financial position date. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要(續)

2.16 股本

普通股被列為權益。

直接歸屬於發行新股之新增成本(除稅後)在權益中列為所得款項之扣減。

當僱員股份計劃項下之僱員股份信託於市場購買公司之股份時，於市場購買之股份總代價(包括任何直接產生之新增成本)呈列為僱員股份計劃持有之股份，並自總權益扣除。歸屬後，為僱員股份計劃於市場購買之已歸屬股份之相關成本計入為僱員股份計劃持有之股份，並於僱員股份計劃之以股份支付之補償儲備中扣除相關金額。

2.17 貿易及其他應付款項

貿易應付款項為於日常業務過程中向供應商購入貨品或服務之付款責任。倘貿易及其他應付款項乃於財務狀況日後一年或以內(或如屬較長時間，則以一般營運業務週期為準)到期，則分類為流動負債，否則列賬為非流動負債。

貿易及其他應付款項初步按公允價值確認，其後以實際利率法按攤銷成本計算。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the financial position date.

2 主要會計政策概要(續)

2.18 貸款

貸款初步按公允價值扣除交易成本確認。其後貸款按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之任何差額乃使用實際利率法按貸款期間於綜合收益表確認。

就設立貸款融資時支付的費用而言，倘部份或全部融資將很有可能提取，該費用確認為貸款的交易成本。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將很有可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

貸款分類為流動負債，惟本集團有無條件權利遞延償還負債之日期至財務狀況日後最少十二個月者除外。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the countries where the Group's subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 主要會計政策概要(續)

2.19 即期及遞延所得稅

期內稅務開支包括即期及遞延稅項。稅項均於收益表確認，惟如有關稅項與其他全面收益或直接於權益內確認之項目相關之情況則除外。在此情況下，稅項亦分別於其他全面收益確認或直接於權益中確認。即期所得稅支出根據本集團之附屬公司、聯營公司及合資公司營運所在及產生應課稅收入之國家於財務狀況日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅是以負債法計算，就資產和負債之計稅基礎與這些資產和負債在綜合財務報表上之賬面值之暫時差異作確認。然而，若遞延所得稅負債來自在交易(不包括業務合併)中對商譽或資產或負債之初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作確認。遞延所得稅採用於財務狀況日已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產僅就可能未來應課稅溢利而就其可使用之暫時差異而確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Current and Deferred Income Tax (continued)

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee Benefits

(a) Pension obligations

The Group participates in several defined contribution plans, under which the Group pays fixed contributions into separate entities. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2 主要會計政策概要(續)

2.19 即期及遞延所得稅(續)

遞延所得稅負債就附屬公司、聯營公司及合資公司投資所產生之暫時差異作撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回之遞延所得稅負債則除外。一般而言，本集團無法控制聯營公司暫時差異之撥回。僅於訂有協議賦予本集團能力於可預見將來控制暫時差異之撥回時，方不就聯營公司之未分派溢利所產生之應課稅暫時差異確認遞延稅項負債。

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準繳納稅項時，遞延所得稅資產與負債將予互相抵銷。

2.20 僱員福利

(a) 退休金責任

本集團參與多個定額供款計劃，本集團就此向多個實體繳付固定供款。本集團作出供款後，即無進一步付款責任。供款在應付時確認為僱員福利開支，且可由全數歸屬供款前離開計劃之僱員所放棄之供款而減少。倘有現金退款或可供扣減未來供款之款項，則此等預付供款會確認作資產。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee Benefits (continued)

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employees' services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any market performance conditions (for example, an entity's share price) and excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each financial position date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

When the options are exercised, the option issuer issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The Group recognises the effects of modifications that increase the total fair value of the share-based compensation arrangement or are otherwise beneficial to the employees. The Group shall include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

2 主要會計政策概要(續)

2.20 僱員福利(續)

(b) 以股份支付之補償

本集團設有一個以權益結算並以股份支付之補償計劃。在該計劃下，實體獲取僱員提供之服務作為本集團有關權益工具(購股權)之代價。僱員為獲取授予購股權而提供之服務之公允價值確認為費用。在釐定歸屬期間內將予支銷之總金額時，會參考授出購股權之公允價值，包括任何市場表現情況(例如實體之股價)，惟不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)之影響。在預期歸屬之購股權數目之假設中，則包括非市場歸屬條件。在每個財務狀況日，本集團修訂其對預期歸屬之購股權數目之估計。本集團在綜合收益表確認對原估算修訂(如有)之影響，並按此對權益作出相應調整。

倘行使購股權，購股權發行人發行新股份。所得款項扣除任何直接交易成本後，計入股本(面值)及股份溢價內。

本集團確認增加以股份支付之補償安排公允總值或在其他方面對僱員有利之修訂影響。本集團於計量獲取作為已授出權益工具代價服務之確認金額時包括增加之已授出公允價值。倘修訂於歸屬期內作出，則增加之已授出公允價值於計量修訂日期至經修訂權益工具歸屬日期止期間獲取服務確認金額時計算在內，附加於按原有權益工具於授出日期之公允價值計算之金額，該金額乃於原有歸屬期之餘下期間確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee Benefits (continued)

(b) Share-based compensation (continued)

If the Group cancels or settles a grant of equity instruments during the vesting period, the Group should treat this as an acceleration of vesting and recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The grant by the Company of options over its equity instruments to the employees of the subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to interests in subsidiaries, with a corresponding credit to the Company's equity.

(c) Share award scheme

The fair value of the share awards granted to employees or directors is recognised as an expense with a corresponding increase in credit to share-based compensation reserve. The fair value is measured with reference to the Company's share price at grant date taking into account the terms and conditions upon which the share awards are granted. Where the vesting conditions are met before becoming unconditionally entitled to the share awards, the total estimated fair value of the share awards is spread over the vesting period, taking into account the probability that the share awards will be vested.

During the vesting period, the number of share awards which are expected to be vested is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the consolidated income statement for the year of the review.

Upon vesting, the amount recognised as an expense is credited to shares held for share award scheme and debited to share-based compensation reserve.

2 主要會計政策概要(續)

2.20 僱員福利(續)

(b) 以股份支付之補償(續)

倘本集團於歸屬期內註銷或結付授出之權益工具，則其應視之為加速歸屬，並即時確認原應按歸屬期之餘下期間所獲取服務確認之金額。

本公司向本集團附屬公司之僱員所授出其權益工具之認股權被視為資本出資。所獲得僱員服務之公允價值乃參考授出日期之公允價值計量，於歸屬期內確認為於附屬公司之權益增加，並相應計入本公司權益。

(c) 股份獎勵計劃

授予僱員或董事之股份獎勵之公允價值確認為費用，並於以股份支付之補償儲備內計入相應增加。公允價值於授出當日經參考本公司之股價計量，並已計及授出股份獎勵後之條款及條件。倘歸屬條件於無條件享有股份獎勵前獲達成，在計及股份獎勵將會歸屬之可能性後，股份獎勵之估計公允價值總額於歸屬期間內攤分。

於歸屬期間，會對預期將予歸屬之股份獎勵數目進行檢討。對以往年度確認之累計公允價值之任何調整，於回顧年度之綜合收益表扣除／計入。

歸屬後，確認為費用之金額計入持作股份獎勵計劃之股份，並於以股份支付之補償儲備扣減。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Employee Benefits (continued)

(c) Share award scheme (continued)

When the share award is cancelled, it is treated as if it were vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

(d) Employee leave entitlement and long service payment

Employee entitlements to annual leave and long service payment are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service payment as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(e) Bonus plans

The Group recognises a liability and an expense for bonuses, based on performance and takes into consideration the profit attributable to the Company's shareholders. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(f) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 主要會計政策概要(續)

2.20 僱員福利(續)

(c) 股份獎勵計劃(續)

倘股份獎勵被註銷，其會被視為猶如已於註銷當日獲歸屬，並即時確認該獎勵尚未確認之任何費用。

(d) 僱員可享有之假期及長期服務金

僱員可享有之年假及長期服務金乃於應計予僱員時確認。因僱員於截至報告日期止提供服務而估計未放之年假及長期服務金須作出撥備。

僱員可享有之病假及產假直至放假時方予以確認。

(e) 花紅計劃

本集團按表現及計及本公司股東應佔溢利確認負債及花紅支出。當按照合約為有責任或根據過往慣例構成推定責任時，本集團會確認撥備。

(f) 離職福利

本集團在正常退休日期前解僱僱員或僱員自願接受離職以換取該等福利時支付離職福利。本集團於以下日期(以較早者為準)確認離職福利：(a)本集團無法收回提供該等福利之日；及(b)當本集團確認重組成本屬香港會計準則第37號範圍內並涉及支付離職福利之日。在提出要約以鼓勵自願離職之情況下，離職福利乃根據預期接受要約之僱員人數計量。自報告期末起計逾12個月後到期應付之福利將折現至現值。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Provisions and Contingent Liabilities

(a) Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the pre-tax expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(b) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to consolidated financial statements. When a change in the probability of an outflow occurs so that an outflow is probable, it will then be recognised as a provision.

2 主要會計政策概要(續)

2.21 撥備及或然負債

(a) 撥備

當本集團因過往事件而負擔法律或推定債務、可能須撥出資源以支付該債務及已對數額作出可靠估計時，撥備將予以確認。撥備不可確認為未來經營虧損。

倘若有多項同類債務，須撥出資源予以支付之可能性將在整體考慮債務類別後決定。即使在同一責任類別所包含之任何一個項目相關資源流出之可能性極低，仍需確認撥備。

撥備使用稅前稅率按支付債務可能所需之除稅前費用之現值計算，而該現值反映當時市場對貨幣時間價值之評估及該項債務之特有風險。撥備隨著時間過去而增加之數額確認為利息開支。

(b) 或然負債

或然負債指可能因過往事件而產生之可能責任，而有關責任須透過一項或以上並非盡在本集團控制範圍內之不確定日後事件發生與否方能確定存在。或然負債亦指因過往事件而產生之現有責任，由於可能不需要流出經濟資源或責任金額無法可靠計量而未有確認。

或然負債不予確認，惟會於綜合財務報表附註內披露。倘資源流出之可能性有變，以致可能流出資源，則將確認為撥備。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.22 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) *Rendering of services*

Service fee income in relation to the provision of aviation and logistics services, freight forwarding, ground logistics and warehousing services, and aircraft management services is recognised in the accounting period in which the services are rendered and revenue can be reliably measured.

Maintenance income arises from the provision of aircraft maintenance services, which include repairs of aircraft, periodic servicing and painting work. Income is recognised in the accounting period in which the services are rendered by reference to the stage of completion of the specific transaction, based on the actual maintenance work performed and spare parts consumed.

Service fee income in relation to the provision of financial market information is recognised on a straight-line basis over the period of the service contract.

2 主要會計政策概要(續)

2.22 收入確認

收入按本集團於日常營業期間銷售貨品及服務而已收或應收代價之公允價值計量。收入顯示為扣除增值稅及折扣並抵銷本集團內之銷售。

當收入金額能可靠地衡量、未來經濟利益可能流入有關實體、以及符合下文所述本集團之各業務之特定條件時，本集團將確認收入。本集團以其過往業績作為回報估計之依據，並會考慮客戶類別、交易類別及各項安排之具體情況。

(a) *提供服務*

有關提供航空及物流服務、貨運代理、地面物流及倉儲服務以及飛機管理服務之服務費用收入於提供服務呈列之會計期間及能可靠衡量收入時確認。

維修收入來自於提供飛機維修服務(包括飛機檢修、定期護理及塗裝工作)。有關收入於提供服務之會計期間根據實際維修工作及使用之零部件參照具體交易完成進度確認。

有關提供金融市場資訊的服務費收入於服務合約期間以直線法確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue Recognition (continued)

(b) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer.

(c) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(d) Rental income

Rental income from leasing of the Group's leasehold properties is recognised in the consolidated income statement on a straight-line basis over the term of the lease.

(e) Leasing income

Revenue from the leasing of aircraft is recognised in accordance with the respective agreements over the period the services are rendered.

(f) Reimbursement income

Reimbursement income of disbursement recharge is recognised when the service is performed and purchase invoices are received from respective supplier.

2 主要會計政策概要(續)

2.22 收入確認(續)

(b) 出售貨品

來自出售貨品之收入於重大風險及貨品所有權之回報已轉讓予客戶後予以確認。

(c) 利息收入

利息收入使用實際利率法按時間比例基準確認。

(d) 租金收入

出租本集團之租賃物業之租金收入使用直線法按租賃年期於綜合收益表確認。

(e) 租賃收入

租賃飛機產生之收入根據提供服務期間之相關協議確認入賬。

(f) 償付收入

收取開支之償付收入乃於相關供應商提供服務及取得該供應商之購買發票時確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2.24 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

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.

(a) Prepaid land lease payments under operating leases

Leasehold interests in land are up-front payments to acquire the land use rights. The payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis to amortise the up-front payments over the lease terms.

2 主要會計政策概要(續)

2.23 貸款成本

直接源自合資格資產(需經較長時間方能達至其預定使用或出售目的)收購、興建或生產之一般及特定貸款成本,計入該等資產的成本,直至大致達至其預定使用或出售目的為止。

尚未使用於合資格資產的特定貸款作短期投資賺取的投資收入,於合資格資本化的貸款成本中扣除。所有其他貸款成本於其產生期間於綜合收益表內確認。

2.24 租賃

倘本集團釐定一項安排具有在協定期限內通過支付一筆或一系列款項,從而獲得使用某一特定資產或多項特定資產之權利,則該安排(由一宗交易或一系列交易組成)為租賃或包括租賃。該釐定乃根據安排之實質內容評估而作出,而不論安排是否具備租賃之法定形式。

租賃條款將資產之絕大部份風險及回報轉予承租人之租賃分類為融資租賃。所有其他租賃分類為經營租賃。

(a) 經營租賃下之預付土地租賃款項

土地租賃權益為收購土地使用權之前期付款。有關付款按成本減累計攤銷及任何減值虧損列賬。攤銷乃於租賃年期內按直線法分攤前期付款計算。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Leases (continued)

(b) The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

(c) The Group as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment held under finance leases are recognised as assets of the Group at fair values at inception of the lease or, if lower, at the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated income statement.

2 主要會計政策概要(續)

2.24 租賃(續)

(b) 本集團作為出租人

經營租賃的租金收入於綜合收益表按有關租賃年期以直線法確認。在磋商及安排經營租賃時產生之初步直接成本加入租賃資產之賬面值，於租賃年期以直線法確認為開支。

(c) 本集團作為承租人

擁有權之絕大部份風險及回報由出租人保留之租賃，乃分類為經營租賃。經營租賃的應付租金按有關租賃年期以直線法於綜合收益表扣除。已收及應收作為訂立經營租賃獎勵之利益按有關租賃年期以直線法確認為租金開支減少。

本集團擁有絕大部份擁有權風險及回報之物業、機器及設備租賃分類為融資租賃。根據融資租賃持有之物業、機器及設備按租賃訂立之初之公允價值或最低租金現值之較低者確認為本集團資產。根據融資租賃收購之物業、機器及設備按資產之可使用年期及租賃年期之較短者折舊。欠付出租人之相應負債於綜合財務狀況表列作融資租賃承擔。租賃款項於融資支出及融資承擔減少之間分攤，以就負債結餘取得固定利率。融資支出直接於綜合收益表扣除。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Related Parties

A person or entity is considered to be related to the Group if:

- (a) a person or a close member of that person's family (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group;
- (b) the entity and the Group are members of the same group, which means that each parent, subsidiary and fellow subsidiary is related to the others;
- (c) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
- (d) both entities are joint ventures of the same third party;
- (e) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (f) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (g) the entity is controlled or jointly controlled by a person identified in (a); or
- (h) a person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

2.26 Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values with resulting gain or loss recognised in profit or loss.

2 主要會計政策概要(續)

2.25 關聯人士

在下列情況下，以下人士或實體被視為與本集團有關聯：

- (a) 如有以下情況之個人及其近親：(i)能夠控制或共同控制本集團；(ii)能夠對本集團行使重大影響；或(iii)為本集團之主要管理人員；
- (b) 該實體與本集團為同一集團內成員，即各母公司、附屬公司及同系附屬公司互有關聯；
- (c) 一個實體為另一個實體之聯營公司或合資公司，或倘另一個實體為集團成員，則為該集團成員之聯營公司或合資公司；
- (d) 兩個實體均為同一第三方之合資公司；
- (e) 一個實體為第三方實體之合資公司，而另一個實體為該第三方實體之聯營公司；
- (f) 該實體為本集團或與本集團有關聯之實體僱員終止受僱後福利計劃受益人；
- (g) 該實體由(a)節界定之人士控制或共同控制；或
- (h) (a)節界定之人士能夠對該實體施以重大影響，或該人士為該實體或該實體之母公司之主要管理人員。

2.26 衍生金融工具

衍生工具於訂立衍生工具合約之日按公允價值初步確認，其後按其公允價值重新計量，所得收益或虧損於損益內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group is exposed to a variety of financial risks which result from its operating, investing and financing activities. Management periodically analyses and reviews measures to manage the Group's exposure to market risk (including foreign currency risk, cash flow and fair value interest rate risk, equity price risk and fuel price risk), credit risk and liquidity risk. Generally, the Group employs a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

At 31 December 2017, the Group's financial instruments mainly consisted of trade receivables, deposits and other receivables, cash and bank balances, bank loans, finance lease payables, other loan, trade payables, other payables and accruals, and available-for-sale financial assets.

(a) Market risk

(i) Foreign currency risk

The Group currently operates mainly in Hong Kong, Africa, Malta and mainland China.

For operations in Hong Kong, most of the transactions are denominated in HK\$ and United States dollars ("US\$"). The exchange rate of US\$ against HK\$ is relatively stable and the related currency exchange risk is considered minimal.

For operations in Africa, most of the transactions are denominated in US\$, Kenyan Shillings ("KES") and South African Rand ("ZAR"). No financial instrument was used for hedging purposes for the year due to the prohibitive cost of available hedging opportunities. The Group is closely monitoring the currency exchange risk of KES and ZAR and will consider the use of financial instrument for hedging purposes, if necessary.

3 財務風險管理

3.1 財務風險因素

本集團承受著多種來自營運、投資及融資活動產生之財務風險。管理層定期分析及檢討措施，以管理本集團之市場風險(包括外幣風險、現金流量與公允價值利率風險、股價風險及燃料價格風險)、信貸風險及流動資金風險。本集團一般為風險管理採用保守之策略，並無使用任何衍生或其他工具作對沖之用。

於二零一七年十二月三十一日，本集團之金融工具主要包括貿易應收款項、按金及其他應收款項、現金及銀行結存、銀行貸款、應付融資租賃款項、其他貸款、貿易應付款項、其他應付款項及應計費用以及可供出售金融資產。

(a) 市場風險

(i) 外幣風險

本集團主要於香港、非洲、馬耳他及中國內地經營業務。

就香港之經營業務而言，大部份交易乃以港元及美元(「美元」)列值。美元兌港元之匯率相對穩定，故有關貨幣匯兌風險不大。

就非洲之經營業務而言，大部份交易乃以美元、肯尼亞先令(「肯尼亞先令」)及南非蘭特(「南非蘭特」)列值。由於可用之對沖機會成本過高，故此年內本公司並無使用金融工具以作對沖。本集團密切監察肯尼亞先令及南非蘭特之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

For operations in Malta, most of the transactions are denominated in Euro ("EUR") and US\$. No financial instrument was used for hedging purposes for the year. The Group is closely monitoring the currency exchange risk of EUR and will consider the use of financial instrument for hedging purposes, if necessary.

For operations in mainland China, most of the transactions are denominated in Renminbi ("RMB"). The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The exchange rate of RMB has devalued since August 2015. No financial instrument was used for hedging purposes for the year. The Group is closely monitoring the currency exchange risk of RMB and is looking for any opportunities to mitigate the currency exchange risk of RMB.

At 31 December 2017, if KES had weakened/strengthened by 2% (2016: 2%) against HK\$ with other variables held constant, the Group's loss after tax and accumulated losses would have been approximately HK\$754,000 (2016: HK\$1,099,000) higher/lower.

At 31 December 2017, if ZAR had weakened/strengthened by 10% (2016: 10%) against HK\$ with other variables held constant, the Group's loss after tax and accumulated losses would have been approximately HK\$372,000 (2016: HK\$478,000) higher/lower.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外幣風險(續)

就馬耳他之經營業務而言，大部份交易乃以歐元(「歐元」)及美元列值。本公司於本年度並無使用金融工具以作對沖。本集團密切監察歐元之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

就中國內地之經營業務而言，大部份交易乃以人民幣(「人民幣」)列值。人民幣兌換外幣受中國政府頒佈之外匯管制規則及規例規限。人民幣之匯率自二零一五年八月起開始貶值。年內本公司並無使用金融工具以作對沖。本集團密切監察人民幣之匯兌風險，並正尋求任何可減低人民幣匯兌風險之機會。

於二零一七年十二月三十一日，倘肯尼亞先令兌港元貶值/升值2% (二零一六年：2%)，而所有其他變量維持不變，本集團之除稅後虧損及累計虧損將增加/減少約754,000港元(二零一六年：1,099,000港元)。

於二零一七年十二月三十一日，倘南非蘭特兌港元貶值/升值10% (二零一六年：10%)，而所有其他變量維持不變，本集團之除稅後虧損及累計虧損將增加/減少約372,000港元(二零一六年：478,000港元)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

At 31 December 2017, if EUR had weakened/strengthened by 3% (2016: 3%) against HK\$ with other variables held constant, the Group's loss after tax and accumulated losses would have been approximately HK\$70,000 (2016: HK\$123,000) higher/lower.

(ii) Cash flow and fair value interest rate risk

The Group's cash flow and fair value interest rate risk arises from bank balances and deposits and borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by bank balances and deposits held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. During the year ended 31 December 2017, the Group's borrowings were denominated in HK\$, US\$, EUR and ZAR (2016: US\$, EUR and ZAR). The Group has not used any derivative financial instruments to hedge its cash flow and fair value interest rate risk.

At 31 December 2017, if interest rate had increased/decreased by 100 basis points (2016: 50 basis points) with all other variables held constant, the Group's loss after tax and accumulated losses would have been approximately HK\$1,963,000 lower/higher (2016: HK\$263,000 higher/lower).

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外幣風險(續)

於二零一七年十二月三十一日，倘歐元兌港元貶值／升值3%（二零一六年：3%），而所有其他變量維持不變，本集團之除稅後虧損及累計虧損將增加／減少約70,000港元（二零一六年：123,000港元）。

(ii) 現金流量與公允價值利率風險

本集團之現金流量及公允價值利率風險來自銀行結存及存款以及貸款。按浮動利率獲取之貸款使本集團面對現金流量利率風險，部份為按浮動利率持有之銀行結存及存款所抵銷。按固定利率獲取之貸款使本集團面對公允價值利率風險。截至二零一七年十二月三十一日止年度，本集團之貸款按港元、美元、歐元及南非蘭特計值（二零一六年：美元、歐元及南非蘭特）。本集團未使用任何衍生金融工具對沖其現金流量及公允價值利率風險。

於二零一七年十二月三十一日，假設所有其他變量維持不變，倘利率上升／下降100個基點（二零一六年：50個基點），本集團之除稅後虧損及累計虧損會減少／增加約1,963,000港元（二零一六年：增加／減少263,000港元）。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The sensitivity analysis above had been determined assuming that the change in interest rates had occurred at the financial position date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date, and that all other variables had remained constant. The stated increase/decrease represented management's assessment of reasonably possible changes in interest rates over the period until the next annual financial position date. The analysis was performed on the same basis for 2016.

(iii) Securities price risk

The Group is exposed to equity securities price risk for the listed equity investment held by the Group which is classified as available-for-sale financial assets (Note 21).

At 31 December 2017, the Group is not materially exposed to the securities price risk because the group disposed all Hong Kong listed equity investment during the year. At 31 December 2016, if equity price of the respective equity investments had increased/decreased by 10% with all other variables held constant, the Group's equity instrument reserve would have been approximately HK\$128,000 higher/lower.

(iv) Fuel price risk

The Group is not materially exposed to market price risk from the procurement of fuels for the aircraft and truck fleet because it is not a major cost component to the Group's operating expenses.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量與公允價值利率風險(續)

上述敏感度分析乃假設利率之改變於財務狀況日已出現，並已應用於在該日已存在之金融工具利率風險，以及所有其他變量維持不變而釐定。該等列明上升／下降為管理層對該期間直至下一個年度財務狀況日之利率可能合理改變之評估。該分析採用二零一六年之相同基準進行。

(iii) 證券價格風險

本集團因其持有之分類為可供出售金融資產(附註21)之上市股本投資而面對股票證券價格風險。

於二零一七年十二月三十一日，本集團並無面對重大證券價格風險，此乃因為本集團於年內出售全部香港上市股本投資。於二零一六年十二月三十一日，倘相關股本投資之股票價格上升／下跌10%，而所有其他變量維持不變，本集團之權益工具儲備將增加／減少約128,000港元。

(iv) 燃油價格風險

本集團因採購機隊及貨運之燃油成本面對的市場價格風險並不重大，原因是機隊及貨運燃油成本並非本集團營運費用之主要成本部份。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(b) Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the respective notes to the consolidated financial statements. The Group's exposure to credit risk is mainly related to its trade receivables, deposits and other receivables, and cash and bank balances.

Trade receivables are presented net of the provision for impairment. Credit risks and exposures are controlled and monitored on an ongoing basis by performing individual credit evaluations for all customers. These evaluations focus on the customer's past history of making payments when due and the current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. In addition, management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable amounts.

Majority of bank balances of the Group is generally placed in short to medium term deposits and investments with reputable banks.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

由於交易對手未能履行責任引致之本集團最大之信貸風險將令本集團面臨財務虧損，並由綜合財務報表內有關附註所列各自之已確認金融資產賬面值產生。本集團面臨的信貸風險主要與其貿易應收款項、按金及其他應收款項以及現金及銀行結存有關。

貿易應收款項乃於扣除減值撥備後呈列。透過對所有客戶進行個別信貸評估來持續控制及監控信貸風險及敞口。該等評估專注於客戶償還到期款項的過往記錄及現時支付能力，並考慮該客戶之特有資料及其營運所處之經濟環境。此外，管理層定期檢討各個別貿易債項之可回收金額，確保已就不可回收款項確認充足之減值虧損。

本集團之大部份銀行結存一般存放於具良好信譽之銀行作中短期存款及投資。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(c) Liquidity risk

The Group implements a prudent liquidity risk management to regularly monitor current and expected liquidity requirements for maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet its liquidity requirements in the short and long term.

Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit facilities available from various banks if necessary. The liquidity risk of the Group is primarily attributable to trade payables, other payables and accruals, bank loans, obligations under finance leases and other loan.

The amounts of the contractual undiscounted cash flows of the financial liabilities were summarised as follow:

		On demand	Within 1 year	More than 1 year but less than 5 years	Total
		按要求	一年內	超過一年但少於五年	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日				
Trade payables	貿易應付款項	116,254	—	—	116,254
Other payables and accruals	其他應付款項及應計費用	—	47,609	—	47,609
Borrowings	貸款	—	202,558	65,656	268,214
Other long-term liabilities	其他長期負債	—	—	7,546	7,546
		116,254	250,167	73,202	439,623
At 31 December 2016	於二零一六年十二月三十一日				
Trade payables	貿易應付款項	79,134	—	—	79,134
Other payables and accruals	其他應付款項及應計費用	—	36,811	—	36,811
Borrowings	貸款	—	197,919	140,147	338,066
Other long-term liabilities	其他長期負債	—	—	6,963	6,963
		79,134	234,730	147,110	460,974

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團實施審慎之流動資金風險管理，定期監察即期及預期之流動資金要求，維持充足之現金，透過已承諾信貸授信之足夠額度備有資金，以滿足短期及長期之流動資金要求。

由於主要業務性質經常變動，本集團致力透過各銀行已承諾之可用信貸額度(如必要)維持資金之靈活性。本集團之流動資金風險主要來自貿易應付款項、其他應付款項及應計費用、銀行貸款、融資租賃項下之債務及其他貸款。

金融負債之合約未折現現金流量金額概要如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital Management

The Group regards its total equity as capital. The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders to support the Group's sustainable growth and to maintain an optimal capital structure to reduce the cost of capital.

The Group reviews and manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, raise new debt financing or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016. The Group is not subject to any externally imposed capital requirements.

The Group monitors its capital structure on the basis of a total liabilities-to-total assets ratio, which shows the proportion of the Group's assets being financed through debt. During the year ended 31 December 2017, the Group's strategy was to maintain the total liabilities-to-total assets ratio around 50% (2016: 50%). The total liabilities-to-total assets ratio at 31 December 2017 was as follows:

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Total liabilities	負債總額	496,236	513,536
Total assets	資產總值	884,177	912,467
Total liabilities-to-total assets ratio	總負債資產比率	56%	56%

3 財務風險管理(續)

3.2 資本管理

本集團視其總權益為資本。本集團資本管理之主要目的為保障本集團持續營運之能力，為股東提供回報，為其他利益相關者提供利益，以支持本集團之持續發展及維持最佳資本結構化，減低資本成本。

本集團按經濟狀況之變化檢討及管理其資本結構並對其作出調整。為維持或調整資本結構，本集團可調整支付予股東之股息、返還資本予股東、發行新股、提出新債務融資或出售資產以減少債務。截至二零一七年及二零一六年十二月三十一日止年度，並無對目的、政策或過程作出變動。本集團並不受任何外在施加資本要求影響。

本集團按總負債資產比率監察其資本結構，該比率顯示本集團資產以債務撥付之比例。截至二零一七年十二月三十一日止年度，本集團之策略為維持總負債資產比率約為50% (二零一六年：50%)。於二零一七年十二月三十一日之總負債資產比率如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair Value Estimation

The different levels of financial instruments carried at fair value have been defined as follows:

- (a) Quoted prices (unadjusted) in active market for identical assets or liabilities (level 1);
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of the available-for-sale financial assets at 31 December 2017 with respect to the listed investments amounting to HK\$38,000 (2016: HK\$1,338,000) is based on the quoted market prices of the listed investments. The instruments are included in level 1 at 31 December 2017 (2016: Same).

The fair value of the available-for-sale financial assets at 31 December 2017 with respect to the unlisted investments amounting to HK\$4,000 (2016: HK\$4,000) which are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an investment are observable, the investment is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3 財務風險管理(續)

3.3 公允價值估計

公允價值入賬的金融工具之各層級定義如下：

- (a) 相同資產或負債在活躍市場之報價(未經調整)(第一層級)；
- (b) 除第一層級所包括之報價外，有關資產或負債之可直接(即其價格)或間接(即衍生自價格)之可觀察之輸入值(第二層級)；及
- (c) 有關資產或負債之輸入值並非依據可觀察之市場數據(即不可觀察之輸入值)(第三層級)。

於二零一七年十二月三十一日，有關上市投資之可供出售金融資產之公允價值38,000港元(二零一六年：1,338,000港元)乃根據上市投資之市場報價釐定。於二零一七年十二月三十一日，該等工具計入第一層級(二零一六年：相同)。

於二零一七年十二月三十一日，有關並非於活躍市場買賣非上市投資之可供出售金融資產(如場外衍生工具)之公允價值4,000港元(二零一六年：4,000港元)乃使用估計技術釐定。該等估值技術最大限度使用可觀察市場數據，而盡可能減少使用特定實體估計。倘計量一項投資公允價值所需之所有重大輸入值可觀察，則該項投資計入第二層級。

倘一項或多項重大輸入值並非根據可觀察市場數據，則該工具計入第三層級。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair Value Estimation (continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of the derivative financial liability at 31 December 2017 included in other payables and accruals amounting to Nil (2016: HK\$1,851,000) is determined using a discounted cash flow approach which is not based on observable inputs. A change in fair value of the derivative financial liability of HK\$1,851,000 was made during the year. The instruments are included in level 3 at 31 December 2017 (2016: Same).

During the year ended 31 December 2017, there were no transfers of financial instruments between levels 1, 2 and 3 (2016: Same).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3 財務風險管理(續)

3.3 公允價值估計(續)

用於金融工具估值之特定估值技術包括：

- 類似工具之市場報價或交易商報價；及
- 其他技術(如折現現金流量分析)被用作釐定餘下金融工具之公允價值。

於二零一七年十二月三十一日，計入其他應付款項及應計費用之衍生金融負債之公允價值零(二零一六年：1,851,000港元)乃使用並非基於可觀察輸入值之現金流量折現法釐定。年內衍生金融負債之公允價值變動為1,851,000港元。於二零一七年十二月三十一日，該等工具計入第三層級(二零一六年：相同)。

截至二零一七年十二月三十一日止年度，第一、二及三層級之間並無作出金融工具轉撥(二零一六年：相同)。

4 關鍵會計估算及判斷

估算及判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理之對未來事件之預測。

本集團就未來狀況作出估計及假設。所得之會計估量按定義一般不會相等於有關實際結果。將導致於下一財政年度對資產及負債賬面值作重大調整之極大風險之估計及假設於下文討論。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.1 Impairment of Goodwill

The Group conducts reviews annually whether goodwill has suffered any impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of CGUs have been determined based on value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

Details of the key assumptions selected by management in assessing impairment of goodwill are stated in Note 15.

4 關鍵會計估算及判斷(續)

4.1 商譽之減值

倘有事件或情況變化顯示賬面值可能無法收回時，本集團會每年檢討商譽是否已出現任何減值。現金產生單位之可收回金額乃根據使用價值計算方法或按公允價值減出售成本釐定。該等計算需要運用判斷及估計，管理層須就資產減值作出判斷，尤其是評估下列各項時：(i) 是否已發生可能顯示有關資產價值可能無法收回之事件；(ii) 可收回金額（即公允價值減出售成本及基於在業務中持續使用資產所估計之未來現金流量現值淨額兩者中之較高者）是否能夠支持資產的賬面值；及(iii) 編製現金流量預測所應用的主要假設是否恰當，包括該等現金流量預測是否使用適當的利率折現。倘管理層於評估減值時選定之假設（包括折現率或現金流量預測之增長率假設）有所改變，則可能會對減值測試所使用之現值淨額造成重大影響，並因而影響本集團之財務狀況及經營業績。

管理層於評估商譽減值時選定之主要假設詳情於附註 15 內說明。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Impairment of Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are reviewed for impairment whenever events or change in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs to sell calculations.

The calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

4.3 Impairment of Trade Receivables

The policy for impairment assessment for trade receivables of the Group is based on the evaluation of collectibility and aging analysis of trade receivables, and judgement of management. A considerable amount of judgement is required in assessing the realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, provision for impairment might be required.

4 關鍵會計估算及判斷(續)

4.2 無形資產及物業、機器及設備之減值

無形資產及物業、機器及設備在有事件或情況變化顯示賬面值可能無法收回時就減值進行檢討。可收回金額乃根據使用價值計算方法或以公允價值減出售成本之計算方法兩者所得金額中的較高者釐定。

該等計算需要運用判斷及估計。管理層須就資產減值作出判斷，尤其是評估下列各項時：(i) 是否已發生可能顯示有關資產價值可能無法收回之事件；(ii) 可收回金額(即公允價值減出售成本及基於在業務中持續使用資產所估計之未來現金流量現值淨額兩者中之較高者)是否能夠支持資產的賬面值；及(iii) 編製現金流量預測所應用的主要假設是否恰當，包括該等現金流量預測是否使用適當的利率折現。倘管理層於評估減值時選定之假設(包括折現率或現金流量預測之增長率假設)有所改變，則可能會對減值測試所使用之現值淨額造成影響，並因而影響本集團之財務狀況及經營業績。

4.3 貿易應收款項之減值

本集團根據貿易應收款項之可收回程度評估及賬齡分析以及管理層之判斷，制訂貿易應收款項減值評估政策。評估能否收回該等貿易應收款項時，需要作出大量判斷，包括各客戶現時之信譽及過去之回款記錄。如果本集團客戶之財務狀況轉差，削弱其付款能力，則本集團有可能需要作出減值撥備。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.4 Fair Value Estimates on Acquisition of Subsidiaries

The initial accounting on the acquisition of subsidiaries involves identifying and determining the fair value of the consideration and the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entities will impact the carrying amounts of goodwill and the identifiable assets and liabilities.

4.5 Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations, including the aircraft leasing arrangement between the group companies that are structured on an arm's length basis, for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues, if any, based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, including the tax position of those intra-group transactions, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred income tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4 關鍵會計估算及判斷(續)

4.4 收購附屬公司之公允價值估算

收購附屬公司之初始會計處理涉及識別及釐定代價及將予轉讓之被收購實體的可識別資產、負債及或然負債的公允價值。在釐訂公允價值時所使用的假設及作出的估計出現任何變動以及管理層能否可靠計量被收購實體之或然負債，均將對商譽與可識別資產及負債的賬面值造成影響。

4.5 所得稅

本集團須在多個司法權區繳納所得稅。釐定全球所得稅之撥備時需要作出重大判斷。有若干難以確定最終稅項之交易及計算方法(包括集團公司間按公平基準訂立之飛機租賃安排)。本集團根據會否將出現額外應繳稅項之估計而確認預期稅務審核事宜(如有)所產生之負債。倘該等事宜之最終稅務結果與初始記錄之金額不同(包括該等集團間交易之稅務狀況)，該等差異將影響稅務釐定期內之即期及遞延所得稅資產及負債。

在可能有可用應課稅溢利用以抵銷虧損之限度內，應就所有尚未利用之稅項虧損確認遞延所得稅資產。這需要管理層作出重大判斷，基於未來應課稅溢利之可能時間及水平，結合未來稅務籌劃策略，以釐定可確認之遞延所得稅資產之金額。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.5 Income Taxes *(continued)*

Deferred income tax liabilities are recognised in respect of the unremitted earnings of subsidiaries in mainland China generated subsequent to 31 December 2007 and Africa, except to the extent that the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Significant management judgement is required to determine the amount of deferred income tax liabilities to be recognised, which is based upon the estimated timing of dividend distribution.

4 關鍵會計估算及判斷(續)

4.5 所得稅(續)

對於中國內地附屬公司於二零零七年十二月三十一日後產生及非洲附屬公司之未匯出盈利應確認遞延所得稅負債，惟母公司能控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。這需要管理層作出重大判斷，基於股息分派之估計時間，以釐定將予確認之遞延所得稅負債之金額。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board of the Company. Management has determined the operating segments based on the internal reports reviewed by the Board of the Company that are used to assess performance and allocate resources. The Group's operating segments are structured and managed separately according to the services provided by different strategic business units, and the services offered are subject to risks and returns that are different from those of the other operating segments. The business under each operating segments are summarised as follows:

- (i) Aviation and Logistics Business ("AL Business") — Provision of aviation and logistics services;
- (ii) Financial Market Information Business ("FMI Business") — Provision of online financial market information; and
- (iii) Direct Investments — Other direct investments, including interests in associates and available-for-sale financial assets.

Others include corporate income and expenses and others.

The Board of the Company assesses segment performance based on reportable operating loss.

5 分部資料

主要營運決策者已識別為本公司之董事會。管理層已根據經本公司董事會審閱用作評估表現及分配資源之內部報告釐定營運分部。本集團之營運分部乃根據不同策略業務單位所提供之服務分別進行組織及管理，各營運分部提供之服務所承擔之風險及所得回報與其他營運分部不同。有關營運分部之詳情概述如下：

- (i) 航空及物流業務（「航空及物流業務」）— 提供航空及物流服務；
- (ii) 金融市場資訊業務（「金融市場資訊業務」）— 提供線上金融市場資訊；及
- (iii) 直接投資 — 其他直接投資，包括於聯營公司之權益及可供出售金融資產。

其他包括企業收入與開支及其他。

本公司董事會以可呈報分部之業績來評估分部之表現。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the year ended 31 December 2017 by operating segments is as follows:

5 分部資料(續)

本集團截至二零一七年十二月三十一日止年度之收入、業績及若干資產、負債及開支資料按營運分部分分析如下：

		AL Business 航空及 物流業務	FMI Business 金融市場 資訊業務	Direct Investments 直接投資	Others 其他	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue (from external customers)	收入(來自對外客戶)	704,587	19,827	—	—	724,414
Depreciation	折舊	28,849	69	—	235	29,153
Amortisation	攤銷	6,222	—	—	—	6,222
Provision for impairment of goodwill and other intangibles	商譽及其他無形資產之減值撥備	9,000	—	—	—	9,000
Provision for impairment of property, plant and equipment and assets held for sale, net	物業、機器及設備以及持作出售資產之減值撥備，淨額	23,633	—	—	—	23,633
Operating loss	營運虧損	(161,987)	(219)	(5,875)	(53,367)	(221,448)
Interest income	利息收入					9,463
Finance costs	融資成本					(18,213)
Share of loss of associates	應佔聯營公司虧損					(2,859)
Loss before income tax	除所得稅前虧損					(233,057)
Income tax credit	所得稅抵免					9,955
Loss for the year	年度虧損					(223,102)
Total assets	資產總值	857,007	4,010	8,012	15,148	884,177
Total assets include: Interests in associates	資產總值包括： 於聯營公司之權益	7,759	—	2,089	—	9,848
Total liabilities	負債總額	348,575	6,895	12,304	128,462	496,236
Capital expenditure	資本開支	25,464	43	—	35	25,542

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the year ended 31 December 2016 by operating segments is as follows:

		AL Business 航空及 物流業務 HK\$'000 千港元	FMI Business 金融市場 資訊業務 HK\$'000 千港元	Direct Investments 直接投資 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue (from external customers)	收入(來自對外客戶)	555,462	21,427	—	—	576,889
Depreciation	折舊	30,707	210	—	304	31,221
Amortisation	攤銷	2,894	—	—	—	2,894
Provision for impairment of goodwill and other intangibles	商譽及其他無形資產之減值撥備	9,970	—	—	—	9,970
Provision for impairment of property, plant and equipment and assets held for sale, net	物業、機器及設備以及持作出售資產之減值撥備，淨額	17,362	—	—	—	17,362
Operating profit/(loss)	營運溢利/(虧損)	(126,960)	(1,387)	10,712	(80,898)	(198,533)
Interest income	利息收入					13,857
Finance costs	融資成本					(23,339)
Share of loss of associates	應佔聯營公司虧損					(561)
Loss before income tax	除所得稅前虧損					(208,576)
Income tax expenses	所得稅開支					(910)
Loss for the year	年度虧損					(209,486)
Total assets	資產總值	875,051	5,561	13,312	18,543	912,467
Total assets include:	資產總值包括：					
Interests in associates	於聯營公司之權益	—	—	7,185	—	7,185
Total liabilities	負債總額	483,974	7,890	8,813	12,859	513,536
Capital expenditure	資本開支	22,093	51	—	29	22,173

5 分部資料(續)

本集團截至二零一六年十二月三十一日止年度之收入、業績及若干資產、負債及開支資料按營運分部分析如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

The Company is domiciled in Hong Kong. The Group's revenue from external customers by geographical regions is as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Africa	非洲	536,436	456,505
Europe	歐洲	143,757	98,958
The People's Republic of China (“PRC”)	中華人民共和國(「中國」)		
mainland China	中國內地	24,394	—
Hong Kong	香港	13,772	15,225
Others	其他	6,055	6,201
		724,414	576,889

Revenue derived from external customers with amounts equal to or above 10% of the Group's revenue is as follows:

		2017 二零一七年	2016 二零一六年
		Operating segment 經營分部	HK\$'000 千港元
Customer A 客戶甲	AL Business 航空及物流業務	217,017	
Customer A 客戶甲	AL Business 航空及物流業務		179,891

5 分部資料(續)

本公司位於香港。本集團來自對外客戶之收入按地區劃分如下：

源自對外客戶之收入相等於或高於本集團收入10%之款項如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

A reconciliation of the total of the reportable segments' assets to the Group's total assets is as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Total assets for reportable segments	可呈報分部資產總值	869,029	893,924
Corporate assets	企業資產	15,148	18,543
Total assets of the Group		884,177	912,467

The total of non-current assets other than financial instruments and deferred income tax assets by geographical regions is as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Africa	非洲	242,151	312,322
Europe	歐洲	81,604	87,512
PRC	中國		
mainland China	中國內地	11,393	7,883
Hong Kong	香港	1,732	1,914
Others	其他	2,867	350
Total		339,747	409,981

5 分部資料(續)

可呈報分部資產總值與本集團資產總值之對賬如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Total assets for reportable segments	可呈報分部資產總值	869,029	893,924
Corporate assets	企業資產	15,148	18,543
Total assets of the Group		884,177	912,467

除金融工具及遞延所得稅資產外之非流動資產總值按地區劃分如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Africa	非洲	242,151	312,322
Europe	歐洲	81,604	87,512
PRC	中國		
mainland China	中國內地	11,393	7,883
Hong Kong	香港	1,732	1,914
Others	其他	2,867	350
Total		339,747	409,981

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 REVENUE

An analysis of revenue is as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Revenue from provision of aviation and logistics services	來自提供航空及物流服務之收入	704,587	555,462
Revenue from provision of online financial market information	來自提供線上金融市場資訊之收入	19,827	21,427
		724,414	576,889

7 EMPLOYEE BENEFIT EXPENSES

An analysis of employee benefit expenses, including directors' emoluments, is as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Salaries and bonuses	薪金及花紅	138,826	120,524
Share-based compensation	以股份支付之補償	10,880	21,477
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	4,435	3,782
Termination benefits	離職福利	6,698	1,807
Unutilised annual leave	未動用年假	526	1,297
Other benefits	其他福利	17,247	17,242
		178,612	166,129

6 收入

收入分析如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Revenue from provision of aviation and logistics services	來自提供航空及物流服務之收入	704,587	555,462
Revenue from provision of online financial market information	來自提供線上金融市場資訊之收入	19,827	21,427
		724,414	576,889

7 僱員福利開支

僱員福利開支(包括董事酬金)分析如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Salaries and bonuses	薪金及花紅	138,826	120,524
Share-based compensation	以股份支付之補償	10,880	21,477
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	4,435	3,782
Termination benefits	離職福利	6,698	1,807
Unutilised annual leave	未動用年假	526	1,297
Other benefits	其他福利	17,247	17,242
		178,612	166,129

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(a) Directors' Emoluments

Details of directors' emoluments are as follows:

Name of director 董事姓名		Fees 袍金	Salaries 薪金	Bonuses 花紅	Termination benefits 離職福利	Contributions	Share-based compensation 以股份 支付之補償	Other benefits 其他福利	Total 總計
						to pension schemes 退休金 計劃供款			
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
								Note (i) 附註(i)	
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度								
Mr. Erik D. Prince	Erik D. Prince 先生	—	3,072	1,782	—	—	161	1,178	6,193
Mr. Ko Chun Shun, Johnson	高振順先生	120	—	—	—	—	—	—	120
Mr. Luo Ning	羅寧先生	—	—	—	—	—	—	—	—
Dr. Hua Dongyi	華東一博士	—	4,346	2,110	—	35	8,163	90	14,744
Mr. Hu Qinggang	胡慶剛先生	—	1,593	93	—	114	185	170	2,155
Mr. Yap Fat Suan, Henry	葉發旋先生	545	—	—	—	—	—	—	545
Professor Lee Hau Leung	李效良教授	545	—	—	—	—	—	—	545
Dr. Harold O. Demuren	Harold O. Demuren 博士	545	—	—	—	—	—	—	545
Total	總計	1,755	9,011	3,985	—	149	8,509	1,438	24,847
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度								
Mr. Erik D. Prince	Erik D. Prince 先生	—	85	—	—	—	6,781	1,087	7,953
Mr. Ko Chun Shun, Johnson	高振順先生	120	—	—	—	—	—	—	120
Mr. Luo Ning	羅寧先生	—	—	—	—	—	—	—	—
Dr. Hua Dongyi	華東一博士	—	1,511	—	—	—	2,573	—	4,084
Mr. Gregg H. Smith (Note (ii))	Gregg H. Smith 先生 (附註(ii))	—	1,387	1,732	963	77	7,226	176	11,561
Mr. Hu Qinggang	胡慶剛先生	—	1,598	133	—	55	402	111	2,299
Mr. Yap Fat Suan, Henry	葉發旋先生	543	—	—	—	—	—	—	543
Professor Lee Hau Leung	李效良教授	543	—	—	—	—	—	—	543
Mr. William J. Fallon (Note (iii))	William J. Fallon 先生 (附註(iii))	181	—	—	—	—	—	—	181
Dr. Harold O. Demuren	Harold O. Demuren 博士	543	—	—	—	—	—	—	543
Total	總計	1,930	4,581	1,865	963	132	16,982	1,374	27,827

Notes:

- (i) Other benefits include medical insurance, travel insurance and other statutory welfare contributions.
- (ii) Mr. Gregg H. Smith resigned as an executive director and the Chief Executive Officer of the Company with effect from 1 May 2016.
- (iii) Mr. William J. Fallon resigned as an independent non-executive director of the Company with effect from 30 April 2016.

附註:

- (i) 其他福利包括醫療保險、旅遊保險及其他法定福利供款。
- (ii) Gregg H. Smith 先生辭任本公司執行董事兼行政總裁，於二零一六年五月一日生效。
- (iii) William J. Fallon 先生辭任本公司獨立非執行董事，於二零一六年四月三十日生效。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(b) Directors' Retirement Benefits

No retirement benefits were paid to or receivable by any director during the year ended 31 December 2017 in respect of services as a director of the Company and its subsidiary undertakings or in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings (2016: Nil).

(c) Directors' Termination Benefits

During the year ended 31 December 2016, a termination payment of HK\$963,000 was made by the Group to Mr. Gregg H. Smith in relation to his resignation as an executive director and the Chief Executive Officer of the Company with effect from 1 May 2016.

Save as disclosed above, there were no other payments made to or receivable by any director during the year ended 31 December 2017 in respect of the loss of office as a director, whether of the Company or its subsidiary undertakings, or the loss of other office in connection with the management of the affairs of the Company or its subsidiary undertakings.

(d) Consideration Provided to Third Parties for Making Available Directors' Services

No consideration was provided to or receivable by third parties for making available directors' services during the year ended 31 December 2017 (2016: Nil).

(e) Information about Loans, Quasi-Loans and Other Dealings Entered Into by the Company or Its Subsidiary Undertakings, Where Applicable, in Favour of Directors

There were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected parties during the year ended 31 December 2017 (2016: Nil).

(f) Directors' Material Interests in Transactions, Arrangements or Contracts

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017 (2016: Nil).

7 僱員福利開支(續)

(b) 董事退休福利

於截至二零一七年十二月三十一日止年度，概無任何董事就出任本公司及其附屬公司業務之董事或就與管理本公司或其附屬公司業務的事務有關的其他服務而獲支付或應收取退休福利(二零一六年：無)。

(c) 董事離職福利

於截至二零一六年十二月三十一日止年度，本集團就 Gregg H. Smith 先生於二零一六年五月一日辭任本公司執行董事兼行政總裁，向其支付離職款項 963,000 港元。

除以上披露者外，於截至二零一七年十二月三十一日止年度，概無任何董事就辭任董事職務(不論本公司或其附屬公司業務)或就辭任與管理本公司或其附屬公司業務的事務而獲支付或應收取其他付款。

(d) 就獲取董事服務而向第三方支付之代價

於截至二零一七年十二月三十一日止年度，概無就為獲取董事服務而令第三方獲得或應收取代價(二零一六年：無)。

(e) 有關本公司或其附屬公司業務(如適用)以董事為受益人所訂立之貸款、準貸款及其他交易之資料

於截至二零一七年十二月三十一日止年度，概無以董事、彼等之受控制法團及關連方為受益人之貸款、準貸款或其他交易(二零一六年：無)。

(f) 董事於交易、安排或合約中之重大權益

於年結日或截至二零一七年十二月三十一日止年度內任何時間，本公司或其附屬公司概無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益且仍然存續之重大交易、安排及合約(二零一六年：無)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(g) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year include Two (2016: three) directors, whose emoluments are reflected in Note 7(a). The emoluments payable to the remaining three (2016: two) individuals during the year are as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	9,200	7,292
Bonuses	花紅	203	1,548
Share-based compensation	以股份支付之補償	1,583	2,008
Contributions to pension schemes	退休金計劃供款	60	137
		11,046	10,985

The emoluments fell within the following bands:

Emolument bands	酬金幅度	Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	1	—
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元 – 4,000,000 港元	1	—
HK\$4,500,001 – HK\$5,000,000	4,500,001 港元 – 5,000,000 港元	1	1
HK\$6,000,001 – HK\$6,500,000	6,000,001 港元 – 6,500,000 港元	—	1

7 僱員福利開支(續)

(g) 五位最高薪人士

年內本集團五位最高薪人士包括兩位(二零一六年：三位)董事，其酬金於附註7(a)內反映。年內應付予其餘三位(二零一六年：兩位)人士之酬金如下：

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	9,200	7,292
Bonuses	203	1,548
Share-based compensation	1,583	2,008
Contributions to pension schemes	60	137
	11,046	10,985

酬金介乎下列幅度：

Emolument bands	酬金幅度	Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	1	—
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元 – 4,000,000 港元	1	—
HK\$4,500,001 – HK\$5,000,000	4,500,001 港元 – 5,000,000 港元	1	1
HK\$6,000,001 – HK\$6,500,000	6,000,001 港元 – 6,500,000 港元	—	1

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(h) Remunerations of Senior Management

Details of the emoluments payable to the members of the senior management other than Directors by band for the year are set out below:

Emolument bands	酬金幅度	Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
HK\$1 – HK\$500,000	1 港元 – 500,000 港元	1	—
HK\$500,001 – HK\$1,000,000	500,001 港元 – 1,000,000 港元	3	—
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元	2	1
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元	1	2
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	1	1
HK\$4,500,001 – HK\$5,000,000	4,500,001 港元 – 5,000,000 港元	1	—
HK\$6,000,001 – HK\$6,500,000	6,000,001 港元 – 6,500,000 港元	—	1

7 僱員福利開支(續)

(h) 高級管理人員薪酬

董事除外之高級管理人員按酬金幅度劃分之本年度酬金詳情如下：

8 FINANCE COSTS

Interests on:	下列各項之利息：
Bank loans	銀行貸款
Finance leases	融資租賃
Other loan	其他貸款
Financing arrangement fee	融資安排費用
Net exchange losses on borrowings	貸款之匯兌虧損淨額

8 融資成本

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
	8,647	11,410
	7,216	7,806
	61	2
	1,831	4,111
	458	10
	18,213	23,339

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 INCOME TAX CREDIT/(EXPENSES)

9 所得稅抵免／(開支)

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Current income tax	即期所得稅		
Outside Hong Kong	香港以外地區		
Provision for the year	本年度撥備	(317)	(15,251)
Adjustment in respect of prior years	過往年度調整	(40)	(401)
		(357)	(15,652)
Deferred income tax	遞延所得稅		
Hong Kong	香港	—	17
Outside Hong Kong	香港以外地區	10,312	14,725
		9,955	(910)

Taxation on profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries/places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

年內溢利之稅項已按估計應課稅溢利以本集團業務所在國家／地方之現行適用稅率，基於其現行法例、詮釋及慣例而計算。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 INCOME TAX CREDIT/(EXPENSES) (continued)

The reconciliation between the income tax credit/(expenses) on the Group's loss before income tax and the theoretical amount of income tax credit/(expenses) that would arise using the domestic tax rate applicable to each of the group companies for the year is as follows:

9 所得稅抵免／(開支)(續)

年內本集團除所得稅前虧損之所得稅抵免／(開支)與利用適用於集團內各公司之本土國家之稅率計算產生之所得稅抵免／(開支)之理論金額之對賬如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(233,057)	(208,576)
Tax calculated at the rates applicable in the countries concerned	以有關國家適用之稅率計算之稅項	30,057	5,137
Tax effects of:	以下各項稅項影響：		
Income not subject to tax	毋須繳稅之收入	902	2,349
Expenses not deductible for tax purposes	不可作扣減稅項之開支	(18,592)	(17,944)
Utilisation of previously unrecognised tax losses	使用之前未確認之稅項虧損	278	351
Reversal of previously recognised timing differences	之前已確認時間差異之撥回	—	(1,281)
Tax losses not recognised	未確認之稅項虧損	(2,862)	(3,546)
Withholding tax, net	預扣稅淨額	212	14,425
Adjustment in respect of prior years	過往年度調整	(40)	(401)
Income tax credit/(expenses)	所得稅抵免／(開支)	9,955	(910)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/
(crediting):

Cost of direct materials and job expenses (Note (i))	直接材料費用及工作開支 (附註(i))	131,705	130,697
Depreciation (Note 14)	折舊(附註14)	29,153	31,221
Amortisation of intangibles (Note 15)	無形資產攤銷(附註15)	6,180	2,850
Amortisation of prepaid operating lease rentals (Note 20)	預付經營租約租金攤銷 (附註20)	42	44
Engine overhaul cost (Note 19)	引擎檢修成本(附註19)	8,214	11,570
Operating lease rentals on land and buildings	土地及樓宇之經營租約租金	17,619	17,779
Operating lease rentals on equipment	設備之經營租約租金	4,558	—
Operating lease rentals on motor vehicle	汽車之經營租約租金	235	235
Other operating expenses including, inter alia:	其他營運費用包括(其中包括):		
Professional and consultancy fee	專業及顧問費用	19,762	31,321
Travelling expenses	差旅費用	13,140	14,507
Net exchange gains	匯兌收益淨額	(5,846)	(3,558)
Acquisition-related costs	收購相關成本	—	4,779
Net loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損淨額	4,348	3,631
Net loss on disposal of assets held for sales	出售持作出售資產之虧損淨額	118	—
Auditor's remuneration	核數師酬金		
Audit services	審核服務	2,945	2,685
Non-audit services	非審核服務	501	1,114
Provision for impairment of trade receivables (Note 23)	貿易應收款項之減值撥備 (附註23)	1,020	638
Provision for impairment of prepayments, deposits and other receivables (Note 24)	預付款、按金及其他應收款項之減值撥備(附註24)	8,359	215
Provision for inventories (Note 22)	存貨撥備(附註22)	56	1,597
Other income and other (gains)/ losses, net including, inter alia:	其他收入及其他(收益)/虧損淨額包括(其中包括):		
Gain on disposal of subsidiaries (Note 35)	出售附屬公司之收益 (附註35)	—	(16,968)
Warehouse income	倉儲收入	(3,260)	(1,895)
Provision for impairment of investment in an associate (Note 17)	於一家聯營公司之投資之減值撥備(附註17)	3,228	—
Change in fair value of derivative financial liability (Note 27)	衍生金融負債之公允價值變動 (附註27)	(1,851)	—
Net refund from court case for disposal of subsidiaries	來自出售附屬公司之法院案件之退款淨額	(2,517)	—

Note:

- (i) The cost of direct materials and job expenses includes, inter alia, parts for aircraft maintenance services, fuel cost, take-off, landing and depot charges, crew cost, toll cost and custom clearing cost.

10 年度虧損

本集團年度虧損已扣除/(計入)下列各項:

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
131,705	130,697
29,153	31,221
6,180	2,850
42	44
8,214	11,570
17,619	17,779
4,558	—
235	235
19,762	31,321
13,140	14,507
(5,846)	(3,558)
—	4,779
4,348	3,631
118	—
2,945	2,685
501	1,114
1,020	638
8,359	215
56	1,597
—	(16,968)
(3,260)	(1,895)
3,228	—
(1,851)	—
(2,517)	—

附註:

- (i) 直接材料費用及工作開支包括(其中包括)飛機維修服務之零件、燃料成本、起飛、著陸及飛機庫費用、機務人員成本、通行成本及清關費用。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 LOSS PER SHARE

The calculation of the basic loss per share for the year is based on the Group's loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year less the weighted average number of ordinary shares held for share award scheme during the year.

The calculation of the diluted loss per share for the year is based on the Group's loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year less the weighted average number of ordinary shares held for share award scheme during the year assuming the conversion of the exchangeable preference shares and the exercise of the outstanding share options, the dilutive potential ordinary shares of the Company. A calculation is made to determine the number of ordinary shares that could have been acquired at fair value (determined as the average market share price of the Company's ordinary shares over the year) based on the monetary values of the exchange price of the exchangeable preference shares and the subscription rights attached to the outstanding share options.

The basic and diluted loss per share for the year ended 31 December 2017 were the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the year was anti-dilutive.

The weighted average number of ordinary shares in issue during the year less the weighted average number of ordinary shares held for share award scheme during the year for the calculation of the basic and diluted loss per share is set out as follows:

		2017 二零一七年	2016 二零一六年
Weighted average number of ordinary shares in issue	已發行普通股之加權平均數	1,414,787,935	1,233,125,352
Less: Weighted average number of ordinary shares held for share award scheme	減：持作股份獎勵計劃之普通股之加權平均數	(1,891,150)	(3,535,531)
		1,412,896,785	1,229,589,821
		HK\$'000 千港元	HK\$'000 千港元
Group's loss attributable to the equity holders of the Company	本公司股權持有人應佔本集團虧損	(223,760)	(209,816)

11 每股虧損

本年度每股基本虧損乃根據本公司股權持有人應佔本集團虧損以及年內已發行普通股之加權平均數減於年內持作股份獎勵計劃之普通股之加權平均數計算。

本年度每股攤薄虧損乃根據本公司股權持有人應佔本集團虧損以及年內已發行普通股之加權平均數減於年內持作股份獎勵計劃之普通股之加權平均數，並假設可兌換優先股獲轉換及尚未行使之購股權獲行使後，本公司可能發行具攤薄作用之普通股計算。本公司根據可兌換優先股之兌換價及尚未行使購股權所附認購權之貨幣價值，釐定可按公允價值（按年內本公司普通股之平均市場股價釐定）購買之普通股數目計算。

由於年內所有發行在外並具攤薄作用之潛在普通股在假設轉換後具有反攤薄效應，故此截至二零一七年十二月三十一日止年度之每股基本及攤薄虧損相同。

用作計算每股基本及攤薄虧損之年內已發行普通股加權平均數減於年內持作股份獎勵計劃之普通股之加權平均數載列如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12 DIVIDENDS

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

13 BUSINESS COMBINATION

Acquisition of Maleth Aero Limited (“Maleth”)

On 3 February 2016, Frontier Services Limited (“FSL”), a wholly-owned subsidiary of the Company, entered into a conditional investment agreement for the acquisition of 51% equity interest in Maleth, a company through its subsidiary, Maleth Aero AOC Limited, principally engaged in the provision of aircraft management services, for a consideration of approximately EUR1,002,000 (equivalent to approximately HK\$8,963,000). On the same date, FSL also entered into a symmetrical put and call option agreement, pursuant to which FSL has the right to purchase and the seller has the right to sell the remaining 49% equity interest in Maleth at an option price equal to the higher of EUR1,000,000 (equivalent to approximately HK\$8,190,000) and 4.5 multiplied by the average consolidated earnings before interest, tax, depreciation and amortisation of Maleth for the prior two financial years preceding the exercise of the put option or the call option, which is capped at EUR10,000,000 (equivalent to approximately HK\$81,895,000). The acquisition of 51% equity interest in Maleth was completed on 6 July 2016. The acquisition immediately enabled the Group to strengthen the Group’s presence in the Mediterranean region, further connecting the Group’s logistics operations in Africa to Europe, the Middle East and the One Belt One Road region of central Asia.

12 股息

本公司董事會不建議派付截至二零一七年十二月三十一日止年度之任何股息(二零一六年：無)。

13 業務合併

收購 Maleth Aero Limited (「Maleth」)

於二零一六年二月三日，本公司之全資附屬公司Frontier Services Limited(「FSL」)訂立有條件投資協議，以收購Maleth(一家透過其附屬公司Maleth Aero AOC Limited主要從事提供飛機管理服務之公司)之51%股本權益，代價約為1,002,000歐元(相等於約8,963,000港元)。同日，FSL亦訂立一份對稱認沽及認購期權協議，據此，FSL有權收購而賣方有權出售Maleth餘下49%股本權益，期權價相等於以下兩者中之較高者：1,000,000歐元(相等於約8,190,000港元)與4.5乘以Maleth於行使認沽期權或認購期權前之兩個財政年度之除利息、稅項、折舊及攤銷前之平均綜合盈利(最高為10,000,000歐元(相等於約81,895,000港元))。收購Maleth之51%股本權益已於二零一六年七月六日完成。此次收購使得本集團即時加強了其於地中海地區的業務版圖，並擴大本集團於非洲之物流業務與歐洲、中東及中亞一帶一路地區之聯繫。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 BUSINESS COMBINATION (continued)

Acquisition of Maleth Aero Limited (“Maleth”) (continued)

The following table summarised the consideration paid for the issued share capital, the acquisition-related costs, the analysis of the net cash inflow from the acquisition, and the amounts of the assets acquired and liabilities assumed recognised at the date of acquisition.

		2016 二零一六年 HK\$'000 千港元
Purchase consideration	收購之代價	
Cash paid	已付現金	8,963
Acquisition-related costs, included in other operating expenses	收購相關成本，計入其他營運費用	
Legal and professional fees and other expenses	法律及專業費用及其他開支	4,497
Outflow of cash to acquire business, net of cash acquired	收購業務現金流出(扣除所收購現金)	
Cash consideration	現金代價	(8,963)
Cash and cash equivalents in subsidiaries acquired	所收購附屬公司現金及現金等價物	17,300
Net cash inflow from acquisition	收購事項現金淨流入	8,337
Property, plant and equipment	物業、機器及設備	1,416
Deferred income tax assets	遞延所得稅資產	2,513
Intangibles	無形資產	5,938
Receivables (a)	應收款項(a)	40,605
Cash and cash equivalents	現金及現金等價物	17,300
Payables	應付款項	(51,158)
Borrowings	貸款	(715)
Deferred income tax liabilities	遞延所得稅負債	(2,078)
Total identifiable net assets	可識別淨資產總額	13,821
Non-controlling interests	非控股權益	(6,960)
		6,861
Goodwill on acquisition (b)	收購事項之商譽(b)	2,102
		8,963

13 業務合併(續)

收購 Maleth Aero Limited (「Maleth」) (續)

下表概述就已發行股本支付之代價、收購相關成本、收購事項現金淨流入之分析及於收購日確認之所收購資產及所承擔負債之金額。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 BUSINESS COMBINATION (continued)

Acquisition of Maleth Aero Limited (“Maleth”) (continued)

(a) Acquired receivables

The fair value and the gross contractual amounts of receivables are approximately HK\$40,605,000 which include trade receivables with a fair value of approximately HK\$21,151,000. The fair values of trade and other receivables approximate their carrying amounts. There is no contractual cash flow from the acquired receivables that are expected to be uncollected.

(b) Goodwill on acquisition

The Group recognised goodwill of approximately HK\$2,102,000 in the consolidated statement of financial position, which was primarily attributable to the consideration that was mutually agreed between the parties, with reference to the carrying amount of the identifiable net assets of approximately HK\$13,821,000 as at the date of acquisition.

Goodwill is primarily attributable to the anticipated profitability and net cash inflows of the acquired business.

(c) Revenue and profit contribution

The acquired business contributed a revenue of approximately HK\$54,658,000 and a net profit after tax of approximately HK\$369,000 to the Group for the period from 6 July 2016 (date of acquisition) to 31 December 2016. Had the acquisition occurred on 1 January 2016, the acquired business would have contributed a revenue of approximately HK\$132,466,000 and a net loss after tax of approximately HK\$1,445,000 to the Group for the year ended 31 December 2016.

(d) Symmetrical put and call option

The symmetrical put and call option was recognised as a financial liability at its present value of HK\$6,963,000 as at 31 December 2016.

13 業務合併(續)

收購 Maleth Aero Limited (「Maleth」) (續)

(a) 所收購應收款項

應收款項之公允價值及總合約金額約為40,605,000港元，包括公允價值約21,151,000港元之貿易應收款項。貿易及其他應收款項之公允價值與其賬面值相若。概無來自所收購應收款項之合約現金流量預期不能收回。

(b) 收購事項之商譽

本集團於綜合財務狀況表確認商譽約2,102,000港元，主要由於訂約方一致同意之代價所致，有關商譽乃參考於收購日可識別資產淨值之賬面值約13,821,000港元釐定。

商譽乃主要來自所收購業務的預計盈利能力及現金淨流入。

(c) 收入及溢利貢獻

所收購業務於自二零一六年七月六日(收購日)起至二零一六年十二月三十一日止期間為本集團貢獻收入約54,658,000港元及除稅後溢利淨額約369,000港元。倘收購事項於二零一六年一月一日發生，所收購業務於截至二零一六年十二月三十一日止年度會為本集團貢獻收入約132,466,000港元及除稅後虧損淨額約1,445,000港元。

(d) 對稱認沽及認購期權

於二零一六年十二月三十一日，對稱認沽及認購期權按其現值6,963,000港元確認為金融負債。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT AND ASSETS HELD FOR SALE

14 物業、機器及設備和持作出售資產

		Leasehold improvements and hangars 租賃物業裝修及飛機庫 HK\$'000 千港元	Aircraft and aviation equipment 飛機及航空設備 HK\$'000 千港元	Plant, machinery and tooling 機器、機械及工具 HK\$'000 千港元	Trucks, trailers and containers 貨車、拖車及集裝箱 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Total 總計 HK\$'000 千港元
			Note (i) 附註(i)						
At 1 January 2016	於二零一六年一月一日								
Cost	成本	9,169	454,852	9,563	20,848	5,503	8,042	2,741	510,718
Accumulated depreciation and impairment	累計折舊及減值	(3,499)	(81,001)	(2,056)	(708)	(2,657)	(4,330)	(765)	(95,016)
Net carrying amount	賬面淨值	5,670	373,851	7,507	20,140	2,846	3,712	1,976	415,702
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度								
Opening net carrying amount	年初賬面淨值	5,670	373,851	7,507	20,140	2,846	3,712	1,976	415,702
Additions	添置	469	2,066	1,197	—	307	499	324	4,862
Acquisition of subsidiaries (Note 13)	收購附屬公司(附註13)	—	—	1,074	—	161	154	27	1,416
Disposals (Note 35)	出售(附註35)	(2,392)	(11,095)	(72)	(750)	(133)	(462)	(490)	(15,394)
Impairment	減值	—	(13,570)	—	(3,792)	—	—	—	(17,362)
Depreciation (Note 10)	折舊(附註10)	(766)	(21,723)	(2,927)	(3,363)	(1,126)	(922)	(394)	(31,221)
Transfer to assets held for sale (Note (iv))	轉撥至持作出售資產(附註(iv))	—	(23,499)	—	—	—	—	—	(23,499)
Other transfer	其他轉撥	—	(13)	—	—	—	(345)	358	—
Exchange differences	匯兌差額	20	774	716	1,610	(17)	52	69	3,224
Closing net carrying amount	年終賬面淨值	3,001	306,791	7,495	13,845	2,038	2,688	1,870	337,728
At 31 December 2016	於二零一六年十二月三十一日								
Cost	成本	6,883	383,339	12,412	21,606	5,748	7,645	3,092	440,725
Accumulated depreciation and impairment	累計折舊及減值	(3,882)	(76,548)	(4,917)	(7,761)	(3,710)	(4,957)	(1,222)	(102,997)
Net carrying amount	賬面淨值	3,001	306,791	7,495	13,845	2,038	2,688	1,870	337,728

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT AND ASSETS HELD FOR SALE (continued)

14 物業、機器及設備和持作出售資產 (續)

		Leasehold improvements and hangars 租賃物業裝修及飛機庫	Aircraft and aviation equipment 飛機及航空設備	Plant, machinery and tooling 機器、機械及工具	Trucks, trailers and containers 貨車、拖車及集裝箱	Motor vehicles 汽車	Office equipment 辦公室設備	Furniture and fixtures 傢俬及裝置	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
			Note (i) 附註(i)						
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度								
Opening net carrying amount	年初賬面淨值	3,001	306,791	7,495	13,845	2,038	2,688	1,870	337,728
Additions	添置	1,790	—	264	2,484	2,882	1,666	966	10,052
Disposals (Note 35)	出售(附註35)	(51)	(27,253)	—	(2,477)	—	(94)	(202)	(30,077)
Impairment (Note (iii))	減值(附註(iii))	—	(19,531)	—	—	—	—	—	(19,531)
Depreciation (Note 10)	折舊(附註10)	(577)	(20,107)	(2,393)	(3,709)	(1,029)	(924)	(414)	(29,153)
Other transfer	其他轉撥	—	—	—	—	(7)	(18)	25	—
Exchange differences	匯兌差額	43	1,663	699	1,102	75	87	64	3,733
Closing net carrying amount	年終賬面淨值	4,206	241,563	6,065	11,245	3,959	3,405	2,309	272,752
At 31 December 2017	於二零一七年十二月三十一日								
Cost	成本	5,839	288,389	13,809	18,572	8,803	9,323	3,467	348,202
Accumulated depreciation and impairment	累計折舊及減值	(1,633)	(46,826)	(7,744)	(7,327)	(4,844)	(5,918)	(1,158)	(75,450)
Net carrying amount	賬面淨值	4,206	241,563	6,065	11,245	3,959	3,405	2,309	272,752

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT AND ASSETS HELD FOR SALE (continued)

Notes:

- (i) The Group leases various aircraft under non-cancellable finance lease arrangements. The lease terms are between 5 and 10 years and the ownership of the aircraft lies within the Group. The net carrying amount of the aircraft under finance leases at 31 December 2017 is as follows:

Cost – capitalised finance leases	成本 – 資本化融資租賃
Accumulated depreciation and impairment	累計折舊及減值
Net carrying amount	賬面淨值

- (ii) The provision for impairment of property, plant and equipment, net of HK\$17,362,000 for the year ended 31 December 2016 represents:
- (a) a reversal of provision of HK\$10,844,000 taken against two highly modified survey aircraft due to subsequent disposals during the year ended 31 December 2016;
- (b) a provision of HK\$24,414,000 charged to the carrying amounts of six aircraft to reflect their market values; and
- (c) a provision of HK\$3,792,000 charged to the carrying amounts of certain trucks and trailers to reflect their market values.
- (iii) The provision for impairment of property, plant and equipment, net of HK\$19,531,000 for the year ended 31 December 2017 represents a provision of HK\$19,531,000 charged to the carrying amounts of seven aircraft to reflect their market values.
- (iv) Property, plant and equipment reclassified as assets held for sales

During the year, the Group disposed one aircraft classified as assets held for sale with a carrying amount of HK\$898,000 for a net proceed of US\$100,000 (equivalent to approximately HK\$780,000).

As of 31 December 2017, the Group has committed to and has been actively locating a buyer for one idle helicopter in Kenya with net carrying amount of HK\$19,556,000 (2016: HK\$24,374,000). In addition, a provision of impairment of HK\$4,102,000 was charged to the carrying amount of the helicopter to reflect its market value during the year ended 31 December 2017. This helicopter was transferred to assets held for sale under current assets in 2016.

14 物業、機器及設備和持作出售資產 (續)

附註：

- (i) 本集團根據不可撤銷融資租賃安排租賃多架飛機。租期介乎5年至10年，而飛機的擁有權歸本集團所有。於二零一七年十二月三十一日，融資租賃下飛機之賬面淨值如下：

Aircraft	
飛機	
2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元
130,639	145,383
(28,274)	(21,372)
102,365	124,011

- (ii) 截至二零一六年十二月三十一日止年度之物業、機器及設備之減值撥備淨額17,362,000港元指：
- (a) 由於截至二零一六年十二月三十一日止年度內出售兩架經大規模改裝之航測飛機，故撥回對其作出之撥備10,844,000港元；
- (b) 就六架飛機之賬面值作出之撥備24,414,000港元，以反映其市值；及
- (c) 就若干貨車及拖車之賬面值作出之撥備3,792,000港元，以反映其市值。
- (iii) 截至二零一七年十二月三十一日止年度物業、機器及設備之減值撥備淨額19,531,000港元，指已計入七架飛機賬面值之撥備19,531,000港元，以反映該等飛機之市值。
- (iv) 分類為持作出售資產之物業、機器及設備

年內，本集團出售一架賬面值為898,000港元且分類為持作出售資產之飛機，所得款項淨額為100,000美元(相等於約780,000港元)。

截至二零一七年十二月三十一日，本集團一直及積極為其於肯尼亞一架賬面值為19,556,000港元(二零一六年：24,374,000港元)之閒置直升機物色買家。此外，該架直升機賬面值已扣除減值撥備4,102,000港元，以反映其於截至二零一七年十二月三十一日止年度之市值。於二零一六年該架直升機已轉撥至流動資產下之持作出售資產。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 GOODWILL AND OTHER INTANGIBLES

15 商譽及其他無形資產

		2017 二零一七年			2016 二零一六年		
		Goodwill 商譽	Other intangibles 其他無形資產	Total 總計	Goodwill 商譽	Other intangibles 其他無形資產	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		Note (i) 附註 (i)	Note (ii) 附註 (ii)		Note (i) 附註 (i)	Note (ii) 附註 (ii)	
At 1 January	於一月一日						
Cost	成本	107,047	38,475	145,522	104,926	32,537	137,463
Accumulated amortisation and impairment	累計攤銷及減值	(104,945)	(5,250)	(110,195)	(94,975)	(2,400)	(97,375)
Net carrying amount	賬面淨值	2,102	33,225	35,327	9,951	30,137	40,088
Year ended 31 December	截至十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	2,102	33,225	35,327	9,951	30,137	40,088
Additions	添置	—	7,982	7,982	—	—	—
Acquisition of subsidiaries (Note 13)	收購附屬公司 (附註 13)	—	—	—	2,102	5,938	8,040
Amortisation (Note 10)	攤銷(附註 10)	—	(6,180)	(6,180)	—	(2,850)	(2,850)
Impairment (Note (i) and (ii))	減值(附註 (i)及(ii))	—	(9,000)	(9,000)	(9,970)	—	(9,970)
Exchange differences	匯兌差額	—	(8)	(8)	19	—	19
Closing net carrying amount	年終賬面淨值	2,102	26,019	28,121	2,102	33,225	35,327
At 31 December	於十二月三十一日						
Cost	成本	107,047	46,457	153,504	107,047	38,475	145,522
Accumulated amortisation and impairment	累計攤銷及減值	(104,945)	(20,438)	(125,383)	(104,945)	(5,250)	(110,195)
Net carrying amount	賬面淨值	2,102	26,019	28,121	2,102	33,225	35,327

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 GOODWILL AND OTHER INTANGIBLES

(continued)

Notes:

- (i) Goodwill is monitored by management at the CGU level within an operating segment level with reference to the business performance based on geography and type of business. A summary of the allocation of goodwill to the identified CGUs of the Group is as follows:

		2017 二零一七年			2016 二零一六年		
		Gross	Accumulated impairment	Net carrying amount	Gross	Accumulated impairment	Net carrying amount
		總額	累計減值	賬面淨值	總額	累計減值	賬面淨值
FSL	FSL	94,975	(94,975)	—	94,975	(94,975)	—
Phoenix Aviation Limited ("PAL")	鳳凰航空	6,730	(6,730)	—	6,730	(6,730)	—
Cheetah Logistics SARL ("Cheetah")	Cheetah Logistics SARL (「Cheetah」)	1,772	(1,772)	—	1,772	(1,772)	—
Transit Freight Forwarding Proprietary Limited ("TFF")	Transit Freight Forwarding Proprietary Limited (「TFF」)	1,468	(1,468)	—	1,468	(1,468)	—
Maleth	Maleth	2,102	—	2,102	2,102	—	2,102
		107,047	(104,945)	2,102	107,047	(104,945)	2,102

During the year ended 31 December 2017, management considered the actual results of Maleth for the year was comparable to the forecast. Therefore, management considered that no provision for impairment on the goodwill arising from the acquisition of Maleth was necessary.

The provision for impairment of goodwill of HK\$9,970,000 for the year ended 31 December 2016 represented the impairment of goodwill arising from the acquisitions of PAL, Cheetah and TFF in 2014 and 2015. The decision to take a full impairment charge against the goodwill was following a careful internal operation review in the context of the respective CGUs' historical performance and market expectation by the management. In recognition of this, the goodwill was fully impaired and absorbed into the Group's reported consolidated financial statements for the year ended 31 December 2016.

15 商譽及其他無形資產(續)

附註：

- (i) 商譽由管理層於經營分部層面按現金產生單位水平進行監控，並參考業務地域及類型所得出之業務表現。本集團將商譽分配至已識別現金產生單位之概要如下：

截至二零一七年十二月三十一日止年度，管理層認為 Maleth 年內實際業績與預測業績可資比較。因此，管理層認為無需就收購 Maleth 產生之商譽作出減值撥備。

截至二零一六年十二月三十一日止年度之商譽減值撥備 9,970,000 港元指於二零一四年及二零一五年收購鳳凰航空、Cheetah 及 TFF 所產生之商譽減值。鑑於各現金產生單位之過往表現及管理層之市場預期，本集團在作出審慎的內部營運檢討後，決定就商譽扣除全數減值支出。有鑑於此，該商譽已作出全數減值，並計入本集團截至二零一六年十二月三十一日止年度所呈報之綜合財務報表內。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 GOODWILL AND OTHER INTANGIBLES

(continued)

Notes: (continued)

- (ii) Other intangibles mainly represent operating certificates, trademark, customer base and non-compete agreements derived from the acquisition of various subsidiaries.

The provision for impairment of other intangibles of HK\$9,000,000 for the year ended 31 December 2017 represented impairment of operating certificates and trademark arising from the acquisitions of PAL in 2014. The decision to take an impairment charge against the other intangibles was due to the scale down of maintenance business and following a careful internal operation review in the context of the respective CGUs' historical performance and market expectation by the management. In recognition of this, the other intangibles were impaired and absorbed into the Group's reported consolidated financial statements for the year ended 31 December 2017.

- (iii) The recoverable amount is determined based on value-in-use calculation. This calculation is made with the use of discounted cash flow model, based on financial budget approved by management covering a 5-year period. Cash flow beyond the 5-year period is extrapolated using the key assumptions stated below:

		2017 二零一七年			2016 二零一六年		
		Annual growth rate 年增長率	Long-term growth rate 長期增長率	Discount rate 折現率	Annual growth rate 年增長率	Long-term growth rate 長期增長率	Discount rate 折現率
PAL	鳳凰航空	10%	3%	17%	1% - 3%	3%	17%
Cheetah	Cheetah	N/A 不適用	N/A 不適用	N/A 不適用	3%	3%	23%
TFF	TFF	4% - 6%	4%	16.5%	4% - 6%	4%	16.5%
Maleth	Maleth	2% - 5%	3%	17%	2% - 5%	3%	17%

No impairment indicator was identified for Maleth as its actual result was comparable to management forecast during the year ended 31 December 2017.

Other key assumptions included estimated gross margin, applicable corporate income tax rate and capital expenditure for repairs and maintenance. Management determines estimated growth rates and gross margin based on past performance and its expectation of market development. The discount rates are determined with reference to specific risks relating to the relevant segments and countries in which they operate.

15 商譽及其他無形資產(續)

附註：(續)

- (ii) 其他無形資產主要指收購多間附屬公司產生的經營證書、商標、客戶群及不競爭協議。

截至二零一七年十二月三十一日止年度之其他無形資產減值撥備9,000,000港元指於二零一四年收購鳳凰航空所產生之經營證書及商標減值。由於維修業務縮減，且鑑於各現金產生單位之過往表現及管理層之市場預期，本集團在作出審慎的內部營運檢討後，決定就其他無形資產扣除減值支出。有鑑於此，其他無形資產已作出減值，並計入本集團截至二零一七年十二月三十一日止年度之呈報綜合財務報表內。

- (iii) 可收回金額以使用價值計算方法釐定。此計算乃運用以覆蓋五年期並獲得管理層批准之財務預算方案為基準的折現現金流量模式作出。五年期過後的現金流量使用下列之主要假設推算：

由於 Maleth 於截至二零一七年十二月三十一日止年度之實際業績與管理層預測可資比較，故並無就 Maleth 識別任何減值跡象。

其他主要假設包括估計毛利率、適用的企業所得稅率及維修及保養的資本開支。管理層基於過往表現及其對於市場發展的預期釐定估計增長率及毛利率。折現率乃參考與相關分部及其經營所在國家有關之特定風險後釐定。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 GOODWILL AND OTHER INTANGIBLES

(continued)

Notes: (continued)

(iv) Impact of possible changes on key assumptions

For PAL, if the annual growth rate used in the value-in-use calculation had been 1% lower than management's estimation or the pre-tax discount rate applied to the cash flow projections had been 1% higher than management's estimation, the Group would have resulted in a further provision for impairment of other intangibles of HK\$7,975,000 and HK\$4,670,000 respectively.

For TFF, the recoverable amount of TFF is estimated to exceed the carrying amount of the other intangibles at 31 December 2017. The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the other intangibles of TFF to exceed its recoverable amount.

For Maleth, if the annual growth rate used in the value-in-use calculation had been 1% lower than management's estimation or the pre-tax discount rate applied to the cash flow projections had been 1% higher than management's estimation, the Group would have resulted in a further provision for impairment of goodwill and other intangibles of HK\$5,975,000 and HK\$257,000 respectively.

15 商譽及其他無形資產(續)

附註：(續)

(iv) 主要假設潛在變動之影響

就鳳凰航空而言，倘使用價值計算所用之年增長率低於管理層估計1%，或現金流量預測所用之除稅前折讓率高於管理層估計1%，本集團將分別進一步作出其他無形資產減值撥備7,975,000港元及4,670,000港元。

就TFF而言，TFF之估計可收回金額超過於二零一七年十二月三十一日其他無形資產之賬面值。董事及管理層已考慮及評估其他主要假設之合理潛在變動，且並無識別出可能導致TFF其他無形資產賬面值超過其可收回金額之任何事件。

就Maleth而言，倘使用價值計算所用之年增長率低於管理層估計1%，或現金流量預測所用之除稅前折讓率高於管理層估計1%，本集團將分別進一步作出商譽及其他無形資產減值撥備5,975,000港元及257,000港元。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 SUBSIDIARIES

The table below lists out the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of 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.

Name	Place of incorporation or registration/ operation	Nominal value of issued ordinary shares/preference shares/paid-up capital/ registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本面值/註冊資本	本公司所持應佔股權百分比 直接 間接		主要業務
FSL	Bermuda 百慕達	US\$1,000 common 1,000美元之普通股	100%	—	Investment holding and provision of aviation and logistics services 投資控股及提供航空及物流服務
FSG Aviation Limited	Bermuda 百慕達	US\$1 common 1美元之普通股	100%	—	Aircraft holding and provision of aviation and logistics services 飛機持控及提供航空及物流服務
PAL 鳳凰航空	Kenya 肯尼亞	KES550,488,000 ordinary 550,488,000肯尼亞先令之普通股	—	100%	Provision of aviation and logistics services 提供航空及物流服務
Frontier Logistics Consultancy DMCC	United Arab Emirates 阿拉伯聯合酋長國	Emirati Dirham 50,000 ordinary 50,000阿聯酋迪拉姆之普通股	100%	—	Provision of aviation and logistics services 提供航空及物流服務
Frontier Services Group East Africa Limited	Kenya 肯尼亞	KES3,311,700 ordinary 3,311,700肯尼亞先令之普通股	—	100%	Provision of administrative and management services 提供行政及管理服務
Cheetah	Democratic Republic of the Congo 剛果民主共和國	US\$100,000 ordinary 100,000美元之普通股	—	100%	Provision of transport logistics services 提供運輸物流服務

16 附屬公司

董事認為，下表列出者均為對本年度業績構成主要影響或佔本集團大部份資產淨值之本公司附屬公司。為避免資料過於冗長，董事認為毋須列出其他附屬公司之詳情。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 SUBSIDIARIES (continued)

Name	Place of incorporation or registration/ operation	Nominal value of issued ordinary shares/preference shares/paid-up capital/ registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本面值/註冊資本	本公司所持應佔股權百分比 直接 間接		主要業務
TFF	South Africa 南非	ZAR100 ordinary 100 南非蘭特之普通股	—	100%	Provision of freight forwarding services 提供貨運代理服務
Transit Freight Co-ordinators Limited	Zambia 贊比亞	Zambian Kwacha ("ZMW") 10,000 ordinary 10,000 贊比亞克瓦查(「克瓦查」)之普通股	—	50%	Provision of freight forwarding services 提供貨運代理服務
Maleth	Malta 馬耳他	EUR1,030,613 ordinary 1,030,613 歐元之普通股	—	51%	Investment holding 投資控股
Maleth Aero AOC Limited	Malta 馬耳他	EUR545,200 ordinary 545,200 歐元之普通股	—	47%	Provision of aircraft management services 提供飛機管理服務
Frontier Xinda Security Consulting (Beijing) Company Limited [#] (Formerly known as Frontier Pan-Africa Investment Development (Beijing) Company Limited) 先豐信達安全顧問(北京)有限公司 (前稱先豐泛非投資諮詢(北京)有限公司)	Mainland China* 中國內地*	RMB100,000,000 paid-up capital 人民幣 100,000,000 元已繳足資本	—	100%	Investment holding and provision of aviation and logistics related consultancy services 投資控股及提供航空及物流相關諮詢服務
Frontier Logistics (Shanghai) Company Limited [#] 先豐物流(上海)有限公司	Mainland China* 中國內地*	US\$10,000,000 registered capital 10,000,000 美元之註冊資本	—	100%	Provision of logistics related services 提供物流相關服務

16 附屬公司(續)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 SUBSIDIARIES (continued)

Name	Place of incorporation or registration/operation	Nominal value of issued ordinary shares/preference shares/paid-up capital/registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本面值/註冊資本	本公司所持應佔股權百分比 直接 間接		主要業務
DVN (Group) Limited	British Virgin Islands 英屬處女群島	US\$10 ordinary US\$15,000,000 preference 10美元之普通股及 15,000,000美元之優先股	100%	—	Investment holding and management 投資控股及管理
Data Source Technology Limited 中天數碼互動科技有限公司	Hong Kong 香港	HK\$5,000,000 ordinary 5,000,000港元之普通股	—	100%	Provision of administrative and management services 提供行政及管理服務
Dynamic Network Limited	British Virgin Islands 英屬處女群島	US\$1 ordinary 1美元之普通股	100%	—	Investment holding and management 投資控股及管理
Telequote Data International Limited 電資訊國際有限公司	Hong Kong 香港	HK\$10,000 ordinary 10,000港元之普通股	—	100%	Provision of online financial market information 提供線上金融市場資訊

* Registered as wholly foreign owned enterprise with limited liability under the PRC law

For identification purposes only

16 附屬公司(續)

Name	Place of incorporation or registration/operation	Nominal value of issued ordinary shares/preference shares/paid-up capital/registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本面值/註冊資本	本公司所持應佔股權百分比 直接 間接		主要業務
DVN (Group) Limited	British Virgin Islands 英屬處女群島	US\$10 ordinary US\$15,000,000 preference 10美元之普通股及 15,000,000美元之優先股	100%	—	Investment holding and management 投資控股及管理
Data Source Technology Limited 中天數碼互動科技有限公司	Hong Kong 香港	HK\$5,000,000 ordinary 5,000,000港元之普通股	—	100%	Provision of administrative and management services 提供行政及管理服務
Dynamic Network Limited	British Virgin Islands 英屬處女群島	US\$1 ordinary 1美元之普通股	100%	—	Investment holding and management 投資控股及管理
Telequote Data International Limited 電資訊國際有限公司	Hong Kong 香港	HK\$10,000 ordinary 10,000港元之普通股	—	100%	Provision of online financial market information 提供線上金融市場資訊

* 根據中國法律註冊為外商獨資企業有限責任公司

僅供識別

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTERESTS IN ASSOCIATES

At 1 January	於一月一日
Acquisition of an associate	收購一家聯營公司
Share of loss of associates	應佔聯營公司虧損
Impairment (Note 10)	減值(附註10)
Value for the purchase options in an associate (Note 24)	於一家聯營公司之購股權之價值(附註24)
Exchange differences	匯兌差額
At 31 December	於十二月三十一日

Details of the associates as at 31 December 2017 are as follows:

Name 名稱	Place of incorporation or registration/operation 註冊成立或登記/經營地點	Interest held 所持權益	Principal activities 主要業務
Shanghai Boyojoy Network Technology Company Limited [#] ("Boyojoy") 上海博游網絡科技有限公司(「博游」)	Mainland China 中國內地	45%	Inactive 暫停營業
Chinese Online Corporation Limited ("COL") 華文在綫有限公司(「華文在綫」)	Hong Kong 香港	20%	Inactive 暫停營業
Ninhao Chinese Corporation Limited [#] 天地華文(北京)科技有限公司	Mainland China* 中國內地*	20%	Inactive 暫停營業
Huacheng Interactive (Beijing) Media Company Limited [#] 華誠互動(北京)影視傳播有限公司	Mainland China 中國內地	10% [^]	Distribution of films and TV programmes 電影及電視節目發行
Beijing Tongfang Technology Company Limited [#] (formerly known as Dongfang Huanlu Technology Company Limited) 北京同方科技有限公司(前稱東方歡旅科技有限公司)	Mainland China 中國內地	5.1% [^]	Development, operation and provision of related services of interactive TV media systems 互動電視媒體系統之開發、運營及提供相關服務
Xinyang Liliang Security Consulting Company Limited [#] ("ISDC") 馨陽力量(北京)安全顧問有限公司(「國際安全防衛學院」)	Mainland China 中國內地	25%	Provision of private security training courses 提供私人安保培訓課程

* Registered as wholly foreign owned enterprise with limited liability under the PRC law

[#] For identification purposes only

[^] Although the Group holds less than 20% of voting power of the investees, the Group demonstrates significant influences on the investees through the board's representation in participating in financial and operating policy decisions.

17 於聯營公司之權益

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
7,185	8,462
12,156	—
(2,859)	(561)
(3,228)	—
(4,187)	—
781	(716)
9,848	7,185

於二零一七年十二月三十一日，聯營公司之詳情如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTERESTS IN ASSOCIATES (continued)

In April 2011, the Group entered into an investment agreement with Boyojoy, pursuant to which the Group is entitled to acquire an ultimate shareholding of 35% by four stages based on the performance criteria by Boyojoy as defined in the investment agreement. Upon the achievement of the performance criteria by Boyojoy in the first three stages, the Group's shareholding in Boyojoy was increased to 45% in August 2013. Pursuant to the investment agreement, upon the achievement of performance criteria of the fourth stage by Boyojoy, the Group has to dispose of 10% of its investment in Boyojoy without consideration, a derivative financial liability was recognised with respect to the arrangement (Note 27). At 31 December 2017, the performance criteria of the fourth stage still has not yet been achieved (2016: Same).

During the year, the management of Boyojoy has decided to arrange upon a shareholder meeting to cease its business and liquidate Boyojoy. Therefore, a full provision for impairment of HK\$3,228,000 and change in fair value of derivative financial liability for the fourth stage of HK\$1,851,000 was made. In addition, the Group made a provision of HK\$5,267,000 for its share of the liquidation costs for the year ended 31 December 2017.

On 28 April 2017, the Group entered into a conditional investment agreement for the acquisition of 25% equity interest in ISDC. The acquisition was completed on 7 July 2017.

There were no contingent liabilities relating to the Group's interests in associates at 31 December 2017 (2016: Nil).

Summarised financial information of all associates, which are not individually material to the Group, is set out below:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Loss after income tax	除所得稅後虧損	(7,663)	(3,613)
Group's share of loss for the year	本集團應佔年度虧損	(2,859)	(561)
Group's share of other comprehensive loss	本集團應佔其他全面虧損	781	(716)
Group's share of total comprehensive loss	本集團應佔全面虧損總額	(2,078)	(1,277)

17 於聯營公司之權益(續)

於二零一一年四月，本集團與博游訂立一項投資協議，據此，本集團有權根據投資協議內界定之博游之績效標準，分四個階段收購35%最終股權。待博游達致首三個階段之績效標準後，於二零一三年八月，本集團於博游之股權增至45%。根據投資協議，待博游達致第四階段績效標準後，本集團須免費出售其於博游10%之投資，已就有關安排確認衍生金融負債(附註27)。於二零一七年十二月三十一日，仍然尚未達到第四階段之績效標準(二零一六年：相同)。

年內，博游管理層決定安排舉行股東大會以終止其業務及將博游清盤。因此，已作出全數減值撥備3,228,000港元及第四階段之衍生金融負債之公允價值變動1,851,000港元。此外，本集團已就其所佔截至二零一七年十二月三十一日止年度之清盤成本作出撥備5,267,000港元。

於二零一七年四月二十八日，本集團就收購國際安全防衛學院之25%股權訂立有條件投資協議。該收購事項已於二零一七年七月七日完成。

於二零一六年十二月三十一日，概無有關本集團於聯營公司之權益之或然負債(二零一六年：無)。

個別而言對本集團不屬重大之所有聯營公司之財務資料概要載列如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to the same tax authority. The deferred income tax assets and liabilities after offsetting are as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	7,249	5,345
Deferred income tax liabilities	遞延所得稅負債	(52,775)	(60,455)
		(45,526)	(55,110)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

		Tax losses 稅項虧損		Non-current prepayments 非即期預付款		Unrealised exchange differences 未變現匯兌差額		Total 總計	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	6,439	4,443	111	1,234	49	1,593	6,599	7,270
Acquisition of subsidiaries	收購附屬公司	—	2,454	—	—	—	—	—	2,454
Credited/(charged) to consolidated income statement	於綜合收益表計入 /(扣除)	(61)	(538)	1,691	(1,141)	154	(1,558)	1,784	(3,237)
Exchange differences	匯兌差額	770	80	476	18	1	14	1,247	112
At 31 December	於十二月三十一日	7,148	6,439	2,278	111	204	49	9,630	6,599

18 遞延稅項

倘有合法執行權利將即期稅項資產與即期稅項負債對銷及倘遞延所得稅資產及負債乃與同一稅務當局有關，則將遞延所得稅資產及負債對銷。經對銷後之遞延所得稅資產及負債如下：

年內遞延所得稅資產及負債(未計及於相同稅務司法權區結餘對銷)之變動如下：

遞延所得稅資產

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION (continued)

Deferred income tax assets (continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2017, the Group did not recognise deferred income tax assets of HK\$28,175,000 (2016: HK\$25,207,000) in respect of unrecognised tax losses of HK\$121,724,000 (2016: HK\$112,470,000) that can be carried forward to offset against future taxable income. The unrecognised tax losses include an amount of approximately HK\$46,361,000 (2016: HK\$49,297,000) arising in mainland China, Kenya and Zambia which is due to expire within one to five years for offsetting against future taxable profits of the companies in which the losses arise.

Deferred income tax liabilities

18 遞延稅項(續)

遞延所得稅資產(續)

遞延所得稅資產可根據結轉稅項虧損確認，惟該等結轉稅項虧損以可透過未來應課稅溢利變現相關稅項利益為限。於二零一七年十二月三十一日，本集團可用以抵銷未來應課稅收入之未確認稅項虧損額為121,724,000港元(二零一六年：112,470,000港元)，而其相關之未確認遞延所得稅資產為28,175,000港元(二零一六年：25,207,000港元)。未確認稅項虧損包括中國內地、肯尼亞及贊比亞產生之金額約46,361,000港元(二零一六年：49,297,000港元)，將於一至五年內屆滿，用以抵銷招致虧損之公司未來應課稅溢利。

遞延所得稅負債

	Accelerated tax depreciation		Withholding tax on unremitted profits		Other intangibles		Deferred income		Total	
	加速稅項折舊		未分派溢利之預扣稅		其他無形資產		遞延收入		總計	
	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	22,522	23,834	5,758	20,037	9,720	8,497	23,709	26,608	61,709	78,976
Acquisition of subsidiaries	—	(59)	—	—	—	2,078	—	—	—	2,019
Charged/(credited) to consolidated income statement	(4,107)	(1,252)	(212)	(14,608)	(973)	(855)	(3,236)	(1,264)	(8,528)	(17,979)
Exchange differences	29	(1)	396	329	—	—	1,550	(1,635)	1,975	(1,307)
At 31 December	18,444	22,522	5,942	5,758	8,747	9,720	22,023	23,709	55,156	61,709

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION (continued)

Deferred income tax liabilities (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement is effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding tax on dividends distributed by those subsidiaries established in mainland China in respect of earnings generated from 1 January 2008. At 31 December 2017, the Group has recognised deferred income tax liabilities in respect of temporary differences relating to the withholding tax of HK\$5,942,000 (2016: HK\$5,758,000) on the unremitted profits of a subsidiary in mainland China amounting to HK\$59,416,000 (2016: HK\$57,578,000) as the Company may intend to have dividends declared by this subsidiary in the foreseeable future.

Pursuant to the Kenyan Income Tax Act, a 10% withholding tax is levied on dividends declared to nonresidents from the enterprises established in Kenya. A lower withholding tax rate may be applied if there is a tax treaty between Kenya and the jurisdiction of the non-residents. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding tax on dividends distributed by those subsidiaries established in Kenya.

At 31 December 2017, the Group did not recognise deferred income tax liabilities in respect of temporary differences relating to the withholding tax of HK\$3,305,000 (2016: HK\$3,702,000) on the unremitted profits of subsidiaries in Kenya amounting to HK\$33,046,000 (2016: HK\$37,021,000), that would be payable on the distribution of these retained profits, as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future. Therefore, the related temporary difference will not be reversed and will not be taxable in the foreseeable future.

18 遞延稅項(續)

遞延所得稅負債(續)

根據中國企業所得稅法，於中國內地成立之外資企業向海外投資者宣派股息須按10%徵收預扣稅。此規定由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。倘中國內地與外國投資者之司法權區有簽訂相關稅務協議，則可運用較低之預扣稅率。就本集團而言，適用稅率為10%。因此，本集團有責任就於中國內地成立之該等附屬公司於二零零八年一月一日起產生之盈利所分派之股息繳付預扣稅。於二零一七年十二月三十一日，由於本公司擬於可見未來收取其中一家中國內地附屬公司宣派之股息，本集團已就此附屬公司之未分派溢利59,416,000港元(二零一六年：57,578,000港元)之預扣稅5,942,000港元(二零一六年：5,758,000港元)相關之暫時差異確認遞延所得稅負債。

根據肯尼亞所得稅法，於肯尼亞成立之企業向非居民宣派股息須按10%徵收預扣稅。倘肯尼亞與非居民之司法權區有簽訂相關稅務協議，則可運用較低之預扣稅率。就本集團而言，適用稅率為10%。因此，本集團有責任就於肯尼亞成立之該等附屬公司所分派之股息繳付預扣稅。

於二零一七年十二月三十一日，本集團並無就於肯尼亞附屬公司未分派溢利33,046,000港元(二零一六年：37,021,000港元)之預扣稅3,305,000港元(二零一六年：3,702,000港元)有關之暫時差異確認遞延所得稅負債(該款項將於分派該等保留溢利時支付)，原因是本公司控制該等附屬公司之股息政策，且該等溢利在可預見將來可能不會進行分派。因此，相關暫時性差異將不會於可見將來撥回並不會課稅。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19 NON-CURRENT PREPAYMENTS

19 非即期預付款

		2017 二零一七年			2016 二零一六年		
		Engine overhaul 引擎檢修	Other deposits 其他按金	Total 總計	Engine overhaul 引擎檢修	Other deposits 其他按金	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	26,440	1,908	28,348	30,144	1,907	32,051
Additions	添置	7,508	—	7,508	7,855	—	7,855
Charged to consolidated income statement as engine overhaul cost (Note 10)	計入綜合收益表列 作引擎檢修成本 (附註 10)	(8,214)	—	(8,214)	(11,570)	—	(11,570)
Exchange differences	匯兌差額	18	15	33	11	1	12
At 31 December	於十二月三十一日	25,752	1,923	27,675	26,440	1,908	28,348

The non-current prepayments for engine overhaul represent the engine overhaul cost prepaid to aircraft manufacturers but the engines are not yet overhauled and are not expected to be utilised within twelve months from the financial position date.

引擎檢修之非即期預付款指預付予飛機製造商之引擎檢修成本，惟有有關引擎尚未進行檢修且預期將不會於自財務狀況日起計十二個月內使用。

20 PREPAID OPERATING LEASE RENTALS

20 預付經營租約租金

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日		
Cost	成本	1,502	1,503
Accumulated amortisation	累計攤銷	(109)	(65)
Net carrying amount	賬面淨值	1,393	1,438
Year ended 31 December	截至十二月三十一日止年度		
Opening net carrying amount	年初賬面淨值	1,393	1,438
Amortisation (Note 10)	攤銷(附註 10)	(42)	(44)
Exchange differences	匯兌差額	—	(1)
Closing net carrying amount	年終賬面淨值	1,351	1,393
At 31 December	於十二月三十一日		
Cost	成本	1,502	1,502
Accumulated amortisation	累計攤銷	(151)	(109)
Net carrying amount	賬面淨值	1,351	1,393

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 PREPAID OPERATING LEASE RENTALS

(continued)

The prepaid operating lease rentals represent the premium paid by PAL for the land leased from the Kenya Airports Authority for the terms of 45 years from 1 June 2004.

20 預付經營租約租金(續)

預付經營租約租金指鳳凰航空就向肯尼亞機場管理局租賃土地(自二零零四年六月一日起為期45年)所支付之地價。

21 AVAILABLE-FOR-SALE FINANCIAL ASSETS

21 可供出售金融資產

		2017 二零一七年				2016 二零一六年			
		Hong Kong listed equity investment 香港上市之 股權投資	Overseas listed security investment 海外上市之 證券投資	Overseas unlisted security investment 海外非上市之 證券投資	Total 總計	Hong Kong listed equity investment 香港上市之 股權投資	Overseas listed security investment 海外上市之 證券投資	Overseas unlisted security investment 海外非上市之 證券投資	Total 總計
		HK\$'000 千港元 (Note (i)) (附註(i))	HK\$'000 千港元 (Note(iii)) (附註(iii))	HK\$'000 千港元 (Note (iii)) (附註(iii))	HK\$'000 千港元 (Note (ii)) (附註(ii))	HK\$'000 千港元 (Note(ii)) (附註(ii))	HK\$'000 千港元 (Note (iii)) (附註(iii))	HK\$'000 千港元 (Note (ii)) (附註(ii))	
At 1 January	於一月一日	1,281	57	4	1,342	31,000	86	4	31,090
Change in value (Note 33)	價值變更(附註33)	(125)	—	—	(125)	(11,815)	—	—	(11,815)
Redemptions	贖回	—	(19)	—	(19)	—	(29)	—	(29)
Disposals	出售	(1,156)	—	—	(1,156)	(17,904)	—	—	(17,904)
Exchange differences	匯兌差額	—	—	—	—	—	—	—	—
At 31 December	於十二月三十一日	—	38	4	42	1,281	57	4	1,342
Less: current portion	減：即期部份	—	—	—	—	(1,281)	—	—	(1,281)
Non-current portion	非即期部份	—	38	4	42	—	57	4	61

Notes:

- (i) During the year ended 31 December 2017, the Company disposed of 230,000 shares (2016: 2,914,000 shares) of Yunfeng Financial Group Limited ("YFGL") in the market for an aggregate gross consideration of approximately HK\$1,156,000 (2016: HK\$17,904,000) and a gain on disposal of available-for-sale financial assets of approximately HK\$592,000 (2016: HK\$10,712,000) was recorded. At 31 December 2016, the fair value of the listed equity investment of approximately HK\$1,281,000 was based on quoted market price of the YFGL's shares.
- (ii) It represents listed corporate bond.
- (iii) It represents unlisted equity securities.

附註：

- (i) 截至二零一七年十二月三十一日止年度，本公司於市場上出售雲鋒金融集團有限公司(「雲鋒集團」)之230,000股股份(二零一六年：2,914,000股股份)，總代價約為1,156,000港元(二零一六年：17,904,000港元)及錄得出售可供出售金融資產之收益約592,000港元(二零一六年：10,712,000港元)。於二零一六年十二月三十一日，上市股權投資之公允價值約1,281,000港元乃按雲鋒集團股份之市場報價為基準。
- (ii) 其指上市公司債券。
- (iii) 其指非上市股權證券。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 INVENTORIES

Aircraft spare parts and consumables	飛機零部件及耗材
Packaging materials	包裝物料

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
	10,753	5,772
	534	411
	11,287	6,183

During the year ended 31 December 2017, a provision for inventories amounting to HK\$56,000 (2016: HK\$1,597,000) on obsolete aircraft spare parts and consumables was recognised in other operating expenses in the consolidated income statement.

23 TRADE RECEIVABLES

Trade receivables	貿易應收款項
Less: Provision for impairment	減：減值撥備

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
	122,155	88,181
	(1,721)	(701)
	120,434	87,480

The fair value of trade receivables approximates its carrying amount.

Credit terms of one month from invoice date are generally granted to major customers. The Group seeks to maintain strict control over its outstanding receivables. The Group performs ongoing credit evaluation of its customers and makes frequent contact with its customers, if necessary.

22 存貨

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
	10,753	5,772
	534	411
	11,287	6,183

截至二零一七年十二月三十一日止年度，陳舊飛機零部件及耗材存貨撥備56,000港元(二零一六年：1,597,000港元)已於綜合收益表之其他營運費用內確認。

23 貿易應收款項

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
	122,155	88,181
	(1,721)	(701)
	120,434	87,480

貿易應收款項之公允價值與其賬面值相若。

本集團一般授予主要客戶自發票日起一個月之信貸期。本集團將繼續嚴格控制其尚未收取之應收款項。本集團對其客戶持續進行信用審查，並經常與客戶接觸(如需要)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 TRADE RECEIVABLES (continued)

An aging analysis, based on the invoice date, of the trade receivables as at the financial position date is as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	77,821	48,926
1 – 2 months	一至兩個月	16,616	17,654
2 – 3 months	兩至三個月	16,785	3,977
Over 3 months	超過三個月	10,933	17,624
		122,155	88,181
Less: Provision for impairment	減：減值撥備	(1,721)	(701)
		120,434	87,480

At 31 December 2017, trade receivables of HK\$26,106,000 (2016: HK\$28,336,000) relating to a number of independent customers were past due. After considering their creditworthiness, past collection history and settlement after the financial position date, these overdue trade receivables were not considered impaired. The past due aging analysis of these trade receivables without provision made is as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	1,069	9,522
1 – 2 months	一至兩個月	11,703	1,244
Over 2 months	超過兩個月	13,334	17,570
		26,106	28,336

23 貿易應收款項(續)

於財務狀況日，貿易應收款項之賬齡分析(基於發票日)如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	77,821	48,926
1 – 2 months	一至兩個月	16,616	17,654
2 – 3 months	兩至三個月	16,785	3,977
Over 3 months	超過三個月	10,933	17,624
		122,155	88,181
Less: Provision for impairment	減：減值撥備	(1,721)	(701)
		120,434	87,480

於二零一七年十二月三十一日，與若干獨立客戶有關之貿易應收款項26,106,000港元(二零一六年：28,336,000港元)已逾期。經考慮客戶之信譽、過去之回款紀錄及財務狀況日後之結算，該等逾期貿易應收款項不需減值。該等未作撥備之貿易應收款項之逾期賬齡分析如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	1,069	9,522
1 – 2 months	一至兩個月	11,703	1,244
Over 2 months	超過兩個月	13,334	17,570
		26,106	28,336

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 TRADE RECEIVABLES (continued)

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

US\$	美元
ZAR	南非蘭特
EUR	歐元
KES	肯尼亞先令
Others	其他

The maximum exposure to credit risk at the financial position date is the fair value of trade receivables mentioned above.

Movements in the provision for impairment of trade receivables are as follows:

At 1 January	於一月一日
Provision for the year (Note 10)	本年度撥備(附註 10)

At 31 December	於十二月三十一日
-----------------------	----------

During the year ended 31 December 2017, a provision for impairment of HK\$1,020,000 (2016: HK\$638,000) on trade receivables which have been overdue for more than 60 days was made after considering the collectibility, overdue aging analysis and past collection history of the trade receivables.

23 貿易應收款項(續)

本集團之貿易應收款項之賬面值以下列貨幣計值：

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
44,698	27,023
63,166	54,272
4,502	414
2,720	3,059
5,348	2,712
120,434	87,480

於財務狀況日，信貸風險之最高額度為上述貿易應收款項之公允價值。

貿易應收款項之減值撥備變動如下：

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
701	63
1,020	638
1,721	701

截至二零一七年十二月三十一日止年度，經考慮貿易應收款項之可回收程度、逾期賬齡分析及過往回款紀錄，已就逾期超過60天之貿易應收款項作出1,020,000港元(二零一六年：638,000港元)之減值撥備。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24 預付款、按金及其他應收款項

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Deposits and other receivables, net of provision	按金及其他應收款項(扣除撥備)	33,402	32,177
Current account with an associate	與一家聯營公司之往來賬目	5,922	4,846
Loan to an associate	向一家聯營公司提供貸款	6,877	—
Value for the purchase options in an associate (Note 17)	於一家聯營公司之購股權之價值(附註 17)	4,187	—
Prepayments	預付款	19,490	18,260
Interest receivables	應收利息	10,029	21,887
Value-added tax receivables	應收增值稅	2,993	244
		82,900	77,414

The fair values of prepayments, deposits and other receivables approximate their carrying amounts.

Movements in the provision for impairment of certain prepayments, deposits and other receivables, which were financial assets, are as follows:

預付款、按金及其他應收款項之公允價值與其賬面值相若。

若干預付款、按金及其他應收款項(屬金融資產)之減值撥備變動如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	14,754	14,539
Provision for the year (Note 10)	本年度撥備(附註 10)	8,359	215
At 31 December	於十二月三十一日	23,113	14,754

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 CASH AND BANK BALANCES

25 現金及銀行結存

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Restricted cash (Note (i))	受限制現金(附註(i))		
Non-current portion	非即期部份	—	5,045
Current portion	即期部份	5,085	9,991
		5,085	15,036
Pledged bank deposits (Note 28)	已抵押銀行存款(附註28)		
Non-current portion	非即期部份	—	66,070
Current portion	即期部份	231,365	150,138
		231,365	216,208
Short-term bank deposits	短期銀行存款		
Bank deposits with original maturities of more than three months	原到期日為三個月以上之銀行存款	379	—
Cash and cash equivalents	現金及現金等價物		
Cash at banks and on hand	銀行結存及手頭現金	59,007	31,085
Bank deposits with original maturities of three months or less	原到期日為三個月或以下之銀行存款	6,221	37,059
		65,228	68,144
Total cash and bank balances	現金及銀行結存總額	302,057	299,388
Maximum exposure to credit risk	信貸風險之最高額度	298,423	296,089

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 CASH AND BANK BALANCES (continued)

Notes:

- (i) At 31 December 2017, restricted cash represented deposits held by a bank as top-up securities for bank loans borrowed by one wholly-owned subsidiary (2016: two wholly-owned subsidiaries).
- (ii) Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged bank deposits and short-term bank deposits earn interest at the respective deposit rates.
- (iii) The carrying amounts of cash and bank balances are denominated in the following currencies:

RMB	人民幣
US\$	美元
HK\$	港元
EUR	歐元
ZAR	南非蘭特
KES	肯尼亞先令
Others	其他

- (iv) The cash and bank balances of the Group denominated in RMB are not freely convertible into other currencies. However, under PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business in the PRC.
- (v) The fair values of all bank balances approximate their carrying amounts.

25 現金及銀行結存(續)

附註：

- (i) 於二零一七年十二月三十一日，受限制現金指一間銀行持有作為一家全資附屬公司借入銀行貸款之補充抵押品之存款(二零一六年：兩家全資附屬公司)。
- (ii) 銀行結存按每日銀行浮動存款利率賺取利息。已抵押銀行存款及短期銀行存款乃按各自之存款利率賺取利息。
- (iii) 現金及銀行結存之賬面值以下列貨幣計值：

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
246,180	254,372
37,796	27,361
10,370	9,708
2,782	4,246
716	398
1,944	1,807
2,269	1,496
302,057	299,388

- (iv) 本集團以人民幣計值之現金及銀行結存不可與其他貨幣自由兌換。然而，根據中國外匯管制法規及結匯、售匯及付匯管理規定，本集團獲准在中國透過獲授權可進行外匯業務之銀行將人民幣兌換為其他貨幣。
- (v) 所有銀行結存之公允價值與其賬面值相若。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 TRADE PAYABLES

An aging analysis, based on the invoice date, of the trade payables as at the financial position date is as follows:

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Within 1 month	一個月內	57,621	50,027
1 – 2 months	一至兩個月	28,106	20,410
2 – 3 months	兩至三個月	9,936	3,915
Over 3 months	超過三個月	20,591	4,782
		116,254	79,134

Notes:

- (i) The carrying amounts of trade payables are denominated in the following currencies:

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
EUR	歐元	15,616	7,586
ZAR	南非蘭特	65,314	53,238
US\$	美元	28,706	13,445
KES	肯尼亞先令	221	570
HK\$	港元	50	398
Others	其他	6,347	3,897
		116,254	79,134

- (ii) The fair value of trade payables approximates its carrying amount.

26 貿易應付款項

於財務狀況日，貿易應付款項之賬齡分析（基於發票日）如下：

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Within 1 month	一個月內	57,621	50,027
1 – 2 months	一至兩個月	28,106	20,410
2 – 3 months	兩至三個月	9,936	3,915
Over 3 months	超過三個月	20,591	4,782
		116,254	79,134

附註：

- (i) 貿易應付款項之賬面值以下列貨幣計值：

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
EUR	歐元	15,616	7,586
ZAR	南非蘭特	65,314	53,238
US\$	美元	28,706	13,445
KES	肯尼亞先令	221	570
HK\$	港元	50	398
Others	其他	6,347	3,897
		116,254	79,134

- (ii) 貿易應付款項之公允價值與其賬面值相若。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 OTHER PAYABLES AND ACCRUALS

Accrued expenses	應計費用
Investment payables (Note (i))	投資應付款項(附註(i))
Derivative financial liabilities (Note (ii))	衍生金融負債(附註(ii))
Receipts in advance	預收款項
Others	其他

Notes:

- (i) At 31 December 2017, the investment payables include the consideration payable to COL of US\$900,000 (equivalent to approximately HK\$7,036,000) (2016: US\$900,000 (equivalent to approximately HK\$6,980,000)). At 31 December 2016, the investment payables also included the consideration payable to Boyojoy for the second stage of subscription of US\$30,000 (equivalent to approximately HK\$233,000).
- (ii) During the year, the management of Boyojoy has decided to arrange upon a shareholder meeting to cease its business and liquidate Boyojoy. Therefore a change in fair value of derivative financial liability for the forth stage of HK\$1,851,000 was made.

27 其他應付款項及應計費用

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
24,555	19,628
7,036	7,213
—	1,851
18,360	12,924
16,018	8,119
65,969	49,735

附註：

- (i) 於二零一七年十二月三十一日，投資應付款項包括應付華文在綫之代價900,000美元(相等於約7,036,000港元)(二零一六年：900,000美元(相等於約6,980,000港元))。於二零一六年十二月三十一日，投資應付款項還包括第二階段認購應付博游之代價30,000美元(相等於約233,000港元)。
- (ii) 年內，博游之管理層決定安排於股東大會後以終止其業務及將博游清盤。因此，已就第四階段之衍生金融負債作出公允價值變動1,851,000港元。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 BORROWINGS

28 貸款

		2017 二零一七年	2016 二零一六年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Non-current portion	非即期部份		
Bank loans	銀行貸款	—	66,971
Finance leases	融資租賃	58,905	63,351
Other loan	其他貸款	—	161
		58,905	130,483
Facility arrangement fees	融資安排費用	—	(1,380)
		58,905	129,103
Current portion	即期部份		
Bank loans	銀行貸款	184,816	156,424
Finance leases	融資租賃	14,169	30,739
Other loan	其他貸款	457	518
		199,442	187,681
Facility arrangement fees	融資安排費用	(4,788)	—
		194,654	187,681
Total borrowings	貸款總額	253,559	316,784

The fair values of the borrowings approximate their carrying amounts. The fair value of the non-current borrowings are based on market quotes or estimates using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings.

貸款之公允價值與其賬面值相若。非即期貸款之公允價值乃根據市場報價或現金流量折現法進行估計，此折現法根據相若類型貸款之本集團現行遞增貸款利率作參考。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 BORROWINGS (continued)

(a) Bank Loans

The bank loans are repayable as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 year	一年內	184,816	156,424
After 1 year but within 2 years	一年後但於兩年內	—	66,971
		184,816	223,395
Facility arrangement fees	融資安排費用	(4,788)	(1,380)
Less: Current portion	減：即期部份	(180,028)	(156,424)
		—	65,591
		184,816	223,395
Bank loans denominated in:	銀行貸款以下列貨幣列值：		
US\$	美元	67,506	218,214
HK\$	港元	112,875	—
ZAR	南非蘭特	4,435	5,181
		184,816	223,395

The bank loans denominated in US\$ bear interests at London Interbank Offered Rate plus margins ranging from 2.8% to 3.0% per annum (2016: same) with due dates in 2018. The bank loans are secured by pledged bank deposits of approximately RMB59,100,000 (equivalent to approximately HK\$70,702,000) (2016: RMB193,400,000 (equivalent to approximately HK\$216,208,000)) and total restricted bank deposits of US\$650,000 (equivalent to approximately HK\$5,085,000) (2016: US\$1,939,000 (equivalent to approximately HK\$15,036,000)). During the year ended 31 December 2017, bank loans of US\$19,500,000 (equivalent to approximately HK\$152,451,000) (2016: US\$28,504,000 (equivalent to approximately HK\$220,921,000)) had been settled.

28 貸款(續)

(a) 銀行貸款

銀行貸款償還如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 year	一年內	184,816	156,424
After 1 year but within 2 years	一年後但於兩年內	—	66,971
		184,816	223,395
Facility arrangement fees	融資安排費用	(4,788)	(1,380)
Less: Current portion	減：即期部份	(180,028)	(156,424)
		—	65,591
		184,816	223,395
Bank loans denominated in:	銀行貸款以下列貨幣列值：		
US\$	美元	67,506	218,214
HK\$	港元	112,875	—
ZAR	南非蘭特	4,435	5,181
		184,816	223,395

以美元列值之銀行貸款參考倫敦銀行同業拆息利率加介乎2.8%至3.0%(二零一六年：相同)之年息差計息，於二零一八年到期。銀行貸款均由已抵押銀行存款約人民幣59,100,000元(相等於約70,702,000港元)(二零一六年：人民幣193,400,000元(相等於約216,208,000港元))及受限制銀行存款合共650,000美元(相等於約5,085,000港元)(二零一六年：1,939,000美元(相等於約15,036,000港元))作抵押。截至二零一七年十二月三十一日止年度，已償還銀行貸款19,500,000美元(相等於約152,451,000港元)(二零一六年：28,504,000美元(相等於約220,921,000港元))。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 BORROWINGS (continued)

(a) Bank Loans (continued)

The bank loans denominated in HK\$ bear interests at Hong Kong Interbank Offered Rate plus margins 1.45% per annum (2016: Nil). The bank loans are secured by pledged bank deposits of approximately RMB134,300,000 (equivalent to approximately HK\$160,663,000) (2016: Nil) and with no restricted bank deposits pledged.

The bank loans denominated in ZAR bear interests at South African Prime Rate ranging from 10.25% to 10.5% per annum (2016: 10%) and are repayable 3 months after the respective drawdown dates. At 31 December 2017, these bank loans are secured by certain trade receivables of ZAR18,376,000 (equivalent to approximately HK\$11,682,000) (2016: ZAR16,460,000 (equivalent to approximately HK\$9,366,000)) and are guaranteed by an indirect wholly-owned subsidiary of the Company to the maximum extent of ZAR14,000,000 (equivalent to approximately HK\$8,900,000) (2016: ZAR14,000,000 (equivalent to approximately HK\$7,966,000)). During the year ended 31 December 2017, bank loans of ZAR2,130,000 (equivalent to approximately HK\$1,254,000) (2016: Nil) had been settled.

(b) Finance Leases

Future payments	預付供款
Future finance charges on finance leases	融資租賃之未來融資費用
Present value of finance lease liabilities	融資租賃負債之現值
Less: Current portion	減：即期部份
Non-current portion	非即期部份

28 貸款(續)

(a) 銀行貸款(續)

以港元列值的銀行貸款參考香港銀行同業拆息利率加1.45%(二零一六年：無)之年息差計息。該等銀行貸款由已抵押銀行存款約人民幣134,300,000元(相等於約160,663,000港元)(二零一六年：無)作抵押及並無抵押有限制銀行存款。

以南非蘭特列值之銀行貸款按南非最優惠貸款年利率介乎10.25%至10.5%(二零一六年：10%)計息，須於各自提取日期後三個月內償還。於二零一七年十二月三十一日，該等銀行貸款均由若干貿易應收款項18,376,000南非蘭特(相等於約11,682,000港元)(二零一六年：16,460,000南非蘭特(相等於約9,366,000港元))作抵押及由本公司之一家間接全資附屬公司提供最高14,000,000南非蘭特(相等於約8,900,000港元)(二零一六年：14,000,000南非蘭特(相等於約7,966,000港元))之擔保。截至二零一七年十二月三十一日止年度，已償還銀行貸款2,130,000南非蘭特(相等於約1,254,000港元)(二零一六年：無)。

(b) 融資租賃

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Future payments	85,210	110,460
Future finance charges on finance leases	(12,136)	(16,370)
Present value of finance lease liabilities	73,074	94,090
Less: Current portion	(14,169)	(30,739)
Non-current portion	58,905	63,351

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 BORROWINGS (continued)

(b) Finance Leases (continued)

The present value of finance lease liabilities is repayable as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 year	一年內	14,169	30,739
After 1 year but within 2 years	一年後但於兩年內	15,027	18,281
After 2 years but within 5 years	兩年後但於五年內	43,878	45,070
		73,074	94,090

The finance leases are denominated in US\$ and interest rates underlying the obligations under finance leases are fixed at their respective rates ranging from 4.03% to 9.77% per annum (2016: 3.48% to 9.77% per annum).

Certain aircraft are pledged for the finance leases.

The net carrying amount of the aircraft under finance leases as at 31 December 2017 amounted to HK\$102,365,000 (2016: HK\$124,011,000).

28 貸款(續)

(b) 融資租賃(續)

融資租賃負債之現值償還如下：

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Within 1 year	14,169	30,739
After 1 year but within 2 years	15,027	18,281
After 2 years but within 5 years	43,878	45,070
	73,074	94,090

融資租賃以美元計值，而融資租賃項下相關責任之利率按彼等各自之利率釐定，介乎每年4.03%至9.77% (二零一六年：每年3.48%至9.77%)。

若干飛機就融資租賃抵押。

於二零一七年十二月三十一日，融資租賃項下飛機之賬面淨值為102,365,000港元(二零一六年：124,011,000港元)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 BORROWINGS (continued)

(c) Other Loan

The other loan is repayable as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 year	一年內	457	518
After 1 year but within 2 years	一年後但於兩年內	—	161
Less: Current portion		457	679
	減：即期部份	(457)	(518)
Non-current portion		—	161
	非即期部份		

The other loan is denominated in EUR, unsecured and bears interest at the rate of 10% per annum (2016: 10% per annum) with due date in 2018.

(d) Effective Interest Rates

The effective annual interest rates incurred on borrowings are as follows:

		2017 二零一七年	2016 二零一六年
Bank loans	銀行貸款	2.41% — 10.50%	2.64% — 10.00%
Finance leases	融資租賃	4.09% — 9.91%	3.53% — 9.91%
Other loan	其他貸款	10.00%	10.00%

28 貸款(續)

(c) 其他貸款

其他貸款償還如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 year	一年內	457	518
After 1 year but within 2 years	一年後但於兩年內	—	161
Less: Current portion		457	679
	減：即期部份	(457)	(518)
Non-current portion		—	161
	非即期部份		

其他貸款以歐元計值、無抵押及按年利率10%(二零一六年：年利率10%)計息，並於二零一八年到期。

(d) 實際利率

貸款產生的實際年利率如下：

		2017 二零一七年	2016 二零一六年
Bank loans	銀行貸款	2.41% — 10.50%	2.64% — 10.00%
Finance leases	融資租賃	4.09% — 9.91%	3.53% — 9.91%
Other loan	其他貸款	10.00%	10.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 BORROWINGS (continued)

(e) Liabilities arising from financial activities

The reconciliation of liabilities arising from financial activities is as follows:

		Bank loan 銀行貸款	Finance leases 融資租賃	Other loan 其他貸款	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年 一月一日	222,015	94,090	679	316,784
Changes from financing cash flows:	融資現金流之變動				
Drawdown of bank loans	提取銀行貸款	112,875	—	—	112,875
Repayment of bank loans	償還銀行貸款	(153,705)	—	—	(153,705)
Repayment of capital element of finance lease	償還融資租賃之資本部分	—	(21,666)	—	(21,666)
Repayment of other loans	償還其他貸款	—	—	(301)	(301)
Total changes from financing cash flows	融資現金流之總變動	(40,830)	(21,666)	(301)	(62,797)
Other changes	其他變動				
Facility arrangement fees	融資安排費用	(3,408)	—	—	(3,408)
Foreign exchange difference	外匯差額	2,251	650	79	2,980
Total other changes	其他變動總額	(1,157)	650	79	(428)
At 31 December 2017	於二零一七年 十二月三十一日	180,028	73,074	457	253,559

28 貸款(續)

(e) 財務活動產生之負債

財務活動產生之負債對賬如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 FINANCIAL INSTRUMENTS BY CATEGORY

29 按類別劃分之金融工具

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Loans and receivables	貸款及應收款項		
Trade receivables (Note 23)	貿易應收款項(附註23)	120,434	87,480
Deposits and other receivables	按金及其他應收款項	60,417	58,910
Cash and bank balances (Note 25)	現金及銀行結存(附註25)	302,057	299,388
		482,908	445,778
Available-for-sale financial assets (Note 21)	可供出售金融資產(附註21)	42	1,342
		482,950	447,120
Other financial liabilities at amortised costs	按攤銷成本計算之其他金融負債		
Trade payables (Note 26)	貿易應付款項(附註26)	116,254	79,134
Other payables and accruals	其他應付款項及應計費用	47,609	34,960
Borrowings (Note 28)	貸款(附註28)	253,559	316,784
		417,422	430,878
Derivative financial liabilities (Note 27)	衍生金融負債(附註27)	—	1,851
Other long-term liabilities	其他長期負債	7,546	6,963
		424,968	439,692

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

30 SHARE CAPITAL

30 股本

		Ordinary shares of HK\$0.10 each 每股0.10港元普通股	
		Number of shares 股份數目	HK\$'000 千港元
Authorised	法定		
At 31 December 2016 and 2017	於二零一六年及二零一七年 十二月三十一日	3,000,000,000	300,000
Issued and fully paid	已發行及已繳足		
At 1 January 2016	於二零一六年一月一日	1,229,503,003	122,950
Issuance of shares under exercise of share options on 14 January, 15 January, 4 February and 12 May 2016 (Notes 31 and (i))	於二零一六年一月十四日、一月 十五日、二月四日及五月十二 日因購股權獲行使發行股份 (附註31及(i))	4,200,000	420
At 31 December 2016	於二零一六年十二月三十一日	1,233,703,003	123,370
Issuance of shares on 13 March 2017 (Note (ii))	於二零一七年三月十三日發行股 份(附註(ii))	216,000,000	21,600
At 31 December 2017	於二零一七年十二月三十一日	1,449,703,003	144,970
<i>Notes:</i>	<i>附註:</i>		
(i) The proceeds of the above issues of shares were utilised as additional working capital of the Group.	(i) 上述股份發行之所得款項已用作本集團之額外營運資金。		
(ii) On 13 March 2017, the Company issued 216,000,000 new shares at an issue price of HK\$0.90 each, raising net proceeds of HK\$192,456,000.	(ii) 於二零一七年三月十三日，本公司已按每股發行價0.90港元發行216,000,000股新股份，已籌集所得款項淨額192,456,000港元。		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS

(a) Share Option Schemes

The Company adopted a share option scheme (the "Old Scheme") on 26 June 2002. On 28 March 2012, the Old Scheme was terminated and a new share option scheme (the "New Scheme") was adopted by the Company. The New Scheme continues to recognise and acknowledge the contributions of the Eligible Participants (as defined in the New Scheme) to the Group. The New Scheme is also designed to provide incentives and help the Group in retaining its existing employees and recruiting additional employees.

The New Scheme is valid and effective for a period of 10 years commencing from 28 March 2012, the date of the approval of the New Scheme. Subscription price in relation to each option pursuant to the New Scheme shall not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date on which the option is offered to an Eligible Participant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and (iii) the nominal value of the shares. The options are exercisable within the option period as determined by the Board of the Company.

Pursuant to the New Scheme, the Company can grant options to Eligible Participants for a consideration of HK\$1 for each grant payable by the Eligible Participants to the Company. The total number of shares issued and to be issued upon exercise of options granted to each Eligible Participant (including exercised, cancelled and outstanding options) in any twelve-month period shall not exceed 1% of the shares then in issue. During the year ended 31 December 2017, 14,497,030 share options were granted under the New Scheme (2016: 24,632,060). At the financial position date, the total number of options that can be granted was 67,601,710 (2016: 82,098,740).

31 購股權

(a) 購股權計劃

本公司於二零零二年六月二十六日採納一項購股權計劃(「舊計劃」)。於二零一二年三月二十八日，本公司終止舊計劃並採納一項新購股權計劃(「新計劃」)。新計劃繼續肯定及認可合資格參與者(定義見新計劃)對本集團作出之貢獻。新計劃亦旨在提供獎勵及協助本集團挽留其現有僱員及招聘更多僱員。

新計劃自其獲批准之日二零一二年三月二十八日起計有效期為10年。有關根據新計劃授出之各購股權之認購價不得低於下列較高者：(i) 向合資格參與者授予購股權之日聯交所每日報價表載列之股份收市價；(ii) 緊接授出日期前五個營業日聯交所每日報價表載列之股份平均收市價；及(iii) 股份面值。購股權於本公司董事會釐定之購股權期間內可予行使。

根據新計劃，本公司可向合資格參與者授出購股權，每份購股權之代價為1港元，由合資格參與者支付予本公司。於任何十二個月期間，在授予各合資格參與者之購股權(包括已行使、已註銷及尚未行使之購股權)獲行使時已發行及將予發行之股份總數不得超過當時已發行股份之1%。於截至二零一七年十二月三十一日止年度，本公司根據新計劃授出14,497,030份購股權(二零一六年：24,632,060份)。於財務狀況日，可授出之購股權總數67,601,710份(二零一六年：82,098,740份)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

Pursuant to the Board resolutions passed on 24 August 2017, the following share options were granted under the New Scheme with fair value using the Binomial option pricing model with the following input variables:

Date of grant	Number of options	Exercise price per option	Exercise period of share options	Date of appraisal	Fair value per option	Risk-free Interest rate	Expected dividend yield per share	Expected volatility	Closing price of shares before the date of grant	Expected life
授出日期	購股權數目	每份購股權之行使價	購股權行使期間	評值日期	每份購股權之公允價值	無風險利率	每股預期股息率	預期波幅	授出日期前之股份收市價	預期年期
		HK\$ 港元			HK\$ 港元				HK\$ 港元	
24/08/2017 二零一七年 八月二十四日	14,497,030	1.410	24/08/2018 to 23/08/2022 二零一八年 八月二十四日 至 二零二二年 八月二十三日	24/08/2017 二零一七年 八月二十四日	0.7015	1.295%	0%	75%	1.270	24/08/2017 to 23/08/2022 二零一七年 八月二十四日 至 二零二二年 八月二十三日

Movements in the number of outstanding share options and their related weighted average exercise prices were as follows:

31 購股權(續)

(a) 購股權計劃(續)

根據分別於二零一七年八月二十四日通過之董事會決議案，下列購股權乃根據新計劃授出，其公允價值按二項式期權定價模式以下列可變輸入值計量：

尚未行使購股權數目之變動及其相關加權平均行使價如下：

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price per share 加權平均每股行使價	Number of options 購股權數目	Weighted average exercise price per share 加權平均每股行使價	Number of options 購股權數目
		HK\$ 港元		HK\$ 港元	
Old Scheme	舊計劃				
At 1 January	於一月一日	—	1,000,000	1.990	1,000,000
Lapsed	已失效	1.990	(1,000,000)		—
At 31 December	於十二月三十一日		—	1.424	1,000,000
New Scheme	新計劃				
At 1 January	於一月一日	1.424	132,949,888	1.460	115,477,828
Granted	已授出	1.410	14,497,030	1.177	24,632,060
Exercised	已行使		—	0.970	(4,200,000)
Lapsed	已失效	0.970	(1,400,000)	1.265	(2,960,000)
At 31 December	於十二月三十一日		146,046,918	1.424	132,949,888
Total	總計		146,046,918		133,949,888

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

Out of the 146,046,918 outstanding options as at 31 December 2017 (2016: 133,949,888), 131,549,888 options were exercisable (2016: 87,426,915). No share options were exercised during the year ended 31 December 2017 (2016: 4,200,000).

Share options outstanding at the financial position date have the following expiry dates and exercise prices:

Expiry date	到期日	Exercise price per share 每股行使價	Number of options 購股權數目	
			2017 二零一七年	2016 二零一六年
Old Scheme	舊計劃			
11 February 2017	二零一七年二月十一日	1.990	—	1,000,000
New Scheme	新計劃			
9 January 2018	二零一八年一月九日	1.500	102,557,828	102,557,828
28 April 2019	二零一九年四月二十八日	1.254	12,295,030	12,295,030
7 April 2020	二零二零年四月七日	0.970	2,800,000	4,200,000
17 September 2020	二零二零年九月十七日	1.530	1,560,000	1,560,000
21 August 2021	二零二一年八月二十一日	1.100	12,337,030	12,337,030
23 August 2022	二零二二年八月二十三日	1.410	14,497,030	—
			146,046,918	132,949,888
			146,046,918	133,949,888

31 購股權(續)

(a) 購股權計劃(續)

於二零一七年十二月三十一日，146,046,918份(二零一六年：133,949,888份)尚未行使之購股權中，131,549,888份(二零一六年：87,426,915份)購股權可予行使。截至二零一七年十二月三十一日止年度，概無購股權獲行使(二零一六年：4,200,000份)。

於財務狀況日尚未行使購股權之到期日及行使價如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

The details of movements of the outstanding share options during the year are as follows:

		Outstanding options at 1 January 2017 於二零一七年 一月一日 尚未行使之購股權	Options granted during the year 年內授出 之購股權	Options exercised during the year 年內行使 之購股權	Options lapsed during the year 年內失效 之購股權	Outstanding options at 31 December 2017 於二零一七年 十二月三十一日 尚未行使之購股權	Weighted average closing price before dates of exercise 於行使日前之 加權平均 收市價 HK\$ 港元
Old Scheme	舊計劃						
Date of grant	授出日期	12 February 2007 二零零七年二月十二日					
Exercise price per option	每份購股權行使價	HK\$1,990 1,990港元					
Exercise period	行使期	12 August 2007 – 11 February 2017 二零零七年八月十二日 至二零一七年二月十一日					
Held by a service provider	由一名服務供應商持有						
In aggregate (Note (i))	總額(附註(i))	500,000	—	—	(500,000)	—	—
Date of grant	授出日期	12 February 2007 二零零七年二月十二日					
Exercise price per option	每份購股權行使價	HK\$1,990 1,990港元					
Exercise period	行使期	12 February 2008 – 11 February 2017 二零零八年二月十二日 至二零一七年二月十一日					
Held by a service provider	由一名服務供應商持有						
In aggregate (Note (i))	總額(附註(i))	500,000	—	—	(500,000)	—	—
New Scheme	新計劃						
Date of grant	授出日期	10 January 2014 二零一四年一月十日					
Exercise price per option	每份購股權行使價	HK\$1,500 1,500港元					
Exercise period	行使期	10 January 2015 – 9 January 2018 二零一五年一月十日 至二零一八年一月九日					
Held by a director	由一名董事持有						
Mr. Erik D. Prince	Erik D. Prince 先生	34,185,942	—	—	—	34,185,942	—

31 購股權(續)

(a) 購股權計劃(續)

尚未行使之購股權於年內之變動詳情如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

		Outstanding options at 1 January 2017 於二零一七年 一月一日 尚未行使之購股權	Options granted during the year 年內授出 之購股權	Options exercised during the year 年內行使 之購股權	Options lapsed during the year 年內失效 之購股權	Outstanding options at 31 December 2017 於二零一七年 十二月三十一日 尚未行使之購股權	Weighted average closing price before dates of exercise 於行使日前之 加權平均 收市價 HK\$ 港元
Date of grant	授出日期	10 January 2014 二零一四年一月十日					
Exercise price per option	每份購股權行使價	HK\$1,500 1,500 港元					
Exercise period	行使期	10 January 2016 – 9 January 2018 二零一六年一月十日 至二零一八年一月九日					
Held by a director	由一名董事持有						
Mr. Erik D. Prince	Erik D. Prince 先生	34,185,943	—	—	—	34,185,943	—
Date of grant	授出日期	10 January 2014 二零一四年一月十日					
Exercise price per option	每份購股權行使價	HK\$1,500 1,500 港元					
Exercise period	行使期	10 January 2017 – 9 January 2018 二零一七年一月十日 至二零一八年一月九日					
Held by a director	由一名董事持有						
Mr. Erik D. Prince	Erik D. Prince 先生	34,185,943	—	—	—	34,185,943	—
Date of grant	授出日期	8 April 2014 二零一四年四月八日					
Exercise price per option	每份購股權行使價	HK\$0.970 0.970 港元					
Exercise period	行使期	8 April 2015 – 7 April 2020 二零一五年四月八日 至二零二零年四月七日					
Held by directors	由董事持有						
Mr. Yap Fat Suan, Henry	葉發旋先生	1,400,000	—	—	—	1,400,000	
Held by employees	由僱員持有						
In aggregate	總額	2,800,000	—	—	(1,400,000)	1,400,000	
		4,200,000	—	—	(1,400,000)	2,800,000	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

		Outstanding options at 1 January 2017 於二零一七年 一月一日 尚未行使之購股權	Options granted during the year 年內授出 之購股權	Options exercised during the year 年內行使 之購股權	Options lapsed during the year 年內失效 之購股權	Outstanding options at 31 December 2017 於二零一七年 十二月三十一日 尚未行使之購股權	Weighted average closing price before dates of exercise 於行使日前之 加權平均 收市價 HK\$ 港元
Date of grant	授出日期	18 September 2014 二零一四年九月十八日					
Exercise price per option	每份購股權行使價	HK\$1.530 1.530港元					
Exercise period	行使期	18 September 2015 – 17 September 2020 二零一五年九月十八日 至二零二零年九月十七日					
Held by a service provider In aggregate	由一名服務供應商持有 總額	780,000	—	—	—	780,000	—
Date of grant	授出日期	24 September 2014 二零一四年九月二十四日					
Exercise price per option	每份購股權行使價	HK\$1.530 1.530港元					
Exercise period	行使期	18 September 2015 – 17 September 2020 二零一五年九月十八日 至二零二零年九月十七日					
Held by a service provider In aggregate	由一名服務供應商持有 總額	780,000	—	—	—	780,000	—
Date of grant	授出日期	29 April 2016 二零一六年四月二十九日					
Exercise price per option	每份購股權行使價	HK\$1.254 1.254港元					
Exercise period	行使期	29 April 2016 – 28 April 2019 二零一六年四月二十九日 至二零一九年四月二十八日					
Held by a service provider In aggregate	由一名服務供應商持有 總額	12,295,030	—	—	—	12,295,030	—

31 購股權(續)

(a) 購股權計劃(續)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

		Outstanding options at 1 January 2017 於二零一七年 一月一日 尚未行使之購股權	Options granted during the year 年內授出 之購股權	Options exercised during the year 年內行使 之購股權	Options lapsed during the year 年內失效 之購股權	Outstanding options at 31 December 2017 於二零一七年 十二月三十一日 尚未行使之購股權	Weighted average closing price before dates of exercise 於行使日前之 加權平均 收市價 HK\$ 港元
Date of grant	授出日期	22 August 2016 二零一六年八月二十二日					
Exercise price per option	每份購股權行使價	HK\$1.100 1.100 港元					
Exercise period	行使期	22 August 2017 – 21 August 2021 二零一七年八月二十二日 至二零二一年八月二十一日					
Held by a director	由一名董事持有						
Dr. Hua Dongyi	華東一博士	12,337,030	—	—	—	12,337,030	—
Date of grant	授出日期	24 August 2017 二零一七年八月二十四日					
Exercise price per option	每份購股權行使價	HK\$1.410 1.410 港元					
Exercise period	行使期	24 August 2018 – 23 August 2022 二零一八年八月二十四日 至二零二二年八月二十三日					
Held by a director	由一名董事持有						
Dr. Hua Dongyi	華東一博士	—	14,497,030	—	—	14,497,030	—

Notes:

- (i) The share options lapsed on 12 February 2017.

附註：

- (i) 該等購股權已於二零一七年二月十二日失效。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 SHARE OPTIONS (continued)

(b) Other Options

The details of movements of the outstanding options of the Company other than those issued by the Company under its share option schemes during the year ended 31 December 2017 are as follows:

		Outstanding options at 1 January 2017 於二零一七年 一月一日	Options granted during the year 年內授出之 購股權	Options exercised during the year 年內行使之 購股權	Options lapsed during the period 年內失效之 購股權	Outstanding options at 31 December 2017 於二零一七年 十二月三十一日	Weighted average closing price before dates of exercise 於行使日前之 加權平均收市價 HK\$ 港元
Mr. Erik D. Prince (Note (i))	Erik D. Prince 先生(附註(i))	205,115,657	—	—	—	205,115,657	—
Reorient Financial Market Limited ("RFML") (Note (ii))	瑞東金融市場有限公司 (「瑞東金融市場」)(附註(ii))	22,790,628	—	—	(22,790,628)	—	—
		227,906,285	—	—	(22,790,628)	205,115,657	

Notes:

- (i) These 205,115,657 options were issued on 3 December 2013 and are exercisable for a five-year period from 3 December 2013 to 2 December 2018 at an exercise price of HK\$0.73 per share.
- (ii) On 14 January 2014, option rights to subscribe up to 22,790,628 new shares of the Company at an exercise price of HK\$0.80 per share were granted to RFML for the settlement of the financial advisory service provided by RFML with a fair value of HK\$0.9003 per option. These option rights were lapsed on 14 January 2017.

All outstanding other options were exercisable at 31 December 2017 (2016: Same). No other options were exercised during the year ended 31 December 2017 (2016: Nil).

31 購股權(續)

(b) 其他購股權

除本公司根據其購股權計劃所發行者外，本公司尚未行使之購股權於截至二零一七年十二月三十一日止年度之變動詳情如下：

附註：

- (i) 該205,115,657份購股權乃於二零一三年十二月三日發行，於二零一三年十二月三日至二零一八年十二月二日期間可予行使，為期五年，行使價為每股0.73港元。
- (ii) 於二零一四年一月十四日，瑞東金融市場獲授可按行使價每股0.80港元認購最多22,790,628股本公司新股份之購股權，作為瑞東金融市場所提供之金融顧問服務之付款，每份購股權之公允價值為0.9003港元。該等購股權已於二零一七年一月十四日失效。

於二零一七年十二月三十一日，所有尚未行使之其他購股權均可予行使(二零一六年：相同)。截至二零一七年十二月三十一日止年度，概無其他購股權獲行使(二零一六年：無)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 SHARE AWARD SCHEME

The Company has adopted a share award scheme on 10 December 2015. The share award scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Listing Rules. The purposes and objectives of the share award scheme are to recognise the contributions by Eligible Persons (as defined in the share award scheme) and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract personnel for further development of the Group.

During the year ended 31 December 2017, 1,137,000 shares were granted to certain Eligible Persons under the share award scheme (2016: 10,067,000 shares), 642,000 shares were lapsed (2016: 857,000 shares) and 3,000,000 shares were vested at 31 December 2017 (2016: 6,705,000 shares).

During the year ended 31 December 2017, based on the recommendation of the Board of the Company, the trustee of the share award scheme acquired 3,000,000 shares (2016: 6,705,000 shares) of the Company in the market at an aggregate amount of HK\$4,269,000 (2016: HK\$7,848,000) for the share award scheme. At 31 December 2017, all these 3,000,000 shares (2016: 6,705,000 shares) were vested to the Eligible Person and no share of the Company was held in trust for the share award scheme by the trustee of the share award scheme.

32 股份獎勵計劃

本公司已於二零一五年十二月十日採納一項股份獎勵計劃。就上市規則第17章而言，股份獎勵計劃並不構成購股權計劃。股份獎勵計劃之目的及宗旨乃為表彰合資格人士(定義見股份獎勵計劃)所作之貢獻，並給予獎勵以挽留該等人士為本集團之持續營運及發展效力，亦為本集團之進一步發展吸引人才。

於截至二零一七年十二月三十一日止年度，根據股份獎勵計劃向若干合資格人士授出1,137,000股(二零一六年：10,067,000股)股份，642,000股(二零一六年：857,000股)股份已失效及3,000,000股股份已於二零一七年十二月三十一日歸屬(二零一六年：6,705,000股股份)。

截至二零一七年十二月三十一日止年度，根據本公司董事會之推薦建議，股份獎勵計劃之受託人就股份獎勵計劃於市場以總金額4,269,000港元(二零一六年：7,848,000港元)購得3,000,000股(二零一六年：6,705,000股)本公司股份。於二零一七年十二月三十一日，該等3,000,000股(二零一六年：6,705,000股)股份已悉數歸屬予合資格人士，股份獎勵計劃之受託人概無以為股份獎勵計劃設立之信託方式持有本公司股份。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 RESERVES

33 儲備

		Share premium	Shares held for share award scheme 持作股份獎勵 股份溢價	Contributed surplus 實繳盈餘	Exchange reserve 匯兌儲備	General reserve 一般儲備	Equity instrument reserve 權益工具儲備	Share-based compensation reserve 以股份支付之補償儲備	Accumulated losses 累計虧損	Total 總計
		HK\$'000 千港元 (Note (i)) (附註(i))	HK\$'000 千港元 (Note 32) (附註32)	HK\$'000 千港元 (Note (ii)) (附註(ii))	HK\$'000 千港元 (Note (iii)) (附註(iii))	HK\$'000 千港元 (Note (iv)) (附註(iv))	HK\$'000 千港元 (Note (v)) (附註(v))	HK\$'000 千港元 (Note (vi)) (附註(vi))	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	121,047	—	628,235	4,186	32,233	176,072	59,137	(617,115)	403,795
Loss for the year	年度虧損	—	—	—	—	—	—	—	(209,816)	(209,816)
Other comprehensive loss	其他全面虧損									
Foreign exchange differences	匯兌差額	—	—	—	(21,338)	—	—	—	—	(21,338)
Change in value of available-for-sale financial assets (Note 21)	可供出售金融資產之價值變異(附註21)	—	—	—	—	—	(11,815)	—	—	(11,815)
Realisation of equity instrument reserve upon disposal of available-for-sale financial assets	出售可供出售金融資產後變現權益工具儲備	—	—	—	—	—	(10,910)	—	—	(10,910)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)	—	—	—	(21,338)	—	(22,725)	—	—	(44,063)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	(21,338)	—	(22,725)	—	(209,816)	(253,879)
Disposal of subsidiaries	出售附屬公司	—	—	—	(8,202)	(19,334)	—	—	19,334	(8,202)
Transactions with equity holders	與權益持有人之交易									
Share-based compensation	以股份支付之補償	—	—	—	—	—	—	21,477	—	21,477
Exercise of share options	行使購股權	5,533	—	—	—	—	—	(1,880)	—	3,653
Lapse of share options	購股權失效	—	—	—	—	—	—	(1,863)	1,863	—
Shares acquired for share award scheme	為股份獎勵計劃購買之股份	—	(7,848)	—	—	—	—	—	—	(7,848)
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	—	7,848	—	—	—	—	(7,810)	(38)	—
Symmetrical put and call option	對稱認沽及認購期權	—	—	—	—	—	(6,963)	—	—	(6,963)
		5,533	—	—	(8,202)	(19,334)	(6,963)	9,924	21,159	2,117
At 31 December 2016	於二零一六年十二月三十一日	126,580	—	628,235	(25,354)	12,899	146,384	69,061	(805,772)	152,033

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 RESERVES (continued)

33 儲備(續)

		Shares held Share premium	for share award scheme	Contributed surplus	Exchange reserve	General reserve	Equity instrument reserve	Share-based compensation reserve	Accumulated losses	Total
		股份溢價	獎勵計劃之股份 持作股份	實繳盈餘	匯兌儲備	一般儲備	權益工具儲備	以股份支付之 補償儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note (i))	(Note 32)	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))	(Note (vi))	(Note (vi))	(Note (vi))
		(附註(i))	(附註32)	(附註(ii))	(附註(iii))	(附註(iv))	(附註(v))	(附註(vi))	(附註(vi))	(附註(vi))
At 1 January 2017	於二零一七年一月一日	126,580	—	628,235	(25,354)	12,899	146,384	69,061	(805,772)	152,033
Loss for the year	年度虧損	—	—	—	—	—	—	—	(223,760)	(223,760)
Other comprehensive income/(loss)	其他全面收益/(虧損)									
Foreign exchange differences	匯兌差額	—	—	—	14,572	—	—	—	—	14,572
Change in value of available-for-sale financial assets (Note 21)	可供出售金融資產之價值變更(附註21)	—	—	—	—	—	(125)	—	—	(125)
Realisation of equity instrument reserve upon disposal of available-for-sale financial assets	出售可供出售金融資產後變現權益工具儲備	—	—	—	—	—	(604)	—	—	(604)
Other comprehensive income/(loss) for the year, net of tax	年度其他全面收益/(虧損)(除稅後)	—	—	—	14,572	—	(729)	—	—	13,843
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	—	—	—	14,572	—	(729)	—	(223,760)	(209,917)
Transfer to general reserves	轉撥至一般儲備	—	—	—	—	189	—	—	(189)	—
Transactions with equity holders	與權益持有人之交易									
Issue of shares	發行股份	170,856	—	—	—	—	—	—	—	170,856
Share-based compensation	以股份支付之補償	—	—	—	—	—	—	10,880	—	10,880
Lapse of share options	購股權失效	—	—	—	—	—	(20,518)	(1,505)	21,144	(879)
Shares acquired for share award scheme	為股份獎勵計劃購買之股份	—	(4,269)	—	—	—	—	—	—	(4,269)
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	—	4,269	—	—	—	—	(3,096)	(1,173)	—
Lapse of share award	股份獎勵失效	—	—	—	—	—	—	(425)	425	—
		170,856	—	—	—	189	(20,518)	5,854	20,207	176,588
At 31 December 2017	於二零一七年十二月三十一日	297,436	—	628,235	(10,782)	13,088	125,137	74,915	(1,009,325)	118,704

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 RESERVES (continued)

Notes:

- (i) The application of the share premium account is governed by the Companies Act 1981 of Bermuda.
- (ii) The contributed surplus of the Group arose from a scheme of arrangement on 31 October 1989 and capital reorganisations on 2 November 2001 and 18 December 2007. Pursuant to the Companies Act 1981 of Bermuda, a company incorporated in Bermuda is not permitted to pay dividends or make a distribution out of the contributed surplus if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due; or the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.
- (iii) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2.4.
- (iv) In accordance with the PRC regulations, each of the Group's PRC subsidiaries is required to transfer not less than 10% of its profit after tax, as determined in accordance with PRC accounting standards and regulations, to the general reserve until such reserve reaches 50% of its registered capital. The quantum of the annual transfer is subject to the approval of the board of directors of the PRC subsidiaries in accordance with their articles of association.
- (v) The equity instrument reserve represents:
 - (a) the fair value of the option rights granted for the acquisition of FSL on 3 December 2013;
 - (b) the fair value of the option rights granted to RFML on 14 January 2014 to subscribe up to 22,790,628 new shares of the Company at an exercise price of HK\$0.80 per share for the settlement of the financial advisory service provided by RFML; and
 - (c) the fair value of the right derived from the symmetrical put and call option agreement amounted to HK\$7,546,000 (2016: HK\$6,963,000) signed by FSL on 3 February 2016 to purchase the remaining 49% equity interest in Maleth at an option price ranging between EUR1,000,000 (equivalent to approximately HK\$8,190,000) and EUR10,000,000 (equivalent to approximately HK\$81,895,000). The respective liability was recorded in other long-term liabilities on the consolidated statement of financial position.
- (vi) The share-based compensation reserve represents the fair value of the unexercised share options granted under the Company's share option schemes and the fair value of the share award granted under the Company's share award scheme to the eligible participants recognised in accordance with the accounting policy set out in Note 2.20(b).

33 儲備(續)

附註：

- (i) 股份溢價賬之運用受百慕達一九八一年公司法之管限。
- (ii) 本集團之實繳盈餘乃因一項於一九八九年十月三十一日之安排計劃及於二零零一年十一月二日和二零零七年十二月十八日之資本重組而產生。根據百慕達一九八一年公司法，於百慕達註冊成立之公司在下述情況下不得派發股息或自實繳盈餘中作出分派：如有足夠理由相信有關公司於派發股息後將會或可能未能償還到期債務；或有關公司資產之可變現值會因此低於其負債、已發行股本及股份溢價賬之總額。
- (iii) 匯兌儲備包括因海外業務財務報表換算產生之所有匯兌差額。該儲備乃根據附註2.4所列會計政策處理。
- (iv) 根據中國法規，本集團各中國附屬公司須將不少於10%之除稅後溢利(按中國會計準則及法規釐定)撥往一般儲備，直至該儲備之款額達至註冊資本之50%為止。每年轉撥之款額須由有關之中國附屬公司之董事會根據其組織章程細則批准。
- (v) 權益工具儲備代表：
 - (a) 於二零一三年十二月三日就收購FSL授出之期權之公允價值；
 - (b) 於二零一四年一月十四日授予瑞東金融市場可按每股0.80港元之行使價認購最多22,790,628股本公司新股份之期權之公允價值，以支付瑞東金融市場提供之財務顧問服務費；及
 - (c) FSL於二零一六年二月三日訂立對稱認沽及認購期權協議以按介於1,000,000歐元(相等於約8,190,000港元)至10,000,000歐元(相等於約81,895,000港元)之期權價收購Maleth餘下49%股本權益產生之權利之公允價值7,546,000港元(二零一六年：6,963,000港元)。有關負債於綜合財務狀況表列為其他長期負債。
- (vi) 以股份支付之補償儲備指按照附註2.20(b)所列會計政策根據本公司的購股權計劃及本公司股份獎勵計劃授予獲認可之合資格參與者之未獲行使購股權及股份獎勵之公允價值。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 NON-CONTROLLING INTERESTS

At 1 January	於一月一日
Acquisition of subsidiaries (Note 13)	收購附屬公司(附註13)
Share of results	應佔業績
Exchange differences	匯兌差額

At 31 December 於十二月三十一日

Non-controlling interests include, inter alia, an amount of US\$15,000,000 (equivalent to HK\$116,250,000) preference shares issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company, on 31 March 1999. The preference shareholder has the right at any time starting from 1 July 2000 to exchange all (but not part) of the preference shares into 31,250,000 ordinary shares of the Company at an exchange price which has been subsequently adjusted to HK\$3.72 per share, pursuant to the Company's announcement dated 28 September 2006. The Company has the right, at its discretion, to request the preference shareholder to exercise his exchange right to exchange all (but not part) of the preference shares into the Company's ordinary shares at the exchange price at any time from 1 July 2000, provided that the average of the closing prices of the Company's ordinary shares for the 20 consecutive trading days ending on the trading day immediately preceding the date of giving notice of such compulsory exchange is not less than HK\$10 per share.

34 非控股權益

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
123,528	116,250
—	6,960
658	330
81	(12)
124,267	123,528

非控股權益包括(其中包括)15,000,000美元(相等於116,250,000港元)之由本公司全資附屬公司DVN (Group) Limited於一九九九年三月三十一日所發行之優先股。於二零零零年七月一日後任何時間，優先股股東有權將全部(而非部份)優先股按交換價交換本公司31,250,000股普通股(根據本公司於二零零六年九月二十八日刊發之公佈，交換價已於其後調整至每股3.72港元)。於二零零零年七月一日後任何時間，如本公司之普通股之平均收市價於截至緊接發出強制交換通告之日前交易日止之20個連續交易日不低於每股10港元，本公司有權酌情要求優先股股東行使交換權，將全部(而非部份)優先股按交換價交換本公司之普通股。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CASH USED IN OPERATIONS

The reconciliation of loss for the year to cash used in operations is as follows:

35 營運所用之現金

年度虧損與營運所用之現金之對賬如下：

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Loss for the year	年度虧損	(223,102)	(209,486)
Adjustments for	調整項目		
Income tax (credit)/expenses	所得稅(抵免)/開支	(9,955)	910
Interest expenses	利息支出	18,213	23,329
Depreciation	折舊	29,153	31,221
Engine overhaul cost	引擎檢修成本	8,214	11,570
Amortisation of prepaid operating lease rentals and intangibles	預付經營租約租金及無形資產攤銷	6,222	2,894
Share-based compensation	以股份支付之補償	10,880	21,477
Provision for impairment of trade receivables and other receivables	貿易應收款項及其他應收款項減值撥備	9,379	853
Provision for impairment of inventories	存貨之減值撥備	56	1,597
Provision for impairment of goodwill and other intangibles	商譽及其他無形資產之減值撥備	9,000	9,970
Provision for impairment of property, plant and equipment and assets held for sale, net	物業、機器及設備以及持作出售資產之減值撥備，淨額	23,633	17,362
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	(592)	(10,712)
Net loss on disposal of property, plant and equipment (Note (i))	出售物業、機器及設備之淨虧損(附註(i))	4,348	3,631
Net loss on disposal of assets held for sales	出售持作出售資產之淨虧損	118	—
Gain on disposal of subsidiaries (Note (iii))	出售附屬公司之收益(附註(iii))	—	(16,968)
Provision for impairment of interest in an associate	於一家聯營公司之權益之減值撥備	3,228	—
Change in fair value of derivative financial liabilities	衍生金融負債之公允價值變動	(1,851)	
Interest income	利息收入	(9,463)	(13,857)
Share of loss of associates	應佔聯營公司虧損	2,859	561
Exchange differences	匯兌差額	(5,165)	(3,610)
Changes in working capital	營運資金變動		
Inventories	存貨	(5,160)	1,864
Trade receivables, prepayments, deposits and other receivables	貿易應收款項、預付款、按金及其他應收款項	(44,263)	(28,822)
Trade payables, other payables and accruals	貿易應付款項、其他應付款項及應計費用	55,868	(5,572)
Cash used in operations	營運所用之現金	(118,380)	(161,788)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CASH USED IN OPERATIONS (continued)

Notes:

- (i) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

Net carrying amount (Note 14)	賬面淨值(附註 14)
Net loss on disposal of property, plant and equipment (Note 10)	出售物業、機器及設備之淨虧損(附註 10)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項

- (ii) There were no major non-cash transaction for the years ended 31 December 2017 and 2016.

35 營運所用之現金(續)

附註：

- (i) 於綜合現金流量表中，出售物業、機器及設備之所得款項為：

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
30,077	15,394
(4,348)	(3,631)
25,729	11,763

- (ii) 截至二零一七年及二零一六年十二月三十一日止年度並無任何主要非現金交易。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 CASH USED IN OPERATIONS (continued)

Notes: (continued)

- (iii) On 23 May 2016, the Group completed the disposal of the entire interest in Amazing View Limited. The effect on the financial position, the total consideration received and gain on the disposal for the year ended 31 December 2016 were as follows:

35 營運所用之現金(續)

附註：(續)

- (iii) 於二零一六年五月二十三日，本集團已完成出售 Amazing View Limited 之全部權益。截至二零一六年十二月三十一日止年度，對財務狀況之影響、收取之總代價及出售收益如下：

		2016 二零一六年 HK\$'000 千港元
Consideration received, after settlement of cost, fees and expenses	已收代價，扣除結算成本、費用及開支後	250,009
Net assets disposed of:	已出售資產淨值：	
Short-term deposit	短期存款	2,280
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	161,028
Cash and cash equivalents	現金及現金等價物	85,286
Other payables and accruals	其他應付款項及應計費用	(2)
		248,592
Release of exchange reserves	匯兌儲備撥回	8,202
Reimbursement of expenses	開支報銷	7,349
Gain on disposal of subsidiaries (Note 10)	出售附屬公司之收益(附註 10)	16,968
Tax expenses	稅項開支	(16,703)
Gain on disposal of subsidiaries, net of tax	出售附屬公司之收益(除稅後)	265
Satisfied by:	以下列方式償付：	
Consideration received, after settlement of cost, fees and expenses	已收代價，扣除結算成本、費用及開支後	250,009
Liabilities released	已解除負債	(160,211)
Cash and cash equivalent disposed of	出售現金及現金等價物	(85,286)
Tax paid	已付稅項	(16,703)
Reimbursement of expenses	開支報銷	7,349
Net cash outflow	淨現金流出	(4,842)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating Lease Commitments as a Lessor

The Group leases its leasehold properties and hangars under non-cancellable operating lease agreements. The lease terms are ranging from 6 to 35 years, and the majority of the lease agreements are renewable at the end of the lease periods at market rate.

At 31 December 2017, the Group had total commitments receivable under the non-cancellable operating leases as follows:

Not later than 1 year	少於一年
Later than 1 year but not later than 5 years	一年以後但五年以內
Later than 5 years	五年以後

36 承擔及或然負債

(a) 經營租約承擔(作為出租人)

本集團根據不可撤銷經營租約協議租賃其租賃物業及飛機庫。租期由6年至35年不等，大部份租約協議可於租期屆滿時按市價續訂。

於二零一七年十二月三十一日，本集團根據不可撤銷經營租約擁有之應收承擔總額如下：

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Not later than 1 year	8	687
Later than 1 year but not later than 5 years	35	32
Later than 5 years	323	333
	366	1,052

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(b) Operating Lease Commitments as a Lessee

The Group leases certain of its offices, staff quarters and office equipment under operating lease arrangements.

At 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Land and buildings	土地及樓宇		
Not later than 1 year	少於一年	24,649	16,278
Later than 1 year but not later than 5 years	一年以後但五年以內	62,260	44,770
Later than 5 years	五年以後	21,715	3,948
		108,624	64,996
Office equipment	辦公設備		
Not later than 1 year	少於一年	1,841	739
Later than 1 year but not later than 5 years	一年以後但五年以內	3,492	1,110
		5,333	1,849
Total	總計		
Not later than 1 year	少於一年	26,490	17,017
Later than 1 year but not later than 5 years	一年以後但五年以內	65,752	45,880
Later than 5 years	五年以後	21,715	3,948
		113,957	66,845

36 承擔及或然負債(續)

(b) 經營租約承擔(作為承租人)

本集團根據經營租約安排租用其若干辦公室、員工宿舍及辦公設備。

於二零一七年十二月三十一日，本集團根據不可撤銷經營租約須於未來支付之最低租金總額如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(c) Capital Expenditure Commitments

The Group's material capital expenditure contracted for as at 31 December 2017 but not yet incurred were as follows:

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Purchase of land-use-rights 購買土地使用權	35,889	—

(d) Financial Commitments

The Group did not have any significant financial commitments at 31 December 2017 (2016: Nil).

(e) Contingent Liabilities

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

At 31 December 2017, an indirect wholly-owned subsidiary of the Company has issued a fixed and floating debenture on all the assets of this subsidiary as securities for its banking facilities of US\$3,000,000 (equivalent to approximately HK\$23,454,000) (2016: US\$3,000,000 (equivalent to approximately HK\$23,268,000)) provided by a bank to a customer as a guarantee against the subsidiary's potential failure to meet litigation to complete the services. At 31 December 2017, the bank has issued guarantees of US\$1,322,000 (equivalent to approximately HK\$10,335,000) (2016: US\$1,420,000 (equivalent to approximately HK\$11,014,000)) under this arrangement.

36 承擔及或然負債(續)

(c) 資本開支承擔

本集團於二零一七年十二月三十一日已訂約但尚未產生之重大資本開支如下：

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Purchase of land-use-rights 購買土地使用權	35,889	—

(d) 財務承擔

本集團於二零一七年十二月三十一日並無任何重大財務承擔(二零一六年：無)。

(e) 或然負債

本集團在日常業務過程中不時涉及各類申索、訴訟、調查及法律程序。儘管本集團並不預期任何該等法律程序的結果(個別或整體)將會對其財務狀況或經營業績造成重大不利影響，惟訴訟結果難以預料。因此，本集團或會面對索賠裁決或達成和解協議而可能對其於特定期間的經營業績或現金流量造成不利影響。

於二零一七年十二月三十一日，本公司之一家間接全資附屬公司已就該附屬公司之全部資產發行定息及浮息債券，作為3,000,000美元(相等於約23,454,000港元)(二零一六年：3,000,000美元(相當於約23,268,000港元))之銀行融資之擔保，該筆融資由一間銀行向一名客戶提供，作為該家附屬公司可能不履行完成服務之責任之擔保。於二零一七年十二月三十一日，該銀行已根據此項安排發出擔保1,322,000美元(相等於約10,335,000港元)(二零一六年：1,420,000美元(相等於約11,014,000港元))。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with Related Parties

Transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material transactions with related parties during the year:

Receipt of consultancy services from	自以下公司收到之顧問服務		
A company owned by a director of the Company (Note (i))	本公司一名董事擁有之公司 (附註(i))	1,557	5,950
A company owned by a director of certain subsidiaries (Note (ii))	若干附屬公司之一名董事擁有之公司(附註(ii))	70	1,428
Payment of rental expenses of leasehold property to	向以下公司支付之租賃物業之租金費用		
A company owned by 3 directors of a subsidiary (Note (iii))	一家附屬公司之三名董事擁有之公司(附註(iii))	597	1,097
Receipt of rental income of leaseholder property from	自以下公司收到之租賃物業之租金收入		
A company owned by 3 directors of a subsidiary (Note (iii))	一家附屬公司之三名董事擁有之公司(附註(iii))	9	16
Provision of logistics services to Companies owned by a director of certain subsidiaries (Note (iv))	向若干附屬公司之一名董事擁有之多家公司提供物流服務(附註(iv))	618	2,462

All the transactions were negotiated with related parties on normal commercial terms or in accordance with the agreements governing those transactions.

Notes:

- (i) On 8 April 2014, FSL entered into a service agreement with Frontier Opportunities Limited ("FOL"), a company wholly owned by Mr. Erik D. Prince, pursuant to which FOL would provide FSL certain business development services, strategic guidance, and project sourcing and management services for a term of 3 years from 8 April 2014 to 7 April 2017. During the year ended 31 December 2017, service fee of US\$200,000 (equivalent to approximately HK\$1,557,000) (2016: US\$757,000 (equivalent to approximately HK\$5,950,000)) were incurred to FOL in accordance with the terms of the service agreement, which expired on 8 April 2017.

37 重大關聯人士交易

(a) 關聯人士交易

本公司與其附屬公司(為本公司關聯人士)之間之交易已按綜合基準予以抵銷,且並無於本附註披露。除於該等綜合財務報表其他地方披露之交易及結餘外,年內,本集團曾進行以下重大關聯人士交易:

2017 二零一七年	2016 二零一六年
HK\$'000 千港元	HK\$'000 千港元
1,557	5,950
70	1,428
597	1,097
9	16
618	2,462

與關聯人士之所有交易,均按一般商業條款商討,或按照規管該等交易之協議進行。

附註:

- (i) 於二零一四年四月八日, FSL與 Frontier Opportunities Limited ("FOL", Erik D. Prince先生全資擁有之公司)訂立服務協議,據此, FOL將向FSL提供若干業務發展服務、策略指引以及項目採購及管理服務,自二零一四年四月八日起至二零一七年四月七日止為期三年。截至二零一七年十二月三十一日止年度,根據服務協議之條款與FOL產生200,000美元(相等於約1,557,000港元)(二零一六年:757,000美元(相等於約5,950,000港元))之服務費,該服務協議於二零一七年四月八日屆滿。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(a) Transactions with Related Parties (continued)

Notes: (continued)

- (ii) This represents consultancy fee of US\$9,000 (equivalent to approximately HK\$70,000) (2016: US\$184,000 (equivalent to approximately HK\$1,428,000)) made by the Group to D Barak Consulting Limited, a company wholly owned by a director of certain subsidiaries, for consultancy services provided to the Group in accordance with the terms of the related consultancy agreement.
- (iii) Prior to the acquisition of PAL, PAL entered into a lease agreement on 2 March 2014 with Quadco Two Hundred and Seventy Seven Limited ("Quadco", a company wholly owned by three directors of PAL), pursuant to which PAL would lease its leasehold property, Phoenix House, to Quadco for a term of 35 years from 2 March 2014 to 31 May 2049 at an annual rent of (i) KES104,300 (equivalent to approximately HK\$9,000) for the period from 2 March 2014 to 1 June 2019; (ii) KES135,590 (equivalent to approximately HK\$12,000) for the period from 2 June 2019 to 1 June 2034; and (iii) KES176,267 (equivalent to approximately HK\$16,000) for the period from 2 June 2034 to 31 May 2049.

On 2 March 2014, Quadco also entered into a sub-lease agreement with PAL to sublease a portion of Phoenix House to PAL for a term of 6 years from 1 May 2014 to 30 April 2020 at an annual rent of (i) US\$72,000 (equivalent to approximately HK\$558,000) for the period from 1 May 2014 to 30 April 2016; (ii) US\$75,600 (equivalent to approximately HK\$586,000) for the period from 1 May 2016 to 30 April 2018; and (iii) US\$79,380 (equivalent to approximately HK\$616,000) for the period from 1 May 2018 to 30 April 2020.

37 重大關聯人士交易(續)

(a) 關聯人士交易(續)

附註：(續)

- (ii) 此代表本集團就根據相關顧問協議之條款提供予本集團之顧問服務而向 D Barak Consulting Limited (一家由若干附屬公司之一名董事全資擁有之公司) 支付之顧問費 9,000 美元 (相等於約 70,000 港元) (二零一六年：184,000 美元 (相等於約 1,428,000 港元))。
- (iii) 於收購鳳凰航空前，鳳凰航空於二零一四年三月二日與 Quadco Two Hundred and Seventy Seven Limited (「Quadco」，一家由鳳凰航空之三名董事全資擁有之公司) 訂立租賃協議，據此，鳳凰航空將出租其租賃物業 Phoenix House 予 Quadco，租期自二零一四年三月二日起至二零四九年五月三十一日止為期 35 年，年租為 (i) 二零一四年三月二日至二零一九年六月一日期間 104,300 肯尼亞先令 (相等於約 9,000 港元)；(ii) 二零一九年六月二日至二零三四年六月一日期間 135,590 肯尼亞先令 (相等於約 12,000 港元)；及 (iii) 二零三四年六月二日至二零四九年五月三十一日期間 176,267 肯尼亞先令 (相等於約 16,000 港元)。

於二零一四年三月二日，Quadco 亦與鳳凰航空訂立轉租協議，以向鳳凰航空轉租部份 Phoenix House，自二零一四年五月一日起至二零二零年四月三十日止為期六年，年租為 (i) 二零一四年五月一日至二零一六年四月三十日期間 72,000 美元 (相等於約 558,000 港元)；(ii) 二零一六年五月一日至二零一八年四月三十日期間 75,600 美元 (相等於約 586,000 港元)；及 (iii) 二零一八年五月一日至二零二零年四月三十日期間 79,380 美元 (相等於約 616,000 港元)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(a) Transactions with Related Parties (continued)

Notes: (continued)

During the year ended 31 December 2017, rental income of KES104,000 (equivalent to approximately HK\$9,000) (2016: KES209,000 (equivalent to approximately HK\$16,000)) was earned from Quadco and rental expenses of US\$76,000 (equivalent to approximately HK\$597,000) (2016: US\$141,000 (equivalent to approximately HK\$1,097,000)) were incurred to Quadco in accordance with the terms of the lease agreement and the sub-lease agreement respectively.

- (iv) It represents the provision of logistics services by TFF to certain companies owned by a director of TFF during the years ended 31 December 2017 and 2016.
- (v) The related party transactions in respect of notes (i), (iii) and (iv) above, also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(b) Details of Key Management Compensation of the Group

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利
Share-based compensation	以股份支付之補償
Termination benefits	離職福利

The directors, the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer of the Company are regarded as the key management personnel of the Group.

37 重大關聯人士交易(續)

(a) 關聯人士交易(續)

附註：(續)

截至二零一七年十二月三十一日止年度，根據租賃協議及轉租協議之條款從Quadco所賺取之租金收入及與Quadco所產生之租金費用分別為104,000肯尼亞先令(相等於約9,000港元)(二零一六年：209,000肯尼亞先令(相等於約16,000港元))及76,000美元(相等於約597,000港元)(二零一六年：141,000美元(相等於約1,097,000港元))。

- (iv) 此代表TFF於截至二零一七年及二零一六年十二月三十一日止年度向TFF一名董事擁有之若干公司提供物流服務。
- (v) 有關上文附註(i)、(iii)及(iv)之關聯人士交易亦構成關連交易或持續關連交易(定義見上市規則第14A章)。

(b) 本集團主要管理人員酬金詳情

	2017 二零一七年	2016 二零一六年
	HK\$'000 千港元	HK\$'000 千港元
Short-term employee benefits	21,265	18,591
Post-employment benefits	212	268
Share-based compensation	8,875	18,989
Termination benefits	—	963
	30,352	38,811

本公司董事、行政總裁、財務總裁及營運總裁被視為本集團之主要管理人員。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(c) Year-End Balances Arising from Sales/Purchases and Services Rendered

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Trade receivables	貿易應收款項		
A company owned by 3 directors of a subsidiary	一家附屬公司之三名董事擁有一家公司	—	18
Companies owned by a director of certain subsidiaries	若干附屬公司之一名董事擁有多家公司	890	385
<hr/>			
Trade payables	貿易應付款項		
A company owned by 3 directors of a subsidiary	一家附屬公司之三名董事擁有一家公司	—	6

(d) Other Year-End Balances

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		
Companies owned by a director of certain subsidiaries	若干附屬公司之一名董事擁有多家公司	—	7,559
An associate	一家聯營公司	12,799	4,846
<hr/>			
Other payables and accruals	其他應付款項及應計費用		
A related company of a director of the Company	本公司一名董事擁有一之關聯公司	—	1,649
Associates	多家聯營公司	7,036	6,962

37 重大關聯人士交易(續)

(c) 因銷售／採購及提供服務而產生之年終結餘

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Trade receivables	貿易應收款項		
A company owned by 3 directors of a subsidiary	一家附屬公司之三名董事擁有一家公司	—	18
Companies owned by a director of certain subsidiaries	若干附屬公司之一名董事擁有多家公司	890	385
<hr/>			
Trade payables	貿易應付款項		
A company owned by 3 directors of a subsidiary	一家附屬公司之三名董事擁有一家公司	—	6

(d) 其他年終結餘

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		
Companies owned by a director of certain subsidiaries	若干附屬公司之一名董事擁有多家公司	—	7,559
An associate	一家聯營公司	12,799	4,846
<hr/>			
Other payables and accruals	其他應付款項及應計費用		
A related company of a director of the Company	本公司一名董事擁有一之關聯公司	—	1,649
Associates	多家聯營公司	7,036	6,962

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

38 EVENTS AFTER THE FINANCIAL POSITION DATE

Exercise of Share Options

On 9 January 2018, Mr. Erik D. Prince, the chairman of the Company, exercised his right to subscribe 50,000,000 share options, out of his total share options of 102,557,828 at an exercise price of HK\$1.50 per share which were granted to him on 10 January 2014 under the share option scheme adopted by the Company on 28 March 2012. The total proceeds of approximately HK\$75,000,000 resulted from the exercise of share options were received by the Company. The remaining unexercised share options of 52,557,828 at an exercise price of HK\$1.50 were subsequently expired and lapsed on 10 January 2018.

Subscription of Shares

On 2 March 2018, the Company entered into three separate subscription agreements with three subscribers, namely Easy Flow Investment Limited ("Easy Flow"), Taiping Trustees Limited and Trinity Gate Limited (together as the "Subscribers"), pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers has conditionally agreed to subscribe for up to a total of 640,000,000 subscription shares at the subscription price of HK\$1.30 each, amounting to total gross proceeds of no more than approximately HK\$832 million. As Easy Flow is a substantial shareholder of the Company and a connected person of the Company. The subscription of shares by Easy Flow constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Please refer to the announcement of the Company dated 2 March 2018 for more information.

Except as disclosed above and elsewhere in the financial statements, the Group did not have any other material events occurred subsequent to the financial position date.

38 財務狀況日後事項

行使購股權

於二零一八年一月九日，本公司主席 Erik D. Prince 先生按行使價每股 1.50 港元行使根據本公司於二零一二年三月二十八日採納之購股權計劃於二零一四年一月十日向彼授出之購股權總數 102,557,828 份中之 50,000,000 份購股權之認購權利。本公司就該行使購股權已收取所得款項總額約 75,000,000 港元。按行使價 1.50 港元授出之該等餘下未行使購股權 52,557,828 份其後已於二零一八年一月十日屆滿及失效。

認購股份

於二零一八年三月二日，本公司與三名認購人、盈動投資有限公司（「盈動」）、太平信托有限公司及 Trinity Gate Limited（統稱為「該等認購人」）訂立三份獨立認購協議，據此，本公司已有條件同意向該等認購人配發及發行，及該等認購人已有條件同意按認購價每股 1.30 港元認購最多合共 640,000,000 股認購股份，所得款項總額合共不超過約 832,000,000 港元。由於盈動是本公司之主要股東及本公司關連人士，故此盈動認購股份構成上市規則項下之本公司關連交易，並須遵守上市規則第 14A 章項下之申報、公告及獨立股東批准規定。有關詳情請參閱日期為二零一八年三月二日之公告。

除於上文及財務報表其他部份所披露者外，本集團於財務狀況日後並無出現任何其他重大事項。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39 本公司財務狀況表

		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、機器及設備	—	130
Intangibles	無形資產	1,350	1,350
Interests in subsidiaries	於附屬公司之權益	433,272	324,942
Total non-current assets	非流動資產總值	434,622	326,422
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	1,507	2,335
Available-for-sale financial assets	可供出售金融資產	—	1,281
Cash and cash equivalents	現金及現金等價物	11,947	13,811
Total current assets	流動資產總值	13,454	17,427
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	14,357	10,596
Bank loans	銀行貸款	112,875	—
Total current liabilities	流動負債淨值	127,232	10,596
Net current (liabilities)/assets	流動(負債)/資產淨值	(113,778)	6,831
Total assets less current liabilities/ Net assets	總資產減流動負債/ 資產淨值	320,844	333,253
EQUITY	權益		
Equity attributable to the Company's equity holders	本公司權益持有人應佔權益		
Share capital	股本	144,970	123,370
Reserves (Note (i))	儲備(附註(i))	175,874	209,883
Total equity	總權益	320,844	333,253

Signed on behalf of the Board on 26 March 2018 by

代表董事會於二零一八年三月二十六日簽署

Erik D. Prince

Director
董事

Hua Dongyi

華東一
Director
董事

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

(i) Reserves movements of the Company

		Share premium	Shares held for share award scheme 持作股份 股份溢價 獎勵計劃之股份	Contributed surplus 實繳盈餘	Equity instrument reserve 權益工具儲備	Share-based compensation reserve 以股份支付之 補償儲備	Accumulated losses 累計虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	121,047	—	558,899	176,072	59,137	(250,853)	664,302
Loss for the year	年度虧損	—	—	—	—	—	(447,740)	(447,740)
Other comprehensive loss	其他全面虧損							
Change in value of available-for-sale financial assets	可供出售金融資產之 價值變更	—	—	—	(11,815)	—	—	(11,815)
Realisation of equity instrument reserve upon disposal of available-for-sale financial assets	出售可供出售金融資產後 變現權益工具儲備	—	—	—	(10,910)	—	—	(10,910)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)	—	—	—	(22,725)	—	—	(22,725)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	(22,725)	—	(447,740)	(470,465)
Transactions with equity holders	與權益持有人之交易							
Share-based compensation	以股份支付之補償	—	—	—	—	21,477	—	21,477
Exercise of share options	行使購股權	5,533	—	—	—	(1,880)	—	3,653
Lapse of share options	購股權失效	—	—	—	—	(1,863)	627	(1,236)
Shares acquired for share award scheme	為股份獎勵計劃購買股份	—	(7,848)	—	—	—	—	(7,848)
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	—	7,848	—	—	(7,810)	(38)	—
		5,533	—	—	—	9,924	589	16,046
At 31 December 2016	於二零一六年十二月三十一日	126,580	—	558,899	153,347	69,061	(698,004)	209,883

39 本公司財務狀況表(續)

附註：

(i) 本公司儲備變動

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

39 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note: (continued)

(i) Reserves movements of the Company (continued)

		Share premium	Shares held for share award scheme 持作股份 獎勵計劃之股份	Contributed surplus 實繳盈餘	Equity instrument reserve 權益工具儲備	Share-based compensation reserve 以股份支付 之補償儲備	Accumulated losses 累計虧損	Total 總計
		股份溢價	獎勵計劃之股份	實繳盈餘	權益工具儲備	以股份支付 之補償儲備	累計虧損	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	126,580	—	558,899	153,347	69,061	(698,004)	209,883
Loss for the year	年度虧損	—	—	—	—	—	(208,817)	(208,817)
Other comprehensive loss	其他全面虧損							
Change in value of available-for-sale financial assets	可供出售金融資產之 價值變更	—	—	—	(125)	—	—	(125)
Realisation of equity instrument reserve upon disposal of available-for-sale financial assets	出售可供出售金融資產後 變現權益工具儲備	—	—	—	(604)	—	—	(604)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)	—	—	—	(729)	—	—	(729)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	(729)	—	(208,817)	(209,546)
Transactions with equity holders	與權益持有人之交易							
Issue of shares	發行股份	170,856	—	—	—	—	—	170,856
Share-based compensation	以股份支付之補償	—	—	—	—	10,343	—	10,343
Lapse of share options	購股權失效	—	—	—	(20,518)	(879)	20,518	(879)
Shares acquired for share award scheme	為股份獎勵計劃購買之股份	—	(4,269)	—	—	—	—	(4,269)
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	—	4,269	—	—	(3,096)	(1,173)	—
Lapse of share award	股份獎勵失效	—	—	—	—	(514)	—	(514)
		170,856	—	—	(20,518)	5,854	19,345	175,537
At 31 December 2017	於二零一七年十二月三十一日	297,436	—	558,899	132,100	74,915	(887,476)	175,874

39 本公司財務狀況表(續)

附註：(續)

(i) 本公司儲備變動(續)

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

The consolidated results, and assets and liabilities of the Group for the last five financial years are summarised below.

本集團過去五個財政年度之綜合業績、資產及負債概述如下。

		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Results	業績					
Loss/(profit) attributable to:	以下人士應佔虧損/(溢利):					
Equity holders of the Company	本公司權益持有人	223,760	209,816	142,920	130,440	182,227
Non-controlling interests	非控股權益	(658)	(330)	—	532	168
		223,102	209,486	142,920	130,972	182,395
Assets and liabilities	資產及負債					
Total assets	資產總值	884,177	912,467	1,349,713	1,400,773	886,278
Total liabilities	負債總額	(496,236)	(513,536)	(706,718)	(580,565)	(130,612)
Non-controlling interests	非控股權益	(124,267)	(123,528)	(116,250)	(116,250)	(116,782)
Equity attributable to the Company's equity holders	本公司權益持有人應佔權益	(263,674)	(275,403)	(526,745)	(703,958)	(638,884)

