



海航基礎股份有限公司
HNA INFRASTRUCTURE COMPANY LIMITED



18880

萬人次

18.80 million passengers

2016

Annual Report
年報

SHINING PEARL ON THE MARITIME SILK ROAD

「海上絲綢之路」上的 閃亮明珠



Haikou Meilan International Airport

A gateway from South China to the World

A green airport striving for excellence on ecological and environmental protection

An airport aiming to provide considerate services and meticulous care to customers

An airport full of vitality, standing out conspicuously on the world stage thanks to the further opening up of traffic rights

An airport listed on the Main Board of SEHK (0357.HK)

Terminal: The domestic terminal of Meilan Airport, designed by B+H Architects International LLC of Canada, was completed in 1999 and has completed continued construction in 2005; the international terminal, designed by the China Civil Aviation Institute, was built in 2013 with domestically first-class main facilities in China.

Air traffic control tower: 70.34 meters high; various navigation and remote control systems configured for communication and navigation, including the Doppler weather radar, the automated meteorological observation system, the high and low power ranger, the Doppler Omni-directional Range, are all imported from abroad and reach internationally advanced level.

The road system: Main facilities are designed according to the technical requirements regarding maximum gross take-off and landing for large aircrafts such as Boeing 747-400.

海口美蘭國際機場

南中國通往世界的門戶

對於生態和環境保護精益求精的綠色機場

致力於至精至美的細微服務，對旅客關懷備至的機場

航權開放日益深入，在世界舞台上嶄露頭角、充滿活力的機場

香港聯合交易所有限公司主板上市（0357.HK）

航站樓：美蘭機場國內航站樓由加拿大B+H國際建築師事務所設計，1999年建成，2005年完成續建工程；國際航站樓由中國民航設計院設計，2013年建設，主要設施達到當今國內先進水平。

航管塔：高70.34米，為通訊導航設置的多普勒氣象雷達及氣象自動觀測系統、高低功率測距儀、多普勒全向信標等導航遙控系統均引自國外，達到當今國際先進水平。

跑道系統：主要設施按滿足波音747-400等大型飛機全重起降的技術要求設計。



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CORPORATE MISSION 企業使命

To be a successful regional airport management company in China, and offer quality and safe airport services. Striving to become an investment management group focusing on asset management by integrating investment with development, operating under segments such as commercial and airport, complementing development with sound strategies and maintaining good industrial clusters.

CORPORATE BACKGROUND 公司簡介

HNA Infrastructure Company Limited* (the “Meilan Airport” or the “Company”) is a joint stock Company incorporated in the People’s Republic of China (“PRC” or “China”) with limited liability on 28 December 2000. The H shares of the Company were issued and listed on the Main Board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 18 November 2002. On 6 November 2003, the Company was approved by the Ministry of Commerce (“MOC”) of the PRC to convert into a foreign invested joint stock company. The Company has changed its name from “Hainan Meilan International Airport Company Limited” to “HNA Infrastructure Company Limited”, with effect from 2 March 2015.

The Company and its subsidiaries (together, the “Group”) are currently engaged in both aeronautical and non-aeronautical businesses at Meilan Airport, Haikou, Hainan Province, the PRC. The aeronautical businesses of the Company mainly consist of the provision of terminal facilities, ground handling services and passenger services. The non-aeronautical businesses of the Company mainly include the leasing of commercial and retail spaces at Meilan Airport, franchising of airport related business, advertising, car parking, cargo handling and sales of consumable goods.

Major awards of the Company in 2016 were as follows:

- The West Gallery of Meilan Airport gained “SKYTRAX Five-Star Recognition”
- “SKYTRAX China Regional Best Staff Award”
- “SKYTRAX Best Regional Airport in China Finalist”
- The 6th Airport Construction Summit awarded “Green and Efficiency Airport Award”
- Re-elected “International Sanitary Airport” honorary title
- Won the first place of the 2016 ASQ Award for “Best Airport by Size 15-25 Million Passengers”

矢志成為國內成功的區域性機場管理公司，提供優質及安全的機場服務。並於未來致力於發展成為以資產管理為核心，投資與開發相結合，輔以商業、機場的類金融支持，形成戰略互補、產業鏈集群的投資管理集團。

海航基礎股份有限公司（「美蘭機場」或「本公司」或「公司」）於二零零零年十二月二十八日在中華人民共和國（「中國」）註冊成立為股份有限公司，於二零零二年十一月十八日發行H股並在香港聯合交易所有限公司（「香港聯交所」）主板（「主板」）上市。於二零零三年十一月六日，本公司經中國商務部（「商務部」）批准，成為一家外商投資股份有限公司。於二零一五年三月二日起正式由「海南美蘭國際機場股份有限公司」更名為「海航基礎股份有限公司」。

目前本公司及其子公司（合稱「本集團」）經營中國海南省海口市美蘭機場內的航空及非航空業務，航空業務主要包括提供航站樓設施、地勤服務以及旅客服務；非航空業務則主要包括出租美蘭機場的商業及零售鋪位、機場相關業務特許經營、廣告位、停車場、貨物處理及出售消費品。

二零一六年本公司獲得之主要榮譽如下：

- 美蘭機場西指廊獲「SKYTRAX五星認證」
- 「SKYTRAX中國區最佳員工獎」
- 「SKYTRAX中國區最佳區域機場入圍獎」
- 第六屆機場建設發展國際峰會授予「綠色高效機場獎」
- 蟬聯「國際衛生機場」榮譽稱號
- 2016年度全球最佳機場1,500-2,500萬規模組ASQ旅客滿意度第一名

CORPORATE INFORMATION 公司資料

NAME IN CHINESE

海航基礎股份有限公司

NAME IN ENGLISH

HNA Infrastructure Company Limited

CORPORATE WEBSITE

www.mlairport.com

EXECUTIVE DIRECTORS

Wang Zhen, Chairman
Yang Xiaobin, President
Zhou Feng
Liu Shanbin

NON-EXECUTIVE DIRECTORS

Hu Wentai, Vice Chairman
Chan Nap Kee, Joseph
Yan Xiang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Deng Tianlin
Fung Ching, Simon
George F Meng
He Linji

SUPERVISORS

Dong Guiguo, Chairman
Zhang Shusheng
Han Aimin

COMPANY SECRETARY

Xing Zhoujin

AUTHORISED REPRESENTATIVES

Wang Zhen
Xing Zhoujin

中文名稱

海航基礎股份有限公司

英文名稱

HNA Infrastructure Company Limited

公司網址

www.mlairport.com

執行董事

王 貞 · 董事長
楊小濱 · 總裁
周 鋒
劉善斌

非執行董事

胡文泰 · 副董事長
陳立基
燕 翔

獨立非執行董事

鄧天林
馮 征
孟繁臣
何霖吉

監事

董桂國 · 主席
張述聖
韓愛民

公司秘書

邢周金

授權代表

王 貞
邢周金

CORPORATE INFORMATION 公司資料

AUDIT COMMITTEE

Deng Tianlin, Committee Chairman
Fung Ching, Simon
George F Meng

REMUNERATION COMMITTEE

Deng Tianlin, Committee Chairman
Fung Ching, Simon
Zhou Feng

NOMINATION COMMITTEE

He Linji, Committee Chairman
Deng Tianlin
Wang Zhen

STRATEGIC COMMITTEE

Fung Ching, Simon, Committee Chairman
Deng Tianlin
He Linji
Wang Zhen
Hu Wentai

LEGAL ADDRESS AND HEAD OFFICE

Office Building of Meilan Airport
Haikou City
Hainan Province, the PRC

PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADVISER AS TO HONG KONG LAW

Luk & Partners

Unit 2001, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

審核委員會

鄧天林，委員會主席
馮 征
孟繁臣

薪酬委員會

鄧天林，委員會主席
馮 征
周 鋒

提名委員會

何霖吉，委員會主席
鄧天林
王 貞

戰略委員會

馮 征，委員會主席
鄧天林
何霖吉
王 貞
胡文泰

法定地址及總辦事處

中國海南省
海口市
美蘭機場辦公樓

香港營業地點

香港
中環
金融街8號
國際金融中心2期58樓5811-5814室

法律顧問（香港法律）

陸繼鏘律師事務所

香港中環
港景街1號
國際金融中心一期20樓2001室

AUDITOR

PricewaterhouseCoopers Zhong Tian LLP

11/F PricewaterhouseCoopers Center
2 Corporate Avenue, 202 Hu Bin Road
Huangpu District
Shanghai China

PRINCIPAL BANKER

Bank of China, Hainan Province Branch

Haikou Jinyu Sub-branch

1/F, Yazhuang Garden
82 Haixiu Central Road
Haikou City
Hainan Province, the PRC

China Everbright Bank

Haikou Yingbin Sub-branch

1/F Longquan Garden
56 Longkun South Road
Haikou City
Hainan Province, the PRC

H SHARE REGISTRAR AND TRANSFER OFFICE Computershare Hong Kong Investor Services Limited

Rooms 1712-1716
17th Floor Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

00357

核數師

普華永道中天會計師事務所 (特殊普通合伙)

中國上海市
黃浦區湖濱路202號企業天地2號樓
普華永道中心11樓

主要往來銀行

中國銀行海南省分行

海口金宇支行

中國海南省
海口市
海秀中路82號
雅莊花園一樓

中國光大銀行

海口迎賓支行

中國海南省
海口市
龍昆南路56號
龍泉花園首層

H股過戶登記處

香港中央證券登記有限公司

香港灣仔
皇后大道東183號
合和中心17樓
1712-1716室

股票代碼

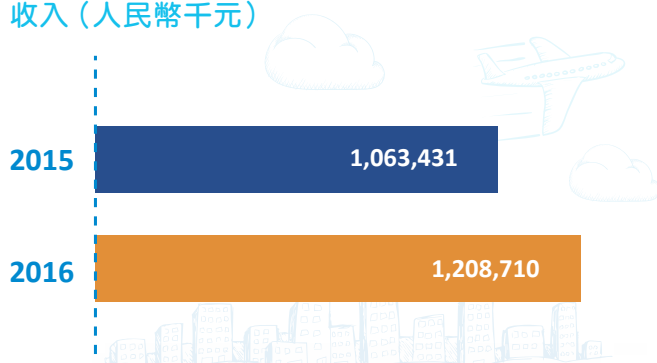
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FINANCIAL HIGHLIGHTS 財務摘要

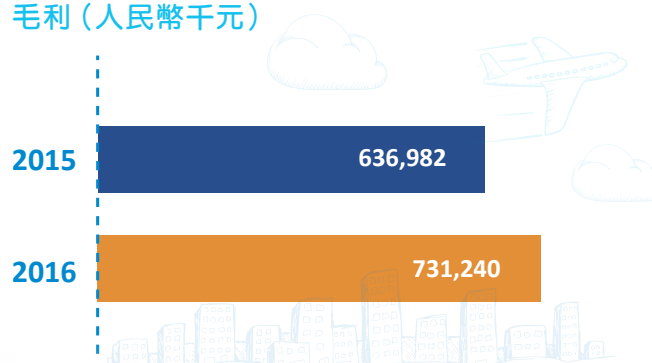
TWO-YEAR COMPARISON OF KEY FINANCIAL FIGURES 兩年主要財務資料比較

		For the year ended 31 December 截至十二月三十一日止年度		
(RMB'000) (人民幣千元)		2016 二零一六年	2015 二零一五年	Change 變動
Revenue	收入	1,208,710	1,063,431	13.66%
Gross profit	毛利	731,240	636,982	14.80%
Net profit attributable to shareholders of the Company	歸屬於本公司 股東利潤	392,942	438,771	-10.44%
Earnings per share – basic (RMB)	每股盈利 – 基本 (人民幣元)	0.83	0.93	-10.75%
Net cash generated from operating activities	營運活動產生的淨現金	968,633	434,341	123.01%
Current ratio	流動比率	0.71	0.92	-22.83%
Asset-liability ratio	資產負債率	54.52%	53.30%	1.22%
EBITDA	EBITDA	784,941	756,542	3.75%

Revenue (RMB'000) 收入 (人民幣千元)



Gross profit (RMB'000) 毛利 (人民幣千元)



FIVE-YEAR SUMMARY OF FINANCIAL PERFORMANCE

五年財務表現概要

(RMB'000) (人民幣千元)		For the year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年	2012 二零一二年
Revenue	收入	1,208,710	1,063,431	882,013	760,277	684,069
Net profit attributable to shareholders of the Company	歸屬於本公司 股東利潤	392,942	438,771	333,869	342,034	297,963
EBITDA	EBITDA	784,941	756,542	595,435	527,880	467,822

FIVE-YEAR SUMMARY OF FINANCIAL POSITION

五年財務狀況概要

(RMB'000) (人民幣千元)		For the year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年	2012 二零一二年
Total assets	總資產	8,195,831	6,962,243	5,721,747	5,667,229	3,867,245
Total liabilities	總負債	4,468,163	3,710,852	2,830,393	2,997,886	1,428,049
Total equity	權益合計	3,727,668	3,251,391	2,891,354	2,669,343	2,439,196

OPERATION DATA HIGHLIGHTS

生產運營資料摘要

Two-year comparison of key operation data 兩年主要生產運營資料比較

		For the year ended 31 December 截至十二月三十一日止年度			Change 變動
		2016 二零一六年	2015 二零一五年		
Passenger throughput (headcount in ten thousand)	旅客吞吐量 (單位：萬人次)	1,880.38	1,616.70	16.31%	
In which: Domestic	其中：國內	1,811.83	1,562.01	15.99%	
International and regional	國際及地區	68.55	54.69	25.34%	
Aircraft takeoff and landing (flights)	飛機起降架次 (單位：架次)	135,523	121,827	11.24%	
In which: Domestic	其中：國內	129,404	116,938	10.66%	
International and regional	國際及地區	6,119	4,889	25.16%	
Cargo throughput (tons)	貨郵行吞吐量 (單位：噸)	274,535.90	246,787.50	11.24%	
In which: Domestic	其中：國內	262,680.30	237,466.00	10.62%	
International and regional	國際及地區	11,855.60	9,321.50	27.19%	



NAVIGABLE CITIES 通航城市

Meilan Airport operates a total of 239 originating routes, including 214 domestic routes, 20 international routes and 5 regional routes.

Meilan Airport has 121 navigable cities, including 97 domestic navigable cities, 19 international navigable cities and 5 regional navigable cities.

美蘭機場已開通始發航線 239 條。
其中，國內航線 214 條，國際航線 20 條，地區航線 5 條。

美蘭機場通航城市 121 個。
其中，國內通航城市 97 個，國際通航城市 19 個，地區通航城市 5 個。



97 Domestic Navigation Cities

Beijing, Shanghai, Guangzhou, Shenzhen, Anshun, Beihai, Bijie, Taiyuan, Changzhou, Nanchong, Changchun, Dazhou, Datong, Beidaihe, Enshi, Xiangfan, Weifang, Linfen, Fuzhou, Fuyang, Ganjiang, Guiyang, Guilin, Harbin, Hailar, Handan, Hanzhong, Hangzhou, Hechi, Hohhot, Huaihua, Huai'an, Huangshan, Huizhou, Jinan, Tianjin, Jinzhou, Jinjiang, Jinggangshan, Kunming, Lanzhou, Dali, Libo, Dalian, Linyi, Lingling, Liuzhou, Liupanshui, Luzhou, Meixian, Mianyang, Nanchang, Nantong, Nanjing, Wenzhou, Qianjiang, Qingdao, Anqing, Rizhao, Chengdu, Sansha, Xiamen, Xi'an, Shantou, Shenyang, Shijiazhuang, Taizhou, Tongren, Nanyang, Hefei, Wanzhou, Urumqi, Wuxi, Wuhan, Xining, Changsha, Xinzhou, Xingyi, Xuzhou, Yantai, Yangzhou, Yichang, Yiwu, Yinchuan, Dongying, Nanning, Yongzhou, Ningbo, Chongqing, Lianyungang, Yuncheng, Zhanjiang, Zhangjiakou, Zhengzhou, Changzhi, Zhuhai, Zunyi

19 International Navigation Cities

Singapore, Kuala Lumpur, Bangkok, Phnom Penh, Siem Reap, Da Nang, Hanoi, Luang Prabang, Seoul, Rome, Khabarovsk, Krasnoyarsk, Moscow, Novosibirsk, Cheongju, Osaka, Shizuoka, Busan, Vientiane

5 Regional Navigation Cities

Hong Kong, Macau, Taipei, Kaohsiung, Taichung

國內通航城市 97 個

北京、上海、廣州、深圳、安順、北海、畢節、太原、常州、南充、長春、達州、大同、北戴河、恩施、襄樊、濰坊、臨汾、福州、阜陽、贛江、貴陽、桂林、哈爾濱、海拉爾、邯鄲、漢中、杭州、河池、呼和浩特、懷化、淮安、黃山、惠州、濟南、天津、錦州、晉江、井岡山、昆明、蘭州、大理、荔波、大連、臨沂、零陵、柳州、六盤水、瀘州、梅縣、綿陽、南昌、南通、南京、溫州、黔江、青島、安慶、日照、成都、三沙、廈門、西安、汕頭、瀋陽、石家莊、台州、銅仁、南陽、合肥、萬州、烏魯木齊、無錫、武漢、西寧、長沙、忻州、興義、徐州、煙台、揚州、宜昌、義烏、銀川、東營、南寧、永州、寧波、重慶、連雲港、運城、湛江、張家口、鄭州、長治、珠海、遵義

國際通航城市 19 個

新加坡、吉隆坡、曼谷、金邊、暹粒、峴港、河內、琅勃拉邦、首爾、羅馬、哈巴羅夫斯克、克拉斯諾亞爾斯克、莫斯科、新西伯利亞、清州、大阪、靜岡、釜山、萬象

地區通航城市 5 個

香港、澳門、台北、高雄、台中

CHAIRMAN'S STATEMENT 主席報告



**“Reaching Higher with Service Excellence.”
Committed to providing customized
services to tourists, Meilan Airport offers
unique services of five-star standard.**

**「星美蘭，馨服務」。就是以五星水平為
服務標準，以美蘭特色為服務手段，
為旅客提供溫馨服務的理念。**

To shareholders:

In 2016, as the global economic recovery has slowed down, the risk factors continued to gather, causing global turbulence intensified. First, the risk of monetary policy. While facing the global economic downturn, the Federal Reserve started being constrained regarding rate hike, which brought about a significant impact on the global economy, and exacerbated by the loss status of the global market. Second, the political risks. With withdrawal of the United Kingdom from European Union, the influence of European Union to the globe has declined significantly and a variety of uncertainties will lead to global political and economic structure unrest, which causes the global hedging mode heated-up. Political uncertainties will have a huge impact on the economic and financial environment, the negative feedback effect caused by both political and economic turmoils will seriously hinder the recovery of the global economy.

致各位股東：

二零一六年，在全球經濟復蘇步伐放緩的背景下，風險因素不斷聚集，引發全球的動蕩加劇。首先是貨幣政策風險，在全球經濟低迷的情況下，美聯儲逆勢啟動加息周期，對全球經濟造成重大影響，加劇了全球市場的無所適從。其次是政治風險，英國脫歐已成定局，歐盟在全球的影響力明顯下降，種種不確定因素，均將引發全球政治及經濟格局的動蕩，引致全球避險模式升溫。政治不確定性將會對經濟金融環境造成巨大衝擊，政治與經濟雙重動蕩所引發的負反饋效應將嚴重阻礙全球經濟復蘇。

Facing such a complex external environment, the PRC government broke its way and overcame difficulties. It introduced new macro-control measures and means and strove to solve economic and social problems by fully leveraging on its proactive fiscal policies and prudent monetary policies, leading the national economy to operate in a reasonable range, more positive elements for economic operation are gradually accumulating, on the other hand, the quality kept on developing and efficiency gradually improved, and the ability of the economy to withstand external shocks kept on increasing, thus the downward pressure can be alleviated. These efforts led to the trend of “a moderate but stable and sound growth and make progress while ensuring stability” during whole economic operation, enabling the PRC to enter a new economic transformation stage.

Reviewing 2016, with the implementation of the national “One Belt and One Road Initiative” development strategy, the further construction of Hainan International Tourism Island and the continuing liberalization of off-shore duty-free policy, the Group had grasped the opportunities of development in the industry, took the strategic plan of “Thirteenth Five-Year” as guideline, conducted construction surrounding “One Belt and One Road Initiative”. Together with concerted efforts, the Group can overcome difficulties and the production performance will reach to a new high status, whereby the market development becomes successful, safety control in good place, with fruitful branding and achieve new breakthrough in a number of key issues.

As of 31 December 2016, the passenger throughput of the Group reached 18.8038 million, which broke 18 million for its debut history and hit record high again, and the Group successfully achieved spallation from small and medium-sized airport to medium and large-sized airport. Meanwhile, the Group also achieved its 18th year of safe operation in its history and also made outstanding achievements in security management, brand building, quality enhancement and business development.

ACHIEVEMENTS

In 2016, the Group's total revenue amounted to RMB1,208,710,234, representing an increase of 13.66% as compared to 2015. Income from aviation business amounted to RMB680,280,877, representing an increase of 17.28% as compared to 2015. Income from non-aviation business amounted to RMB528,429,357, representing an increase of 9.32% as compared to 2015.

面對如此複雜多變的外部環境，中國政府攻堅克難，砥礪前行，創新宏觀調控思路和方式，着力破解經濟發展難題，充分運用積極的財政政策與穩健的貨幣政策，領導國民經濟運行保持在合理區間，經濟運行的積極因素逐步累積，發展質量和效益逐步提升，經濟抵禦外部衝擊的能力正在增強，下行壓力得到緩解，促使中國經濟整體運行呈現「穩中趨緩、穩中有進、穩中向好」態勢，中國經濟順利進入轉型發展的新階段。

回顧二零一六年，隨着國家「一帶一路」發展戰略的進一步落實、海南國際旅遊島建設的深入推進及離島免稅政策的持續放開，本集團緊抓行業發展機遇，以「十三五」戰略規劃為引領，圍繞「一帶一路」建設，戮力同心，砥礪前行，生產業績再創新高，市場開發成績斐然，安全服務管控到位，品牌建設碩果纍纍，多項重點工作取得突破性進展。

截至二零一六年十二月三十一日止，本集團完成旅客吞吐量1,880.38萬人次，自通航以來首次突破1,800萬人次大關，再創歷史新高。同時實現自通航以來的第十八個安全年，在安全管理、品牌建設、運行效率及業務開發等方面成績斐然。

業績

於二零一六年，本集團之總收入為人民幣1,208,710,234元，較二零一五年上升13.66%。來自航空業務的收入為人民幣680,280,877元，較二零一五年上升17.28%；來自非航空業務的收入為人民幣528,429,357元，較二零一五年上升9.32%。

CHAIRMAN'S STATEMENT 主席報告

OVERVIEW OF AVIATION BUSINESS

In 2016, benefited from certain favorable factors such as the overall rapid development of the civil aviation industry in China and the further construction of Hainan International Tourism Island, both tourism and air transportation industries in Hainan continued a steady growth. Having considered the situation and grasped the right time, while continuing to deploy much more effort on its core aviation business, at the same time the Group actively strengthened communication with local government, revised and fine-tuned passenger incentives and attracted more airlines to increase capacity. Moreover, the Group has achieved the navigation with the six ASEAN countries and Europe, implemented air and rail link agency services, introduced the first intercity bus routes, initially constructed the regional hub for airport air and land transport system. The Group has conducted measures on de-peak during winter and spring, and cooperated during the summer and autumn off-seasons, ensured the flight takeoff and landing with an increase of 13,696 flights over last year via the flexible market policies, whilst the patronage rate remained the same over the same period of last year. The Group also relied on the government, coupled with the aviation tourism industry players to carry out a variety of marketing promotions, and continued to enhance the attractiveness of Haikou civil aviation market.

In addition, Meilan Airport has increased efforts to develop the international aviation market, it closely contacted the provincial and municipal governments, relevant traveling agencies and the business charter agencies; by following the "going out, invite them in" development mode, it actively participated in conferences like the Asian Airline Development Conference, World Route Development Conference; under the leadership of Tourism Development Committee of Hainan Province and Haikou City, it went to the Southeast Asia, Australia and Germany, French, Italy and so on to countries and regions to promote the aviation tourism market of Hainan Province. Meilan Airport and Italy Milan Airport have elevated the relationship to amicable airports, jointly develop China-EU routes, exhibit the unique advantages of Haikou International Tourism, enhance the influence of Haikou in the world, thus creating a favorable environment for exploring the international routes market.

As compared to 2015, Meilan Airport has added 82 new routes, including 69 domestic routes as well as 13 international and regional routes. The total passenger throughput for the year reached 18.8038 million, flight takeoff and landing for transportation up to 135,523 times and cargo throughput up to 274,535.90 tons, with a year-on-year growth of 16.31%, 11.24% and 11.24%, respectively, representing a successful realization of its annual transportation and production target. Passenger throughput growth is 3.9% higher than the average of national 10 million airports, throughput ranking 18th amongst civil airports in China, up one more than in 2015.

航空業務概覽

二零一六年，得益於中國民航業整體快速發展及海南國際旅遊島建設深入推進等諸多利好因素的影響，海南省旅遊業和航空運輸業持續穩步發展。本集團審時度勢，在持續加大航空主營市場營銷力度的同時，主動與當地政府溝通，積極修訂、調整航空獎勵政策，努力吸引更多航空公司增投運力；與東盟六國及歐洲實現通航，空鐵聯運代理落地實施，引進首條城際巴士線路，初步構建區域樞紐機場空地聯運體系；冬春削峰填谷、夏秋淡季合作，靈活的市場政策確保運輸起降同比增加13,696架次的同時，客座率與去年同期持平；依託政府，聯手航空旅遊各企業單位開展多種形式的營銷推廣，持續增強海口民航市場吸引力。

除此之外，美蘭機場加大了國際航空市場開發力度，緊密聯繫省政府、相關旅行社及包機商，本着「走出去，請進來」的發展模式，積極參加亞洲航線發展大會、世界航線發展大會等會議；在海南省及海口市旅遊發展委員會的帶領下，前往東南亞、澳洲及德法意等地宣傳促銷海南省航空旅遊市場；與意大利米蘭機場結為友好機場，共同開發中歐航線，展現海口旅遊獨特優勢，增強海口國際旅遊知名度，提升海口世界影響力，為國際航線市場的開拓創造有利的大環境。

與二零一五年度相比，美蘭機場新增航線82條，其中國內航線69條，國際及地區航線13條，全年共計完成旅客吞吐量1,880.38萬人次，航班運輸起降135,523架次，貨郵行吞吐量274,535.90噸，同比分別增長16.31%、11.24%和11.24%，圓滿完成全年運輸生產任務。旅客吞吐量增幅高出全國千萬級機場平均水平3.9個百分點，吞吐量排名位居中國民航機場第18位，較二零一五年上升一位。

OVERVIEW OF NON-AVIATION BUSINESS

In 2016, the non-aviation business of the Group maintained growth momentum and achieved annual revenue of RMB528,429,357, representing a year-on-year increase of 9.32%. Its proportion to the Group's total revenue recorded to 43.72%. The continuous growth of non-aviation business was mainly due to continuous growth of the revenue from off-shore duty-free franchise and rental income due to the expansion of the business area after commencement of operation of the West Gallery since October 2015. Meanwhile, by ways of the flexible adjustment of the business model, and active utilization the area-effectiveness for commercial use, the Group maintained steady growth in the revenue of its non-aviation business. In 2016, the Group recorded franchise income accumulated to RMB296,214,134, representing a significant year-on-year increase of 15.50%, while freight and packaging income reached RMB76,666,706, representing a year-on-year decrease of 26.75%. Rental income reached RMB45,266,013, representing a year-on-year increase of 17.61%. In addition, parking fee income also reached RMB18,813,859, representing a year-on-year increase of 10.52%. Meanwhile, VIP room income reached RMB21,769,644, representing a year-on-year increase of 22.38%.

PHASE II EXPANSION PROJECT

The Phase II expansion project has broken ground for a cornerstone on 18 November 2015 and commenced on 6 September 2016, whereby the land acquisition and demolition, project design, project approval, costs of procurement, construction and other work have been in full swing. It is expected that the project will be completed in 2018 and the trial operation will be commenced in 2019.

TERMINAL COMPLEX PROJECT

The terminal complex project includes three main buildings, namely the commercial building, the hotel building and the parking building, in which the commercial building brings together the island free-duty products, products with Hainan features, aviation science and technology museum, cross-border telecommunication zone, food court and GTC, a transportation center, which is set as a large tourism complex, comprising "food, hospitality, travel, visit, shopping, entertainment." The hotel building has around 1,000 rooms in total, featuring with a full-time restaurant, an aircrew restaurant and a gym room, etc., whereby the conditions of Meilan Airport inbound and outbound crew members and passengers' hotel accommodation will be ameliorated upon the official business commenced. The parking building has nearly 3,000 parking spaces, with the assistance of advanced intelligent parking system, it will provide convenient parking services for travellers. On 25 January 2017, the Hainan Tourism Boutique, located on the second floor of the commercial building and the Haikou aviation science and technology museum, located on the third floor of the commercial building, had been commissioned.

非航空業務概覽

二零一六年，本集團非航空業務繼續保持良好的增長態勢。全年實現非航空業務收入人民幣528,429,357元，同比增長9.32%，在本集團總收入的佔比達43.72%。非航空業務收入的持續增長主要得益於西指廊於二零一五年十月投入使用後，商業面積擴大帶來的離島免稅等特許經營收入及租金收入的持續增長。同時，本集團通過靈活調整商業模式，積極提高候機樓整體商業坪效，確保非航空業務收入持續穩定增長。二零一六年，本集團特許經營權收入累計達人民幣296,214,134元，同比增長15.50%；貨運及包裝收入達人民幣76,666,706元，同比下降26.75%；租金收入則達人民幣45,266,013元，同比增長17.61%。此外，停車場收入亦達人民幣18,813,859元，同比增長10.52%。與此同時，貴賓室收入達到人民幣21,769,644元，同比大幅增長22.38%。

二期擴建項目

二期擴建項目已於二零一五年十一月十八日破土奠基，並於二零一六年九月六日舉行開工儀式，征地拆遷、項目設計、項目審批、成本採購、工程建設等工作已全面展開。預計二零一八年內完工，二零一九年內試運營。

站前綜合體項目

站前綜合體項目分為商業樓、酒店樓及停車樓三大主體。其中，商業樓匯集了離島免稅、海南特色產品、航空科技館、跨境電商園區、美食廣場以及GTC，是集「吃、住、行、游、購、娛」為一體的大型旅遊綜合體；酒店樓共有客房近千間，配備全日制餐廳、機組餐廳、健身房等，正式營業後將全面改善美蘭機場進出港機組成員及旅客的酒店住宿條件；停車樓擁有停車位近3,000個，採用先進的智能停車系統，將為旅客提供便捷的停車服務。二零一七年一月二十五日，位於商業樓二層的海南旅遊精品及三層的海口航空科技館已開始試營業。

CHAIRMAN'S STATEMENT 主席報告

INTEREST PAYMENT OF CORPORATE BONDS

According to the announcement of the Company dated 19 March 2012, the Company announced to complete domestic issuance of corporate bonds with the principal amount of RMB800 million. Pursuant to the Listing Announcement of 2011 Corporate Bonds of Hainan Meilan International Airport Co., Ltd. released by the Company on the Shanghai Stock Exchange on 19 April 2012, the coupon rate of corporate bonds was 7.8%, whose interests from March 2015 to March 2016 were paid on 11 March 2016, in total RMB62,400,000.

ACQUISITION PROGRESS

According to the announcement of the Company dated 13 November 2015, the circular of the Company dated 4 December 2015 and the announcements of the Company dated 30 September 2016 and 30 March 2017:

On 13 November 2015, the Company entered into an equity transfer agreement (the “**Equity Transfer Agreement**”) with the parent Company, pursuant to which, the Company agreed to acquire 100% of the equity interest in Haikou Meilan Airport Assets Management Co., Ltd. (“**Meilan Airport Assets Management**”), a wholly-owned subsidiary of the Parent Company, at a consideration of RMB604,800,000.

The consideration of the acquisition was determined with reference to the valuation of the total assets of Meilan Airport Assets Management as at 30 September 2015, being the base date of evaluation, conducted by Vigers Appraisal & Consulting Limited. The payment of the entire consideration of the equity transfer by the Company is subject to the fulfillment of the capital contribution obligation by the Parent Company to Meilan Airport Assets Management.

The consideration shall be paid by two installments as follows:

- (i) RMB574,560,000 (being 95% of the total consideration) shall be payable within 60 business days from the date of approval of the Equity Transfer Agreement and the transaction contemplated thereunder by the extraordinary general meeting; and
- (ii) RMB30,240,000 (being 5% of the total consideration) shall be payable within 15 business days from the date of completion of the necessary industrial and commercial registrations and filings relating to the Equity Transfer Agreement and the transactions contemplated thereunder in the Industrial and Commercial Bureau of Hainan Province.

公司債付息

根據本公司日期為二零一二年三月十九日的公告，本公司宣佈完成本金總額為人民幣8億元的境內公司債券發行。根據本公司於二零一二年四月十九日在上海證券交易所發佈的《海南美蘭國際機場股份有限公司二零一一年公司債券上市公告書》，本公司公司債票面利率為7.8%，已於二零一六年三月十一日支付二零一五年三月至二零一六年三月利息，即人民幣62,400,000元。

收購項目進展情況

根據本公司日期分別為二零一五年十一月十三日之公告、二零一五年十二月四日之通函、二零一六年九月三十日、二零一七年三月三十日之公告作出之披露：

本公司與母公司於二零一五年十一月十三日訂立《股權轉讓協議》（「**股權轉讓協議**」）。據此，本公司以人民幣604,800,000元的價格收購母公司全資子公司海南美蘭機場資產管理有限公司（「**美蘭機場資管公司**」）100%股權。

本公司收購價格乃參考威格斯資產評估顧問有限公司於二零一五年九月三十日（估值基準日）根據美蘭機場資管公司總資產之估值釐定。本公司支付全部股權代價是基於公司向美蘭機場資管公司履行注資責任。

本公司將分兩期支付上述款項，詳情如下：

- (i) 人民幣574,560,000元（即總代價之95%）須於股東特別大會批准《股權轉讓協議》及其項下擬進行之交易後60個營業日內支付；及
- (ii) 人民幣30,240,000元（即總代價之5%）將待有關《股權轉讓協議》及其項下擬進行之交易於海南省工商局辦妥所需工商變更登記及備案手續之日起15個營業日內支付。

As at the date of this annual report, the Company paid the first installment of the consideration to the Parent Company in accordance with the Equity Transfer Agreement. Upon the fulfillment of the capital contribution obligation by the Parent Company, the Company will pay the second installment of the consideration in accordance with the Equity Transfer Agreement.

As at the date of this annual report, the Parent Company is conducting the assets transferring procedures upon the approval of respective government departments in accordance with relevant provisions. The Company will notify the shareholders of the Company and potential investors with the information on the latest progress under the Equity Transfer Agreement in the future, and make disclosure timely to the public according to the provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

THE PROGRESS OF ISSUANCE OF DOMESTIC SHARES AND PROPOSED PLACING OF NEW H SHARES PROJECT PROGRESS

According to the disclosure of the announcement of the Company dated 30 December 2016:

- (1) the Company and the Parent Company entered into a domestic shares subscription agreement, pursuant to which the Parent Company agreed to subscribe not more than 190,463,284 new domestic shares of the Company as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company and not more than 250,626,566 new domestic shares of the Company by cash at an aggregate subscription price of not more than RMB2,000,000,000;
- (2) the Company and Hainan HNA Infrastructure Group Co., Ltd. ("Hainan HNA Infrastructure") entered into a domestic shares subscription agreement, pursuant to which Hainan HNA Infrastructure agreed to subscribe not more than 50,125,313 new domestic shares of the Company by cash at an aggregate subscription price of not more than RMB400,000,000;
- (3) the grant of the proposed Specific Mandate to the board of directors of the Company (the "Board") to issue not more than 150,375,940 new H Shares; and
- (4) proposed consequential amendments to the articles of association.

截至本年報日，本公司已經按照《股權轉讓協議》付款條款的規定向母公司支付了第一期股權收購款。待母公司履行全部注資義務後，本公司將根據《股權轉讓協議》付款條款支付第二期股權收購款。

截至本年報日，母公司現正按相關規定經由相關政府職能部門批准後辦理出資資產的過戶手續。現謹此知會本公司股東及潛在投資者，未來如有關於《股權轉讓協議》項下之最新進展，將根據《香港聯合交易所有限公司證券上市規則》（「上市規則」）之規定及時向市場做出披露。

內資股發行及建議新H股配售項目進展情況

根據本公司二零一六年十二月三十日之公告作出之披露：

- (1) 本公司與母公司訂立母公司內資股認購協議，同意母公司以向本公司轉讓的一期跑道相關資產作價向本公司認購的不超過190,463,284股新內資股；及按不超過人民幣2,000,000,000元的總認購價以現金認購的不超過250,626,566股新內資股；
- (2) 本公司與海南海航基礎設施投資集團股份有限公司（「海南海航基礎」）訂立海南海航基礎內資股認購協議，同意海南海航基礎以現金認購不超過50,125,313股新內資股，現金認購價不超過人民幣400,000,000元；
- (3) 向本公司董事會（「董事會」）授出發行不超過150,375,940股新H股的建議特別授權；及
- (4) 建議對組織章程細則作出相應修訂。

CHAIRMAN'S STATEMENT 主席報告

As at the date of the annual report, the Company has convened 6th session of the first independent board committee meeting and the 6th session of the third Board meeting on 30 December 2016 to consider and approve the relevant resolutions. Currently, the Company is in the progress of preparation work, such as the circular of the General Meeting, in accordance with the relevant provisions. The Company will notify the shareholders of the Company and potential investors with the information on the latest progress under this specific issuance of Domestic Shares and placing of H Shares project in the future, and make disclosure timely to the public pursuant to the provisions of the Listing Rules.

INTELLIGENTIZED AIRPORT CONSTRUCTION

In 2016, according to the overall plan of the intelligentized airport construction of Meilan Airport, insisting on the idea of “happy e-travel, efficient e-use, e-control security, e-earning efficiency and low carbon e-enjoyment”, the Group kept further construction of the intelligentized airport. It has extended its reach to three main aspects including security, service and operation. Among them, the self check-in system has officially entered into operation, realizing the first domestic airport with self check-in services throughout the whole region. The official launch of the “all-in-one” service has resulted in a significant reduction in the waiting time for passengers who do not have to handle checked baggage, thus improving the efficiency of services of Meilan Airport. The wireless apron despatch system is officially online, which will realize the change over flight protection from “results management” to “process management”, in which it plays a vital role towards the system regarding the increase of release rate over Meilan Airport. The newly operated command system, apron tower system, self-service baggage system, greatly enhance the capacity of Meilan Airport. Subsequent to the progressive introduction of the intelligentized system, Meilan Airport was awarded the “Unit with Excellence Practice in application of Internet Technology Annual Award” at the Civil Aviation Internet Conference, and was awarded the “Advanced Digitization of Informative and Intelligentized Collective Work Award” at the China Mobile Informative and Intelligentized Promotion Conference.

截至本年報日，本公司已於二零一六年十二月三十日召開第六屆第一次獨立董事委員會會議、第六屆第三次董事會會議審議並通過相關議案。現正按相關規定準備項目之股東大會通函等工作程序。未來如有關於本次內資股定向增發及H股配售項目項下之最新進展，本公司將知會本公司股東及潛在投資者並將根據《上市規則》之規定及時向市場做出披露。

智能化機場建設

二零一六年，依據美蘭機場智能化機場建設總體規劃，本集團堅持以「快樂e行、高效e用、安全e控、效益e增、低碳e享」為主題，繼續深化智能化機場建設，成果已全面覆蓋美蘭機場安全、服務、運行三大方面。其中，自助登機系統正式投入使用，實現了國內首個航空港整區域的自助登機服務；「一證通關」服務的正式啟用，大幅減少無需辦理行李托運旅客的等待時間，提高美蘭機場服務效率；無線站坪調度系統的正式上線，實現了航班保障從「結果管理」向「過程管理」的轉變，對美蘭機場放行正常率的提高起了重要的系統支撐作用；新生產運行指揮系統、機坪塔台系統、自助行李系統的上線運行，大幅提升美蘭機場的保障能力。隨着智能化系統的逐步投入使用，美蘭機場在民航互聯網大會上榮獲「年度互聯網技術應用優秀實踐單位獎」、在中國交通運輸信息化智能化推進大會上榮獲「信息化智能化工作先進集體獎」。

OUTLOOK

The global economic recovery remains in turmoil in 2017. It undergoes a long-term adjustment after financial crisis as the Federal Reserve's announcement on a rate hike, the European Central Bank and the Bank of Japan withdrew the negative rate policy. It remains alarming towards weakened international economic growth, withdrawal of the United Kingdom from the European Union, new policies implemented by the newly elected US president and the potential oscillation in the global financial market. In 2017, it is expected that there will be an upward trend for global inflation.

Comparing with complicated international situation and the normal domestic circumstances, the construction of Hainan International Tourism Island is expected to maintain a healthy and sound momentum. With the introduction of the document "Thirteenth Five-Year Plan for the Tourism Development in Hainan Province (2016-2020)", Hainan Province proposed to develop the tourism industry by "one island, two circles, four tours, multiple nodes." During the "Thirteenth Five-Year Plan" period, Hainan Province will base on the status of the only tropical province in the PRC, and possess the "three superiorities" with the best ecosystem in the PRC, the biggest Chinese special economic zone and the only international travelling island in the PRC. Becoming a moderately prosperous society synchronously with other parts of the country, completing the basic construction of the international travelling island and constructing a beautiful Hainan are the "three objectives" put forward by the plan. To strive to cultivate Hainan as a blessed home for all people living in the province, the garden of all seasons for the Chinese nation and the paradise of vacation for all tourists are the "three visions" of the plan. These provided a clear direction to the Hainan tourism development. In pace with the gradual installation of the "Thirteenth Five-Year Plan", the tourist facilities, management and operation, as well as its service quality, international reputation and goodwill of Hainan Province will further be enhanced. It is expected that the number of tourist inflow will be on a continual rise, and provides a solid foundation for the development of Meilan Airport in 2017.

展望

二零一七年，全球經濟復蘇態勢仍不穩定，美聯儲加息、歐洲央行和日本央行撤回負利率政策，國際經濟總體上仍處於金融危機之後的長期調整過程。國際經濟增長疲軟、英國脫歐、美國新總統推行的政策以及國際金融市場的波動風險仍需關注。二零一七年，預計全球通脹形勢將呈上行趨勢。

相比紛繁複雜的國際形勢與新常態下的國內形勢，海南國際旅遊島建設繼續保持健康、良好的發展勢頭。隨著「海南省旅遊業發展十三五規劃(2016-2020)」文件出台，海南省提出總體打造「一島、兩圈、四組團、多節點」的旅遊發展格局。「十三五」期間，海南省將立足作為中國唯一的熱帶省份，擁有中國最好的生態環境、中國最大的經濟特區和中國唯一的國際旅遊島「三大優勢」，圍繞海南省與全國同步全面建成小康社會、基本建成國際旅遊島、建設美麗海南「三大目標」和努力將海南省建設成為全省人民的幸福家園、中華民族的四季花園、中外遊客的度假天堂「三大願景」，對海南省旅遊業發展提出了明確目標與工作路徑。隨著海南省旅遊業十三五規劃的逐步實施，全省旅遊設施、經營管理和服務水平、國際知名度、美譽度進一步提高，預計赴琼的國內外遊客人數將持續增加，從而也為美蘭機場二零一七年的發展夯實基礎。

CHAIRMAN'S STATEMENT 主席報告

In addition, influenced by the more loosened off-shore duty-free policy, during the 2017 Spring Festival Golden Week, Hainan sales of off-shore duty-free commodities recorded 359,000 items and achieved aggregate sales amounted to RMB360,000,000, representing increases of 11.84% and 5.88%, respectively. Since the entering of Spring Festival Golden Week from the 31 January 2017, Meilan Airport's average sales of goods exceeded RMB10,000,000 for each of eleven consecutive days and with a remarkable sales performance. Along with the further expansion on the business area of the Meilan Airport off-shore duty-free shop in the terminal complex project and the operation continues to be fiery, it is believed that it will incur better return to the Group.

The Company is of the view that, in 2017, along with the furtherance of the national development strategy "One Belt and One Road Initiative" and the construction of Hainan International Travelling Island, together with the adoption of off-shore duty-free policy, Meilan Airport's international and domestic airlines will run smoothly, after the passenger throughput per annum reached total number over 18,800,000 in 2016, the number may go beyond 20,000,000 in 2017. To implement the Civil Aviation Administration of China's ("CAAC") Thirteenth Five-Year Plan and "Civil Aviation Advancing One Belt and One Road Construction Action Plan (2016-2030)" will be the Company's key emphasis in work, continuing to improve the safety alerting mechanism and safety performance management, as well as realizing and solidifying the fruitful results of the SKYTRAX's five-star rating. While assuring the safety and services quality, the Company will grasp the opportunity with CAAC to further release the highest capacity for peak hours and to follow strategic development plan closely, exhuming both aviation and non-aviation markets potential, further to optimize the capital structure, improve market value and keep reducing the gearing ratio. The Group will strive to develop into an investment management group with capital management as the core, and integrate investment with development, and form strategic complementarity, achieving a healthy, sustainable development of Meilan Airport and bring better return to all shareholders of the Company.

此外，二零一七年春節「黃金周」期間，受離島免稅政策進一步放開等因素影響，海南離島免稅共銷售免稅商品35.9萬件，商品銷售總額達人民幣3.6億元，同比分別增長11.84%、5.88%。美蘭機場離島免稅店自二零一七年一月三十一日進入春節「黃金周」後半段以來，連續十一天日均銷售金額突破人民幣1,000萬元，取得可喜的銷售業績。隨著站前綜合體內美蘭機場離島免稅店營業面積的進一步擴大及其運營態勢的持續火爆，相信其將為本集團帶來更為可觀的收益。

本公司認為，二零一七年，隨著國家「一帶一路」發展戰略及海南國際旅遊島建設的全面深入推進，以及離島免稅政策的持續放開，美蘭機場的國際、國內航線將平穩運行，年旅客吞吐量繼二零一六年突破1,880萬人次大關後，有望於二零一七年衝刺2,000萬大關。本公司將以落實中國民用航空局（「民航局」）「十三五」發展規劃及《民航推進「一帶一路」建設行動計劃（2016-2030）》為工作重點，繼續推進安全預警機制和安全績效管理，全面實現及鞏固SKYTRAX五星成果。在保證安全與服務質量的同時，本公司將抓住民航局進一步放開美蘭機場航班高峰時刻容量的契機，繼續緊扣戰略發展規劃，深挖航空、非航空市場潛力，進一步優化資本結構，提升市值，持續降低資產負債率，力爭早日發展成為以資產管理為核心，投資與開發相結合，形成戰略互補、產業鏈集群的投資管理集團，實現美蘭機場的健康可持續發展，以更加輝煌的業績反饋全體股東。

PROMOTE TRANSFORMATION AND UPGRADE, STRIVE FOR WIN-WIN IN OUTPUT QUANTITY AND OPERATION QUALITY

In 2017, for the purpose of adapting a new aviation market development trend, the Group will focus more on developing the market of medium, small and new airlines as well as medium to small airports which are yet to open to air traffic and bring Meilan Airport's airlines network layout to completion. The Group will grasp the opportunity of revisions of aviation award policies proposed by the Civil Aviation Office of Hainan Province Government ("CAO") and coordinate better, so as to increase the support provided by the policy to Meilan Airport. The Group will launch "peak load shifting" during winter and spring and for the air routes, the Group will "choose the outstanding, pile up the peak", enhancing the utilization rate during the winter and spring's idling time, encouraging putting wide-body flights into circulation and encouraging an increasing frequency for premium air routes. The Group will continue practising subsidy policy during off-peak in summer and autumn, as well as start working on specialized projects such as elevating patronage rate and operational efficiency. Cooperation with relevant airlines and airports will be strengthened and suitable promotion over branch-arterial combined products will be designed, aiming to build Meilan Airport as the most preferred central terminal airport for residents from the Southern Liangguang, further to expand Meilan Airport's source market. Construction on terminals in foreign cities and direct shuttle will continue. Focusing on strategy layout "One Belt and One Road Initiative", counting on favourable policies such as bonded aviation fuel and off-shore duty free, the Group will fully implement the development strategy of being airport center in Southeast Asia, so as to turn Meilan Airport into a regional aviation hub in Southern China.

STICK TO CORE CAPABILITY CONSTRUCTION, CONSTANTLY CLUTCH ATTENTION ON SAFETY

In 2017, the Group will adopt the Building-Investment-Management (BIM) concept as the guiding principle and adopt performance and risk management and control as the gripper to enhance the efficacy of the management system. At the same time, through building a safety management platform, developing and perfecting the safety management systems and standards, the Group will design a more comprehensive emergency protection system. Completing and raising on the safety standard of Meilan Airport's operation will be continued so as to meet the requirement of international civil aviation standard. The internationalisation of the security management crew's cultivation will be reinforced and the forefront of ideas on international security management will be followed.

推動轉型升級，爭取「生產數量」 與「運營質量」的雙贏

二零一七年，為適應航空市場發展新趨勢，本集團將加大對中、小、新航空公司及尚未通航的中小機場的市場開發力度，著力完善美蘭機場航線網絡佈局；抓住海南省人民政府民航工作辦公室（「民航辦」）修訂航空獎勵政策的契機，把握機遇做好協調工作，以加大政策對美蘭機場的支持力度；推行冬春時刻「削峰填谷」、航線「擇優疊峰」，在提高冬春空閒時刻利用率、鼓勵寬體機投放的同時，鼓勵航空公司對優質航線進行加頻；繼續推行夏秋淡季補貼政策，開展客座率、執行率等專項提升工作；加強與相關航空公司及機場的合作，設計合適的干支結合產品，力爭將美蘭機場打造成為兩廣南部地區居民的首選中轉樞紐機場，擴大美蘭機場客源市場；繼續推進異地城市候機樓、直達班車建設；著眼「一帶一路」戰略佈局，依託保稅航油、離島免稅等有利政策，全面實施東南亞樞紐機場發展戰略，矢志將美蘭機場打造成中國南方的區域航空樞紐。

堅持核心能力建設，緊抓安全關 注度不放鬆

二零一七年，本集團將以BIM (Building-Investment-Management，建設－投資－管理) 理念為指導原則，以績效和風險管控為抓手，提升管理體系效能。同時，亦從搭建安全管理平台、制定與完善安全管理體系及制度和標準、前移安全防範關口等管理流程入手，構建更加完備的應急保障體系；持續完善和提升美蘭機場運行安全標準，對接國際民航標準，加強國際化安全管理團隊培養，跟進國際安全管理前沿理念。

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The Group will improve normalization of inner security management by further strengthening access administration in the control zone; improve security management efficiency practically by integrating existing security resources rationally; and reinforce the whole control of transporting hazardous articles by establishing and improving supervisory mechanism on hazardous articles. To perfect the management of business training, the Group will organize to formulate a plan to establish training systems and commence transformation on practical training.

FIRMLY DEEPEN EFFICIENCY PROMOTION AND SOLIDLY DEVELOP BRAND IMPROVEMENT

In 2017, the Group will focus on improving the punctuality rate of flights via technological means. Meilan Airport's punctuality rate and efficiency safeguard mechanism will be tested by scientific research in the industry and organization, through data analysis and a data model to be set up to add up and analyze the flows of both flights and passengers. In addition, civil aviation technology means will be adopted, such as Head Up Display (HUD) flying mode to lower the impact of weather imposed to the airport, enhancing the utilization efficiency of runway taxiway. According to BIM concept, taking Airport Collaborative Decision Making (A-CDM) management platform as the core, the Group will integrate and make use of existing information and operation resources, introduce and perfect scene monitoring system, scene guidance and control system etc., to build up a three-dimension, immediate and full flow ground operation database and set up a monitoring mode that is clear, visible, forecastable and analysable. Through building an intelligentized ground operation flow management mechanism and a dynamic management and operation interface, flexibly and dynamically coordinating resources distribution and coordinating air and land for discharging in order to form a seamless connection in air and land in every session, making operational direct flow intelligentized and promote efficient connection and close cooperation among airports, air traffic control and airlines.

In 2017, the Group will solidify the status of SKYTRAX five-star airport with full effort, transforming the brand building idea from "awards winning" to "reputation winning", and will establish a brand management system to enhance the brand management level of Meilan Airport from all aspects.

進一步強化控制區准入管理，健全內部安保管理常態化機制；合理整合現有安保資源，切實提升安保管理效能；建立健全危險品監察機制，加強危險品運輸的全程管控；組織制訂培訓體系建設規劃，完善業務培訓管理機制，切實做好培訓效能的有效轉化。

深化效率提升不動搖，紮實開展品牌提升工作

二零一七年，本集團將致力於利用科技手段提升航班正常率，通過行業科研及數據分析機構對美蘭機場航班正常率及保障效率進行測評，並建立數據模型，對航班流、旅客流進行統計、分析；此外，還將利用民航科技手段，例如HUD（Head Up Display，平視顯示）飛行模式等來降低天氣對機場的影響，提高跑道、滑行道的使用效率；依照BIM管理理念，以A-CDM（Airport Collaborative Decision Making，機場協同決策）管理平台為核心，整合並利用現有信息數據和運行資源，持續引入和完善場面監視系統、場面引導和控制系統等，搭建立體、即時、全流程地面運行信息數據庫，打造清晰、可視、可預測、可分析的監控模式。通過建立智能化地面運行流程管理機制，打造運行保障動態管理和操作界面，靈活和動態地實施資源協同分配、空地協同放行，形成空地各環節無縫銜接，實現運行指揮全流程智能化，推進機場、空管和航空公司之間的高效聯動與無縫協作。

二零一七年，本集團將全力鞏固SKYTRAX五星機場創建成果，轉變品牌創建思路，由「獎項創建」向「口碑創建」轉變，建立品牌管理體系，全面提高美蘭機場品牌管理水平。

In 2017, the Group will continue to put the sustainable development strategy into practice and strive to get through the Airports Council International (ACI) green airport accreditation by “high in utilizing resources efficiently, low in affecting the environment” and persist in “green airport” in construction projects, building a globally outstanding airport with landscaped environment, convenient transportation, efficient services, smooth process, complete functions and advanced equipment with rich island culture features.

SPARE NO EFFORT TO BUILD A COMPREHENSIVE THREE-DIMENSIONAL TRANSPORTATION CENTER

In 2017, in order to utilize the edges of connecting Meilan Airport with Southeast coast and the Southeast Asia prime routes, forming a three-dimensional transport network which can penetrate the entire island and connect inner and outer of the island, and promoting Hainan as a strategic fulcrum role of “Maritime Silk Road”, the Group will continue to step up its efforts in promoting construction projects, such as Meilan Airport Phase II expansion project and GTC. The Group will strive to cultivate Meilan Airport as a comprehensive three-dimensional transportation centre with its base in Northern Hainan, which gears to the need of entire Hainan province and radiates in Southeast Asia in 2020.

ACKNOWLEDGMENT

On behalf of the Board and the management of the Group, I would like to express our heartfelt gratitude to our business partners, clients and shareholders for their continuous support, as well as to our fellow staff for their dedicated efforts. We look forward to becoming a successful regional airport management player with the cooperation of all of our working partners.

Wang Zhen

Chairman

Hainan Province, the PRC

18 April 2017

二零一七年，本集團還將繼續踐行可持續發展戰略，並以「高效率利用資源、低限度影響環境」的方式，堅持「綠效機場」項目建設，力爭通過ACI (Airports Council International, 國際機場協會) 綠色機場認證，打造環境優美、交通便利、服務高效、流程順暢、功能完善、設備先進，並富有海島文化特色的全球卓越機場。

全力打造綜合立體交通樞紐

二零一七年，為有效利用美蘭機場聯結東南沿海和東南亞黃金航道的樞紐優勢，形成貫徹全島、連接島內外的立體交通網，促進海南充分發揮「海上絲綢之路」戰略支點的作用，本集團將繼續大力推進美蘭機場二期擴建項目及GTC等工程建設，力爭在二零二零年內將美蘭機場打造成為立足瓊北、面向海南全省、輻射東南亞的綜合立體交通樞紐。

致意

本人謹代表董事會及管理層向本集團的業務伙伴、客戶及股東的支持表示感謝，向本集團員工團隊之全情投入致以衷心謝意，並祈望各方攜手為打造區域性機場管理公司而共同努力。

王貞

董事長

中國海南省

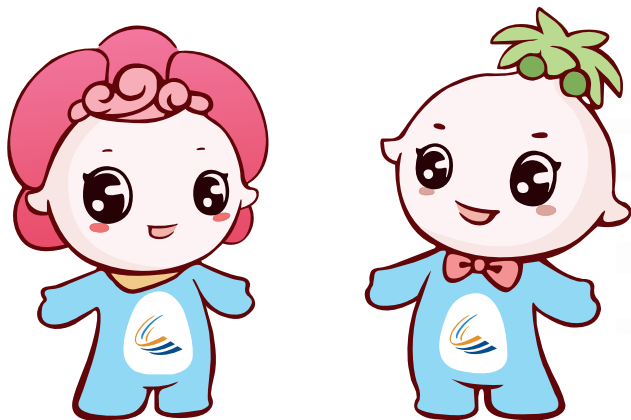
二零一七年四月十八日

STRIVE FOR EXCELLENCE AND SUSTAINABLE SAFETY

追求卓越 持續安全

Over the years, Meilan Airport has been striving for excellence and following the guidelines of "Safety and Prevention first under Comprehensive Management" while implementing the concept of sustainable and safe development. Adhering to fine traditions, innovating unceasingly, Meilan Airport has successfully maintained its own characteristics while actively exploring advanced operation modes of safe airports, and has been operated safely over the last 18 years.

多年來，美蘭機場堅持追求卓越品質，始終秉承「安全第一、預防為主、綜合管理」的指導思想，落實持續安全發展理念，既堅持優良傳統又不斷創新，在保持自身特色的同時積極探索先進機場安全運營模式，已安全運營十八年。





- A-CDM management platform
- Intelligenitized ground operation progress
- Safety management platform
- Security management system
- Normalization of inner security management
- Supervisory mechanism on hazardous articles

- A-CDM 管理平台
- 智能化地面運行流程
- 安全管理平台
- 安全管理體系
- 內部安保管理常態機制
- 危險品監察機制

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

BUSINESS ENVIRONMENT Civil Aviation Industry of China

Main transport indexes of civil aviation industry of China maintains a trend of faster development under the influence of gradual relief on the pressure of domestic descending economy and development tends to be stable in the domestic economy against a background of sustainable and sluggish recovery of global economy and international aviation market. Chinese civil aviation industry in 2016, recorded total volume of transport of 96.09 billion ton kilometers, passenger volume of 488 million passengers, cargo & mail volume of 6.669 million tons, which accordingly increased by 12.8%, 11.8% and 6.0% on year-on-year basis. In 2016, there were a total of 218 civil aviation (certificated) airports (excluding Hong Kong, Macao and Taiwan, hereinafter referred to as the “domestic airports”) in China with a passenger traffic volume of 1,016.357 million passengers, which exceeded 1 billion for the first time, representing an increase of 11.1% over the last year; the cargo volume recorded 15.104 million tons, representing an increase of 7.2% over the last year and the aircraft departed and arrived volume recorded 9.238 million aircrafts, representing an increase of 7.9% over the last year. Of all the domestic airports, there were 28 airports with an annual passenger traffic volume of more than 10 million passengers. The industry strength was further enhanced.

In 2016, there are consistently favourable policies of Chinese civil aviation industry.

In October 2016, the CAAC issued “Opinions on Encouraging Social Capital for Investing, Building and Operating of Civil Airports” (the “Opinions”), which proposes that transport airport projects that conform to the national layout and plan for civilian transport airports, the national specially-approved plan and regional plan, as well as the industry development plan, will all be open to the social capital with simplified construction procedure of further levels for civil airport and shortened approval procedure, which intends to give the social capital for equal access for various financial subsidies and policy support. The implementation of this policy in the Opinions will attract social capital to participate in the construction and operations of civil airport, and expand more channels of funds for civil airport construction.

In December, 2016, the Civil Aviation Administration of China issued the “Thirteenth Five-Year Plan for Civil Aviation in China”, which has definitely set out the five major tasks along with the six development objectives. It is expected that the Chinese civil aviation industry will be optimized in terms of efficiency, services, scale and so on during the “Thirteenth Five-Year” period.

經營環境 中國民航業

在世界經濟及國際航空市場均持續緩慢復蘇的背景之下，國內經濟下行壓力緩解。在發展勢頭趨於穩定的國內經濟大環境下，中國民航主要運輸指標持續保持較快發展勢頭。二零一六年，中國民航全年運輸總周轉量960.9億噸公里、旅客運輸量4.88億人次、貨郵運輸量666.9萬噸，同比分別增長12.8%、11.8%、6.0%。二零一六年，中國境內民用航空（頒證）機場（不含香港、澳門和台灣地區，以下簡稱「境內機場」）共有218個，全年旅客吞吐量首次突破10億人次，完成101,635.7萬人次，比上年增長11.1%；完成貨郵吞吐量1,510.4萬噸，比上年增長7.2%；完成飛機起降923.8萬架次，比上年增長7.9%。所有境內機場中，年旅客吞吐量1,000萬人次以上的機場有28個，行業實力進一步增強。

二零一六年，中國民用航空業利好政策消息不斷。

二零一六年十月，民航局下發了《關於鼓勵社會資本投資建設運營民用機場的意見》（《意見》）。《意見》提出將符合全國民用運輸機場佈局規劃、國家批准的專項規劃和區域規劃以及行業發展規劃的運輸機場項目全部向社會資本開放，進一步簡化民用機場建設程序，縮短審批流程，並讓社會資本平等享有各項財政補貼及政策扶持。《意見》如落地實施，將起到吸引社會資本參與民用機場建設運營，拓寬民用機場建設資金來源渠道的作用。

二零一六年十二月，民航局發佈了《中國民用航空發展第十三個五年規劃》，明確了「十三五」時期民航發展的五大任務，並提出了六大發展目標。預計中國民航業將於「十三五」期間在效率、服務、規模等多方面得到優化。

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The Company will pay close attention to the development of domestic aviation industry in 2017, and prepare for the unknown factors beforehand. The Group will conduct in-depth study of national policies, while ensuring safe operation, make good use of policies and flexible use of strategies, efforts will be made to optimize the Company's development environment, and constantly consolidate and enhance the position of Meilan Airport among large domestic airports within the country.

Profile of Tourism in Hainan

In 2016, Hainan tourism maintained a sustainable and rapid growth. The industry received 60,236,000 tourists both from domestic and overseas, representing a year-on-year growth of 12.9%, among which, overnight tourists reached 49,772,200, representing a year-on-year growth of 10.8%; the total revenue of the tourist industry reached RMB67.21 billion, representing a year-on-year growth of 17.4%. During the "Golden Week" of Spring Festival of 2017, tourism in Hainan kept on the trend of "being popular in the north and south at the same time". Hainan totally received 5,157,600 tourists, among which, there were 2,093,800 overnight tourists and the tourism income reached RMB12.442 billion, representing a year-on-year growth of 11.9%, 14.7% and 18.1%, respectively. These remarkable achievements were benefited not only from the comprehensive promotion of the construction of Hainan International Tourism Island, and the further expansion of the off-shore duty-free policy, but also from a series of world spotlight economic, culture and sport events such as the successful launch of Long March-VII in Wenchang, Boao Forum for Asia, Island Economic Forum for 21st Century Maritim Silkroad, Mayors Dialogue of China-ASEAN, International Sailing Boats Contest Around Hainan Island, International Road Cycling Race Around Hainan Island, Wanning International Surfing Festival, Haikou and Danzhou International Marathon, Guanlan Lake International Women's Golf Championship, Golf Star Contest and so on, which all happened in Hainan and greatly promoted the sustainable and rapid development of the tourism of Hainan.

On 7 November 2016, The People's Government Office of Hainan Province ("Provincial Government") formally issued and implemented "The Thirteenth Five-Year for Developing Tourism in Hainan Province", in which it proposed to build the development pattern for its tourism featuring "One island, two circles, four tours and multiple nodes" to foster a good momentum of development as if "Shine like the sun and moon interspersed with stars." It clarified the regional development plan of Big Sanya, Haikou – Chengmai – Wenchang two major tourism areas, the central rainforest, eastern recovery and health maintenance, western mountains and seas, and Sansha

本公司將密切關注國內民航業二零一七年的發展形勢，未雨綢繆，深入研究國家政策，在保證安全運營的前提下，善用政策、活用戰略，努力優化本公司發展的大環境，不斷鞏固、提升美蘭機場在國內中大型機場中的地位。

海南旅遊業概覽

二零一六年，海南旅遊業繼續保持高速增長態勢。全年接待國內外旅客6,023.60萬人次，同比增長12.9%。其中接待過夜遊客4,977.22萬人次，同比增長10.8%；旅遊總收入達人民幣672.10億元，同比增長17.4%。二零一七年春節「黃金周」期間，海南旅遊業繼續保持「南北同熱」態勢，全省共接待遊客515.76萬人次，其中過夜遊客209.38萬人次，旅遊收入人民幣124.42億元，同比分別增長11.9%、14.7%、18.1%。斐然成績的取得不僅得益於海南國際旅遊島建設的全面深入推進及離島免稅政策的進一步放開，長征七號文昌發射成功、博鰲亞洲論壇、21世紀海上絲綢之路島嶼經濟論壇、中國—東盟省市長對話、環海南島國際大帆船賽、環海南島國際公路自行車賽、萬寧國際冲浪節、海口及儋州國際馬拉松賽、觀瀾湖世界女子高爾夫錦標賽、高爾夫明星賽等系列舉世矚目的經濟、文化及體育盛會在海南的舉辦也大力推動了海南旅遊業的持續快速發展。

二零一六年十一月七日，海南省人民政府辦公廳（「省政府」）正式印發實施《海南省旅遊發展「十三五」規劃》，提出總體打造「一島、兩圈、四組團、多節點」的旅遊發展空間格局，形成「日月同輝滿天星」的良好發展態勢，明確了區域化發展大三亞、海口—澄邁—文昌兩大旅遊圈和中部雨林、東部康養、西部山海、三沙海洋四大旅遊組團，重點建設海洋旅遊、康養旅遊、購物旅遊、森林旅遊、文體旅遊、鄉村旅遊六類旅遊產品，特色化發展會展旅遊、產業旅遊、城鎮旅

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ocean tourism four tourism groups, focusing on the construction of marine tourism, recovery and health maintenance tourism, shopping tourism, forest tourism, culture and sports tourism, countryside tourism – six categories of tourism products, special feature development and exhibition tourism, industrial tourism, township tourism and special tourism will be highlighted. Themes of leisure and vocation, health care and maintenance, folk customs and other characteristics will be emphasized, create the “blue and green interaction” and the tourism brands and tourism product system with Hainan characteristics. The tourism transportation construction will be strengthened, and the tourism traffic network and the connection system will be improved; the tourism service facilities will be enhanced, and the construction of tourism service center and information center will be promoted; it will vigorously develop the intelligent tourism and innovative intelligent tourism products; the government will actively promote the tourism standardization, improve the supervision mechanism of the tourism market, consummate the tourist service quality and the industry supervision and management system, thus to comprehensively improve the tourism service quality and supervision and management level.

Key Tourism Projects of Hainan

In 2016, local governments of all levels in Hainan will continuously promote the construction of key tourism projects.

Known as the “Second Chapter of Boao Forum for Asia”, the Boao Lecheng International Medical Tourism Pilot Area (the “**Lecheng Pilot Area**”) is giving on a passionate music tuned with “Hainan speed.” Lecheng Pilot Area has confirmed to launch 20 projects, covering an area of 1,713 mu, with a total investment of RMB19.8 billion and RMB1.7 billion has currently been invested. The principle industry includes stem cell applications, health management, rehabilitation, etc. Among them, the main structure of China Stem Cell Group Affiliated Hospital has seen roof-sealing completion, which is expected to be put into service in 2017. Medical tourism is a new form of health service industry, as the fastest growing and high value-added new industry, Lecheng Pilot Area will inject new vitality into the tourism industry in Haikou, and will further enhance the internationalization of Hainan International Tourism Island.

遊和專項旅遊。突出休閒度假、醫療養生、民俗風情等特色主題，塑造「藍綠互動」、具有海南特色的旅遊品牌和旅遊產品體系。加強旅遊交通建設，完善旅遊交通網絡和接駁體系；提升旅遊服務設施，推進旅遊服務中心、信息中心建設；大力發展智慧旅遊、創新智慧旅遊產品；積極推進旅遊標準化建設，健全旅遊市場監管機制，完善旅遊服務質量管理和行業監督管理體系，全面提高旅遊服務質量和監管水平。

海南重點旅遊項目

二零一六年，海南當地各級政府持續大力推進重點旅遊項目建設。

被譽為「博鰲亞洲論壇第二樂章」的博鰲樂城國際醫療旅遊先行區（「**樂城先行區**」）正奏響以「海南速度」為曲譜的激昂樂章。樂城先行區落地建設20個項目，佔地面積1,713畝，總投資人民幣198億元，目前已完成投資人民幣17億元，主要產業內容包括干細胞應用、健康管理、康復療養等。其中，中國干細胞集團附屬醫院主體建築正式封頂，預計二零一七年內即可投入使用。醫療旅遊是健康服務業的新業態，作為增長最快、附加值最高的新產業，樂城先行區將為海口旅遊業注入新的活力，並將進一步提升海南國際旅遊島的國際化水平。

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Hainan Lingshui Fuli Marine Theme Park located in the Hainan International Tourism Island in Lingshui (the “**Fuli Marine Park**”) is a large comprehensive tourism project with the marine-themed park as the core area and the planning land covers an area of about 2,000 mu. According to the reports, this park has completed an investment of about RMB4 billion, with most of the buildings capped, the recreational facilities has been installed by now, the commission is expected in June 2017 and it will start operation within 2017. Fuli Marine Park refers to the development mode of Orlando Theme Park in the United States and it has set up five major park sections and nine venues, which will build up a marine animal museum with total water volume of more than 135,000 tons a roller coaster of 1.1 km long, a 123 meters sightseeing tower, China first self-spin chute Ferris wheel, a number of hotels and facilities, including 5 marine concept resort hotels to be built. It is expected that approximately 6 million tourists per year will be welcomed after the completion.

Haikou Cultural Industrial Park is jointly built by the Department of Culture and Sports of Hainan Province and the Haikou Municipal Government, which integrates film and television production, animation games, sports, tourism performing arts, cultural exhibitions together and the initial planning adopts “one park and multiple bases” model. This project has attracted over 50 cultural and entertainment companies to station their offices here since its opening on 30 June 2016, such as Alibaba Entertainment Group, Iqiyi Creative Center, etc. A multitude of industrial fund companies landed here and nearly 10 films and televisions have started the shooting. In December 2016, the southern headquarters of Alibaba Entertainment Group landed in Haikou Cultural Industry Park, it will start from big entertainment, big data for cloud computing, e-business and financial services to promote the transformation and upgrading of Hainan culture and entertainment, tourism and resort and other key industries. It is expected that in 2018, the Haikou Cultural Industrial Park could attract 100 enterprises to land, fund over 30 films and TV dramas, and create a whole output value over RMB10 billion.

The successive constructions of these key tourism projects will invigorate tourism in Hainan and contribute to a new development situation of Hainan “comprehensive tourism.”

位於陵水海南國際旅遊島先行試驗區的海南陵水富力海洋主題公園（「**富力海洋公園**」），是以海洋主題公園為核心的大型旅遊綜合區項目，規劃佔地約2,000畝。據介紹，富力海洋公園已完成投資約人民幣40億元，大部份建築已封頂，遊樂設備現已安裝，預計二零一七年六月開始調試，並於二零一七年年內開業。富力海洋公園參照美國奧蘭多主題樂園發展模式，設五大園區、九大場館，將打造總水體量超過13.5萬噸的海洋動物場館、1.1公里超長軌道垂直過山車、123米觀光塔、南中國首台自旋滑道摩天輪等，並配套包含5家海洋概念度假酒店在內的多家酒店，預計建成後年遊客接待量將達到約600萬人次。

海口文化產業園由海南省文體廳和海口市政府共建，集影視製作、動漫遊戲、體育、旅遊演藝、文化會展為一體，初步規劃實行「一園多基地」模式。該項目自二零一六年六月三十日開園以來，已有包括阿里巴巴文娛集團、愛奇藝創意中心等50多家文娛企業入駐，多產業基金落地、近10部影視劇開拍。二零一六年十二月，阿里巴巴文化娛樂集團南方總部落戶海口文化產業園，將以大文娛、雲計算大數據、電商、金融等業務為抓手，推動海南文化娛樂、旅遊度假等重點產業轉型升級。預計到二零一八年，吸引入駐企業100家、投拍影視劇30餘部、創造產值超百億元人民幣。

這些重點旅遊項目的陸續開工建設，將為海南旅遊業注入新的活力，助力海南「全域旅遊」發展新局面。

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The Group will closely focus on the tourism development trends in Hainan Province, especially in the north part of Hainan Province, and actively cooperate with the local governments to implement the promotion work of the tourism products. The Group will seize the development opportunity and contribute to the new height of passengers' number and handling capability of cargo in Meilan Airport.

Transportation Situation within the Island

As for the railroads, in order to speed up the Hainan roundabout tourism for "inner circulation", to further facilitate passenger travels, Hainan Roundabout High-speed EMU trains increased its departure frequency, starting from 00:00 on 20 January 2017, and the new train schedule was adopted. As the world's very first, Hainan Roundabout High-speed rail has delivered passengers of 20.17 million, which brings the "3-hour Economic Circle" within the island to an initial shape. As the service facilities of the high-speed roundabout rail, also the key information infrastructure construction project that receives attention from Hainan Province, the "4G network coverage project for high speed railway" is advancing intensively. At present, Hainan Unicom has opened the base station for the west cycle.

As for the highways, in 2016, great breakthroughs had been made in the construction of "Tian(田)" shaped highway. The high speed railway of Qiongzong-Wuzhishan-Ledong with a total length of 129 km and a total investment of RMB11.7 billion is progressing smoothly, the project has entered the stage of bridge deck laying comprehensively, it is expected to be open in 2018; this highway starts from the western part of Guoxing Revenue of Haikou City in the east, and extends to the train station in the west, the whole length reaches 18.42 kilometers; the Haixiu Fast Road with a total investment of RMB7.05 billion, as the key project of Hainan Province and Haikou City, has been open to traffic on 12 September 2016; the ring expressway highway that connects the downtown Haikou, Meilan Airport, the high-speed rail station and port hub corridor, will be invested with RMB698 million to expand the four lanes to six lanes, the expansion project has formally commenced on 18 October 2016, is expected to be completed in March 2018.

本集團將密切關注省內尤其是瓊北旅遊發展態勢，積極配合當地政府開展旅遊產品的宣傳推廣工作，緊抓發展機遇，助力美蘭機場旅客及貨郵行吞吐量再創佳績。

島內交通形勢

鐵路方面，為加快海南環島旅遊「內循環」，進一步方便旅客出行，自二零一七年一月二十日零時起，海南環島高鐵加大動車組開行密度，實行新的列車運行圖。海南環島高鐵作為全球首條環島高鐵，全線貫通一年多以來累計發送旅客2,017萬人次，促使環島「3小時經濟圈」初具雛形。作為環島高鐵的配套服務設施，同時也是海南省備受關注的重點信息基礎設施建設工程，「高鐵4G網絡覆蓋項目」正如火如荼推進中。目前，海南聯通已完成西環基站開通工作。

公路方面，二零一六年，海南「田」字型高速公路建設取得突破性進展。全長129公里、總投資人民幣117億元的瓊中—五指山—樂東高速公路項目進展順利，現已全面進入橋面鋪設階段，預計二零一八年可建成通車；東起海口市國興大道西段，西至火車站，全長18.42公里，總投資人民幣70.5億元的海秀快速路作為海南省、海口市重點項目工程，已於二零一六年九月十二日全線通車；作為連接海口市區、美蘭機場、高鐵站點、港口樞紐走廊的海口繞城高速將投資人民幣6.98億元進行四車道擴建為六車道工程，改擴建工程已於二零一六年十月十八日正式開工，計劃於二零一八年三月完工。

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As for the investment and constructions of airports, in order to provide a better guarantee for Boao Forum for Asia, Boao Airport has started its Phase II expansion project, which will upgrade the existing runway to a 3200-meter 4E class airport that can meet the requirements for large flights to depart or arrive, such as Boeing B747. The project passed the industry acceptance successfully on 16 March 2017. Danzhou Airport project is planned to position itself as Western Airport of Hainan Island, which covers an area of about 2.2 square kilometers, the total investment reached RMB1.5 billion with the annual passenger throughput of 900,000 passengers. It is expected to complete in 2019. The construction of the new airport in Sanya, Meilan Airport Phase II expansion project is also carried out simultaneously. By then, Hainan province will form a layout of airports spreading in “South, North, East and West, with two mains and two branches” which will give a full play to the role of strategic pivot of Hainan as the Maritime Silk Road.

Off-shore Duty-free Policy

During the past 2016, the industries that enjoy off-shore duty-free policy in Hainan Island have just boomed. Two duty-free shops in Haikou and Sanya recorded a total sales volume of 7,576,900 items with sales income of RMB6.182 billion and welcomed shopping tourists of 1,733,200, representing a year-on-year growth of 17%, 12% and 5%, respectively, the off-shore duty-free shopping has no doubt become a “Golden Name Card” of Hainan tourism.

The sales performance of off-shore duty-free shop in Meilan Airport has continuously and substantially grown. The total sales income of 2016 reached RMB1.489 billion, the total shopping population reached 788,256, the items sold amounted 2,420,981, representing a year-on-year growth of 20.13%, 22.72% and 23.55% respectively. The annual sale income achieved RMB1.489 billion, representing a remarkable year-on-year growth of 20% above.

In order to satisfy the shopping requirements of the off-shore tourists, and give a fully play of the off-shore duty free policy, the third adjustment of the most valuable “off-shore duty-free” policy among the efforts constructing Hainan International Island was officially implemented on 1 Feb 2016. This adjustment cancelled the shopping frequency limit for non-island citizens, increased the quota for duty free shopping and shopping items, added online shopping windows, etc. Along with this adjustment, the duty-free shop in Meilan Island accordingly launched multiple promotions such as “Duty-free

機場投資建設方面，為更好地保障博鰲亞洲論壇，博鰲機場啟動二期擴建工程，將現有的跑道升級為3,200米，成為可滿足波音B747等大型客機起降的4E級機場。該項目已於二零一七年三月十六日順利通過行業驗收；儋州機場項目定位為海南島西部機場，規劃佔地面積約2.2平方公里，總投資額約為人民幣15億元，年旅客吞吐量設計為90萬人次，預計將在二零一九年內完成建設。三亞新機場、美蘭機場二期擴建項目的建設亦同步進行中。屆時，海南省將形成「南北東西、兩干兩支」的機場運輸佈局，促進海南充分發揮「海上絲綢之路」戰略支點的作用。

離島免稅

在剛剛過去的二零一六年，海南離島免稅行業呈現出一番火熱景象。海口、三亞兩家免稅店全年共銷售免稅商品757.69萬件，銷售金額61.82億元人民幣，接待購物遊客約173.32萬人次，同比分別增長17%、12%和5%，離島免稅購物已真正成為海南旅遊的一張「金名片」。

美蘭機場離島免稅店銷售業績持續大幅攀升。二零一六年全年銷售收入達人民幣148,894.43萬元，購物總人次達788,256人次，銷售商品數量2,420,981件，同比分別增長20.13%、22.72%和23.55%。實現了全年銷售額達人民幣14.89億元，同比增長超20%的驕人業績。

為滿足離島旅客的購物需求，進一步發揮離島免稅政策效應，海南國際旅遊島建設中含含金量最高的「離島免稅」政策第三次調整於二零一六年二月一日正式落地實施，此次調整取消了非島內居民的購物次數限制、提高了免稅購物額度和購物件數、增設了網上銷售窗口等。隨着此次離島免稅新政的調整，美蘭機場離島免稅店應勢推出了「免稅夜市」、「島民特權」、「名表品鑑會」、「五載同舟不忘初心」五周年店慶等多個促銷

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night market”, “Special rights for island citizens”, “Famous watch fair”, the 5th Anniversary celebration themed “Five years with us, remember where we started”, etc. It introduced internationally known brands such as Versace, Dunhill, JIMMY CHOO and Kate Spade. It is worth mentioning that the duty-free shop in Meilan Island had RMB100 million online sales breakthrough in 2016, while the major e-business giants of overseas are competing fiercely, representing a year-on-year growth of 250%. This further magnified the effect of the off-shore duty-free policy of Hainan, and promoted the upgrading of Hainan.

In 2016, the off-shore duty-free shop in Meilan Island won the honors, such as “The Most Popular Duty Free Shop in Airports” and “China’s Duty Free Shop of Most Growth Potentials”.

Besides, on 22 November 2016, the Ministry of Finance of China officially approved to expand the business area of the off-shore duty free shop in Meilan Airport. Among which, the B1 and F1 off-shore duty free shops of the terminal complex project covered 18,000 square meters, and the area will reach over 30,000 square meters after the expansion. The increase of business area and more incoming duty-free brands to the off-shore duty-free shops will bring about promising franchise income. The loosen-up of the off-shore duty-free policy for Hainan Island will necessarily give an effective push to the continuous and rapid growth of tourism shopping in Hainan Province, and it will also directly or indirectly promote the continuous growth of the passenger throughput in Meilan Airport.

BUSINESS AND REVENUE REVIEW

Overview

In 2016, the Group complied with national and industry security action plans, implemented a further level of safety management improvements, took the strategic plan of “Thirteenth Five-Year” as guidance, conduct construction surrounding “One Belt and One Road Initiative”, together with concerted efforts, it can overcome difficulties and actively implement CAAC’s concept of “serve with sincerity” and continued marching onwards in the construction of “intelligentized airport.” The Group consecutively achieved its 18th year of safe aviation as planned.

活動，並引進了Versace、Dunhill、JIMMY CHOO、Kate Spade等國際知名品牌。值得一提的是，在各大跨境電商卯勁發展的同時，美蘭機場離島免稅店二零一六年線上實現銷售額突破人民幣1億元，同比增長超250%。進一步釋放了海南離島免稅的政策效應，促進了海南旅遊消費升級。

二零一六年，美蘭機場離島免稅店榮膺「全球最受歡迎機場免稅店」、「中國最具成長潛力免稅店」等獎項。

此外，二零一六年十一月二十二日，國家財政部正式批復同意擴大美蘭機場離島免稅店營業面積。其中，位於站前綜合體項目負一層及一層的離島免稅店面積為1.8萬平方米，擴大後總營業面積將超3萬平方米。免稅店營業面積的增加及免稅品牌的持續引進將為美蘭機場帶來十分可觀的特許經營收入。海南離島免稅政策的進一步放寬，必將有效拉動海南省旅遊購物消費的持續快速增長，亦將直接或間接地拉動美蘭機場客流量的持續增長。

業務及收入回顧

概況

二零一六年，本集團謹遵國家及行業安全工作部署，深化落實安全管理提升工作，以「十三五」戰略規劃為引領，圍繞「一帶一路」建設，戮力同心，砥礪前行，積極踐行民航局「真情服務」理念，推進「智慧機場」建設，如期實現自通航以來持續的第十八個安全年。

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In 2016, the Group continued to comprehensively promote enhancement of safety and customer service quality and to solidify the fruitful results of the creation of the SKYTRAX five-star airport as a turning point, and improvements to the operational safety and efficiency at Meilan Airport as a starting point, and remarkable achievements have been made.

In 2016, the Group's gained substantial success in the area of brand creation: In January 2016, the West Gallery of Meilan Airport has successfully gained SKYTRAX five-star recognition, marking great progress towards the building of the entire five-star Meilan Airport. In March 2016, Meilan Airport with consistent "devoted service" and a high standard service quality, gained two awards, namely "SKYTRAX China Regional Best Staff Award" and "SKYTRAX Best Regional Airport in China Finalist". In May 2016, Meilan Airport with outstanding performance in green efficient airport construction, was awarded "Green and Efficiency Airport Award" in the 6th Airport Construction Summit, increasing international influence steadily.

In order to break the single arrival and departure traffic pattern of Meilan Airport, Meilan Airport actively open air routes, multi-coordinate, gained the approval by the Civil Aviation Administration of South China on the arrival and departure route separation flight Program Design on 24 August 2016, effective at 00:00 on 8 December 2016. Till now, Meilan Airport air traffic forms a new "two arrivals two departures" pattern, increasing the airspace capacity for more than 10%, which is the largest adjustment and the widest range of airspace optimization initiatives during Meilan Airport's 18 years' navigation, in which the future route will be more secure, smooth and efficient.

On 6 January 2017, Meilan Airport flight peak time capacity adjustment was officially approved by CAAC. Flight capacity in peak time increased from 27 to 30 times, the daily release of flights is expected to record a year-on-year increase of 15%, representing passenger capacity of more than 3.35 million for the annual increase in passenger throughput. This will greatly enhance the speed of ground clearance and airport operation efficiency, laying a solid foundation for the rapid development of Meilan airport.

二零一六年，本集團繼續以鞏固SKYTRAX五星機場創建成果為契機，以提升美蘭機場運行安全與效率為切入點，全面促進安全、服務質量提升，成果顯著。

二零一六年，本集團品牌創建取得豐碩成果：二零一六年一月，美蘭機場西指廊獲「SKYTRAX五星」認證，標志著美蘭機場整體五星創建工作取得重大進展；二零一六年三月，美蘭機場憑借始終如一的「真情服務」及高水準的服務品質，一舉斬獲「SKYTRAX中國區最佳機場員工獎」和「中國區最佳區域機場入圍獎」兩項大獎；二零一六年五月，美蘭機場憑借在綠效機場建設中的突出表現，在第六屆機場建設發展國際峰會上被授予「綠色高效機場獎」，國際影響力穩步提升。

為打破美蘭機場空中進離場航路單進單出的交通格局，美蘭機場積極開闢航線，多方協調，於二零一六年八月二十四日取得民航中南管理局關於進離場航線分離飛行程序設計批復，二零一六年十二月八日零時正式生效啟用。至此，美蘭機場空中交通形成「兩進兩出」的新格局，可提升空域容量10%以上，這是美蘭機場通航18年以來調整幅度最大、範圍最廣的空域優化舉措，未來航路將更加安全、順暢、高效。

二零一七年一月六日，美蘭機場航班高峰時刻容量調整正式獲得民航局批復。航班高峰時刻容量由27架次調增至30架次，預計每日放行航班架次將同比增加15%，可為年度旅客吞吐量的增加創造335萬人次的空間。此舉將大幅提升地面放行速度與機場運行效率，為美蘭機場長足的發展奠定堅實基礎。

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In 2016, the Group continued to deepen the construction of intelligentized airport, the results have been fully covered the three major aspects of Meilan Airport – security, services and operation. Among them, the self-service boarding system was officially put into use, achieving the first whole area self-service boarding services in domestic airports; “all-in-one” service was officially put into use, significantly reduce the waiting time for passengers who do not need to handle check baggage, thus improving service efficiency of the airport services. The wireless apron despatch system is officially online, which will realize the change over flight protection from “results management” to “process management”, in which it plays a vital role towards the system regarding the increase of release rate over Meilan Airport. The newly operated command system, apron tower system, self-service baggage system, greatly enhance the capacity of Meilan Airport. Subsequent to the progressive introduction of the intelligentized system, Meilan Airport was awarded the “Unit with Excellence Practice in application of Internet Technology Annual Award” at the Civil Aviation Internet Conference, and was awarded the “Advanced Digitization of Informative and Intelligentized Collective Work Award” at the China Mobile Informative and Intelligentized Promotion Conference.

Overview of Aviation Business

In 2016, boosted by the overall rapid growth of the PRC civil aviation industry, and benefited from certain favourable policies as well as the construction of the Hainan International Tourism Island and off-shore duty free policy, the passengers throughput of Meilan Airport continued to experience a substantial growth, and recorded a debut of exceeding 18 million of visits, enabling it to rise 1 place from last year to the 18th among all civil airports in China.

While continuously making dedicated efforts to strengthen its marketing on aviation business, the Company actively communicated with local government, enthusiastically amended and adjusted airlines incentives policies to attract and encourage investments and participation from more airlines. Moreover, the Group has achieved the navigation with the six ASEAN countries and Europe, implemented air and rail link agency services, introduced the first intercity bus routes, and initially constructed the regional hub for airport air and land transport system. The Group has conducted measures on de-peaking during winter and spring, and cooperated during the summer and autumn off-seasons, ensured the flight takeoff and landing with an increase of 13,696 flights over last year via the flexible market policies, whilst the patronage rate remained the same over the same period of last year. By virtue of the support from local government, the Group also coupled with the aviation tourism industry enterprises to carry out a variety of marketing promotion campaigns, and continued to enhance the attractiveness of Haikou civil aviation market.

二零一六年，本集團繼續深化智能化機場建設，成果已全面覆蓋美蘭機場安全、服務、運行三大方面。其中，自助登機系統正式投入使用，實現了國內首個航空港整區域的自助登機服務；「一證通關」服務的正式啟用，大幅減少無需辦理行李托運旅客的等待時間，提高美蘭機場服務效率；無線站坪調度系統的正式上線，實現了航班保障從「結果管理」向「過程管理」的轉變，對美蘭機場放行正常率的提高起了重要的系統支撐作用；新生產運行指揮系統、機坪塔台系統、無線戰坪調度系統、自助行李系統的上線運行，大幅提升美蘭機場的保障能力。隨着智能化系統的逐步投入使用，美蘭機場在民航互聯網大會上榮獲「年度互聯網技術應用優秀實踐單位獎」、在中國交通運輸信息化智能化推進大會上榮獲「信息化智能化工作先進集體獎」。

航空業務綜述

二零一六年，在中國民航業整體快速發展的背景下，加之民航業系列利好政策出台及海南省國際旅遊島建設、離島免稅等利好因素的促進，美蘭機場旅客吞吐量持續大幅增長，首次突破1,800萬人次大關，排名位居中國民航機場第18位，較二零一五年上升一位。

本公司在持續加大航空主營市場營銷力度的同時，主動與當地政府溝通，積極修訂、調整航空獎勵政策，努力吸引更多航空公司增投運力；與東盟六國及歐洲實現通航，空鐵聯運代理落地實施，引進首條城際巴士線路，初步構建區域樞紐機場空地聯運體系；冬春削峰填谷、夏秋淡季合作，靈活的市場政策確保運輸起降同比增加13,696架次的同時，客座率與去年同期持平；依託政府，聯手航空旅遊各企業單位開展多種形式的營銷推廣活動，持續增強海口民航市場吸引力。

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For the year ended 31 December 2016, Meilan Airport operated a total of 239 originating routes, including 214 domestic routes, 20 international routes and 5 regional routes. Meilan Airport extended its reach to 121 cities, including 97 domestic cities, 19 international cities and 5 regional cities; and attracted 51 airlines to operate at Meilan Airport in total, including 30 domestic airlines, 9 international airlines and 4 regional airlines, and 8 domestic and international airlines to carry out alternate and temporary flights.

截至二零一六年十二月三十一日止，美蘭機場共運營始發航線239條，其中國內航線214條，國際航線20條，地區航線5條；通航城市121個，其中國內城市97個，國際城市19個，地區城市5個；共有51家航空公司在美蘭機場運營，其中國內30家，國際9家，地區4家，其餘執行備降及臨時航班的國內外航空公司8家。

Details of the aviation traffic throughput of Meilan Airport in 2016 and comparative figures of last year are set out below:

二零一六年美蘭機場航空交通流量詳情及與上一年的對比載列如下：

		2016 二零一六年	2015 二零一五年	Change 變動
Passenger throughput (headcount in ten thousand)	旅客吞吐量 (單位：萬人次)	1,880.38	1,616.70	16.31%
in which: domestic	其中：國內	1,811.83	1,562.01	15.99%
international and regional	國際及地區	68.55	54.69	25.34%
Aircraft takeoff and landing (flights)	飛機起降架次(單位：架次)	135,523	121,827	11.24%
in which: domestic	其中：國內	129,404	116,938	10.66%
international and regional	國際及地區	6,119	4,889	25.16%
Cargo throughput (tons)	貨郵行吞吐量(單位：噸)	274,535.90	246,787.50	11.24%
in which: domestic	其中：國內	262,680.30	237,466.00	10.62%
international and regional	國際及地區	11,855.60	9,321.50	27.19%

The Group's total revenue from aviation business for 2016 was RMB680,280,877, representing an increase of 17.28% as compared to that of 2015. A breakdown of the Group's revenue from aviation business is as follows:

本集團二零一六年航空業務總收入為人民幣680,280,877元，較二零一五年同期增長17.28%。有關本集團航空業務收入詳情載列如下：

		Amount 金額 (RMB) (人民幣元)	Changes over 2015 較二零一五年 變動
Passenger service charges	旅客服務費	258,865,736	12.66%
Refund of Civil Aviation Development Fund	民航發展基金返還補貼	217,408,980	17.71%
Ground handling service income	地面服務費	114,377,433	33.59%
Fees and related charges on aircraft takeoff and landing	飛機起降及相關收費	89,628,728	12.07%
Total revenue from aviation business	航空業務總收入	680,280,877	17.28%

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Overview of Non-Aviation Business

In 2016, the non-aviation business of the Group maintained growth momentum and achieved annual revenue of RMB528,429,357, representing a year-on-year increase of 9.32%. Its proportion to the Group's total revenue recorded to 43.72%. The continuous growth of non-aviation business was mainly due to continuous growth of the revenue from off-shore duty-free franchise and rental income due to the expansion of the business area after commencement of operation of the West Gallery since October 2015. Meanwhile, by ways of the flexible adjustment of the business model, and active utilization the area-effectiveness for commercial use, the Group maintained steady growth in the revenue of its non-aviation business. In 2016, the Group recorded franchise income accumulated to RMB296,214,134, representing a significant year-on-year increase of 15.50%, while freight and packaging income reached RMB76,666,706, representing a year-on-year decrease of 26.75%. Rental income reached RMB45,266,013, representing a year-on-year increase of 17.61%. In addition, parking fee income also reached RMB18,813,859, representing a year-on-year increase of 10.52%. Meanwhile, VIP room income reached RMB21,769,644, representing a year-on-year increase of 22.38%.

非航空業務綜述

二零一六年，本集團非航空業務繼續保持良好的增長態勢。全年實現非航空業務收入人民幣528,429,357元，同比增長9.32%，在本集團總收入的佔比達43.72%。非航空業務收入的持續增長主要得益於西指廊於二零一五年十月投入使用後，商業面積擴大帶來的離島免稅等特許經營收入及租金收入的持續增長。同時，本集團通過靈活調整商業模式，積極提高候機樓整體商業坪效，確保非航空業務收入持續穩定增長。二零一六年，本集團特許經營權收入累計達人民幣296,214,134元，同比增長15.50%；貨運及包裝收入達人民幣76,666,706元，同比下降26.75%；租金收入則達人民幣45,266,013元，同比增長17.61%。此外，停車場收入亦達人民幣18,813,859元，同比增長10.52%。與此同時，貴賓室收入達到人民幣21,769,644元，同比大幅增長22.38%。

		Amount 金額 (RMB) (人民幣元)	Changes Over 2015 較二零一五年 變動
Franchise income	特許經營權收入	296,214,134	15.50%
Freight and packaging income	貨運及包裝收入	76,666,706	-26.75%
Rental income	租金收入	45,266,013	17.61%
VIP room income	貴賓室收入	21,769,644	22.38%
Parking fee income	停車場收入	18,813,859	10.52%
Other income	其他收入	69,699,001	42.36%
Total revenue from non-aviation business	非航空業務總收入	528,429,357	9.32%

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Franchise Income

In 2016, the franchise income of the Group amounted to RMB296,214,134, representing a year-on-year growth of 15.50%, which was mainly attributable to factors such as continuous expansion of the business area of Meilan Airport Off-shore Duty-Free Shop, diversified duty-free commodities, increase off-shore duty-free allowance innovative promotion means, resulting in the continuous growth in sales in off-shore duty-free shop. In 2016, revenue from off-shore duty-free franchise of the Group amounted to RMB181,997,903, representing a year-on-year growth of 5.94%.

Freight and Packaging Income

In 2016, the freight and packaging income of the Group aggregated to RMB76,666,706, representing a year-on-year decrease of 26.75%, which was due to the expiration of the freight service contracted by the Company with Hainan Airlines Company Limited, causing such decrease in freight and packaging income.

Rental Income

In 2016, the rental income of the Group amounted to RMB45,266,013, representing an increase of 17.61% compared with last year. The main reasons are that through the utilization of space resources, together with the flexible adjustment of the business model, further optimization over the spaces of the terminal, enhancement of the area-effectiveness for commercial use of the terminal, and the operation of West Gallery, the Company is able to guarantee a continuous growth of rental income.

Parking Fee Income

In 2016, the parking fee income of the Group aggregated to RMB18,813,859, representing a year-on-year growth of 10.52%, which was mainly due to the fact that the Company strengthened the renovation in order to further utilize the existing parking resources efficiently, which resulted in a growth in parking fee income.

Cling to Safe Production without Loosening

The Group regards safety operation as a “lifeline” for its entire existence and development. In 2016, in response to the severe ongoing security situation, the Group actively upgraded its own safety management by strengthening the following aspects of its work:

特許經營權收入

二零一六年，本集團特許經營權收入累計達人民幣296,214,134元，同比增長15.50%，主要得益於美蘭機場離島免稅店營業區域持續擴大、免稅商品種類增加、促銷手段多樣化及離島免稅購買額度提高等因素，促使其銷售收入持續增長。二零一六年本集團離島免稅特許經營權收入為人民幣181,997,903元，同比增長5.94%。

貨運及包裝收入

二零一六年，本集團因原承包海南航空股份有限公司貨運業務合同到期，導致貨運收入下降。二零一六年全年，本集團貨運及包裝收入累計實現人民幣76,666,706元，同比下降26.75%。

租金收入

二零一六年，本集團租金收入為人民幣45,266,013元，較上一年增長17.61%。主要原因是本公司靈活調整商業模式，進一步優化候機樓場地佈局，提高候機樓整體商業坪效，加上西指廊的投入使用，促進了租金收入的持續增長。

停車場收入

二零一六年，本集團停車場收入累計實現人民幣18,813,859元，同比增長10.52%。主要原因是本公司通過加強停車場的改造，使得現有停車場資源得到充分利用，從而帶來收入的增長。

緊抓安全生產不放鬆

本集團始終將安全生產作為生存發展的「生命線」。二零一六年，針對持續嚴峻的安保形勢，本集團通過加強如下方面工作，積極提升自身安全管理水平：

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Carried out the work of safety performance management. In 2016, the Group continued to promote the integration construction of safety, performance, information and risk management, used all levels of performance index as the key points for risk control; through data collection, processing and analysis of the operation information, safety review, supervision, etc. The dynamic database management of the dangerous sources is improved, and the gist of performance control is timely adjusted. The Group strengthened the monitoring of safety performance indicators by using the risk assessment method, such as safety supervision, safety review, etc, and promoted the effective integrated construction that views safety information for driving force, and safety risks as the core, and safety performance management as the means. While focusing on the operation results and efficiency, the Group highlighted the control on the operation process and management indicators, to ensure the safety performance to be implemented effectively, to achieve management and control of “data security”, and to effectively improve the safety management efficiency.

Strengthened security risk management. The Group revised “Dynamic Regulations for Safety Risks of Haikou Meilan International Airport”, and clearly redefined the risks, risk parameter identification standards and so on, and organized the risk management personnel in each unit for special training. The Group combined the advanced safety management concept of international civil aviation, and reorganized the core risks and various departments risk database. In a timely manner, the Group carried out special risk assessment work. As for the protruding issues, special safety risk warning or work instructions were developed, and 8-Class safety alerts were issued respectively regarding the bird strike, FOD risks and airport apron operation risks.

Strengthened information linkage and intelligent security prevention and control work. The Group had established the “Joint Inspection System of the Committee for Airport Aviation Safety Protection”, established the normal communication mechanism and joint inspection mechanism, to achieve effective communication among the members units and to strengthen the security information linkage. The Group developed the certificate management platform in the control area jointly with the Airport Branch of Haikou Public Security Bureau, which is in safety training, assessment, detainment and fine, and management of certificates, combined with the daily supervision and internal review system, to improve the effectiveness of internal safety management. The corrective measures are checked to achieve the closed-loop management of internal safety. The Group had built a multiple safety loop from inside to outside supported by information technologies, thus to ensure the air safety and stable operation of Meilan Airport.

開展安全績效管理工作。二零一六年，本集團持續推進安全績效、信息、風險管理的一體化建設，以各層級績效指標作為風險控制關鍵點，通過對運行信息、安全審核、監察等數據收集、處理和分析，完善危險源數據庫的動態管理，並適時調整績效控制關鍵點。運用風險評估方式加強對安全績效指標監控，採取安全監察、安全審核等方式，促進以安全信息為驅動、以安全風險為核心、以安全績效管理為手段的一體化建設有效開展。在重點關注運行結果效能的同時，突出對運行過程類和管理類指標的控制，確保安全績效管理有效落地實施，實現「數據安全」管控，切實提升安全管理效能。

加強安全風險管控工作。本集團修訂了《海口美蘭國際機場安全風險動態化管理規定》，對危險源的描述、風險指數判定標準等進行重新明確，並組織各單位風險管理人員開展專門的培訓宣貫。結合國際民航先進安全管理理念，組織對公司級核心風險及各部門危險源數據庫進行重新梳理。及時開展專項風險評估工作，並針對典型突出問題製作專項安全風險預警或工作指令，已分別針對鳥擊風險、FOD風險、機坪運行安全風險下發了8期安全預警。

加強信息聯動及智能安保防控工作。制定《機場航空安全保衛委員會聯合檢查制度》，建立常態溝通機制、聯合檢查機制，實現各成員單位間有效溝通，加強安保信息聯動；聯合海口市公安局機場分局開發控制區證件管理平台，集安保培訓、考核、扣罰和證件管理等為一體，結合日常監督檢查和內部審核制度，提高內部安全管理有效性，對整改項目進行跟踪，形成內保閉環管理。構建由內到外，以信息化支撐的多層安保防控圈，確保美蘭機場空防安全和運行穩定。

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In September 2016, Meilan Airport passed the ACI airport safety excellence (APEX) review which checked the safety management system, the removal of damaged aircraft, wild animal protection, pavement management and fire emergency six modules and conducted site check on the firefighting equipment, flight area signs, navigational lighting aid and so on. Meilan Airport took this opportunity to learn leading edge concepts of ACI in terms of integrated ecosystem management in flight area, bird strike control, safe operation of airport apron, safety risks management and so on, and enhanced the professional safety professional knowledge, and benchmarked with international safety standards, promoted the change of mindset for safety management, method improvement, and efficiency enhancement.

Raising the Quality of Service from the Inside Out

In 2016, the Group persevered with the “building SKYTRAX five-star” as the key points, continuing the drive for refined management, self-improvement and external collaboration, and endeavouring to further raise its service quality.

Adhered to the bottom line working requirement of “serve with sincerity” set by the CAAC, with “changing mindset, breaking through difficulties, storing talents” as the guidance, “two directions” as the working principle, Meilan Airport started from four aspects of “human, aircraft, environment and management”, by means of a number of initiatives on information construction, process optimization, airspace environment and staffing, and through the establishment of sincere service KPI, service management system, carried out service quality review, entered into “true service contract”, commenced “service quality month” and so on improvement activities, and Meilan Airport completed 233 software project improvements in total. The Group implemented the apron operation mode of “twin towers combination, air and ground coordination” which greatly increased the flight punctuality rate. In 2016, the Meilan Airport’s clearance rate of flights reached 78.83%, the departure clearance rate of flights reached 75.89%, representing new record-high year-on-year growth of 17.05% and 25.23%, respectively, and proves that Meilan Airport provides efficient and quality service experience in real terms.

二零一六年九月，美蘭機場順利通過ACI卓越安全機場(APEX)復審。此次復審對安全管理體系、殘損航空器搬移、野生動物防範、道面管理和消防急救六大模塊開展審核工作，並對消防設備、飛行區標誌標牌、助航燈光等項目進行了實地檢查。美蘭機場以此為契機學習ACI在飛行區綜合生態治理、鳥害防治、機坪安全運行、安全風險管理等方面的前沿理念，提升安全專業知識、對接國際安全標準，促進安全管理思維方式的轉變、方法的改進和效能的提升。

內外兼修，促進服務品質再提升

二零一六年，本集團服務工作繼續堅持以「SKYTRAX五星創建」為重點，持續推進精細化管理，堅持自我提升與外部促進相結合，推動服務質量再提升。

秉承民航局「真情服務」底線工作要求，以「轉思路、攻難關、營氛圍、儲人才」為導向，秉承「兩個面向」的工作宗旨，美蘭機場從「人、機、環、管」四個方面入手，借助信息化建設、流程優化、空域環境、人員配備多項舉措，通過設立真情服務KPI、建立服務管理體系、開展服務質量審核、簽訂《真情服務合約書》、開展「服務質量月」專項提升活動等系列手段，完成軟件提升項目共計233項。實行「雙塔聯合、空地協同」的機坪運行模式，大幅提升航班正點率。二零一六年，美蘭機場航班放行正常率78.83%，始發航班放行正常率75.89%，同比分別增長了17.05%、25.23%，均創歷史新高，真正為旅客提供了高效、優質的服務體驗。

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Meilan Airport started from the personalized service to carry out a series of theme-based service of 34 projects in total, such as “accompanied by the true love, joyful kids trip”, “mother in candle light”, “pay tribute to the workers”, “my love for Meilan, accompany forever” and “kid’s love for the party”, and optimized 76 service innovation initiatives, as well as more than 200 service improvement measures.

The Group actively responded to the activity of “mother love for 10 square meters” jointly initiated by the United Nations Children’s Fund and Maternal and Child Health Center under China Center for Diseases Control and Prevention, to prepare thoughtful maternal and infant care for passengers and provide conveniences for their travel. On 16 February 2016, Meilan Airport upgraded and put into use the nursery room, the basic facility is fully equipped which provides a warm and comfortable environment. This greatly enhanced the service impression of Meilan Airport, and portrayed Meilan Airport as an active practitioner of the industry concept of “serve with sincerity.”

FINANCIAL REVIEW

Asset Analysis

As at 31 December 2016, the total assets of the Group amounted to RMB8,195,830,836, representing an increase of 17.72% over last year. Among which, current assets amounted to RMB1,267,688,299, representing 15.47% of the total assets, non-current assets amounted to approximately RMB6,928,162,537, representing approximately 84.53% of the total assets.

Capital Structure

The major objective of the Group’s capital management is to ensure the ability of ongoing operations and to maintain a healthy capital ratio in order to support its business and maximize shareholders’ interests. The Group continued to emphasize the appropriate mix of equity and debt to ensure an efficient capital structure to reduce capital cost. As at 31 December 2016, the debts of the Group mainly include bank loans, corporate bonds and long-term payables (hereinafter the “total borrowings”), amounting to approximately RMB3,309,580,891, cash and cash equivalents was approximately RMB752,451,597. The gearing ratio (total borrowings/total equity) of the Group was 88.78% as at 31 December 2016 (31 December 2015: 100%).

美蘭機場從個性化服務入手，開展以「真情相伴·快樂童行」、「燭光裏的媽媽」、「向勞動者致敬」、「鍾情美蘭·相伴相隨」、「童心向黨」等一系列主題特色服務項目共計34項，優化服務創新舉措76項，服務提升措施施200餘項。

積極響應聯合國兒童基金會與中國疾病預防控制中心婦幼保健中心聯合發起的「母愛10平方」活動，切實做好母嬰旅客關愛工作，為其出行提供便利，美蘭機場於二零一六年二月十六日完成母嬰室全新升級並投入使用，升級後的母嬰室基本設施配備齊全，環境溫馨舒適，極大地提升了美蘭機場的服務形象，體現了美蘭機場積極踐行「真情服務」的行業理念。

財務回顧

資產分析

於二零一六年十二月三十一日，本集團的資產總額為人民幣8,195,830,836元，較上年同期增長17.72%。其中流動資產為人民幣1,267,688,299元，佔總資產15.47%；非流動資產約人民幣6,928,162,537元，佔總資產約84.53%。

資本架構

本集團資本管理的主要目標為確保本集團持續經營能力及保持良好的資本率，以支持其業務經營及使股東利益最大化。本集團持續重視股本和負債組合，確保最佳的資本架構以減低資本成本。於二零一六年十二月三十一日，本集團的負債主要是銀行貸款、公司債券和長期應付款（以下簡稱為「總借款」）共計人民幣3,309,580,891元，持有現金及現金等價物約人民幣752,451,597元。於二零一六年十二月三十一日，本集團資本負債率（總借款／總權益）為88.78%（二零一五年十二月三十一日：100%）。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The Group maintained a balanced portfolio of loans at fixed interest rates and variable rates to manage interest expenses. As at 31 December 2016, 95.17% of the Group's total borrowings were subject to fixed interest rates, while the remaining 4.83% were subject to floating interest rates.

The Group aimed to keep the balance between the continuity and flexibility of funds by capitalizing on its total borrowings. As at 31 December 2016, 19.30% of the Group's bank loans will become due within one year, and the corporate bonds will become due in 2019.

As at 31 December 2016, the Group's total borrowings were denominated in Renminbi and US dollars, among which borrowings in US dollars represented approximately 5.14% of the total borrowings, while cash and cash equivalents were mainly denominated in Renminbi.

Costs Analysis

The operation cost and administrative expenses of the Group were RMB524,071,201 in 2016, representing an increase of RMB60,234,568 or 12.99% as compared to that of 2015, mainly attributed to:

- (1) the depreciation charge of the year increased by RMB28,165,715 of the Group, which was mainly due to the commencement of operation of the West Gallery and the auxiliary facilities;
- (2) the costs of the contract labour increased by RMB16,937,063 due to the increase of the contract labour of the Group in the year; and
- (3) the maintenance fee of the Group in the year amounted to RMB10,614,772, which was mainly due to the fact that the facilities operated over years, which increased the maintenance fee.

In 2016, the financial expenses of the Group amounted to RMB136,839,493, representing an increase of RMB62,903,781 as compared to the same period last year, which was mainly due to the increase of the Group's new loans, issuance of corporate bonds and the change in the syndicated loan Libor.

Cash Flow

In 2016, the Group's net cash inflow from operating activities was RMB968,633,166, representing an increase of 123.01% over last year. Such increase was mainly due to the increase in operating income.

本集團通過維持適當的固定利率債務與可變利率債務組合以管理利息成本。於二零一六年十二月三十一日，本集團總借款的95.17%為固定息率計算，餘下4.83%為按浮動息率計算。

本集團的目標是運用總借款在資金的持續性與靈活性之間保持平衡。於二零一六年十二月三十一日，本集團銀行貸款的19.30%將在一年內到期，公司債券將在二零一九年到期。

於二零一六年十二月三十一日，本集團的總借款以人民幣和美元計算，其中以美元核算之金額約佔總借款的5.14%；現金和現金等價物以人民幣持有。

成本分析

二零一六年本集團營業成本和管理費用合計為人民幣524,071,201元，較二零一五年增加人民幣60,234,568元，同比增長12.99%。主要原因如下：

- (1) 本年度本集團增加折舊費用人民幣28,165,715元，主要是西指廊及附屬設備設施投入使用所致；
- (2) 本年度本集團僱用的勞務派遣人數增加，導致勞務派遣人員費用增加人民幣16,937,063元；及
- (3) 本年度本集團增加維修費用人民幣10,614,772元，主要因為設備設施運營多年，維修需要導致費用增加。

二零一六年，本集團財務費用為人民幣136,839,493元，較去年同期增加人民幣62,903,781元。主要是本年度本集團新增貸款、新發行公司債券及銀團貸款Libor變動所致。

現金流量

二零一六年，本集團經營活動的現金淨流入為人民幣968,633,166元，較上年同期增加123.01%，該增長的主要原因是經營收入增加。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

In 2016, the Group's net cash outflow from investing activities was RMB838,357,980, which was mainly attributable to payments for the construction of the Phase II expansion project and terminal complex project.

In 2016, the Group's net cash outflow from financing activities was RMB400,933,144, which was mainly attributable to the repayment of principal of loan from syndicated loan, and the payment of interests on borrowings and dividends.

Pledge of the Group's Assets

Certain land use rights of the West Gallery and for the constructions the international terminal, and part of the ground-level buildings have been pledged to secure a long-term borrowing granted to the Group and the Parent Company (being the joint borrowers) by China Development Bank. As at 31 December 2016, the outstanding balance of the borrowing was RMB530,000,000.

On 2 July 2015, the Company entered into an arrangement with CITIC Trust Co., Ltd. (中信信託有限責任公司) whereby the Company obtained financing from the trust of RMB1,100,000,000 under which the Company's entitlements to aviation service income for the period from 1 May 2015 to 30 April 2020 were pledged to the trust for issuing an asset-backed security (the "ABS"). As at 31 December 2016, the remaining principal of the external borrowings of the ABS amounted to RMB873,000,000 (31 December 2015: RMB1,030,000,000).

On 27 April 2016, the Company borrowed US\$24,508,400 for short-term from Nanyang Commercial Bank (China) Limited ("Nanyang Bank") with a fixed deposit of RMB160,000,000 as collateral. The annual interest rate was 0.20%. As at 31 December 2016, the loan balance was US\$24,508,400 (equivalent to approximately RMB170,014,771).

On 22 December 2016, the Company borrowed RMB300,000,000 from Nanyang Bank at an annual interest rate of 5.25%. As at 31 December 2016, the loan balance was RMB300,000,000.

二零一六年，本集團的投資活動現金淨流出為人民幣838,357,980元，主要是二期擴建項目及站前綜合體項目的支出。

二零一六年，本集團的融資活動現金淨流出人民幣400,933,144元，主要是因為償還銀團貸款本金、支付借款利息和股息。

集團的資產抵押

本集團與母公司作為共同借款人，以西指廊及國際航站樓建設的若干土地使用權及部份地面建築物作為抵押擔保從國家開發銀行借入長期借款。截止二零一六年十二月三十一日，該長期借款餘額為人民幣530,000,000元。

於二零一五年七月二日，本公司以二零一五年五月一日至二零二零年四月三十日期間內本公司航空服務經營收入權利為質押，與中信信託有限責任公司訂立了一項資產證券化（「資產證券化」）安排，借入信託貸款人民幣1,100,000,000元。於二零一六年十二月三十一日，該項資產證券化對外借款的本金為人民幣873,000,000元（二零一五年十二月三十一日：人民幣1,030,000,000元）。

本公司以人民幣160,000,000元定期存款作為質押，於二零一六年四月二十七日向南洋商業銀行（中國）有限公司（「南洋銀行」）借入短期借款24,508,400美元，年利率為0.20%。於二零一六年十二月三十一日，該項借款餘額為24,508,400美元（折合約為人民幣170,014,771元）。

本公司於二零一六年十二月二十二日向南洋銀行借入短期借款人民幣300,000,000元，年利率為5.25%。於二零一六年十二月三十一日，該項借款餘額為人民幣300,000,000元。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Account Receivable

As at 31 December 2016, the accounts receivables and other receivables of the Group amounted to RMB262,591,038, representing an decrease of 19.73% as compared with the end of the previous year.

Details of the accounts receivables and other receivables of the Group are set out in Note 4(2) and Note 4(4) to the financial statements. Details of the accounts receivables and the policy for impairment of accounts receivables are set out in Note 2(10) to the financial statements.

Gearing Ratio

As at 31 December 2016, current assets of the Group were RMB1,267,668,299, total assets were RMB8,195,830,836, current liabilities were RMB1,777,591,086, total liabilities were RMB4,468,162,437, and net current liabilities were RMB509,922,787. The gearing ratio (total liabilities/total assets) of the Group was 54.52%, representing an increase of 1.22% over 2015, which was mainly attributable to the accrued construction fee payables based on the status of the terminal complex and Phase II expansion project; whilst the net current liabilities of 2016 was mainly due to the accrued fee of the construction work of the Group.

Foreign Exchange Risks

The businesses of the Group are principally conducted in Renminbi, except certain aviation revenue, purchase of equipment and consulting service fee which are denominated in US dollars or Hong Kong dollars. In view of the limited impact derived from the changes in foreign exchange rates on the Group's operating results, the Group has not entered into any forward contracts to hedge its exposure to foreign exchange risks.

Financial Instruments

As at 31 December 2016, financial instruments of the Group mainly included bank loans, corporate bonds, cash and bank deposits. The purpose of these financial instruments is to finance the Group's operations. Besides, the Group had other financial instruments in relation to daily operations, such as receivables (excluding prepayments) and payables (excluding statutory liabilities).

應收款項

於二零一六年十二月三十一日，本集團應收賬款及其他應收款為人民幣262,591,038元，較上年末減少19.73%。

本集團應收賬款及其他應收款的詳情載於財務報表附註四(2)和附註四(4)，有關應收賬款及應收賬款減值政策載於財務報表附註二(10)。

資產負債率

於二零一六年十二月三十一日，本集團的流動資產為人民幣1,267,668,299元，資產總額為人民幣8,195,830,836元，流動負債為人民幣1,777,591,086元，負債總額為人民幣4,468,162,437元，淨流動負債為人民幣509,922,787元。本集團資產負債率(負債總額/資產總額)為54.52%，較二零一五年上升1.22%，主要原因是根據站前綜合體及二期擴建項目進展情況，預提應支付而未支付的款項；本年度出現淨流動負債的主要原因是本集團預提本年度應支付而未支付的工程款。

外匯風險

除若干航空收入、購買設備及諮詢服務費用以美元或港元計值外，本集團的業務主要以人民幣列賬。鑑於外幣匯率的變動對本集團的經營業績的影響有限，本集團並未訂立任何遠期合約以對沖外幣匯兌風險。

金融工具

於二零一六年十二月三十一日，本集團的金融工具主要由銀行貸款、公司債券、現金和銀行存款組成。這些金融工具的主要目的是為本集團的運作籌集資金。另外，本集團還有來自日常經營的其它金融工具，諸如剔除預付款的應收款項及剔除法定負債的應付款項。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Contingent Liability

As at 31 December 2016, neither the Group nor the Company had any significant contingent liability.

FUTURE MATERIAL INVESTMENT AND EXPECTED SOURCE OF FUND

On 21 August 2015, the Company and the Parent Company entered into an investment and construction agreement (the “**Investment and Construction Agreement**”), pursuant to which, the Company agreed to provide funds, amounting to approximately RMB7.158 billion, to the airport project construction of the Phase II expansion project of Meilan Airport (“**Construction Project**”). The sources of fund on the Construction Project are expected to be as follows:

- (1) The Company has completed the asset-backed securitization plan on 2 July 2015, of which approximately RMB0.95 billion will be utilized in the construction of the Construction Project;
- (2) The China Development Bank, Hainan Branch issued a letter of intention in relation to the long-term loan of the Construction Project amounting to approximately RMB8 billion. It is expected that the Company may obtain a long-term project loan credit amounting to approximately RMB4.16 billion, which will be utilized in the construction of the Construction Project;
- (3) The Company plans to issue the private placement of Renminbi corporate bonds with maximum principal amount of RMB3 billion, a part of the Renminbi corporate bonds will be utilized in the Construction Project; and
- (4) The Company will use part of its working capital generated from its operation activities to support the construction of the Construction Project.

或然負債

於二零一六年十二月三十一日，本集團及本公司概無重大的或然負債。

未來重大投資及預期資金來源

本公司於二零一五年八月二十一日與母公司訂立《投資建設協議》(「《投資建設協議》」)，同意提供約人民幣71.58億元參與建設美蘭機場二期擴建工程之機場工程(「**建設項目**」)。建設項目預期資金來源為：

- (1) 本公司於二零一五年七月二日完成的資產支持證券計劃中，約人民幣9.5億元將用於興建建設項目；
- (2) 國家開發銀行海南分行就建設項目出具約為人民幣80億元的長期項目貸款意向書。預期本公司可獲得約為人民幣41.6億元的長期貸款額度用於興建建設項目；
- (3) 本公司計劃通過非公開發行的方式發行最高額度為人民幣30億元的公司債券，其中部份款項將用於興建建設項目；及
- (4) 本公司將動用部份自身經營活動所得的營運資金以支持建設項目。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

PURCHASE, SALE OR REDEMPTION OF THE SHARES

As at 31 December 2016, neither the Group nor the Company had purchased, sold or redeemed any of the shares of the Company.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OBLIGATIONS ON THE CONTROLLING SHAREHOLDER

Pursuant to Rules 13.18 and 13.21 of the Listing Rules, the following is the Facility Agreement of the Company dated 4 December 2013 which contains the conditions for the specific performance of the parent company of the Company and shall be disclosed hereunder.

Pursuant to the announcement of the Company dated 4 December 2013, the Company entered into a three-year loan agreement (“the Facility Agreement”) with a total amount of US\$250,000,000, which is mainly used for the terminal complex project Construction and the daily needs of the Company.

The relevant loan and interest payable were settled on 30 December 2016 and the Facility Agreement was terminated accordingly at that date.

For details of the Facility Agreement, please refer to the announcement of the Company dated 4 December 2013.

CHANGES OF DIRECTORS

The Board comprises eleven directors of the Company (the “Directors”). During the period from 1 January 2016 to 31 December 2016, changes in the directorship of the Company are as follows:

Mr. Wang Zhen was re-appointed as executive Director from 18 May 2016, with a term of 3 years. His appointment was approved and ratified at the annual general meeting held on 18 May 2016.

Mr. Yang Xiaobin was re-appointed as executive Director from 18 May 2016, with a term of 3 years. His appointment was approved and ratified at the annual general meeting held on 18 May 2016.

購買、出售或贖回股份

於二零一六年十二月三十一日，本集團及本公司概無購買、出售或贖回任何本公司股份。

附帶與控股股東特定履約責任相關之契諾之貸款協議

根據《上市規則》第13.18及13.21條，下文有關本公司二零一三年十二月四日之融資協議，其中包含對本公司的母公司特定表現之條件，須在此披露。

依據本公司日期為二零一三年十二月四日之公告，本公司簽訂了一份總金額為250,000,000美元的三年期貸款協議（「融資協議」），主要用於站前綜合體項目建設及本公司日常經營需要。

有關貸款及應付利息已於二零一六年十二月三十日結清，融資協議相應於該日期終止。

有關融資協議的詳情，請參考本公司二零一三年十二月四日的公告。

董事變動

本公司董事會由十一位董事（「董事」）組成。於二零一六年一月一日至二零一六年十二月三十一日期間，本公司董事職位變動如下：

王貞先生自二零一六年五月十八日起經重選繼續擔任執行董事職務，任期三年。乃經由二零一六年五月十八日股東週年大會批准及追議後作實。

楊小濱先生自二零一六年五月十八日起經重選繼續擔任執行董事職務，任期三年。乃經由二零一六年五月十八日股東週年大會批准及追議後作實。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Mr. Liu Shanbin had taken over the role of executive Director of Mr. Gao Jian from 18 May 2016, with a term of 3 years. His appointment was approved and ratified at the annual general meeting held on 18 May 2016.

Mr. Zhou Feng had taken over the role of independent non-executive Director of Mr. Zhang Peihua from 11 October 2016, with a term of 3 years. His appointment was approved and ratified at an extraordinary general meeting held on 11 October 2016.

Mr. Chan Nap Kee, Joseph was re-appointed as non-executive Director from 30 December 2016, with a term of 3 years. His re-appointment was approved and ratified at an extraordinary general meeting held on 30 December 2016.

Mr. Yan Xiang was re-appointed as non-executive Director from 30 December 2016, with a term of 3 years. His re-appointment was approved and ratified at an extraordinary general meeting held on 30 December 2016.

Mr. Fung Ching, Simon was re-appointed as independent non-executive Director from 30 December 2016, with a term of 3 years. His re-appointment was approved and ratified at an extraordinary general meeting held on 30 December 2016.

Mr. George F Meng was re-appointed as independent non-executive Director from 30 December 2016, with a term of 3 years. His re-appointment was approved and ratified at an extraordinary general meeting held on 30 December 2016.

EMPLOYMENT, REMUNERATION POLICY AND TRAINING

As at 31 December 2016, the Group had a total of 873 employees, representing an increase of 140 employees over last year, which was mainly due to the needs derived from the business growth, the operation of the terminal complex project of Meilan Airport, and the new employment for talents to reserve for the construction of the Phase II expansion project. Employees are remunerated based on their performance, experience and prevailing industry practices. The Group will review the remuneration policy and related packages on a regular basis. Performance-based bonuses and commissions may be awarded to employees. The Group provided adequate trainings based on the requirement of employees, with an aim to upgrade the talent of employees. A total of 231 courses under the training scheme were completed, and 6,215 staff participated in such courses.

劉善斌先生自二零一六年五月十八日起接替高建先生擔任執行董事職務，任期三年。乃經由二零一六年五月十八日股東週年大會批准及追認後作實。

周鋒先生自二零一六年十月十一日起接替張佩華先生擔任執行董事職務，任期三年。乃經由二零一六年十月十一日股東特別大會批准及追認後作實。

陳立基先生自二零一六年十二月三十日起經重選繼續擔任非執行董事職務，任期三年。乃經由二零一六年十二月三十日股東特別大會批准及追認後作實。

燕翔先生自二零一六年十二月三十日起經重選繼續擔任非執行董事職務，任期三年。乃經由二零一六年十二月三十日股東特別大會批准及追認後作實。

馮征先生自二零一六年十二月三十日起經重選繼續擔任獨立非執行董事職務，任期三年。乃經由二零一六年十二月三十日股東特別大會批准及追認後作實。

孟繁臣先生自二零一六年十二月三十日起經重選繼續擔任獨立非執行董事職務，任期三年。乃經由二零一六年十二月三十日股東特別大會批准及追認後作實。

僱員、薪酬政策及培訓

於二零一六年十二月三十一日，本集團僱用人數為873人，同比增加140人，主要是為了滿足公司業務增長的需要、美蘭機場站前綜合體投入運營及二期擴建人才儲備需求而進行了員工引進。本集團根據僱員的表現、資歷及當時的行業慣例給予僱員報酬，而薪酬政策及組合會定期檢討。根據對僱員工作表現的評估，確定僱員是否會獲得花紅及獎金。本集團根據僱員所在的職位需求，為提高員工素質提供充足的技能培訓，培訓計劃共完成231項，參訓人數達6,215人次。

RETIREMENT PENSION

The Company and its subsidiaries shall participate in the retirement scheme operated by the relevant local governmental institutions. The PRC government shall be responsible for the pension of the retired employees. The Group has to make a contribution at a rate of 19% of the salary of the employees with permanent residence in the PRC. Once the Group contributes to the retirement scheme, the employer's contribution is fully owned by the employees. For the year ended 31 December 2016, the pension contribution of the Group was approximately RMB10,694,508 (2015: RMB9,497,804).

養老保險金

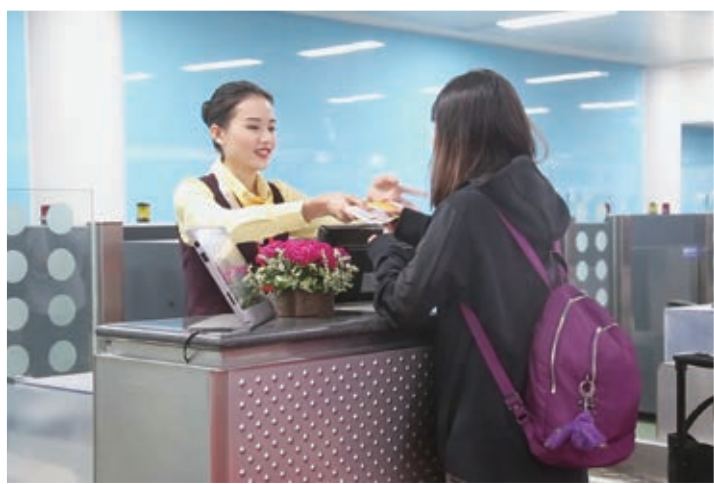
本公司及其子公司須參與由當地政府機構管理的養老保險計劃。中國政府須承擔該等退休僱員的退休金責任。本集團須為擁有中國永久居民資格的僱員提供其薪金19%的供款。本集團一經向養老保險金計劃供款，有關僱主供款即全數歸僱員所有。本集團於截至二零一六年十二月三十一日止年度的退休金供款約為人民幣10,694,508元（二零一五年：人民幣9,497,804元）。

STAR-RATED MEILAN 星級美蘭

TO CREATE A COMFORTABLE ENVIRONMENT
營造舒適環境



▼ Bright Check-in
亮麗值機



▼ Smooth Access in Meilan
暢行美蘭



▲ Green Airport
綠色機場



▲ Star-rated Security Inspection
星級安檢

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company is committed to complying with all the rules prescribed by the China Securities Regulatory Commission (the “CSRC”) and Hong Kong Stock Exchange, as well as requirements of other regulatory bodies. The Company has adopted a code on corporate governance practices on terms no less exacting than the standard of the Code on Corporate Governance Practices (the “Corporate Governance Code”) contained in Appendix 14 to the Listing Rules, which came into effect in January 2005 and has been amended from time to time. During the year ended 31 December 2016, the Company had complied with the Corporate Governance Code and all governance and disclosure requirements.

The Company is well aware that good corporate governance is an important prerequisite for sustainable development, continuous improvement of the Company’s value and safeguarding shareholders’ rights and interests. In the future, the Company will adhere to good and prudent governance style and continuously improved corporate governance level to achieve efficient management and standardized operation.

GOVERNANCE STRUCTURE

The committees under the Board are established in accordance with the relevant rules prescribed in the Listing Rules. Each of the chairmans of the committees is served by independent non-executive Directors.

本公司一向致力於遵守中國證券監督管理委員會（「中國證監會」）和香港聯交所的所有規定，以及其他管理機構規定。本公司已採取一套不低於二零零五年一月生效及其後不時修訂的《上市規則》附錄十四所載的《企業管治常規守則》的企業管治標準守則（「企業管治守則」）。截至二零一六年十二月三十一日止的年度期間，本公司已遵守《企業管治守則》，並符合管治及披露規定。

本公司深知，良好的公司治理是公司可持續發展、不斷提升公司價值和維護股東權益的重要前提。未來，本公司將繼續堅持優良穩健的治理作風，不斷提升公司治理的水平，以實現高效管理、規範運作。

管治架構

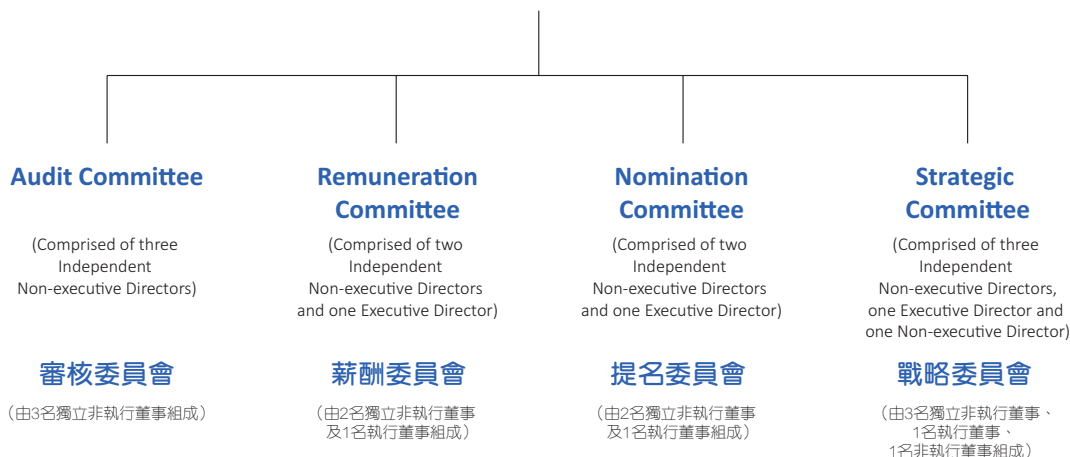
本公司董事會下屬委員會均按照《上市規則》的規定設置，各委員會主席均由獨立非執行董事擔任。

HNA Infrastructure Company Limited

(Comprised of four executive Directors, three non-executive Directors and four independent non-executive Directors)

海航基礎股份有限公司

(由4名執行董事、3名非執行董事、4名獨立非執行董事組成)



CORPORATE GOVERNANCE REPORT 企業管治報告

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted in compliance with Code Provision D.3.1 of the Corporate Governance Code which includes (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code for securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors, all of the Directors have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions during any time of the accounting period covered by this annual report.

本公司的企業管治職能由董事會遵照《企業管治守則》的守則條文第D.3.1條採納的一套書面職權範圍執行，其中包括(a)制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；(b)檢討及監察董事及高級管理人員的培訓及持續專業發展；(c)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；(d)制定、檢討及監察本集團僱員及董事適用的操守準則及合規手冊（如有）；及(e)檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

董事進行證券交易之守則

本公司已採納一套不低於《上市規則》附錄十所載之上市公司董事進行證券交易之標準守則（「標準守則」）的董事進行證券交易之守則。向所有董事做出特定查詢後，全體董事在本年報所包括之會計期間之任何時間，已遵守標準守則及其行為守則所規定的有關董事的證券交易的標準。

COMPOSITION OF THE BOARD

The Board comprises eleven Directors, including four executive Directors (“**Executive Directors**”), three non-executive Directors (“**Non-executive Directors**”) and four independent non-executive Directors (“**Independent Non-executive Directors**”). The Company has complied with the requirement of the Listing Rules for comprising at least three Independent Non-executive Directors and the number of Independent Non-executive Directors accounts for at least one third of the members of the Board, and at least one of the Independent Non-executive Directors shall have the appropriate professional qualifications and has proper expertise in accounting or financial management.

The members of the Board well acknowledge their responsibilities and obligations and treat equally to all of the shareholders of the Company. In order to safeguard all of the investors’ interest, the Company ensures to provide the documents and information in relation to the Company’s operations to members of the Board in a timely manner. Independent Non-executive Directors act on their duties in accordance with relevant laws and regulations to safeguard the interest of the Company and shareholders as a whole.

As of 31 December 2016, the Board of the Company comprised eleven Directors:

CHAIRMAN

Mr. Wang Zhen (re-appointed on 18 May 2016)

VICE CHAIRMAN

Mr. Hu Wentai (re-appointed on 3 July 2015)

EXECUTIVE DIRECTORS

Mr. Wang Zhen (re-appointed on 18 May 2016)

Mr. Yang Xiaobin (re-appointed on 18 May 2016)

Mr. Zhou Feng (duly appointed on 11 October 2016)

Mr. Liu Shanbin (duly appointed on 18 May 2016)

NON-EXECUTIVE DIRECTORS

Mr. Hu Wentai (re-appointed on 3 July 2015)

Mr. Chan Nap Kee, Joseph (re-appointed on 30 December 2016)

Mr. Yan Xiang (re-appointed on 30 December 2016)

董事會組成

董事會由十一位董事組成，其中四名執行董事（「**執行董事**」）、三名非執行董事（「**非執行董事**」）及四名獨立非執行董事（「**獨立非執行董事**」）。本公司已按照《上市規則》的要求設立至少三位獨立非執行董事及獨立非執行董事佔董事會成員人數至少三分之一，並且至少一名獨立非執行董事具備適當的專業資格或具備適當的會計或相關的財務管理專長。

本公司董事會成員深知自己的責任和義務，對本公司股東一視同仁。為確保所有投資者的利益得到保障，本公司確保及時向董事會成員提供有關本公司業務文件及資料。獨立非執行董事按照有關法律法規的要求履行職責，維護本公司及股東的權利。

截至二零一六年十二月三十一日止，本公司董事會由十一名董事組成：

董事長

王 貞先生（於二零一六年五月十八日連續獲委任）

副董事長

胡文泰先生（於二零一五年七月三日連續獲委任）

執行董事

王 貞先生（於二零一六年五月十八日連續獲委任）

楊小濱先生（於二零一六年五月十八日連續獲委任）

周 鋒先生（於二零一六年十月十一日獲正式委任）

劉善斌先生（於二零一六年五月十八日獲正式委任）

非執行董事

胡文泰先生（於二零一五年七月三日連續獲委任）

陳立基先生（於二零一六年十二月三十日連續獲委任）

燕 翔先生（於二零一六年十二月三十日連續獲委任）

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Deng Tianlin (duly appointed on 3 November 2014)
Mr. Fung Ching, Simon (re-appointed on 30 December 2016)
Mr. George F Meng (re-appointed on 30 December 2016)
Mr. He Linji (duly appointed on 18 May 2015)

The Company has received annual confirmation letters regarding the independence from each of the Independent Non-executive Directors. The Company considers that each of the Independent Non-executive Directors is still independent of the Company.

Mr. Fung Ching, Simon currently has served more than 12 years as an Independent Non-executive Director in the Company and Mr. George F Meng has served more than 9 years as an Independent Non-executive Director in the Company. The Company confirms that Mr. Fung Ching, Simon and Mr. George F Meng still meet the independence requirements set out in Rule 3.13 of the Listing Rules and have a deep understanding of the Group's operation. Based on such, the Company believes that Mr. Fung Ching, Simon and Mr. George F Meng are still independent of the Group and will continue to make contribution to the Company.

There is no relationship among the Directors that is disclosable.

The Board acknowledges its responsibility for the preparation of the annual accounts.

PERFORMANCE ASSESSMENT

The Board believes that regular assessment of the Board's performance is important and beneficial for improving the operations. In 2016, the Board has conducted assessment on its performance.

BOARD MEETINGS

1. The Board had held 4 meetings as of 31 December 2016, being the nineteenth session of the fifth congress, and the first to the third session of the sixth congress.

獨立非執行董事

鄧天林先生（於二零一四年十一月三日獲正式委任）
馮 征先生（於二零一六年十二月三十日連續獲委任）
孟繁臣先生（於二零一六年十二月三十日連續獲委任）
何霖吉先生（於二零一五年五月十八日獲正式委任）

本公司已接獲有關各獨立非執行董事獨立性的年度確認函件，本公司認為各獨立非執行董事仍是本公司的獨立人士。

目前，馮征先生在本公司擔任獨立非執行董事已逾十二年，孟繁臣先生在本公司擔任獨立非執行董事已逾九年。本公司確認，馮征先生、孟繁臣先生仍符合《上市規則》第3.13條所載的獨立性規定，並對本集團營運有深入的了解。基於以上所述，本公司認為馮征先生、孟繁臣先生仍獨立於本集團，並且將繼續對本公司作出貢獻。

董事會成員之間不存在任何應予以披露的關係。

董事會對年度賬目的編製負責。

表現評審

董事會了解定期評審本身表現以求運作上有所改善的重要性及好處。二零一六年，董事會已就其表現進行評審。

董事會會議

1. 截至二零一六年十二月三十一日止本公司共召開四次董事會會議（即第五屆第十九次、第六屆第一次至第六屆第三次董事會會議）。

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2. The attendance records of the Directors in the Board meetings and the general meetings: 2. 董事出席董事會會議和股東會會議的情況：

Name of Directors	董事姓名	Independent or not	Number of Board meetings they should attend for the year	Attendance in person	Attendance			Not attending any meeting in person for two consecutive times	Attendance of general meeting
					by audio or video conferencing	Attendance by proxy	Absence		
		是否獨立董事	本年應參加董事會次數	親自出席次數	以通訊方式出席次數	委託出席次數	缺席次數	是否連續兩次未親自參加會議	出席股東大會的出席率
Wang Zhen	王 貞	No	4	3	1	0	0	No	100%
Yang Xiaobin	楊小濱	No	4	0	4	0	0	No	100%
Liu Shanbin	劉善斌	No	3	0	3	0	0	No	100%
Gao Jian (former)	高 建(前)	No	1	0	1	0	0	No	100%
Zhou Feng	周 鋒	No	2	1	1	0	0	No	100%
Zhang Peihua (former)	張佩華(前)	No	2	1	1	0	0	No	100%
Hu Wentai	胡文泰	No	4	2	2	0	0	No	100%
Chan Nap Kee, Joseph	陳立基	No	4	3	1	0	0	No	100%
Yan Xiang	燕 翔	No	4	3	1	0	0	No	100%
Deng Tianlin	鄧天林	Yes	4	3	1	0	0	No	100%
Feng Ching, Simon	馮 征	Yes	4	1	3	0	0	No	100%
George F Meng	孟繁臣	Yes	4	2	2	0	0	No	100%
He Linji	何霖吉	Yes	4	2	2	0	0	No	100%

Notes:

- Mr. Gao Jian ceased to be an Executive Director on 18 May 2016. Mr. Liu Shanbin took over the role of Mr. Gao Jian as an Executive Director on 18 May 2016 and attended for the first session of the sixth congress of the Board held on 25 August 2016 for the first time of the attendance of the Board meeting.
- Mr. Zhang Peihua ceased to be an Executive Director on 11 October 2016. Mr. Zhou Feng took over the role of Mr. Zhang Peihua as an Executive Director on 11 October 2016 and attended for the second session of the sixth congress of the Board held on 14 November 2016 for the first time of attendance of the Board meeting.

附註：

- 高建先生於二零一六年五月十八日停止擔任本公司執行董事職務。劉善斌先生於二零一六年五月十八日接任高建先生擔任本公司執行董事，並於二零一六年八月二十五日本公司召開的第六屆第一次董事會會議上，首次參加本公司董事會會議。
- 張佩華先生於二零一六年十月十一日停止擔任本公司執行董事職務。周鋒先生於二零一六年十月十一日接任張佩華先生擔任本公司執行董事，並於二零一六年十一月十四日本公司召開的第六屆第二次董事會會議上，首次參加本公司董事會會議。

DIRECTORS' TRAINING

For the year ended 31 December 2016, the Company provided monthly update information to all the members of the Board in respect of the operation situation, financial positions, major monthly events as well as the monthly disclosure of the Company.

The Company encourages the Directors to participate in the continuous professional development in order to develop and update their knowledge and skills. The Company also actively organized relevant training in order to make sure that the Directors make contribution to the Company with extensive information and satisfaction. The Company made out registration forms, training records and training certificates to assist them recording the courses they have participated in. For the year ended 31 December 2016, the summarized training records of the Directors are as follows:

董事培訓

截至二零一六年十二月三十一日止年度，本公司向董事會全體成員提供有關本公司生產運營情況、財務狀況、月度大事記及月度信息披露情況的每月更新。

本公司積極鼓勵董事參與持續專業培訓，借以發展並更新其知識和技能。本公司亦主動籌備組織相關培訓以確保董事在具備全面信息及切合所需的情況下對董事會做出貢獻。本公司設定培訓簽到表、培訓記錄及培訓證書用以協助董事記錄他們所參與的培訓課程。截至二零一六年十二月三十一日止年度，本公司董事接受的培訓記錄概述如下：

		Outline of Amended Corporate Governance Code 《企業管治守則》 的修訂概述	Outline of Amended Listing Rules 《上市規則》 的修訂概述	The Latest Sanction Case Sharing of the Hong Kong Stock Exchange and Securities and Futures Commission 香港聯交所 和證監會最新 制裁案例分享	Report and Case Sharing Regarding Corporate Governance 企業管治 報告範例分享
EXECUTIVE DIRECTORS	執行董事				
Wang Zhen	王 貞	✓	✓	✓	✓
Yang Xiaobin	楊小濱	✓	✓	✓	✓
Zhou Feng	周 鋒	✓	✓	✓	✓
Liu Shanbin	劉善斌	✓	✓	✓	✓
Zhang Peihua (former)	張佩華 (前)	✓	✓	✓	✓
NON-EXECUTIVE DIRECTORS	非執行董事				
Hu Wentai	胡文泰	✓	✓	✓	✓
Chan Nap Kee, Joseph	陳立基	✓	✓	✓	✓
Yan Xiang	燕 翔	✓	✓	✓	✓
INDEPENDENT NON-EXECUTIVE DIRECTORS	獨立非執行董事				
Deng Tianlin	鄧天林	✓	✓	✓	✓
Feng Ching, Simon	馮 征	✓	✓	✓	✓
George F Meng	孟繁臣	✓	✓	✓	✓
He Linji	何霖吉	✓	✓	✓	✓

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Note: The above trainings were organized by the Office of the Board, together with the Hong Kong legal advisor of the Company and PricewaterhouseCoopers Zhong Tian LLP. The trainings were held at Peacock Room No. 4, Boao Asia Forum Hotel, Qionghai City, Hainan Province on 25 August 2016, with a total of ten courses. The training courses aim at strengthening the understanding of the Directors, supervisors (the “Supervisors”) and senior management of the Company to the concept and practice of laws and regulations and corporate governance of Hong Kong, in order to improve the standardization of operations, enhance the level of corporate governance and internal control.

附註：以上培訓由本公司董事會辦公室協同本公司香港法律顧問及普華永道中天會計師事務所（特殊普通合伙）組織，於二零一六年八月二十五日在海南省瓊海市博鰲亞洲論壇大酒店孔雀四廳進行，共計十課時。培訓課程的設置旨在加強本公司董事、監事（「監事」）及高級管理人員對香港法律法規、公司管治理念及實踐的了解，促進本公司規範運作，提升企業治理和內部控制水平。

AUTHORITY AND PRACTICE OF THE BOARD

Details of terms of reference of the Board and the management and the respective areas to exercise their authority are set out in the articles of association of the Company (the “Articles of Association”):

The Board is accountable to the shareholders’ general meeting and shall exercise the following duties and powers:

1. to be responsible for convening general meetings and report on its work to the meeting;
2. to implement the resolutions of the general meetings;
3. to decide on the business and investment plans;
4. to formulate the Company’s proposed annual financial budget and final accounts;
5. to formulate the Company’s proposals for distribution of profits and recovery of losses;
6. to formulate proposals for the increase or reduction of the Company’s registered capital, the issue of corporate bonds and other securities, and listing;
7. to prepare plans for the merger, division, dissolution or change in corporate form of the Company;
8. to decide on the Company’s internal management structure;
9. to appoint or dismiss the Company’s general manager, and based on the general manager’s recommendation, to appoint or dismiss deputy general manager and other senior management personnel, and to decide on their remuneration;

董事會授權及運作

關於董事會與管理層的職權範圍及各自有權決定的事項，詳細列載於本公司公司章程（「《公司章程》」）：

董事會對股東大會負責，行使下列職權：

1. 負責召集股東大會，並向股東大會報告工作；
2. 執行股東大會的決議；
3. 決定公司的經營計劃和投資方案；
4. 制定公司的年度財務預算方案、決算方案；
5. 制定公司的利潤分配方案和彌補虧損方案；
6. 制訂公司增加或者減少註冊資本的方案以及發行公司債券、其他證券及上市的方案；
7. 擬訂公司合併、分立、解散或者變更公司形式的方案；
8. 決定公司內部管理機構的設置；
9. 根據董事長的提名，聘任或者解聘公司總經理和董事會秘書；根據總經理的提名，聘任或者解聘公司副總經理和其他高級管理人員，決定其報酬事項；

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| 10. to formulate the Company's basic management system; | 10. 制定公司的基本管理制度； |
| 11. to formulate the plan to amend the Articles of Association; | 11. 制定公司章程修改方案； |
| 12. to prepare the Company's plans for major acquisition or sale; | 12. 擬定公司的重大收購或出售方案； |
| 13. to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives; | 13. 評估及確定風險的性質以及接受程度，以確保公司戰略目標的實現； |
| 14. to ensure the establishment and maintenance of appropriate and effective risk management and internal control systems; | 14. 確保建立及維持合適及有效的風險管理及內部監控系統； |
| 15. to oversee management in the design, implementation and monitoring of the risk management and internal control systems; | 15. 監督管理層對於風險管理和內部監控系統的設計、實施以及監控； |
| 16. to make proposals to shareholders' general meeting on the appointment, re-appointment or dismissal of accounting firms undertaking the audit of the Company; and | 16. 向股東大會提請聘任或續聘或解聘承辦公司審計業務的會計師事務所；及 |
| 17. other powers conferred by the Articles of Association and the shareholders' general meeting. | 17. 公司章程規定或股東大會授予的其他職權。 |

The Board has established the audit committee, nomination committee, remuneration committee and strategic committee. Each of these committees has established its own written terms of reference and operates effectively on the set basis.

董事會下設審核委員會、提名委員會、薪酬委員會和戰略委員會，其各自的職權範圍書已經分別訂立，並按照既定的程序進行有效運作。

The general management can decide the following matters:

管理層決定如下事項：

- | | |
|--|-----------------------------|
| 1. preside over the Company's management work in production and operation and to organize and implement board resolutions; | 1. 主持公司的生產經營管理工作，組織實施董事會決議； |
| 2. organize and implement the Company's annual operational plan and investment strategy; | 2. 組織實施公司年度經營計劃和投資方案； |
| 3. formulate the Company's plan for installing internal management structure; | 3. 擬訂公司內部管理機構設置方案； |
| 4. formulate the Company's basic management system; | 4. 擬訂公司的基本管理制度； |

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| 5. formulate the Company's basic regulations; | 5. 制訂公司的基本規章； |
| 6. offer suggestion to hire or dismiss assistant general managers and other senior management personnel (including the chief financial officer); | 6. 提請聘任或者解聘公司副總經理和其他高級管理人員（包括財務負責人）； |
| 7. design, implement and monitor the risk management and internal control systems; | 7. 設計、實施以及監督風險管理和內部監控系統； |
| 8. provide a confirmation to the board on the effectiveness of the risk management and internal control systems; | 8. 向董事會提供風險管理及內部監控系統有效性的確認； |
| 9. hire and dismiss management staff who fall outside the scope of the board's hiring and dismissal powers; and | 9. 聘任或者解聘除應由董事會聘任或者解聘以外的負責管理人員；及 |
| 10. exercise other powers conferred by the Articles of Association and the Board. | 10. 公司章程及董事會授予的其他職權。 |

Both the Board and the management act in strict compliance with relevant requirements of the Company Law of the People's Republic of China, the Articles of Association and the Listing Rules.

董事會及管理層均嚴格按照《中華人民共和國公司法》、《公司章程》及《上市規則》的相關規定運作。

CHAIRMAN OF THE BOARD AND PRESIDENT

The chairman is responsible for development direction and effective running of the Board, and ensuring the Board to act in the best interests of the Company.

董事長及總裁

董事長負責指引董事會正確的發展方向以及保持有效運作，確保董事會運作符合本公司的最佳利益。

The president is accountable to the Board, and is delegated with the responsibility for running the Company's business and implementing the resolutions of the Board.

總裁對董事會負責，負責本公司的日常經營管理以及組織實施董事會決議。

For the year ended 31 December 2016, the positions of chairman and president of the Company were held by Mr. Wang Zhen and Mr. Yang Xiaobin, respectively, both being the Executive Directors. The division of their duties was set out clearly in the Articles of Association. Their terms of reference are clean and there is no relationship in relation to finance, business and kinship between them. The governance structure of the Company established well and clear.

截至二零一六年十二月三十一日止年度，本公司董事長與總裁分別由執行董事王貞先生和執行董事楊小濱先生出任。他們各自的職責分工在《公司章程》中清楚地列載。兩者職責分明，且彼此之間概無任何財物、業務及親屬關係。本公司管治架構職責分明、分工完善、各盡其責。

NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

As at 31 December 2016, the Company had three Non-executive Directors, namely Mr. Hu Wentai, Mr. Chan Nap Kee, Joseph and Mr. Yan Xiang, and four Independent Non-executive Directors, namely Mr. Deng Tianlin, Mr. Fung Ching, Simon, Mr. George F Meng and Mr. He Linji.

Mr. Hu Wentai's current term of appointment is from 3 July 2015 to 2 July 2018;

Mr. Chan Nap Kee, Joseph's current term of appointment is from 30 December 2016 to 29 December 2019;

Mr. Yan Xiang's current term of appointment is from 30 December 2016 to 29 December 2019;

Mr. Deng Tianlin's current term of appointment is from 3 November 2014 to 2 November 2017;

Mr. Fung Ching, Simon's current term of appointment is from 30 December 2016 to 29 December 2019;

Mr. George F Meng's current term of appointment is from 30 December 2016 to 29 December 2019; and

Mr. He Linji's current term of appointment is from 18 May 2015 to 17 May 2018.

非執行董事及獨立非執行董事

截至二零一六年十二月三十一日止，本公司有三名非執行董事，即胡文泰先生、陳立基先生和燕翔先生，以及四名獨立非執行董事，即鄧天林先生、馮征先生、孟繁臣先生和何霖吉先生。

胡文泰先生的任期是自二零一五年七月三日至二零一八年七月二日；

陳立基先生的任期是自二零一六年十二月三十日至二零一九年十二月二十九日；

燕翔先生的任期是自二零一六年十二月三十日至二零一九年十二月二十九日；

鄧天林先生的任期是自二零一四年十一月三日至二零一七年十一月二日；

馮征先生的任期是自二零一六年十二月三十日至二零一九年十二月二十九日；

孟繁臣先生的任期是自二零一六年十二月三十日至二零一九年十二月二十九日；及

何霖吉先生的任期是自二零一五年五月十八日至二零一八年五月十七日。

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COMPANY SECRETARY

All Directors have the access to the advice and services of the company secretary (Mr. Xing Zhoujin). The Company secretary shall report to the Chairman on the corporate governance of the Board and shall be responsible for ensuring the compliance with relevant Board procedures and facilitating the communication among Directors, shareholders and the management. As at 31 December 2016, the company secretary has received over 15 hours of professional training for skill and knowledge updates.

INSURANCE ARRANGEMENT

According to the Recommended Best Practices A.1.9 of the Corporate Governance Code that an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Company has arranged the liability insurance for the Directors, the Supervisors and other senior management.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's risk management and internal control systems are featured with a defined management structure with limits of authority and well-rounded policies and procedures, and are designed to facilitate effective and efficient operations, ensure reliability of financial reporting and comply with applicable laws and regulations, to identify and manage potential risks, and to safeguard assets of the Group.

The Board is responsible for assessing and determining the nature and extent of the acceptable risks to take when pursuing strategic goals, and shall assure the establishment and maintenance of a suitable and effective risk management and internal control system. Moreover, the Board shall oversee the process of design, implementation and inspection of such system carried out by the management, while the management shall give feedback to the Board as to whether the system works. The Audit Committee will conduct annual examination on the system on behalf of the Board.

To ensure the review of the risk management and internal control procedures for year 2016 is carried out effectively, the Company has built a risk management and internal control work team and hired a professional independent third-party agency to render assistance.

公司秘書

所有董事均可向公司秘書（邢周金先生）諮詢有關意見和服務。公司秘書就董事會管治事宜向主席匯報，並負責確保董事會程序獲得遵從，以及促進董事之間及董事與股東及管理層之間的溝通。截至二零一六年十二月三十一日止，公司秘書共接受超過15小時更新其技能及知識的專業培訓。

投保安排

根據《企業管治守則》A.1.9建議最佳常規，發行人應就其董事可能會面對的法律行動作適當的投保安排。本公司已為董事、監事和其他高級管理人員購買了責任險。

風險管理及內部監控

本公司的風險管理及內部監控制度的管理架構明確、權限分明、政策及程序全面，並旨在促進有效經營、確保財務匯報的可靠性及遵守適用法律法規，發現及管理潛在風險，以及保障本公司的資產。

董事會負責評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。董事會亦負責監督管理層對風險管理及內部監控系統的設計、實施及監察，而管理層則向董事會提供有關系統是否有效的確認。審核委員會代表董事會每年檢討風險管理及內部監控系統。

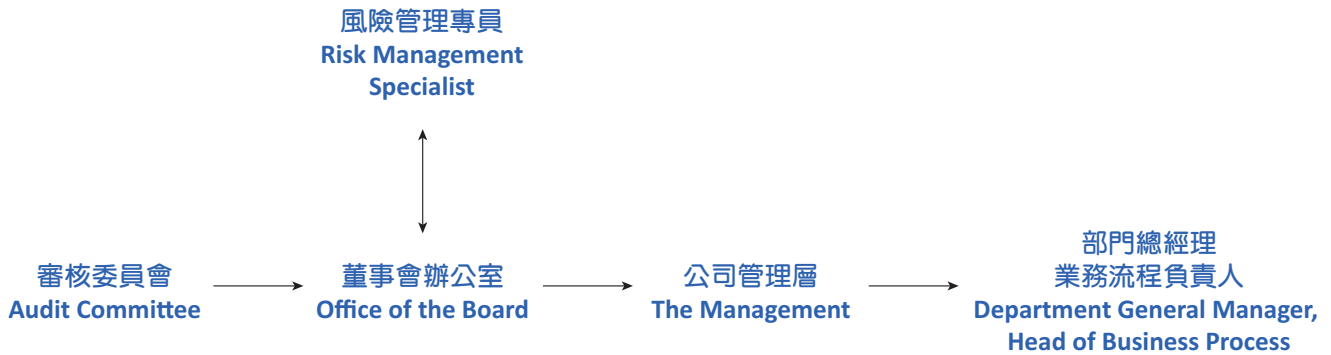
為了有效地開展工作，本公司組建了風險管理與內部監控工作組，同時聘請了專業的獨立第三方機構協助工作組開展二零一六年度風險管理以及內部控制流程的審閱工作。

Risk Management

To maintain the efficiency of the risk management and internal control system, under the supervision and guidance of the Board, the Company has established the framework of risk management as below:

風險管理

為了保障風險管理和內部監控系統的有效性，在董事會的監督和指導下，本公司已建立以下風險管理組織架構：



The Company has formulated the Risk Management Operation Manual of HNA Infrastructure Company Limited, making clear that the following four steps shall be carried out for risk assessment:

本公司已制定《海航基礎股份有限公司風險管理操作手冊》，明確了風險評估的程序包括以下四個步驟：

Step 1: Project initiation – the management of the Company initiates the risk assessment project and prepares to carry out risk assessment activities.

步驟1：項目啟動－本公司管理層啟動風險評估項目並預備展開風險評估活動。

Step 2: Risk recognition – recognize the risks confronting the Company and its subsidiaries.

步驟2：風險識別－識別本公司及子公司目前面臨的風險。

Step 3: Risk analysis – carry out risk analysis from the aspect of the influence degree and possibility of occurrence, assess current risk management measures and decide whether to take further measures to make risk management acceptable.

步驟3：風險分析－從影響程度及發生的可能性兩個維度進行風險分析，評價現有的風險管理措施並決定是否需要制定進一步的風險管理措施使風險控制在可接受的水平之內。

Step 4: Risk report – summarize the result of risk assessment and analysis, and make plans.

步驟4：風險報告－總結風險評估分析的結果，制定行動。

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Since the Group has launched the “Promotion Work over the Risk Management and Internal Control System” since 2015, and achieved a remarkable effect. The potential risks found in 2015 were mitigated or even eliminated in 2016, resulting a more compliant and healthier operational environment for the Company in 2016. In 2016, the Group continuously implemented the “Special Project on Risk Management and Internal Control System” (“**Special Project**”) and will be launched every year regularly in the future, in a bid to build a regulatory environment of risk control and standardized operation.

For the purpose of continuous improvements on the existing risk management and internal control system of the Company, including but not limited to business operations, financial affairs and legal compliance. In October 2016, the Company embarked on another campaign, where based on the risk management database of 2015, the Company decided on the range of risk-screening for 2016 through comprehensive consideration of the overall performance of each department. In the light of the scientific analysis of the recognized risks, questionnaires and interviews were targeted at the senior management and business executives to help with the understanding in the probability and degree of those risks so that the critical risks at company level may be identified.

The work group of risk management and internal control assists the management in making the risk-oriented self-report study, guide senior managers to carry out self-assessment and collect the result of the assessment. The Chairman of the Board reviews the self-assessment of senior management; makes a general assessment of the effectiveness of the Company’s internal control system; and submits the written confirmation to the Audit Committee and the Board on behalf of the senior management team of the Company.

本公司自二零一五年度開展「風險管理及內部監控體系提升工作」後，取得相當顯著的成效。二零一五年確定的關鍵風險在二零一六年均有一定程度的降低甚至消除，使公司二零一六年的生產經營環境更加合規、健康。二零一六年度，本公司繼續開展了「風險管理及內部監控體系專項工作」（「專項工作」），並將於未來以常規形式每年開展專項工作，以期為公司打造一個風險可控、運營規範的管治環境。

為持續進行本公司現有風險管理及內部監控體系建設，包括但不限於業務經營、財務及法律合規性等方面，二零一六年十月，本公司繼續開展專項工作。本公司於二零一五年已有風險庫的基礎上，綜合考量各業務部門整體業務表現確定二零一六年風險篩查範圍，針對已識別的風險點進行了科學分析、通過對本公司高級管理人員及各業務負責人進行風險問卷調查並結合現場訪談，根據風險發生可能性和影響程度兩個維度對風險進行分析，確認公司層面的關鍵風險。

風險管理與內部監控工作組協助管理層以風險為導向制定風險內控自評問卷，指導各高級管理人員進行自評，並收集內控自評結果。本公司董事長審閱各高管內控自評情況，總體評估公司內部監控體系的有效性，亦代表公司高級管理團隊，將該書面確認呈交審核委員會及董事會。

Process for Inside Information Handling and Disclosing and Internal Control Measures

The Company has adopted the Management Procedures for Information Insider Registration to identify the definition and scope of the inside information, information insider. In the meantime, stringent requirements on confidentiality management are put forward to protect the inside information. The management procedure for insider registration is adopted wherein its accountabilities are defined. In order to publicize and carry out the aforesaid management procedure and enable the company to timely identify, evaluate and raise the attention of the Board to the major event influencing the company stock, as well as to make a right decision on the information disclosures, trainings on inside information handling will be organized for directors, supervisors, senior management and other employees may access to inside information.

Internal Control System

In addition, to further strengthen the standardized corporate governance under the Listing Rules, the Company is fully aware that review on internal control process (“**Internal Control Review**”) is necessary to satisfy the compliance requirements for optimizing and improve its own risk management and internal control system, enhancing the Company’s operational level, providing a reasonable basis for the future business growth and reach for consolidated the foundation of the Company’s long term strategic goals.

The Company developed the internal control mode in accordance with COSO (The Committee of Sponsoring Organizations of the Treadway Commission), which includes five elements, i.e. control environment, risk assessment, control process, information and communication as well as supervision process. Under this mode, the company management designs, implements and facilitates the effectiveness of internal control policies while the Board and Audit Committee are responsible for determining the suitability of the internal control and risk management policies designed by the management as well as supervise the effective implementation of such policy.

Four key internal control procedures for income, funds, financial report and purchase of fixed assets were reviewed by the workgroup of risk management and internal control in 2016, who then submitted special working reports to the Audit Committee.

處理及發佈內幕消息的程序和內部監控措施

本公司已制定了《內幕信息知情人登記管理制度》，明確了本公司內幕信息、內幕信息知情人的定義及範圍，同時，對本公司內幕信息的保密管理做了嚴格的要求，採用內幕信息知情人登記備案管理制度並明確了責任追究相關事項。為進一步宣貫本公司內幕信息處理程序，使公司能夠及時發現、評估並提請董事會垂注所有可能對本公司股價有重大影響的情況，準確地作出是否需要披露的決定，本公司為董事、監事、高級管理人員及其他有可能接觸內幕信息的人員提供內幕信息培訓。

內部監控系統

隨着《上市規則》關於企業管治要求的進一步加強，本公司意識到需要通過對內部控制流程的審閱（「**內控審閱**」）來優化及改善自身的風險管理及內部監控系統以滿足合規要求，為公司運營水平的提升以及未來業務的增長提供合理保障，為實現公司的長遠戰略目標打下堅實基礎。

本公司根據COSO (The Committee of Sponsoring Organizations of the Treadway Commission, 美國反虛假財務報告委員會下屬的發起人委員會) 原則制定內部監控模式，共有五個元素，監控環境、風險評估、監控工作、資訊與溝通，以及監察工作。在此監控模式下，公司管理層負責設計、實施和維持內部監控措施有效性，而董事會及審核委員會負責監督管理設計的內部監控措施及風險管理措施是否適當，以及是否得到有效的執行。

風險管理與內部監控工作組開展了二零一六年度內部控制流程的審閱工作，對收入流程、資金流程、財務報告流程及固定資產採購流程這四大內部控制關鍵流程進行了審閱，並形成專門的工作報告呈交審核委員會。

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Internal Audit

In order to meet such requirements for risk management and internal control as stipulated in the Corporate Governance Code, the Company has established the special internal audit function independently to ensure that the Company's governance is in conformity with requirements in the Corporate Governance Code, and thus realize a continuous improvement in risk management and internal control.

Reviewing Effectiveness of Risk Management and Internal Control Systems

In 2016, the Board and the Audit Committee reviewed the effectiveness of the year's risk management and internal control systems at least twice. The Board was satisfied with the resources, staff qualifications and experience as required in accounting, internal audit and financial reporting, as well as with the training courses for staff and related budgets. Based on the provisions on risk management and internal control in the Corporate Governance Code, the Board is of the view that risk management and internal control systems were effective and adequate for the year ended 31 December 2016.

Please refer to the Report of the Board herein for details of operating deficiencies or potential risks found by the Company by 31 December 2016 and countermeasures therefor.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

A remuneration committee has been set up by the Company, which is a sub-committee under the Board (the "Remuneration Committee").

Composition of the Remuneration Committee: Mr. Deng Tianlin, an Independent Non-executive Director, is the chairman, and other members consisted of Mr. Fung Ching, Simon, an Independent Non-executive Director, and Mr. Zhou Feng, an Executive Director.

The principal duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives and to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, etc.

內部審核職能

為符合有關《企業管治守則》對公司風險管理及內部監控的要求，本公司現已設立專門獨立的內部審核功能，旨在使本公司治理與《企業管治守則》更新同步，不斷提升本公司風險管理及內部監控的有效性。

檢討風險管理及內部監控系統有效性

二零一六年期間，本公司董事會聯同審核委員會負責對本年度風險管理及內部監控系統的有效性至少進行兩次檢討。董事會信納，本公司的會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是足夠的。根據《企業管治守則》所規定的有關風險管理和內部監控的條文，就截至二零一六年十二月三十一日止年度而言，董事會認為風險管理和內部監控系統有效及足夠。

有關本公司於二零一六年十二月三十一日止年度識別出的本公司經營不足或潛在風險及其應對措施的詳情，請參閱本年報中的「董事會報告」。

董事及高級管理人員薪酬

本公司設立了薪酬委員會，薪酬委員會為董事會下設機構（「薪酬委員會」）。

薪酬委員會組成：主席由獨立非執行董事鄧天林先生擔任；獨立非執行董事馮征先生、執行董事周鋒先生擔任委員。

本公司薪酬委員會的主要職責是就本公司董事及高級管理人員的全體薪酬政策及架構向董事會提出建議，因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議，向董事會建議執行董事及高級管理人員的薪酬待遇等。

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As of 31 December 2016, the Remuneration Committee had held one meeting on 29 March 2016 and determined the remuneration of Directors for 2015 and the proposed remuneration package policy of Directors for 2016.

Directors' remuneration policy for 2016: allowance for Executive Directors, Non-executive Directors and Independent Non-executive Directors are RMB70,000, RMB50,000 and RMB100,000 per person, respectively.

For the year ended 31 December 2016, the remuneration of the senior management of the Company by remuneration band is set out below:

截至二零一六年十二月三十一日止，本公司於二零一六年三月二十九日召開一次薪酬委員會會議，確定了公司二零一五年度董事酬金及二零一六年度董事酬金政策。

二零一六年董事薪酬政策：執行董事津貼人民幣70,000元／人；非執行董事津貼人民幣50,000元／人；獨立非執行董事津貼人民幣100,000元／人。

截至二零一六年十二月三十一日止年度，按金額劃分的本公司高級管理人員薪酬載列如下：

Remuneration band (RMB) 薪酬範圍 (人民幣)	Number of Individuals 人數
0-150,000	2
150,001-200,000	1
200,001-250,000	1
250,001-300,000	1
300,001-350,000	3
350,001-400,000	2
400,001-450,000	1
450,001-500,000	1

The Company held the annual general meeting on 18 May 2016, where the "Resolution in Relation to the Remuneration Packages for the Directors and Supervisors of the Company in 2016" was considered and approved. Proposed by Directors and Supervisors recommended by the Parent Company, Directors and Supervisors nominated by the controlling shareholder would not enjoy allowance for holding the position. However, they were also entitled to receive respective salaries according to their respective positions taken in the Company.

本公司於二零一六年五月十八日股東週年大會審議通過了《關於確定公司董事及監事二零一六年報酬方案的議案》，經由母公司推薦的董事、監事提議，由控股股東提名的董事、監事不再繼續享受相應的董事、監事酬金津貼。但將根據其在本公司擔任的具體職務獲得相應的工資報酬。

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Meeting Attendance of the Remuneration Committee:

The Remuneration Committee held one meeting during the year of 2016. The attendance of the meeting held by the Remuneration Committee during the year ended 31 December 2016 is as follows:

薪酬委員會會議記錄：

薪酬委員會於二零一六年年內舉行一次會議，以下為薪酬委員會截至二零一六年十二月三十一日止年度舉行的薪酬委員會會議記錄：

Attendance of meeting held by the Remuneration Committee for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度舉行的薪酬委員會會議出席率		
Member of the Remuneration Committee	薪酬委員會成員	
Deng Tianlin	鄧天林	100%
Fung Ching, Simon	馮征	100%
Zhang Peihua (former)	張佩華(前)	100%

NOMINATION OF DIRECTORS

A nomination committee has been established by the Company, which is a sub-committee under the Board (the “**Nomination Committee**”).

Composition of Nomination Committee: Mr. He Linji, an Independent Non-executive Director, is the chairman, and other members consisted of Mr. Deng Tianlin, an Independent Non-executive Director, and Mr. Wang Zhen, an Executive Director.

The principal duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, to access the independence of Independent Non-executive Directors, etc.

董事提名

本公司設立了提名委員會，提名委員會為董事會下設機構（「**提名委員會**」）。

提名委員會組成：獨立非執行董事何霖吉先生擔任主席；獨立非執行董事鄧天林先生及執行董事王貞先生擔任委員。

本公司提名委員會的主要職責是至少每年檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議，評核獨立非執行董事的獨立性等。

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As of 31 December 2016, the Company held the tenth meeting of the fifth congress of the Nomination Committee on 29 March 2016 to propose re-appointment of Mr. Wang Zhen and Mr Yang Xiaobin as Executive Directors, and to propose appointment of Mr. Liu Shanbin as an Executive Director, the first meeting of the sixth congress of the Nomination Committee on 25 August 2016 to propose appointment of Mr. Zhou Feng as an Executive Director, the second meeting of the sixth congress of the Nomination Committee on 11 November 2016 to propose re-appointment of Mr. Fung Ching, Simon and Mr. George F Meng Independent Non-executive Directors and to propose re-appointment of Mr. Chan Nap Kee, Joseph and Mr. Yan Xiang as Non-executive Directors.

The Nomination Committee will identify candidates through different channels under the requirements made by the Company to the Directors. Subject to the approval of the Nomination Committee, the candidates will be recommended to the Board for its verification and submit to the general meeting for approval after passed the examination of the Board.

The nomination was made in accordance with the nomination policy of the Company and against the objective criteria, with due regard for the benefits of diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service). It had also taken into account their respective contributions to the Board and their firm commitment to their roles.

截至二零一六年十二月三十一日止，本公司於二零一六年三月二十九日召開第五屆第十次提名委員會會議，建議繼續委任王貞先生、楊小濱先生擔任執行董事並建議委任劉善斌先生擔任執行董事；於二零一六年八月二十五日召開第六屆第一次提名委員會會議，建議委任周鋒先生擔任執行董事；於二零一六年十一月十一日召開第六屆第二次提名委員會會議，建議繼續委任馮征先生及孟繁臣先生擔任獨立非執行董事、陳立基先生及燕翔先生擔任非執行董事。

提名委員會根據本公司對董事職責的要求，會通過不同渠道物色人選。待提名委員會審核通過後，會向董事會推薦該等人選並在董事會審核通過後提交股東大會批准。

董事的提名乃根據本公司提名政策進行，以客觀條件充分顧及董事會成員多元化的裨益（包括但不限於性別、年齡、文化與教育背景、種族、專業經驗、技能、知識及服務年期），亦考慮到彼等對董事會的貢獻及對履行職責的熱忱。

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Meeting Attendance of the Nomination Committee:

The Nomination Committee held three meetings during the year of 2016. The attendance of the meetings held by the Nomination Committee during the year ended 31 December 2016 is as follows:

提名委員會會議記錄：

提名委員會於二零一六年年內舉行三次會議，以下為提名委員會於截至二零一六年十二月三十一日止年度舉行的提名委員會會議記錄：

Attendance of meetings held by the Nomination Committee for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度舉行的提名委員會會議出席率		
Member of the Nomination Committee	提名委員會成員	舉行的提名委員會會議出席率
He Linji	何霖吉	100%
Deng Tianlin	鄧天林	100%
Wang Zhen	王貞	100%

REMUNERATION OF AUDITORS

The remuneration of auditors for the year ended 31 December 2016 was RMB2,554,000. The breakdown is set out as follows:

核數師酬金

截至二零一六年十二月三十一日止年度，核數師的酬金為人民幣2,554,000元，明細載列如下：

		Amount (RMB) 金額 (人民幣)
Services fee related to annual audit of financial statements	財務報表年度審計的服務費	1,350,000
Services fee related to interim review of financial statements	財務報表中期審閱的服務費	726,000
Reporting accountant service for certain capital market transaction	為資本市場交易，作為申報會計師的服務費	478,000
TOTAL	合計	2,554,000

AUDIT COMMITTEE

An audit committee has been set up by the Company, which is a subcommittee under the Board (the "Audit Committee").

Composition of Audit Committee: Mr. Deng Tianlin, an Independent Non-executive Director, is the chairman, and other members consisted of Mr. Fung Ching, Simon, an Independent Non-executive Director, and Mr. George F Meng, an Independent Non-executive Director.

審核委員會

本公司設立了審核委員會，審核委員會為董事會下設機構（「審核委員會」）。

審核委員會組成：獨立非執行董事鄧天林先生擔任主席；獨立非執行董事馮征先生及孟繁臣先生擔任委員。

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The principal duties of the Audit Committee are to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group, and as to the adequacy of the external and internal audits, to assure that appropriate accounting principles and reporting practices are followed by the Company, etc.

As of 31 December 2016, the Company held two meetings of the Audit Committee.

During the first meeting of the Audit Committee in 2016, the Audit Committee reviewed the 2015 annual report and the auditors' report, and considered the re-appointment of auditor for the year of 2016 and reviewed the working report of the Audit Committee for the year of 2015.

During the second meeting of the Audit Committee in 2016, the Audit Committee reviewed the 2016 interim report, and interim report of auditors of 2016 and interim working report of the Audit Committee for 2016.

The Audit Committee suggested the re-appointment of PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company in 2017.

Meeting Attendance of the Audit Committee:

The Audit Committee held two meetings during the year of 2016. The attendance of the meetings held by the Audit Committee during the year ended 31 December 2016 is as follows:

本公司審核委員會的主要職責是監督財務報告，及按本集團之內部監控的效能、外聘核數和內部核數是否足夠向董事會提出獨立意見，以協助董事會完成其責任，確保本公司遵守適當的會計原則及匯報實務等。

截至二零一六年十二月三十一日止共召開兩次審核委員會會議。

二零一六年審核委員會第一次會議，審閱了本公司的二零一五年年報、二零一五年審計師報告、續聘二零一六年度會計師事務所的議案及二零一五年度審核委員會工作報告。

二零一六年審核委員會第二次會議，審閱了本公司二零一六年中期報告、二零一六年中期審計師報告及二零一六年中期審核委員會工作報告。

審核委員會建議二零一七年繼續委任普華永道中天會計師事務所（特殊普通合伙）擔任本公司核數師。

審核委員會會議記錄：

審核委員會於二零一六年年內舉行兩次會議，以下為審核委員會截至二零一六年十二月三十一日止年度舉行的審核委員會會議記錄：

Attendance of meetings held by the Audit Committee for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度舉行的審核委員會會議出席率		
Member of the Audit Committee	審核委員會成員	
Deng Tianlin	鄧天林	100%
Fung Ching, Simon	馮 征	100%
George F Meng	孟繁臣	100%

SHAREHOLDING INTERESTS OF SENIOR MANAGEMENT

During 2016, none of the senior management held any shareholding interests in the Company.

AMENDMENTS OF THE ARTICLES OF ASSOCIATION

During 2016, one round of amendments of the Articles of Association have been made.

The amendment was mainly due to the reform of national industrial and commercial system, the Company has completed the “Combination of Three Licenses into One” procedures for its business license, organization code certificate and tax registration certificate; hence, the corresponding provisions under the Articles of Association were required to amend accordingly. Moreover, it has been over 14 years since inception of the Articles of Association. Despite the fact that there are non-regular amendments, the Company has further formulated the description of some of the articles, and the Articles of Association becomes more stringent and more fit to the actual needs for the development of the Company.

The amendment has been approved by the Company’s annual general meeting on 18 May 2016. Please refer to the announcement of the Company dated 14 September 2016 for the revised Article of Association.

高級管理人員的持股權益

本年度內，高級管理人員概無持有本公司任何股份之權益。

公司章程變動

本年度內，本公司《公司章程》進行過一次修改。

主要是因為全國工商系統改革，本公司已辦理營業執照、組織機構代碼證及稅務登記證三證合一，需相應修改《公司章程》中相應條款。且《公司章程》自初次擬定，已逾14年，期間雖不時修訂，但為避免歧義，本公司對部份條款進一步規範描述，使《公司章程》語言更嚴謹、更符合本公司發展的實際需要。

該次變更已經本公司於二零一六年五月十八日股東週年大會批准，更新後的《公司章程》請見本公司二零一六年九月十四日之公告。

CORPORATE GOVERNANCE REPORT 企業管治報告

Details of Amendments are as follows:

The original Article 1 is:

The Company is a joint stock limited company incorporated in accordance with the “PRC, Company Law” (hereinafter called the “Company Law”), the “State Council, Share Subscription and Listing Outside China by Joint Stock Limited Companies Special Regulations” (hereinafter called the “Special Regulations”), and other relevant laws and administrative regulations of the State.

The Company was incorporated by promoters, upon obtaining the approval “Hainan Share System Enterprises Office Document [2000]97” issued by the Hainan Province Share System Enterprises Office on the 26th December, 2000. The Company was registered with the Hainan Province Administration for Industry and Commerce on the 28th December, 2000, and received the Company’s business license. The license number is 4600001008403.

The Company’s promoters are Haikou Meilan Airport Company Limited, Hainan Airlines Company Limited, HNA Group Company Limited, Central South Civil Aviation Economy Development Corporation, and China Southern Airlines Company Limited.

Amended as:

The Company is a joint stock limited company incorporated in accordance with the “PRC, Company Law” (hereinafter called the “Company Law”), the “State Council, Share Subscription and Listing Outside China by Joint Stock Limited Companies Special Regulations” (hereinafter called the “Special Regulations”), and other relevant laws and administrative regulations of the State.

The Company was incorporated by promoters, upon obtaining the approval “Hainan Share System Enterprises Office Document [2000]97” issued by the Hainan Province Share System Enterprises Office on the 26th December, 2000. The Company was registered with the Hainan Province Administration for Industry and Commerce on the 28th December, 2000, and received the Company’s business license. The license number of incorporation is 4600001008403. The current unified social credit code is 91460000721271724R.

The Company’s promoters are Haikou Meilan International Airport Company Limited, Hainan Airlines Company Limited, HNA Group Company Limited, Central South Civil Aviation Economy Development Corporation, and China Southern Airlines Company Limited.

具體修改如下：

原章程：第一條：

本公司系依照《中華人民共和國公司法》(簡稱《公司法》)、《國務院關於股份有限公司境外募集股份及上市的特別規定》(簡稱《特別規定》)和國家其它有關法律、行政法規成立的股份有限公司。

公司經海南省股份制企業辦公室二零零零年十二月二十六日頒發的「瓊股辦[2000]97號」文批准，以發起方式設立，並於二零零零年十二月二十八日在海南省工商行政管理局註冊登記，取得公司營業執照。公司的營業執照號碼為：4600001008403。

公司的發起人為海口美蘭機場有限責任公司、海南航空股份有限公司、海航集團有限公司、中南民航經濟發展公司、中國南方航空股份有限公司。

修改後：

本公司系依照《中華人民共和國公司法》(簡稱《公司法》)、《國務院關於股份有限公司境外募集股份及上市的特別規定》(簡稱《特別規定》)和國家其它有關法律、行政法規成立的股份有限公司。

公司經海南省股份制企業辦公室二零零零年十二月二十六日頒發的「瓊股辦[2000]97號」文批准，以發起方式設立，並於二零零零年十二月二十八日在海南省工商行政管理局註冊登記，取得公司營業執照。公司成立時註冊號為：4600001008403，現統一社會信用代碼為：91460000721271724R。

公司的發起人為海口美蘭國際機場有限責任公司、海南航空股份有限公司、海航集團有限公司、中南民航經濟發展公司、中國南方航空股份有限公司。

CORPORATE GOVERNANCE REPORT 企業管治報告

The original Article 6 is:

The Articles of Association of the Company was passed by the shareholders' general meeting by means of a special resolution, and became effective upon the initial public offering and listing of the Company to replace the Articles of Association originally registered with the administrative department for industry and commerce.

From the effective date onwards, the Articles of Association has become the legally binding document regulating the Company's organisation and actions, relationship between the Company and the shareholders, and rights and obligations among the shareholders.

Amended as:

The Articles of Association of the Company was passed by the shareholders' general meeting by means of a special resolution, and became effective upon the initial public offering of foreign shares outside China and listing of the Company to replace the Articles of Association originally filed with the administrative department for industry and commerce.

From the effective date onwards, the Articles of Association has become the legally binding document regulating the Company's organisation and actions, relationship between the Company and the shareholders, and rights and obligations among the shareholders.

The original Article 7 is:

The Articles of Association shall have binding effect on the Company, and its shareholders, directors, supervisors, general manager, (or called president, CEO etc. Hereinafter the same) and other senior management personnel. Such persons shall be entitled to exercising their rights regarding the Company according to the Articles of Association.

The shareholders may bring legal actions against the Company according to the "Company Law" and the Articles of Association; the Company may bring legal actions against the shareholders according to the "Company Law" and the Articles of Association; the shareholders may bring legal actions against the shareholders according to the "Company Law" and the Articles of Association; the 3 shareholders may bring legal actions against the directors, supervisors, general manager and other senior management personnel according to the "Company Law" and the Articles of Association.

The other senior management personnel according to the Articles of Association are the vice general manager, the company secretary, CFO.

Such legal actions include applying to the court for legal actions and applying for arbitration with the arbitration board.

原章程：第六條：

本公司章程經股東大會以特別決議通過，並在公司首次公開發行股票並上市之日起生效，以取代原來在工商行政管理機關登記之公司章程。

自公司章程生效之日起，公司章程即成為規範公司的組織與行為、公司與公司股東之間、股東與股東之間權利義務的，具有法律約束力的文件。

修改後：

本公司章程經股東大會以特別決議通過，並在公司首次公開發行境外上市外資股股票並上市之日起生效，以取代原來在工商行政管理機關備案之公司章程。

自公司章程生效之日起，公司章程即成為規範公司的組織與行為、公司與公司股東之間、股東與股東之間權利義務的，具有法律約束力的文件。

原章程：第七條：

公司章程對公司及其股東、董事、監事、總經理（或稱總裁、執行總裁等，下同）和其它高級管理人員均有約束力；前述人員均可以依據公司章程提出與公司事宜有關的權利主張。

股東可以依據《公司法》和公司章程起訴公司；公司可以依據《公司法》和公司章程起訴股東；股東可以依據《公司法》和公司章程起訴股東；股東可以依據《公司法》和公司章程起訴公司的董事、監事、總經理和其它高級管理人員。

本章程所稱其他高級管理人員是指公司的副總經理、董事會秘書、財務負責人。

前款所稱起訴，包括向法院提起訴訟或者向仲裁機構申請仲裁。

CORPORATE GOVERNANCE REPORT 企業管治報告

Amended as:

The Articles of Association shall have binding effect on the Company, and its shareholders, directors, supervisors, general manager, (or called president, CEO etc., hereinafter the same) and other senior management personnel. Such persons shall be entitled to exercising their rights regarding the Company according to the Articles of Association.

The shareholders may bring legal actions against the Company according to the “Company Law” and the Articles of Association; the Company may bring legal actions against the shareholders according to the “Company Law” and the Articles of Association; the shareholders may bring legal actions against the shareholders according to the “Company Law” and the Articles of Association; the shareholders may bring legal actions against the directors, supervisors, general manager and other senior management personnel according to the “Company Law” and the Articles of Association.

The other senior management personnel according to the Articles of Association are the vice general manager (or called vice president, hereinafter the same), the company secretary, CFO (or called finance director, hereinafter the same) and other management decided by the Company’s board of directors.

Such legal actions include applying to the court for legal actions and applying for arbitration with the arbitration board.

The original Article 9 is:

The Company is an independent enterprise legal person. The Company shall conduct all its business in full compliance with the laws and regulations of China and of places outside China where foreign shares are listed, and shall protect the legal rights of shareholders. All the Company’s capital is divided into equal shares. Shareholders’ liability towards the Company is limited to the extent of the shares they subscribe. The Company is liable to its liabilities to the extent of all the Company’s assets.

Amended as:

The Company is an independent enterprise legal person. The Company has independent legal person property and is entitled to property right of legal person. The Company shall conduct all its business in full compliance with the laws and regulations of China and of places outside China where foreign shares are listed, and shall protect the legal rights of shareholders. All the Company’s capital is divided into equal shares. Shareholders’ liability towards the Company is limited to the extent of the shares they subscribe. The Company is liable to its liabilities to the extent of all the Company’s assets

修改後：

公司章程對公司及其股東、董事、監事、總經理（或稱總裁、執行總裁等，下同）和其他高級管理人員均有約束力；前述人員均可以依據公司章程提出與公司事宜有關的權利主張。

股東可以依據《公司法》和公司章程起訴公司；公司可以依據《公司法》和公司章程起訴股東；股東可以依據《公司法》和公司章程起訴股東；股東可以依據《公司法》和公司章程起訴公司的董事、監事、總經理和其他高級管理人員。

本章程所稱其他高級管理人員是指公司的副總經理（或稱副總裁等，下同）、董事會秘書、財務負責人（或稱財務總監，下同）以及公司董事會確定的其他管理人員。

前款所稱起訴，包括向法院提起訴訟或者向仲裁機構申請仲裁。

原章程：第九條：

公司是獨立的企業法人，公司的一切行為均須遵守中國及境外上市外資股上市地法律和法規並且應該保護股東的合法權益。公司的全部資本分為等額股份，股東以其所持股份為限對公司承擔責任，公司以其全部資產對其債務承擔責任。

修改後：

公司是獨立的企業法人，有獨立的法人財產，享有法人財產權。公司的一切行為均須遵守中國及境外上市外資股上市地法律和法規並且應該保護股東的合法權益。公司的全部資本分為等額股份，股東以其認購的股份為限對公司承擔責任，公司以其全部資產對其債務承擔責任。

CORPORATE GOVERNANCE REPORT 企業管治報告

The original Article 11 is:

Activities examined and authorized by the department in charge of company examination and approval form the scope of business of the Company.

Business scope of the Company: To provide aircraft transportation, passenger services and ground handling services for domestic and foreign airlines as well as transfer and transit passengers; lease aviation business spaces and commercial and office properties in the terminals and provide a wide range of services; build and operate aeronautical and auxiliary properties and facilities in the airport; provide cargo warehousing (excluding dangerous articles), packaging, handling and transport services; and provide retail sales of jet fuel, hardware, electric appliance, electronic products and communication devices, grocery, textile, arts and crafts, magazines as well as vehicles maintenance to (among others) airlines or passengers within the premises of the airport. (Licenses are obtained for any business activities requiring administrative permit).

Amended as:

The scope of business of the Company is determined by the Company's Articles of Association and is registered in accordance with laws. The Company can amend the Articles of Association and the scope of business, provided however that the procedure of change of registration shall be completed.

Business scope of the Company: To provide aircraft transportation, passenger services and ground handling services for domestic and foreign airlines as well as transfer and transit passengers; lease aviation business spaces and commercial and office properties in the terminals and provide a wide range of services; build and operate aeronautical and auxiliary properties and facilities in the airport; provide cargo warehousing (excluding dangerous articles), packaging, handling and transport services; and provide retail sales of jet fuel, hardware, electric appliance, electronic products and communication devices, grocery, textile, arts and crafts, magazines, vehicles maintenance, food circulation and food and beverage service to (among others) airlines or passengers within the premises of the airport. (Licenses are obtained for any business activities requiring administrative permit).

原章程：第十一條：

公司的經營範圍以公司登記機關核准的項目為準。

公司的經營範圍包括：為國內外航空運輸企業、過港和轉港旅客提供過港及地面運輸服務；出租候機樓內的航空營業場所、商業和辦公場所並提供綜合服務；建設經營機場航空及其輔助房地產設施業務；貨物倉儲（危險品除外）、包裝、裝卸、搬運業務；在機場範圍內為航空公司或旅客等提供航空油料、五金工具、交電產品、電子產品及通訊設備、百貨、針紡織品、工藝美術品、雜誌零售及車輛維修。（凡需行政許可的項目憑許可證經營）。

修改後：

公司的經營範圍由公司章程規定，並依法登記。公司可以修改公司章程，改變經營範圍，但是應當辦理變更登記手續。

公司的經營範圍包括：為國內外航空運輸企業、過港和轉港旅客提供過港及地面運輸服務；出租候機樓內的航空營業場所、商業和辦公場所並提供綜合服務；建設、經營機場航空及其輔助房地產設施業務；貨物倉儲（危險品除外）、包裝、裝卸、搬運業務；在本機場範圍內為航空公司或旅客等提供航空油料、五金工具、交電產品、電子產品及通訊設備、日用百貨、針紡織品、工藝美術品、雜誌銷售、車輛維修、食品流通及餐飲服務。（凡需行政許可的項目憑許可證經營）。

CORPORATE GOVERNANCE REPORT 企業管治報告

The original Article 16 is:

The Company was incorporated as a joint stock company by promoters according to the permit, Hainan Share Office No. [2000]97, dated the 26th December, 2000, issued by the Hainan Province Share System Enterprises Office. The total number of issued ordinary shares is 250,000,000, all subscribed by the promoters below, making up 100% of issued ordinary shares:

Haikou Meilan Airport Company Limited	海口美蘭機場有限責任公司	237,500,000 shares 237,500,000股	95%
Hainan Airlines Company Limited	海南航空股份有限公司	5,287,500 shares 5,287,500股	2.115%
HNA Group Company Limited	海航集團有限公司	3,512,500 shares 3,512,500股	1.405%
Central South Civil Aviation Economy Development Corporation	中南民航經濟發展公司	2,775,000 shares 2,775,000股	1.11%
China Southern Airlines Company Limited	中國南方航空股份有限公司	925,000 shares 925,000股	0.37%

Amended as:

The Company was incorporated as a joint stock company by promoters according to the permit, Hainan Share Office No. [2000]97, dated the 26th December, 2000, issued by the Hainan Province Share System Enterprises Office. The total number of issued ordinary shares is 250,000,000, all subscribed by the promoters below, representing 100% of issued ordinary shares at the time of incorporation:

Haikou Meilan International Airport Company Limited	海口美蘭國際機場有限責任公司	237,500,000 shares 237,500,000股	95%
Hainan Airlines Company Limited	海南航空股份有限公司	5,287,500 shares 5,287,500股	2.115%
HNA Group Company Limited	海航集團有限公司	3,512,500 shares 3,512,500股	1.405%
Central South Civil Aviation Economy Development Corporation	中南民航經濟發展公司	2,775,000 shares 2,775,000股	1.11%
China Southern Airlines Company Limited	中國南方航空股份有限公司	925,000 shares 925,000股	0.37%

原章程：第十六條：

公司系根據海南省股份制企業辦公室於2000年12月26日以「瓊股辦[2000]97號」文批准以發起設立方式設立的股份公司。公司設立時發行的普通股總數為250,000,000股，報經海南省股份制企業全部由下列發起人認購，合佔公司已發行的普通股總數的100%：

修改後：

公司系根據海南省股份制企業辦公室於2000年12月26日以「瓊股辦[2000]97號」文批准以發起設立方式設立的股份公司。公司成立時發行的普通股總數為250,000,000股，全部由下列發起人認購，佔公司成立時已發行的普通股總數的100%：

CORPORATE GOVERNANCE REPORT 企業管治報告

The original Article 17 is:

After incorporation, the Company increased its capital for the first time by issuing ordinary shares. The newly issued shares are 223,213,000 overseas listed foreign shares including 198,000,000 shares of initial offer and 25,213,000 shares of over-allotment. At the same time, 3,700,000 domestic shares were transferred into foreign shares.

The Company's share structure is as follows: there are 473,213,000 common shares including 246,300,000 domestic shares that account for 52.05% of the total common shares. These shares are held as follows: 237,500,000 shares by Haikou Meilan International Airport Company Limited, 5,287,500 by Hainan Airlines Company Limited, 3,512,500 by HNA Group Company Limited. There are 226,913,000 foreign shares held by foreign shareholders, which account for 47.95% of the total common shares.

Amended as:

After incorporation, the Company increased its capital for the first time by issuing ordinary shares. The newly issued shares are 223,213,000 overseas listed foreign shares including 198,000,000 shares of initial offer and 25,213,000 shares of over-allotment. At the same time, 3,700,000 domestic shares were transferred into overseas listed foreign shares.

After the afore-mentioned capital increase by issuing ordinary shares, the Company's share structure is as follows: there are 473,213,000 common shares including 246,300,000 domestic shares that account for 52.05% of the total common shares. These shares are held as follows: 237,500,000 shares by Haikou Meilan International Airport Company Limited, 5,287,500 by Hainan Airlines Company Limited, 3,512,500 by HNA Group Company Limited. There are 226,913,000 foreign shares held by foreign shareholders, which account for 47.95% of the total common shares.

The original Article 18 is:

The Company's plan regarding the issue of overseas listed foreign shares or domestic shares has been approved by the institution in charge of securities administration in the State Council. The Company's board of directors may make arrangements to issue the shares respectively.

The plan to issue overseas listed foreign shares and domestic shares may be carried out respectively within fifteen months from the date of receiving the approval of the China Securities Regulatory Commission.

原章程：第十七條：

公司成立後首次增資發行普通股，為223,213,000股的境外上市外資股（包括初步發行的198,000,000股境外上市外資股及行使超額配售權額外發行的25,213,000股境外上市外資股）。在首次增資發行普通股的同時，公司股本中的3,700,000股內資股轉為境外上市外資股。

公司的股本結構為普通股473,213,000股，其中內資股246,300,000股，佔公司發行普通股總數的52.05%，分別由作為發起人的海口美蘭機場有限責任公司持有237,500,000股，海南航空股份有限公司持有5,287,500股，海航集團有限公司持有3,512,500股；外資股226,913,000股，由境外上市外資股股東持有，約佔公司發行普通股總數的47.95%。

修改後：

公司成立後首次增資發行的普通股，為223,213,000股境外上市外資股（包括初步發行的198,000,000股境外上市外資股及行使超額配售權額外發行的25,213,000股境外上市外資股）。在首次增資發行普通股的同時，公司股本中的3,700,000股內資股轉為境外上市外資股。

公司經前述增資發行普通股後的股本結構為：普通股473,213,000股，其中內資股246,300,000股，佔公司發行普通股總數的52.05%，分別由作為發起人的海口美蘭國際機場有限責任公司持有237,500,000股，海南航空股份有限公司持有5,287,500股，海航集團有限公司持有3,512,500股；外資股226,913,000股，由境外上市外資股股東持有，約佔公司發行普通股總數的47.95%。

原章程：第十八條：

公司經國務院證券主管機構批准的發行境外上市外資股或內資股的計劃，公司董事會可以作出分別發行的實施安排。

公司依照前款規定分別發行境外上市外資股和內資股的計劃，可以自中國證券監督管理委員會批准之日起15個月內分別實施。

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Amended as:

The Company's plan regarding the issue of overseas listed foreign shares or domestic shares has been approved by the institution in charge of securities administration in the State Council. The Company's board of directors may make arrangements to issue the shares respectively.

The plan to issue overseas listed foreign shares and domestic shares may be carried out respectively within fifteen months from the date of receiving the approval of securities administration in the State Council.

The original Article 19 is:

The Company's plan to issue the confirmed numbers of overseas listed foreign shares and domestic shares shall be completed in one time respectively. Under special conditions, subject to the approval of the China Securities Regulatory Commission, the Company may complete the share issue in several stages.

Amended as:

The Company's plan to issue the confirmed numbers of overseas listed foreign shares and domestic shares shall be completed in one time respectively. Under special conditions, subject to the approval of securities administration in the State Council, the Company may complete the share issue in several stages.

The original Article 21 is:

As for the operation and development requirements, the Company may increase its capital in accordance with the related articles in the Company's Articles of Association.

The Company may increase its capital by the following means:

- (1) Issuing new shares to non-designated investors;
- (2) Placing new shares to existing shareholders;
- (3) Issuing new shares to existing shareholders;
- (4) Issuing new shares to designated investors; and
- (5) Adopting other means permitted by laws and administrative regulations.

When issuing new shares to increase capital, the Company shall adhere to the procedures of relevant State laws and administrative regulations, after obtaining internal approval in accordance with the Company's Articles of Association.

修改後：

公司經國務院證券主管機構批准的發行境外上市外資股或內資股的計劃，公司董事會可以作出分別發行的實施安排。

公司依照前款規定分別發行境外上市外資股和內資股的計劃，可以自國務院證券主管機構批准之日起15個月內分別實施。

原章程：第十九條：

公司在發行計劃確定的股份總數內，分別發行境外上市外資股和內資股的，應當分別一次募足；有特殊情況不能一次募足的，經中國證券監督管理委員會批准，也可以分次發行。

修改後：

公司在發行計劃確定的股份總數內，分別發行境外上市外資股和內資股的，應當分別一次募足；有特殊情況不能一次募足的，經國務院證券主管機構批准，也可以分次發行。

原章程：第二十一條：

公司根據經營和發展的需要，可以按照公司章程的有關規定批准增加資本。

公司增加資本可以採取下列方式：

- (一) 向非特定投資人募集新股；
- (二) 向現有股東配售新股；
- (三) 向現有股東派送新股；
- (四) 向特定投資人發送新股；及
- (五) 法律、行政法規許可的其它方式。

公司增資發行新股，按照公司章程的規定批准後，應根據國家有關法律、行政法規規定的程序辦理。

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Amended as:

As for the operation and development requirements, the Company may increase its capital in accordance with the related articles in the Company's Articles of Association.

The Company may increase its capital by the following means:

- (1) Issuing new shares to non-designated investors;
- (2) Placing new shares to existing shareholders;
- (3) Issuing new shares to existing shareholders;
- (4) Issuing new shares to designated investors; and
- (5) Adopting other means permitted by laws and administrative regulations.

When issuing new shares to increase capital, the Company shall adhere to the procedures of relevant State laws and administrative regulations, after obtaining internal approval in accordance with the Company's Articles of Association.

The original Article 25 is:

Any shareholder of overseas listed foreign shares may use a written transfer form, generally in use in any listing stock exchange, or any form accepted by the board of directors, or the standard transfer form designated by the listing stock exchange where the Company's shares are listed, to transfer all or part of his shares. The transfer form shall be signed or stamped by the transferor and transferee.

All transfer forms shall be filed at the Company's registered address, or the address designated by the board of directors from time to time.

修改後：

公司根據經營和發展的需要，可以按照公司章程的有關規定批准增加資本。

公司增加資本可以採取下列方式：

- (一) 向非特定投資人募集新股；
- (二) 向現有股東配售新股；
- (三) 向現有股東派送新股；
- (四) 向特定投資人發行新股；及
- (五) 法律、行政法規許可的其它方式。

公司增資發行新股，按照公司章程的規定批准後，應根據國家有關法律、行政法規規定的程序辦理。

原章程：第二十五條：

任何境外上市外資股持有人可利用任何上市地常用的或董事會接受的任何其它格式的書面轉讓文件或公司股票上市的證券交易所指定的標準過戶表格，轉讓全部或部份股份。轉讓文件須由轉讓人及承讓人以人手或印刷形式簽署。

所有轉讓文據應備置於公司法定地址、或董事會不時指定的地址。

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Amended as:

Any shareholder of overseas listed foreign shares may use a written transfer form, generally in use in any listing stock exchange, or any form accepted by the board of directors, or the standard transfer form designated by the listing stock exchange where the Company's shares are listed, to transfer all or part of his shares. The transfer form may be signed by the transferor and transferee, when the transferor or transferee is designated clearing house according to Securities and Futures Ordinance or its proxy, it may sign or stamp the transfer form.

All transfer forms shall be filed at the Company's registered address, or the address designated by the board of directors from time to time.

The original Article 26 is:

At any time when the Company's overseas listed foreign shares are listed in the Hong Kong Exchanges and Clearing Limited ("Hong Kong Exchange"), the Company shall ensure that all ownership documents of the shares listed in the Hong Kong Exchange (including overseas listed foreign shares) contain the following statements:

- (1) Share purchasers together with the Company and every shareholder of the Company, and the Company together with every shareholder agree to abide by and follow the rules and regulations of the "Company Law" and other relevant laws, administrative regulations and the Articles of Association.
- (2) In case of disputes and claims arising from the Articles of Association, or disputes and claims of right relating to the Company's affairs arising from the rights and obligations as stipulated in the "Company Law" and other relevant laws and administrative regulations of the State, Share purchasers together with every shareholder, director, supervisor, general manager, assistant general manager and senior management personnel of the Company, as well as the company representing the Company, every director, supervisor, general manager, assistant general manager and senior management personnel together with every shareholder, shall agree to submit to arbitration for settlement in accordance with the rules and regulations of the Company's Articles of Association. Any submission shall be regarded as that the arbitration court is authorised to carry out and to announce the arbitration award and that such arbitration award is final.

修改後：

任何境外上市外資股持有人可利用任何上市地常用的或董事會接受的任何其它格式的書面轉讓文件或公司股票上市的證券交易所指定的標準過戶表格，轉讓全部或部份股份。轉讓文件須由轉讓人及承讓人以手簽方式簽署，轉讓人或受讓人為《香港證券及期貨條例》所定義的認可結算機構或其代理人的，則可以手簽或機印方式簽署。

所有轉讓文據應備置於公司法定地址、或董事會不時指定的地址。

原章程：第二十六條：

在公司的境外上市外資股在香港聯合交易所有限公司（「香港聯交所」）上市的期間無論何時，公司必須確保其所有在香港聯交所上市的證券的一切所有權文件（包括境外上市外資股股票），載有以下聲明：

- （一）股份購買人與公司及其每名股東，以及公司與每名股東，均協議遵守及符合《公司法》及其它有關法律、行政法規、及公司章程的規定。
- （二）股份購買人與公司的每名股東、董事、監事、總經理、副總經理及高級管理人員同意，而代表公司本身及每名董事、監事、總經理、副總經理及高級管理人員行事的公司亦與每名股東同意，將因公司章程而產生之一切爭議及索償，或因《公司法》及其它中國有關法律、行政法所規定的權利和義務發生的、與公司事務有關的爭議或權利主張，須根據公司章程的規定提交仲裁解決，及任何提交的仲裁均須視為授權仲裁庭進行公開聆訊及公佈其裁決。該仲裁是終局裁決。

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- (3) Share purchasers together with the Company and every shareholder agree that the Company's shares may be transferred freely by the holders.
- (4) Share purchasers authorise the Company to enter into contracts with every director and senior management personnel. Such directors and senior management personnel promise to abide by and execute their duties as obligated to the shareholders in the Articles of Association.

The Company shall direct and ensure its share registrar office to refuse the registration of any sale, purchase or transfer of any individual holders, unless and until such individual holders submit to the share registrar office the relevant transfer forms, duly signed and executed. Such forms shall include the above statements.

Amended as:

At any time when the Company's overseas listed foreign shares are listed in the Hong Kong Exchanges and Clearing Limited ("Hong Kong Exchange"), the Company shall ensure that all ownership documents of the shares listed in the Hong Kong Exchange (including overseas listed foreign shares) contain the following statements:

- (1) Share purchasers together with the Company and every shareholder of the Company, and the Company together with every shareholder agree to abide by and follow the rules and regulations of the "Company Law", the "Special Regulations" and other relevant laws, administrative regulations and the Articles of Association.
- (2) In case of disputes and claims arising from the Articles of Association, or disputes and claims of right relating to the Company's affairs arising from the rights and obligations as stipulated in the "Company Law" and other relevant laws and administrative regulations of the State, Share purchasers together with every shareholder, director, supervisor, general manager, assistant general manager and senior management personnel of the Company, as well as the company representing the Company, every director, supervisor, general manager, assistant general manager and senior management personnel together with every shareholder, shall agree to submit to arbitration for settlement in accordance with the rules and regulations of the Company's Articles of Association. Any submission shall be regarded as that the arbitration court is authorised to carry out and to announce the arbitration award and that such arbitration award is final.

(三) 股份購買人與公司及其每名股東同意，公司的股份可由其持有人自由轉讓。

(四) 股份購買人授權公司代其與每名董事及高級管理人員訂立合約，由該等董事及高級管理人員承諾遵守及履行公司章程規定的其對股東應盡之責任。

公司須指示及促使其股票過戶登記處，拒絕以任何個別持有人的姓名登記其股份的認購、購買或轉讓，除非及直至該個別持有人向該股票過戶登記處提交有關該等股份的簽妥表格，而表格須包括上述聲明。

修改後：

在公司的境外上市外資股在香港聯合交易所有限公司（「香港聯交所」）上市的期間無論何時，公司必須確保其所有在香港聯交所上市的證券的一切所有權文件（包括境外上市外資股股票），載有以下聲明：

- (一) 股份購買人與公司及其每名股東，以及公司與每名股東，均協議遵守及符合《公司法》、《特別規定》及其它有關法律、行政法規、及公司章程的規定。
- (二) 股份購買人與公司的每名股東、董事、監事、總經理、副總經理及高級管理人員同意，而代表公司本身及每名董事、監事、總經理、副總經理及高級管理人員行事的公司亦與每名股東同意，將因公司章程而產生之一切爭議及索償，或因《公司法》及其它中國有關法律、行政法所規定的權利和義務發生的、與公司事務有關的爭議或權利主張，須根據公司章程的規定提交仲裁解決，及任何提交的仲裁均須視為授權仲裁庭進行公開聆訊及公佈其裁決。該仲裁是終局裁決。

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(3) Share purchasers together with the Company and every shareholder agree that the Company's shares may be transferred freely by the holders.

(4) Share purchasers authorise the Company to enter into contracts with every director, general manager and senior management personnel. Such directors, general manager and senior management personnel promise to abide by and execute their duties as obligated to the shareholders in the Articles of Association.

The Company shall direct and ensure its share registrar office to refuse the registration of any sale, purchase or transfer of any individual holders, unless and until such individual holders submit to the share registrar office the relevant transfer forms, duly signed and executed. Such forms shall include the above statements.

The original Article 32 is:

The acquisition of the Company's shares for reason as stipulated from Item (1) to Item (3) of Article 30 of the Articles of Association or the repurchase of shares by agreement outside the stock exchange shall be first approved by shareholders in the general meeting according to the rules of the Articles of Association. After getting approved by the same procedures in the shareholders' general meeting, the Company may cancel or amend the agreement reached by the method afore-mentioned, or give up any right in the contract.

The afore-mentioned agreement on the repurchase of shares includes, but not limited to, agreements on taking the responsibility to repurchase shares and receiving the right of share repurchase.

Amended as:

The acquisition of the Company's shares for reason as stipulated from Item (1) to Item (3) of Article 30 of the Articles of Association or the repurchase of shares by agreement outside the stock exchange shall be first approved by shareholders in the general meeting according to the rules of the Articles of Association. After getting approved by the same procedures in the shareholders' general meeting, the Company may cancel or amend the agreement reached by the method afore-mentioned, or give up any right in the contract.

(三) 股份購買人與公司及其每名股東同意，公司的股份可由其持有人自由轉讓。

(四) 股份購買人授權公司代其與每名董事、總經理及高級管理人員訂立合約，由該等董事、總經理及高級管理人員承諾遵守及履行公司章程規定的其對股東應盡之責任。

公司須指示及促使其股票過戶登記處，拒絕以任何個別持有人的姓名登記其股份的認購、購買或轉讓，除非及直至該個別持有人向該股票過戶登記處提交有關該等股份的簽妥表格，而表格須包括上述聲明。

原章程：第三十二條：

公司因本章程第三十條第(一)項至第(三)項的原因收購本公司股份的或者公司在證券交易所外以協議方式購回股份時，應當事先經股東大會按公司章程的規定批准。經股東大會以同一方式事先批准，公司可以解除或者改變經前述方式已訂立的協議，或者放棄其合同中的任何權利。

前款所稱購回股份的協議，包括(但不限於)同意承擔購回股份的義務和取得購回股份的權利的協議。

修改後：

公司因本章程第三十條第(一)項至第(三)項的原因收購本公司股份的或者公司在證券交易所外以協議方式購回股份時，應當事先經股東大會按公司章程的規定批准。經股東大會以同一方式事先批准，公司可以解除或者改變經前述方式已訂立的協議，或者放棄其合同中的任何權利。

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The afore-mentioned agreement on the repurchase of shares includes, but not limited to, agreements on taking the responsibility to repurchase shares and receiving the right of share repurchase.

The Company shall not transfer the contracts on the repurchase of its shares and any right set out thereunder. For the right of repurchasing redeemable shares under this article, the repurchase price shall not exceed the limitation of the highest price in the event that such repurchase is not through the market or through bidding. In the event of repurchase through bidding, bidding shall be proposed equally to all the shareholders.

The original Article 44 is:

All fully paid overseas listed foreign shares listed in Hong Kong may be freely transferred according to the Articles of Association. However, unless the following requirements are met, the board of directors may refuse the recognition of any transfer document without any need to provide any explanation:

- (1) HK\$2.50 transfer fee is paid to the Company, or a higher fee agreed by the Hong Kong Stock Exchange, for the registration of the transfer of shares and other documents relating to or affecting ownership;
- (2) The transfer document only concerns overseas listed foreign shares listed in Hong Kong;
- (3) The stamp duty on the transfer document is fully paid;
- (4) The proof of transferor having the right to transfer the relevant shares and the proof for the reasonable requirement of the board of directors shall be provided;
- (5) If the shares are intended to be transferred to joint shareholders, the number of joint shareholders shall not exceed four; and
- (6) There is no lien on the shares being transferred.

No shares can be transferred to minors or mentally incompetent or other legally incapable persons

前款所稱購回股份的協議，包括（但不限於）同意承擔購回股份的義務和取得購回股份的權利的協議。

公司不得轉讓購回其股份的合同或者合同中規定的任何權利。就本條款有權購回可贖回股份而言，如非經市場或以招標方式購回，其價格不得超過某一最高價格限定，如以招標方式購回，則應向全體股東一視同仁提出招標建議。

原章程：第四十四條：

所有股本已繳清的在香港上市的境外上市外資股，皆可依據本章程自由轉讓。但是除非符合下列條件，否則董事會可拒絕承認任何轉讓文據，並無需申述任何理由：

- (一) 向公司支付二元五角港幣的費用，或支付香港聯交所同意的更高的費用，以登記股份的轉讓文據和其它與股份所有權有關的或會影響股份所有權的文件；
- (二) 轉讓文據只涉及在香港上市的境外上市外資股；
- (三) 轉讓文據已付應繳的印花稅；
- (四) 應當提供有關的股票，以及董事會所合理要求的證明轉讓人有權轉讓股份的證據；
- (五) 如股份擬轉讓與聯名持有人，則聯名持有人之數目不得超過4位；及
- (六) 有關股份沒有附帶任何公司的留置權。

任何股份均不得轉讓予未成年人或精神不健全或其它在法律上無行為能力的人士。

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Amended as:

All fully paid overseas listed foreign shares listed in the Hong Kong Stock Exchange may be freely transferred according to the Articles of Association. However, unless the following requirements are met, the board of directors may refuse the recognition of any transfer document without any need to provide any explanation:

- (1) HK\$2.50 transfer fee is paid to the Company, or a higher fee agreed by the Hong Kong Stock Exchange, for the registration of the transfer of shares and other documents relating to or affecting ownership;
- (2) The transfer document only concerns overseas listed foreign shares listed in Hong Kong Stock Exchange;
- (3) The stamp duty on the transfer document required by laws of Hong Kong is fully paid;
- (4) The proof of transferor having the right to transfer the relevant shares and the proof for the reasonable requirement of the board of directors shall be provided;
- (5) If the shares are intended to be transferred to joint shareholders, the number of joint shareholders shall not exceed four; and
- (6) There is no lien on the shares being transferred.

Where the board of directors refuses to register the share transfer, the Company shall deliver the notice of refusing to register such share transfer to the transferor and transferee within two months after the date of formal application of share transfer.

No shares can be transferred to minors or mentally incompetent or other legally incapable persons.

修改後：

所有股本已繳清的在香港聯交所上市的境外上市外資股，皆可依據本章程自由轉讓。但是除非符合下列條件，否則董事會可拒絕承認任何轉讓文據，並無需申述任何理由：

- (一) 向公司支付二元五角港幣的費用，或支付香港聯交所同意的更高的費用，以登記股份的轉讓文據和其它與股份所有權有關的或會影響股份所有權的文件；
- (二) 轉讓文據只涉及在香港聯交所上市的境外上市外資股；
- (三) 轉讓文據涉及的香港法律要求的印花稅已繳付；
- (四) 應當提供有關的股票，以及董事會所合理要求的證明轉讓人有權轉讓股份的證據；
- (五) 如股份擬轉讓與聯名持有人，則聯名持有人之數目不得超過4位；及
- (六) 有關股份沒有附帶任何公司的留置權。

如果董事會拒絕登記股份轉讓，公司應在轉讓申請正式提出之日起2個月內給轉讓人 and 受讓人一份拒絕登記該股份轉讓的通知。

任何股份均不得轉讓予未成年人或精神不健全或其他在法律上無行為能力的人士。

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The original Article 52 is:

Common share shareholders have the following rights:

- (1) Receive dividend and other kinds of distribution according to the number of shares held;
- (2) Request, convene, preside, attend or appoint nominees to attend shareholders' general meetings according to the law, and exercise voting rights;
- (3) Supervise the Company's business operating activities; propose suggestions or make inquiries;
- (4) Transfer, donate or pledge shares held according to the laws, administrative regulations and the Articles of Association;
- (5) Receive the following information according to the Articles of Association, including:
 1. Receive the Articles of Association after payment of subscription monies;
 2. After payment of reasonable fees, obtain the right to inquire and photocopy:
 - i. The register of shareholders of all classes;
 - ii. Personal information of the Company's directors, supervisors, general manager and other senior management personnel, including:
 - (a) Present and past names including alias;
 - (b) Principal address (residential);
 - (c) Nationality;
 - (d) Major job position and all other part-time positions, duties; and
 - (e) Personal identity document and its number;

原章程：第五十二條：

公司普通股股東享有下列權利：

- (一) 依照其所持有的股份份額領取股利和其它形式的利益分配；
- (二) 依法請求、召集、主持、參加或者委派股東代理人參加股東大會，並行使表決權；
- (三) 對公司的業務經營活動進行監督管理，提出建議或者質詢；
- (四) 依照法律、行政法規及公司章程的規定轉讓、贈與或質押其持有的股份；
- (五) 依照公司章程的規定獲得有關信息，包括：
 1. 在繳付成本費用後得到公司章程；
 2. 在繳付了合理費用後有權查閱和複印：
 - (1) 所有各部份股東的名冊；
 - (2) 公司董事、監事、總經理和其它高級管理人員的個人資料，包括：
 - ① 現在及以前的姓名、別名；
 - ② 主要地址（住所）；
 - ③ 國籍；
 - ④ 專職及其它全部兼職的職業、職務；及
 - ⑤ 身份證明文件及其號碼；

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| iii. Condition of share capital; | (3) 公司股本狀況； |
| iv. From the previous accounting year the total face value, quantities, highest and lowest prices of every class of shares repurchased by the Company, and report of all the expenses paid by the Company therefor; | (4) 自上一會計年度以來公司購回自己每一類別股份的票面總值、數量、最高價和最低價，以及公司為此支付的全部費用的報告； |
| v. Minutes of shareholders' general meetings and resolutions of board of directors' meetings and meetings of the supervisory committee; | (5) 股東大會的會議記錄、董事會會議決議、監事會會議決議； |
| vi. Corporate bonds stubs; | (6) 公司債券存根； |
| vii. Financial reports. | (7) 財務報告。 |
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| (6) Share in the distribution of surplus assets according to the number of shares held when the Company is being terminated or liquidated; | (六) 公司終止或者清算時，按其所持有的股份份額參加公司剩餘財產的分配； |
| (7) Require the Company's acquisition of shares held given a different view in respect of resolutions regarding merger and division adopted in a general meeting; and | (七) 對股東大會作出的公司合併、分立決議持異議的股東，要求公司收購其股份；及 |
| (8) Other rights conferred by laws, administrative regulations and the Articles of Association. | (八) 法律、行政法規及公司章程所賦予的其它權利。 |

Amended as:

Common share shareholders have the following rights:

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| (1) Receive dividend and other kinds of distribution according to the number of shares held; | (一) 依照其所持有的股份份額領取股利和其它形式的利益分配； |
| (2) Request, convene, preside, attend or appoint nominees to attend shareholders' general meetings according to the law, and exercise voting rights; | (二) 依法請求、召集、主持、參加或者委派股東代理人參加股東大會，並行使表決權； |
| (3) Supervise the Company's business operating activities; propose suggestions or make inquiries; | (三) 對公司的業務經營活動進行監督管理，提出建議或者質詢； |
| (4) Transfer, donate or pledge shares held according to the laws, administrative regulations and the Articles of Association; | (四) 依照法律、行政法規及公司章程的規定轉讓、贈與或質押其持有的股份； |

修改後：

公司普通股股東享有下列權利：

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- (5) Receive the following information according to the Articles of Association, including:
- (五) 依照公司章程的規定獲得有關信息，包括：
1. Receive the Articles of Association after payment of subscription monies;
 1. 在繳付成本費用後得到公司章程；
 2. After payment of reasonable fees, obtain the right to inquire and photocopy:
 - i. The register of shareholders of all classes;
 - (1) 所有各部份股東的名冊；
 - ii. Personal information of the Company's directors, supervisors, general manager and other senior management personnel, including:
 - (a) Present and past names including alias;
 - (2) 公司董事、監事、總經理和其他高級管理人員的個人資料，包括：
 - ① 現在及以前的姓名、別名；
 - ② 主要地址（住所）；
 - ③ 國籍；
 - ④ 專職及其它全部兼職的職業、職務；及
 - ⑤ 身份證明文件及其號碼；
 - (b) Principal address (residential);
 - (c) Nationality;
 - (d) Major job position and all other part-time positions, duties; and
 - (e) Personal identity document and its number;
 - iii. Condition of share capital;
 - (3) 公司股本狀況；
 - iv. From the previous accounting year the total face value, quantities, highest and lowest prices of every class of shares repurchased by the Company, and report of all the expenses paid by the Company therefor;
 - (4) 自上一會計年度以來公司購回自己每一類別股份的票面總值、數量、最高價和最低價，以及公司為此支付的全部費用的報告；
 - v. Minutes of shareholders' general meetings and resolutions of board of directors' meetings and meetings of the supervisory committee;
 - (5) 股東大會的會議記錄、董事會會議決議、監事會會議決議；
 - vi. Corporate bonds stubs;
 - (6) 公司債券存根；
 - vii. Financial reports.
 - (7) 財務報告。

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| (6) Share in the distribution of surplus assets according to the number of shares held when the Company is being terminated or liquidated; | (六) 公司終止或者清算時，按其所持有的股份份額參加公司剩餘財產的分配； |
| (7) Require the Company's acquisition of shares held given a different view in respect of resolutions regarding merger and division adopted in a general meeting; and | (七) 對股東大會作出的公司合併、分立決議持異議的股東，要求公司收購其股份；及 |
| (8) Other rights conferred by laws, administrative regulations and the Articles of Association. | (八) 法律、行政法規及公司章程所賦予的其它權利。 |

The Company shall not, for the reason that any direct or indirect beneficial owner does not disclose his interest to the Company, exercise any right to impair any right in the held shares by freezing or other ways.

公司不得只因任何直接或間接擁有權益的人士未向公司披露其權益而形式任何權利以凍結或以其它方式損害其所持股份附有的任何權利。

The original Article 54 is:

Other than the obligations imposed by laws, administrative regulations and listing rules of the listing stock exchange, the controlling shareholder (according to the definitions in the following sections) when exercising his voting rights accorded to him as by his shareholding, may not make any of the following decisions detrimental to the interests of all or part of shareholders:

原章程：第五十四條：

除法律、行政法規或者公司股份上市的證券交易所的上市規則所要求的義務外，控股股東（根據以下條款的定義）在行使其股東的權力時，不得因行使其表決權在下列問題上作出有損於全體或者部份股東的利益的決定：

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| (1) Release the obligation of a director or supervisor from acting honestly in the best interest of the Company; | (一) 免除董事、監事應當真誠地以公司最大利益為出發點行事的責任； |
| (2) Authorize a director or supervisor (for his own or other persons' interest) to appropriate company assets by any means, including (but not limited to) any profitable opportunity; or | (二) 批准董事、監事（為自己或者他人利益）以任何形式剝奪公司財產，包括（但不限於）任何對公司有利的機會；或 |
| (3) Authorize a director or supervisor (for his own or other persons' interest) to abrogate the personal rights and interests of other shareholders, including (but not limited to) any distribution right, voting right but not including company restructuring passed by resolution of the shareholders' general meeting in accordance with the Articles of Association. | (三) 批准董事、監事（為自己或者他人利益）剝奪其它股東的個人權益，包括（但不限於）任何分配權、表決權，但不包括根據公司章程提交股東大會通過的公司改組。 |

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Amended as:

Other than the obligations imposed by laws, administrative regulations or the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”) in which the Company’s shares are listed, the controlling shareholder (according to the definitions in the following sections) when exercising his voting rights accorded to him as by his shareholding, may not make any of the following decisions detrimental to the interests of all or part of shareholders:

- (1) Release the obligation of a director or supervisor from acting honestly in the best interest of the Company;
- (2) Authorize a director or supervisor (for his own or other persons’ interest) to appropriate company assets by any means, including (but not limited to) any profitable opportunity; or
- (3) Authorize a director or supervisor (for his own or other persons’ interest) to abrogate the personal rights and interests of other shareholders, including (but not limited to) any distribution right, voting right but not including company restructuring passed by resolution of the shareholders’ general meeting in accordance with the Articles of Association.

The original Article 66 is:

Any shareholder, who has the rights to attend and vote in the shareholders’ general meeting, has the right to appoint one or several persons (such persons need not be shareholders) as his proxy/ies to attend and vote. The shareholder’s proxy may exercise the following rights as the proxy of shareholder:

- (1) To speak in the shareholders’ general meeting on behalf of the shareholder;
- (2) To request the casting of ballots by himself or jointly with others; and
- (3) To vote by show of hands or by ballot unless otherwise provided in applicable listing rules or other securities laws and regulations; however, if the appointed representative exceeds one person, the shareholder’s representative can only exercise the voting rights by casting ballots.

修改後：

除法律、行政法規或者公司股份上市的證券交易所的《香港聯交所有限公司證券上市規則》(以下簡稱「上市規則」)所要求的義務外，控股股東(根據以下條款的定義)在行使其股東的權力時，不得因行使其表決權在下列問題上作出有損於全體或者部份股東的利益的決定：

- (一) 免除董事、監事應當真誠地以公司最大利益為出發點行事的責任；
- (二) 批准董事、監事(為自己或者他人利益)以任何形式剝奪公司財產，包括(但不限於)任何對公司有利的機會；或
- (三) 批准董事、監事(為自己或者他人利益)剝奪其他股東的個人權益，包括(但不限於)任何分配權、表決權，但不包括根據公司章程提交股東大會通過的公司改組。

原章程：第六十六條：

任何有權出席股東會議並有權表決的股東，有權委任一人或者數人(該人可以不是股東)作為其股東代理人，代為出席和表決。該股東代理人依照股東的委託，可以行使下列權利：

- (一) 該股東在股東大會上的發言權；
- (二) 自行或者與他人共同要求以投票方式表決；及
- (三) 除所適用的上市規則或其他證券法律法規另有規定外，以舉手或者投票方式行使表決權，但是委任的股東代理人超過一人時，該等股東代理人只能以投票方式行使表決權。

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If the shareholder is a designated clearing house according to Hong Kong Law Chapter 420 of the Securities and Futures (Clearing House) Ordinance, it may appoint any person (one or more than one) deemed appropriate to be its proxy in any shareholders' general meeting, or any kinds of general meeting. However, for one or more persons so appointed, the appointment letter shall state the number of shares and classes of shares represented by the proxy. The person so appointed has the right to represent the clearing house (or its proxy) to exercise its rights as if the clearing house is an individual shareholder of the Company.

Amended as:

Any shareholder, who has the rights to attend and vote in the shareholders' general meeting, has the right to appoint one or several persons (such persons need not be shareholders) as his proxy/ies to attend and vote. The shareholder's proxy may exercise the following rights as the proxy of shareholder:

- (1) To speak in the shareholders' general meeting on behalf of the shareholder;
- (2) To request the casting of ballots by himself or jointly with others; and
- (3) To vote by show of hands or by ballot unless otherwise provided in applicable listing rules or other securities laws and regulations; however, if the appointed representative exceeds one (1) person, the shareholder's representative can only exercise the voting rights by casting ballots.

If the shareholder is a designated clearing house (or its proxy) according to Hong Kong Law Chapter 420 of the Securities and Futures (Clearing House) Ordinance, it may appoint any person (one or more than one) deemed appropriate to be its proxy in any shareholders' general meeting, or any kinds of general meeting. However, for one or more persons so appointed, the appointment letter shall state the number of shares and classes of shares represented by the proxy. The person so appointed has the right to represent the clearing house (or its proxy) to exercise its rights as if the clearing house is an individual shareholder of the Company.

如該股東為證券及期貨（結算所）條例（香港法律第四百二十章）所定義的認可結算所，可以授權其認為合適的該等人士（一個或以上）在任何股東大會或任何類別的股東的任何會議上擔任其代表；但是，如經此授權一名以上的人士，授權書應載明每名該等人士經此授權所涉及之股票數目和種類。經此授權的人士有權代認結算所行使該結算所（或其代理人）可以行使的權利，猶如該授權人士是公司的個人股東一樣。

修改後：

任何有權出席股東會議並有權表決的股東，有權委任一人或者數人（該人可以不是股東）作為其股東代理人，代為出席和表決。該股東代理人依照股東的委託，可以行使下列權利：

- （一）該股東在股東大會上的發言權；
- （二）自行或者與他人共同要求以投票方式表決；及
- （三）除所適用的上市規則或其他證券法律法規另有規定外，以舉手或者投票方式行使表決權，但是委任的股東代理人超過一(1)人時，該等股東代理人只能以投票方式行使表決權。

如該股東為證券及期貨（結算所）條例（香港法例第四百二十章）所定義的認可結算所（或其代理人），可以授權其認為合適的該等人士（一個或以上）在任何股東大會或任何類別的股東的任何會議上擔任其代表；但是，如經此授權一名以上的人士，授權書應載明每名該等人士經此授權所涉及之股票數目和種類。經此授權的人士有權代認結算所行使該結算所（或其代理人）可以行使的權利，猶如該授權人士是公司的個人股東一樣。

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The original Article 67 is:

A shareholder shall appoint his proxy in writing, to be signed by the appointer or by the proxy appointed in writing. If the appointer is a legal person, the appointment letter should be stamped with the company's legal stamp, or signed by the proxy appointed by the directors or officially. The written form shall state the number of shares the proxy represents.

Amended as:

A shareholder shall appoint his proxy in writing, to be signed by the appointer or by the proxy appointed in writing. If the appointer is a legal person, the appointment letter should be stamped with the company's legal stamp, or signed by its directors or the proxy appointed officially. The written form shall state the number of shares the proxy represents.

The original Article 72 is:

When shareholders (including proxies) vote in shareholders' general meetings by exercising their voting rights in accordance with the number of shares held, they have one vote for each share held. However, shares held by the Company have no voting right and such portion of shares shall not be counted in the total number of shares with the right to vote in shareholders' general meetings.

When any resolutions in respect of connected transaction is to be considered in shareholders' general meetings, the related shareholders shall abstain from voting and the number of voting shares they represented shall not be counted in the total number of effective votes. The related shareholders may, if unable to abstain from voting under special circumstances, cast their votes in accordance with the normal procedures upon the unanimous consent of other non-related shareholders.

When any resolutions in respect of the Company's provision of guarantees to its shareholders or de factor controller is to be considered in shareholders' general meetings, shareholders being controlled by the aforesaid shareholders or de factor controller shall abstain from voting on such resolution and such resolution shall be passed by the majority of the votes cast by other shareholders attending the meeting.

原章程：第六十七條：

股東應當以書面形式委託代理人，由委託人簽署或者由其以書面形式委託的代理人簽署；委託人為法人的，應當加蓋法人印章或者由其董事或者正式委任的代理人或者由其董事會授權的人士簽署。該等書面形式應列明代理人所代表委託人的股票數目。

修改後：

股東應當以書面形式委託代理人，由委託人簽署或者由其以書面形式委託的代理人簽署；委託人為法人的，應當加蓋法人印章或者由其董事或者正式委任的代理人簽署。該等書面形式應列明代理人所代表委託人的股票數目。

原章程：第七十二條：

股東（包括股東代理人）在股東大會表決時，以其所代表的有表決權的股份數額行使表決權，每一股份有一票表決權，但是，公司持有的本公司股份沒有表決權，且該部份股份不計入出席股東大會有表決權的股份總數。

股東大會審議有關關聯交易事項時，關聯股東不得參與投票表決，其所代表的有表決權的股份數不計入有效表決總數。如有特殊情況關聯股東無法迴避時，在征得其他非關聯股東的一致同意後，可以按照正常程序進行表決。

股東大會審議公司為公司股東或實際控制人提供擔保事項時，前述股東和實際控制人支配的股東不得參加該事項的表決，該項表決由出席會議的其他股東所持表決權的過半數（不含半數）通過。

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Where any shareholder is, pursuant to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Amended as:

When shareholders (including proxies) vote in shareholders’ general meetings by exercising their voting rights in accordance with the number of shares held, they have one vote for each share held. However, shares held by the Company have no voting right and such portion of shares shall not be counted in the total number of shares with the right to vote in shareholders’ general meetings.

When any resolutions in respect of related transaction is to be considered in shareholders’ general meetings, the related shareholders shall abstain from voting and the number of voting shares they represented shall not be counted in the total number of effective votes. The related shareholders may, if unable to abstain from voting under special circumstances, cast their votes in accordance with the normal procedures upon the unanimous consent of other non-related shareholders.

When any resolutions in respect of the Company’s provision of guarantees to its shareholders or de factor controller or its related person is to be considered in shareholders’ general meetings, shareholders being controlled by the aforesaid shareholders or de factor controller shall abstain from voting on such resolution and such resolution shall be passed by the majority of the votes cast by other shareholders attending the meeting.

Where any shareholder is, pursuant to the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

凡任何股東依據上市規則的規定被要求放棄表決權或被限制只能投贊成或反對票時，該股東或其代表的表決如違背該等規定，須視之為無效。

修改後：

股東（包括股東代理人）在股東大會表決時，以其所代表的有表決權的股份數額行使表決權，每一股份有一票表決權，但是，公司持有的本公司股份沒有表決權，且該部份股份不計入出席股東大會有表決權的股份總數。

股東大會審議有關關聯交易事項時，關聯股東不得參與投票表決，其所代表的有表決權的股份數不計入有效表決總數。如有特殊情況關聯股東無法回避時，在征得其他非關聯股東的一致同意後，可以按照正常程序進行表決。

股東大會審議公司為公司股東或實際控制人或其關聯方提供擔保事項時，前述股東和實際控制人支配的股東不得參加該事項的表決，該項表決由出席會議的其他股東所持表決權的過半數（不含半數）通過。

凡任何股東依據上市規則的規定被要求放棄表決權或被限制只能投贊成或反對票時，該股東或其代表的表決如違背該等規定，須視之為無效。

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The original Article 94 is:

Directors are elected in shareholders' general meetings. The term of service is three years. After completion of a term, a director can stand for re-election.

The term of office of directors shall commence on the date of their appointment and terminate upon expiry of the term of office of the current board of directors. In the event of failure to timely call for re-election on the expiry of term of office of directors, the original directors shall, prior to the assumption of office by re-elected directors, continue to perform their duties as directors in accordance with the provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

Any notice of intention to propose a person for election as a director and any notice by such person of his willingness to be elected shall be given no earlier than the day after the dispatch of the notice of the meeting appointed for such shareholders' meeting and no later than seven (7) days prior to the date of such meeting.

Chairman and vice chairman are elected and dismissed by more than half of all of the directors. The term of service is three years. They can stand for re-election after their term is completed.

The shareholders' general meeting, in accordance with the premises of adhering to the relevant laws and administrative regulations, may dismiss any director whose term is not completed by ordinary resolution (any request for contract indemnity is not affected.)

Directors may tender resignation prior to the expiry of term of office. Directors shall tender a written resignation to the board of directors.

If the quorum of the board of the directors falls below the required number as a result of the resignation of a director, the former director shall perform the duties as a director in accordance with the laws, administrative regulations, department rules and the Articles of Association prior to the engagement of a new director.

Save as provided above, resignation of a director shall take effect upon the submission of a written resignation to the board of directors.

Directors need not hold any shares of the Company.

The chairman, vice chairman and the directors may hold the positions of general manager, deputy general manager and other senior management positions (except supervisors) at the same time.

原章程：第九十四條：

董事由股東大會選舉產生，任期三年，任期屆滿，可以連選連任。

董事任期屆滿未及時改選，在改選出的董事就任前，原董事仍應當依照法律、行政法規、部門規章和本章程的規定，履行董事職務。

有關提名董事候選人之意圖的通知及候選人表明願意接受提名的通知應在呈交該提名期不早於發出有關股東會議舉行的通告後翌日，及不遲於該股東會議舉行的前七(7)天呈交。

董事長、副董事長由全體董事的過半數選舉和罷免，任期三年，可以連選連任。

股東大會在遵守相關法律和行政法規規定的前提下，可以以普通決議的方式將任何任期未屆滿的董事罷免（但依據任何合同可提出的索償要求不受此影響）。

董事可以在任期屆滿以前提出辭職。董事辭職應向董事會提交書面辭職報告。

如因董事的辭職導致公司董事會低於法定最低人數時，在改選出的董事就任前，原董事仍應當依照法律、行政法規、部門規章和本章程規定，履行董事職務。

除上款所列情形外，董事辭職自辭職報告送達董事會時生效。

董事無須持有公司股份。

董事長、副董事長和董事可以兼任公司的總經理、副總經理或其它高級管理人員（監事除外）。

CORPORATE GOVERNANCE REPORT 企業管治報告

Amended as:

Directors are elected in shareholders' general meetings. The term of service is three years (commencing from the approval date of election). After completion of a term, a director can stand for re-election.

The term of office of directors shall commence on the date of their appointment and terminate upon expiry of the term of office of the current board of directors. In the event of failure to timely call for re-election on the expiry of term of office of directors, the original directors shall, prior to the assumption of office by re-elected directors, continue to perform their duties as directors in accordance with the provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

Any notice of intention to propose a person for election as a director and any notice by such person of his willingness to be elected shall be given no earlier than the day after the dispatch of the notice of the meeting appointed for such shareholders' meeting and no later than seven (7) days prior to the date of such meeting.

Chairman and vice chairman are elected and dismissed by more than half of all of the directors. The term of service is three (3) years. They can stand for reelection after their term is completed.

The shareholders' general meeting, in accordance with the premises of adhering to the relevant laws and administrative regulations, may dismiss any director whose term is not completed by ordinary resolution (any request for contract indemnity is not affected.)

Directors may tender resignation prior to the expiry of term of office. Directors shall tender a written resignation to the board of directors.

If the quorum of the board of the directors falls below the required number as a result of the resignation of a director, the former director shall perform the duties as a director in accordance with the laws, administrative regulations, department rules and the Articles of Association prior to the engagement of a new director. When the vacancy of the board of directors does not exceed the required minimum number, the board of director is entitled to appoint any person as a director to fill the temporary vacancy of the board of directors. The term of office of such temporary director shall be expired till the next annual general meeting and he can stand for re-election.

修改後：

董事由股東大會選舉產生，任期三年（任期從獲選之日起計算），任期屆滿，可以連選連任。

董事任期屆滿未及時改選，在改選出的董事就任前，原董事仍應當依照法律、行政法規、部門規章和本章程的規定，履行董事職務。

有關提名董事候選人之意圖的通知及候選人表明願意接受提名的通知應在呈交該提名期不早於發出有關股東會議舉行的通告後翌日，及不遲於該股東會議舉行的前七(7)天呈交。

董事長、副董事長由全體董事的過半數選舉和罷免，任期三(3)年，可以連選連任。

股東大會在遵守相關法律和行政法規規定的前提下，可以以普通決議的方式將任何任期未屆滿的董事罷免（但依據任何合同可提出的索償要求不受此影響）。

董事可以在任期屆滿以前提出辭職。董事辭職應向董事會提交書面辭職報告。

如因董事的辭職導致公司董事會低於法定最低人數時，在改選出的董事就任前，原董事仍應當依照法律、行政法規、部門規章和本章程規定，履行董事職務。在董事缺額未超過法定最低人數時，董事會有權委任任何人士為董事以填補董事會臨時空缺，該臨時董事的任期應至下屆股東週年大會為止，且於其時有資格重選連任。

CORPORATE GOVERNANCE REPORT 企業管治報告

Save as provided above, resignation of a director shall take effect upon the submission of a written resignation to the board of directors.

Directors need not hold any shares of the Company.

The chairman, vice chairman and the directors may hold the positions of general manager, deputy general manager and other senior management positions at the same time.

The original Article 98 is:

The board of directors shall meet at least twice a year. The chairman convenes the meeting and shall notify all directors at least fifteen (15) days before the meeting.

Shareholders representing ten percent (10%) or more of the voting rights, more than one-third (1/3) of the directors, the supervisory committee, two or more independent non-executive directors, or the general manager may propose for convening an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over the meeting within ten (10) days upon the receipt of such proposal.

Amended as:

The board of directors shall meet at least twice (2) a year. The chairman convenes the meeting and shall notify all directors and supervisors ten (10) days before the meeting.

Shareholders representing ten percent (10%) or more of the voting rights, more than one-third (1/3) of the directors, the supervisory committee, two (2) or more independent non-executive directors, or the general manager may propose for convening an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over the meeting within ten (10) days upon the receipt of such proposal.

除上款所列情形外，董事辭職自辭職報告送達董事會時生效。

董事無須持有公司股份。

董事長、副董事長和董事可以兼任公司的總經理、副總經理或其他高級管理人員。

原章程：第九十八條：

董事會每年至少召開兩次會議。董事會由董事長召集，於會議召開前至少十五天通知全體董事和監事。

代表十分之一以上（含十分之一）表決權的股東、三分之一以上董事、監事會、兩名以上（含兩名）的獨立非執行董事、公司總經理，可以提議召開臨時董事會會議。董事長應自接到提議後十日內召集和主持臨時董事會會議。

修改後：

董事會每年至少召開兩(2)次會議。董事會由董事長召集，於會議召開十(10)日前通知全體董事和監事。

代表十分之一(1/10)以上（含十分之一(1/10)）表決權的股東、三分之一(1/3)以上董事、監事會、兩名以上（含兩名）的獨立非執行董事、公司總經理，可以提議召開臨時董事會會議。董事長應自接到提議後十(10)日內召集和主持臨時董事會會議。

CORPORATE GOVERNANCE REPORT 企業管治報告

The original Article 99 is:

Notices for the convening of regular or extraordinary meeting of the board of directors can be delivered by the following methods:

- (1) If the venue and time of the regular meeting of the board of directors have been fixed by the board, then no notice is required to be sent;
- (2) If the board has not fixed the time and venue for the regular meeting, the chairman shall instruct the secretary for the board to serve notice of the time and venue of the board meeting by cable, telegraph, fax, special delivery, registered mail, electronic mail or by person to all directors and supervisors at least ten (10) days prior to the meeting;
- (3) If an extraordinary board meeting is required to consider urgent matters, the chairman shall instruct the secretary for the board to serve notice of the time, venue and form of the extraordinary board meeting by cable, telegraph, fax, special delivery, registered mail, electronic mail or by person to all directors and supervisors at least two (2) days prior to the meeting;
- (4) Notices including agenda of the meeting shall be in Chinese, and in English additionally if necessary. Any director may decide to give up the right to receive notice of the meeting of the board;
- (5) A director, who attends to the meeting and has not shown disagreement on receiving notice of the meeting before attending the meeting or at the time of arriving, is deemed to have received notice.
- (6) The meeting and extraordinary meeting of the board of directors may be conducted by telephone conference or with the assistance of other similar communication facilities. If all the directors present can hear clearly the conversation from other directors through the above-mentioned media, all the participating directors are deemed to have attended the meeting in person.

原章程：第九十九條：

董事會及臨時董事會會議的召開按下列方式通知：

- (一) 董事會例會的時間和地址如已由董事會事先規定，其召開無需發給通知；
- (二) 如果董事會例會未事先決定董事會會議舉行的時間和地點，董事長應責成公司董事會秘書至少提前10日，將董事會會議時間和地點用電傳、電報、傳真、特快專遞或掛號郵寄、電子郵件或經專人通知全體董事和監事；
- (三) 遇有緊急事項需召開臨時董事會會議時，董事長應責成公司董事會秘書在臨時董事會會議舉行的不少於2日前，將臨時董事會舉行的時間、地點和方式用電報、電傳、傳真、特快專遞、掛號郵寄、電子郵件或經專人通知全體董事和監事；
- (四) 通知應採用中文，必要時可附英文，並包括會議議程。任何董事可放棄要求獲得董事會會議通知的權利；
- (五) 董事如已出席會議，並且未在到會前或到會時提出未收到會議通知的異議，應視作已向其發出會議通知；
- (六) 董事會例會或臨時會議可以電話會議形式或借助類似通訊設備舉行；只要通過上述設施，所有與會董事能聽清其它董事講話，並進行交流，所有與會董事應被視作已親自出席會議；

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(7) The board of directors may accept a written resolution to replace a meeting of the board. However, the draft of such a resolution must be delivered by hand, mail, telegraph or fax to every director. If the board has sent the resolution to all the directors, and the number of directors who sign and agree to the resolution reaches the quorum and return the signed document to the secretary of the board by the above methods, such a resolution then becomes a resolution of the board, without having to convene a board meeting. However, if the listing stock exchange has other rules, then the Company shall abide by the rules of the stock exchange.

(8) Written resolution signed and agreed by all directors respectively shall be deemed with similar effect as resolutions passed by meetings of the board of directors legally convened. Such written resolution may comprise one set or more documents, with each document signed by one or more directors. A resolution signed by directors or bearing the names of the directors and sent by telegram, telex, express mail, facsimile or by hand shall for the purpose of this clause be regarded as document signed by them.

Amended as:

Notices for the convening of regular or extraordinary meeting of the board of directors can be delivered by the following methods:

- (1) If the venue and time of the regular meeting of the board of directors have been fixed by the board, then no notice is required to be sent;
- (2) If the board has not fixed the time and venue for the regular meeting, the chairman shall instruct the secretary for the board to serve notice of the time and venue of the board meeting by cable, telegraph, fax, special delivery, registered mail, electronic mail or by person to all directors and supervisors ten (10) days prior to the meeting;
- (3) If an extraordinary board meeting is required to consider urgent matters, the chairman shall instruct the secretary for the board to serve notice of the time, venue and form of the extraordinary board meeting by cable, telegraph, fax, special delivery, registered mail, electronic mail or by person to all directors and supervisors at least two (2) days prior to the meeting;

(七) 董事會可接納書面議案以代替召開董事會會議，但該議案的草案須以專人送達、郵遞、電報、傳真送交每一位董事，如果董事會已將議案派發給全體董事，並且簽字同意的董事已達到作出決定所需的決定人數後，以上述方式送交董事會秘書，則該決議案成為董事會決議，無須召集董事會會議，但如公司股份上市的證券交易所的上市規則另有規定，則應遵守該等規定。

(八) 由所有董事分別簽字同意的書面決議，應被視為與一次合法召開的董事會會議通過的決議同樣有效。該等書面決議可由一式多份文件組成，而每份經由一位或以上的董事簽署。一項由董事簽署或載有董事名字及以電報、電傳、郵遞、傳真或專人送遞發出的公司決議，就本款而言應被視為一份由其簽署的文件。

修改後：

董事會及臨時董事會會議的召開按下列方式通知：

- (一) 董事會例會的時間和地址如已由董事會事先規定，其召開無需發給通知；
- (二) 如果董事會例會未事先決定董事會會議舉行的時間和地點，董事長應責成公司董事會秘書提前十(10)日，將董事會會議時間和地點用電傳、電報、傳真、特快專遞或掛號郵寄、電子郵件或經專人通知全體董事和監事；
- (三) 遇有緊急事項需召開臨時董事會會議時，董事長應責成公司董事會秘書在臨時董事會會議舉行的不少於兩(2)日前，將臨時董事會舉行的時間、地點和方式用電報、電傳、傳真、特快專遞、掛號郵寄、電子郵件或經專人通知全體董事和監事；

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- (4) Notices including agenda of the meeting shall be in Chinese, and in English additionally if necessary. Any director and supervisor may decide to give up the right to receive notice of the meeting of the board;
- (5) A director and a supervisor, who attends to the meeting and has not shown disagreement on receiving notice of the meeting before attending the meeting or at the time of arriving, is deemed to have received notice;
- (6) The meeting and extraordinary meeting of the board of directors may be conducted by telephone conference or with the assistance of other similar communication facilities. If all the directors present can hear clearly the conversation from other directors through the abovementioned media, all the participating directors are deemed to have attended the meeting in person;
- (7) The board of directors may accept a written resolution to replace a meeting of the board. However, the draft of such a resolution must be delivered by hand, mail, telegraph or fax to every director. If the board has sent the resolution to all the directors, and the number of directors who sign and agree to the resolution reaches the quorum and return the signed document to the secretary of the board by the above methods, such a resolution then becomes a resolution of the board, without having to convene a board meeting. However, if the listing stock exchange has other rules, then the Company shall abide by the rules of the stock exchange;
- (8) Written resolution signed and agreed by all directors respectively shall be deemed with similar effect as resolutions passed by meetings of the board of directors legally convened. Such written resolution may comprise one set or more documents, with each document signed by one or more directors. A resolution signed by directors or bearing the names of the directors and sent by telegram, telex, express mail, facsimile or by hand shall for the purpose of this clause be regarded as document signed by them.
- (四) 通知應採用中文，必要時可附英文，並包括會議議程。任何董事和監事可放棄要求獲得董事會會議通知的權利；
- (五) 董事和監事如已出席會議，並且未在到會前或到會時提出未收到會議通知的異議，應視作已向其發出會議通知；
- (六) 董事會例會或臨時會議可以電話會議形式或借助類似通訊設備舉行；只要通過上述設施，所有與會董事能聽清其他董事講話，並進行交流，所有與會董事應被視作已親自出席會議；
- (七) 董事會可接納書面議案以代替召開董事會會議，但該議案的草案須以專人送達、郵遞、電報、傳真送交每一位董事，如果董事會已將議案派發給全體董事，並且簽字同意的董事已達到作出決定所需的決定人數後，以上述方式送交董事會秘書，則該決議案成為董事會決議，無須召集董事會會議，但如公司股份上市的證券交易所的上市規則另有規定，則應遵守該等規定。
- (八) 由所有董事分別簽字同意的書面決議，應被視為與一次合法召開的董事會會議通過的決議同樣有效。該等書面決議可由一式多份文件組成，而每份經由一位或以上的董事簽署。一項由董事簽署或載有董事名字及以電報、電傳、郵遞、傳真或專人送遞發出的公司決議，就本款而言應被視為一份由其簽署的文件。

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The original Article 100 is:

The quorum for the meeting of the board of directors is half or more of the directors (including proxies) present.

Each director has one vote. A board resolution must be passed by more than half of all the directors unless otherwise stipulated in this Articles of Association. In case of a tie, the chairman has an extra vote.

When a quarter (1/4) or more of the directors or two or more non-executive directors (that is, directors, including independent non-executive directors, who are not employees of the Company) consider the provided information regarding the matters under discussion is not sufficient or the evidence is not clear, they may jointly suggest the adjournment of the meeting or the part under consideration. The board shall accept the suggestion.

When a director or any of his associates (as defined under the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) has a connected relationship with the board resolutions, he shall not be involved and shall abstain from voting in respect of the resolution and shall not exercise any voting rights on behalf of other directors. When counting attendance for quorum, that director shall not be counted.

Amended as:

The quorum for the meeting of the board of directors is half (1/2) or more of the directors (including proxies) present.

Each director has one vote. A board resolution must be passed by more than half of all the directors unless otherwise stipulated in this Articles of Association. In case of a tie, the chairman has an extra vote.

When a quarter (1/4) or more of the directors or two (2) or more non-executive directors (that is, directors, including independent non-executive directors, who are not employees of the Company) consider the provided information regarding the matters under discussion is not sufficient or the evidence is not clear, they may jointly suggest the adjournment of the meeting or the part under consideration. The board shall accept the suggestion.

原章程：第一百條：

董事會會議應當由二分之一或以上的董事（包括代理人在內）出席方可舉行。

每名董事有一票表決權。董事會作出決議，除本章程另有規定外，必須經全體董事的過半數通過；當反對票和贊成票相等時，董事長有權多投一票。

當四分之一(1/4)以上董事或2名以上非執行董事（指不在公司任職的董事，其中亦包括獨立非執行董事）認為決議事項的資料不夠充分或論證不明確時，可以聯名提出緩開董事會或緩議董事會所議的部份事項，董事會應予採納。

當董事會會議決議之事項與某位董事或其任何一位聯繫人（定義見《香港聯交所有限公司證券上市規則》，以下簡稱「上市規則」）有利害關係時，該董事應予回避且無表決權，而在計算出席會議的法定董事人數時，該董事不予計算在內。

修改後：

董事會會議應當由二分之一(1/2)或以上的董事（包括代理人在內）出席方可舉行。

每名董事有一票表決權。董事會作出決議，除本章程另有規定外，必須經全體董事的過半數通過；當反對票和贊成票相等時，董事長有權多投一票。

當四分之一(1/4)以上董事或兩(2)名以上非執行董事（指不在公司任職的董事，其中亦包括獨立非執行董事）認為決議事項的資料不夠充分或論證不明確時，可以聯名提出緩開董事會或緩議董事會所議的部份事項，董事會應予採納。

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When a director or any of his close associates (as defined under the Listing Rules) has a connected relationship with the board resolutions, he shall not be involved and shall abstain from voting in respect of the resolution and shall not exercise any voting rights on behalf of other directors. When counting attendance for quorum, that director shall not be counted.

When a director has a connected relationship with enterprises involved in the board resolutions, he shall not exercise any voting rights in respect of such resolutions and shall not exercise any voting rights on behalf of other directors. The quorum for the meeting of the board of directors is half of the present of directors who do not have any connected relationship. A board resolution must be passed by more than half of all the directors who do not have any connected relationship. When the number of the present of directors who do not have any connected relationship is less than three (3), the board resolutions shall be proposed to the shareholders' general meeting of the Company.

The original Article 105 is:

The secretary to the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. The primary responsibilities of the board secretary are:

- (1) to be responsible for preparing shareholders' general meetings and board of directors' meetings and maintaining documents to ensure that the Company has maintained complete constitution documents and records;
- (2) to ensure that the Company prepares and delivers those reports and documents required by competent authorities entitled thereto in accordance with law;
- (3) to be responsible for maintaining shareholders' information to ensure that the Company properly maintains registers of shareholders, and that persons entitled to the records and documents of the Company are furnished with such records and documents without delay;
- (4) to be responsible for coordinating and organizing the Company's information disclosure affairs to ensure that the information disclosure of the Company is timely, accurate, legitimate, true and complete; and
- (5) to perform other duties required by the laws, administrative regulations, listing rules and the Articles of Association.

當董事會會議決議之事項與某位董事或其任何一位緊密聯繫人(定義見上市規則)有利害關係時,該董事應予回避且無表決權,而在計算出席會議的法定董事人數時,該董事不予計算在內。

董事與董事會會議決議事項所涉及的企業有關聯關係的,不得對該項決議行使表決權,也不得代理其他董事行使表決權。該董事會會議由過半數的無關聯關係董事出席即可舉行,董事會會議所作決議須經無關聯關係董事過半數通過。出席董事會的無關聯關係董事人數不足三(3)人的,應將該事項提交上市公司股東大會審議。

原章程：第一百零五條：

公司董事會秘書應當是具有必備的專業知識和經驗的自然人,根據董事長的提名,由董事會委任。其主要職責是：

- (一) 負責股東大會和董事會會議的籌備和文件保管,保證公司有完整的組織文件和記錄;
- (二) 確保公司依法準備和遞交有關機構所要求的報告和文件;
- (三) 負責股東資料保管,保證公司的股東名冊妥善設立,保證有權得到公司有關記錄和文件的人及時得到有關記錄和文件;
- (四) 負責協調和組織公司信息披露事務,保證公司信息披露的及時、準確、合法、真實和完整;及
- (五) 履行法律、行政法規、上市規則及本章程規定的其它職責。

CORPORATE GOVERNANCE REPORT 企業管治報告

Amended as:

The secretary to the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. The primary responsibilities of the board secretary are:

- (1) to be responsible for preparing shareholders' general meetings and board of directors' meetings and maintaining documents to ensure that the Company has maintained complete constitution documents and records;
- (2) to ensure that the Company prepares and delivers those reports and documents required by competent authorities entitled thereto in accordance with law;
- (3) to be responsible for maintaining shareholders' information to ensure that the Company properly maintains registers of shareholders, and that persons entitled to the records and documents of the Company are furnished with such records and documents without delay;
- (4) to be responsible for coordinating and organizing the Company's information disclosure affairs to ensure that the information disclosure of the Company is timely, accurate, legitimate, true and complete; and
- (5) to perform other duties required by the laws, administrative regulations, listing rules and the Articles of Association.

The original Article 112 is:

The supervisory committee is made up of three persons, with one being the chairman of the committee. The term of office is three years. A supervisor can serve a consecutive term if re-elected.

- (1) The appointment and removal of the chairman is by resolution passed by two thirds or more of the supervisory committee members.
- (2) The resolutions of the supervisory committee shall be approved by two thirds or more of the supervisory committee members.

修改後：

公司董事會秘書應當是具有必備的專業知識和經驗的自然人，由董事會委任。其主要職責是：

- (一) 負責股東大會和董事會會議的籌備和文件保管，保證公司有完整的組織文件和記錄；
- (二) 確保公司依法準備和遞交有關機構所要求的報告和文件；
- (三) 負責股東資料保管，保證公司的股東名冊妥善設立，保證有權得到公司有關於記錄和文件的人及時得到有關記錄和文件；
- (四) 負責協調和組織公司信息披露事務，保證公司信息披露的及時、準確、合法、真實和完整；及
- (五) 履行法律、行政法規、上市規則及本章程規定的其它職責。

原章程：第一百一十二條：

監事會由三人組成，其中一人出任監事會主席。監事任期三年，可以連選連任。

- (一) 監事會主席的任免應經三分之二或以上監事會成員表決通過。
- (二) 監事會的決議應經三分之二或以上監事會成員表決通過。

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Amended as:

The supervisory committee is made up of three (3) persons, with one (1) being the chairman of the committee. The term of office is three (3) years (commencing from the approval date of election). A supervisor can serve a consecutive term if re-elected.

- (1) The appointment and removal of the chairman is by resolution passed by two thirds (2/3) or more (including two thirds (2/3)) of the supervisory committee members.
- (2) The resolutions of the supervisory committee shall be approved by two thirds (2/3) or more (including two thirds (2/3)) of the supervisory committee members.

The original Article 116 is:

The supervisory committee is responsible to the shareholders' general meeting and exercise the following powers in accordance with the law: It is to

- (1) review the company's finances;
- (2) supervise the directors, general manager and other senior management officers in their performance of their duties and propose for the removal of those who have violated laws, administrative regulations or the Articles of Association
- (3) require correction of those acts of directors, general manager or other senior management officers which are harmful to the Company's interests;
- (4) examine the finance reports, operating reports, profit distribution proposals and other financial information to be presented by the board to the shareholders' general meeting; if in doubt appoint certified accountants and chartered auditors in the name of the Company and to carry out audit;
- (5) propose the convening of extraordinary shareholders' general meeting and, when the board of directors fails to perform the duty to convene and preside over a shareholders' general meeting, convene and preside over the meeting;
- (6) make proposals to the shareholders' general meeting;

修改後：

監事會由三(3)人組成，其中一(1)人出任監事會主席。監事任期三(3)年(任期從獲選之日起計算)，可以連選連任。

- (一) 監事會主席的任免應經三分之二(2/3)或以上(含三分之二(2/3)) 監事會成員表決通過。
- (二) 監事會的決議應經三分之二(2/3)或以上(含三分之二(2/3)) 監事會成員表決通過。

原章程：第一百一十六條：

監事會向股東大會負責，並依法行使下列職權：

- (一) 檢查公司的財務；
- (二) 對公司董事、總經理和其它高級管理人員執行公司職務的行為進行監督，對違反法律、行政法規或者公司章程的，提出罷免建議；
- (三) 當公司董事、總經理和其它高級管理人員的行為損害公司的利益時，要求前述人員予以糾正；
- (四) 核對董事會擬提交股東大會的財務報告、營業報告和利潤分配方案等財務資料，發現疑問的，可以公司名義委託註冊會計師、執業會計師幫助復審；
- (五) 提議召開臨時股東大會，在董事會不履行本章程規定的召集和主持股東大會會議職責時召集和主持股東大會會議；
- (六) 向股東大會會議提出提案；

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(7) take legal actions against directors, the general manager and other senior management in accordance with the provisions of Article 152 of the “Company Law”; and

(8) exercise other powers conferred by the Articles of Association and the shareholders’ general meeting.

Supervisors shall attend meetings of the board of directors to raise questions or suggestions in respect of board resolutions.

Amended as:

The supervisory committee is responsible to the shareholders’ general meeting and exercise the following powers in accordance with the law: It is to

- (1) review the company’s finances;
- (2) supervise the directors, general manager and other senior management officers in their performance of their duties and propose for the removal of those who have violated laws, administrative regulations or the Articles of Association;
- (3) require correction of those acts of directors, general manager or other senior management officers which are harmful to the Company’s interests;
- (4) examine the finance reports, operating reports, profit distribution proposals and other financial information to be presented by the board to the shareholders’ general meeting; if in doubt appoint certified accountants and chartered auditors in the name of the Company and to carry out audit;
- (5) propose the convening of extraordinary shareholders’ general meeting and, when the board of directors fails to perform the duty to convene and preside over a shareholders’ general meeting, convene and preside over the meeting;
- (6) make proposals to the shareholders’ general meeting;

(七) 依照《公司法》第一百五十二條的規定，對董事、總經理和其他高級管理人員提起訴訟；及

(八) 公司章程和股東大會授予的其它職權。

監事列席董事會會議，並對董事會決議事項提出質詢或者建議。

修改後：

監事會向股東大會負責，並依法行使下列職權：

- (一) 檢查公司的財務；
- (二) 對公司董事、總經理和其他高級管理人員執行公司職務的行為進行監督，對違反法律、行政法規或者公司章程的，提出罷免建議；
- (三) 當公司董事、總經理和其他高級管理人員的行為損害公司的利益時，要求前述人員予以糾正；
- (四) 核對董事會擬提交股東大會的財務報告、營業報告和利潤分配方案等財務資料，發現疑問的，可以公司名義委託註冊會計師、執業會計師幫助復審；
- (五) 提議召開臨時股東大會，在董事會不履行本章程規定的召集和主持股東大會會議職責時召集和主持股東大會會議；
- (六) 向股東大會會議提出提案；

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(7) take legal actions against directors, the general manager and other senior management in accordance with the provisions of Article 151 of the “Company Law”; and

(8) exercise other powers in accordance with laws, regulations and the Articles of Association.

Supervisors shall attend meetings of the board of directors to raise questions or suggestions in respect of board resolutions.

The original Article 128 is:

When the directors, supervisors, general manager or other senior management officers of the Company are/is directly or indirectly in an important conflict of interest with the Company’s contracts, transactions, or arrangements that are signed or in the process of negotiation, whether or not the related matter must be approved by the board of directors under normal conditions, the directors, supervisors, general manager or other senior management officers shall report to the board of directors disclosing the nature and seriousness of such a conflict of interest (Employment contracts between the Company and its directors, supervisors, general manager and other senior management officers are excepted).

Directors may not vote for any contract, transaction or arrangement in which they or any of their related persons (as defined in the Listing Rules) have a material interest which are approved by resolution of the board of directors or any other relevant recommendations and may not be counted in the quorum.

Unless the director, supervisor, general manager, or other senior management officer of the Company involved in the conflict of interest discloses to the board of directors according to the requirement of the first section of this article, and that person is not counted in the quorum, and the relevant matter has not been approved in the board meeting that he is participating, the board has the right to cancel the contract, transaction or arrangement; excepting the case when the counter party is a friendly client who does not know the director, supervisor, general manager or other senior management officer of the Company was in breach of his obligations.

(七) 依照《公司法》第一百五十一條的規定，對董事、總經理和其他高級管理人員提起訴訟；及

(八) 法律、行政法規、公司章程規定的其它職權。

監事列席董事會會議，並對董事會決議事項提出質詢或者建議。

原章程：第一百二十八條

公司董事、監事、總經理和其它高級管理人員，直接或者間接與公司已訂立的或者計劃中的合同、交易、安排有重要利害關係時（公司與董事、監事、總經理和其它高級管理人員的聘任合同除外），不論有關事項在正常情況下是否需要董事會批准同意，均應當盡快向董事會披露其利害關係的性質和程度。

董事不得於任何董事會決議批准其或其任何聯繫人（定義見上市規則）擁有重大權益的合同、交易或安排或任何其他相關建議進行投票，並不得列入會議的法定人數。

除非有利害關係的公司董事、監事、總經理和其它高級管理人員按照本條第一款的要求向董事會做了披露，並且董事會在不將其計入法定人數，亦未讓其參加表決的會議上批准了該事項，公司有權撤銷該合同、交易或者安排；但在對方是對有關董事、監事、總經理和其它高級管理人員違反其義務的行為不知情的善意當事人的情形下除外。

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When the connected person of the director, supervisor, general manager, or other senior management officer of the Company has a conflict of interest in certain contract, transaction or arrangement, the related director, supervisor, general manager or other senior management officer shall also be considered as having a conflict of interest.

Amended as:

When the directors, supervisors, general manager or other senior management officers of the Company are/is directly or indirectly in an important conflict of interest with the Company's contracts, transactions, or arrangements that are signed or in the process of negotiation, whether or not the related matter must be approved by the board of directors under normal conditions, the directors, supervisors, general manager or other senior management officers shall report to the board of directors disclosing the nature and seriousness of such a conflict of interest. (Employment contracts between the Company and its directors, supervisors, general manager and other senior management officers are excepted).

Except the circumstance specifically set out in the Articles of Association with the approval of the Hong Kong Stock Exchange (if any), directors may not vote for any contract, transaction or arrangement in which they or any of their close associates (as defined in the Listing Rules) have a material interest which are approved by resolution of the board of directors or any other relevant recommendations and may not be counted in the quorum.

Unless the director, supervisor, general manager, or other senior management officer of the Company involved in the conflict of interest discloses to the board of directors according to the requirement of the first section of this article, and that person is not counted in the quorum, and the relevant matter has not been approved in the board meeting that he is participating, the board has the right to cancel the contract, transaction or arrangement; excepting the case when the counter party is a friendly client who does not know the director, supervisor, general manager or other senior management officer of the Company was in breach of his obligations.

When the connected person of the director, supervisor, general manager, or other senior management officer of the Company has a conflict of interest in certain contract, transaction or arrangement, the related director, supervisor, general manager or other senior management officer shall also be considered as having a conflict of interest.

公司董事、監事、總經理和其它高級管理人員的相關人與某合同、交易、安排有利害關係時，有關董事、監事、總經理和其它高級管理人員也應被視為有利害關係。

修改後：

公司董事、監事、總經理和其他高級管理人員，直接或者間接與公司已訂立的或者計劃中的合同、交易、安排有重要利害關係時（公司與董事、監事、總經理和其他高級管理人員的聘任合同除外），不論有關事項在正常情況下是否需要董事會批准同意，均應當盡快向董事會披露其利害關係的性質和程度。

除香港聯交所批准的本章程所特別指明的例外情況（如有），董事不得於任何董事會決議批准其或其任何緊密聯繫人（定義見上市規則）擁有重大權益的合同、交易或安排或任何其他相關建議進行投票，並不得列入會議的法定人數。

除非有利害關係的公司董事、監事、總經理和其他高級管理人員按照本條第一款的要求向董事會做了披露，並且董事會在不將其計入法定人數，亦未讓其參加表決的會議上批准了該事項，公司有權撤銷該合同、交易或者安排；但在對方是對有關董事、監事、總經理和其他高級管理人員違反其義務的行為不知情的善意當事人的情形下除外。

公司董事、監事、總經理和其他高級管理人員的相關人與某合同、交易、安排有利害關係時，有關董事、監事、總經理和其他高級管理人員也應被視為有利害關係。

CORPORATE GOVERNANCE REPORT 企業管治報告

The original Article 141 is:

The financial reports and reports of the board of directors of the Company shall be deposited at the Company for the shareholders' inspection not later than twenty (20) days before the annual general meeting. Each shareholder shall be entitled to receive the financial statements referred to in this article.

The Company shall send by prepaid mail twenty-one (21) days before the annual general meeting the above financial reports to each shareholder of overseas listed foreign shares. The recipients' addresses shall be in the register of shareholders. However, such reports may also be delivered or provided to shareholders of overseas listed foreign shares through the Company's website or methods as stipulated in the Listing Rules from time to time, provided that the laws, administrative regulations and listing rules of the stock exchange in which the Company's shares are listed are observed.

Amended as:

The financial reports of the Company shall be deposited at the Company for the shareholders' inspection not later than twenty (20) days before the annual general meeting. Each shareholder shall be entitled to receive the financial statements referred to in this article.

The Company shall send by prepaid mail twenty-one (21) days before the annual general meeting the above financial reports to each shareholder of overseas listed foreign shares. The recipients' addresses shall be in the register of shareholders. However, such reports may also be delivered or provided to shareholders of overseas listed foreign shares through the Company's website or methods as stipulated in the Listing Rules from time to time, provided that the laws, administrative regulations and listing rules of the stock exchange in which the Company's shares are listed are observed.

The original Article 149 is:

Dividends shall be distributed in accordance with the proportion of shares held by shareholders. Unless approved by a special resolution of the general shareholders' meeting, the Company distributes share dividends once a year. Dividend distribution proposals shall be passed by ordinary resolution of the shareholders' general meeting. After consideration by the board of directors of the Company's financial conditions and adherence to the relevant laws and regulations, shareholders may authorize the board of directors to distribute and pay interim dividends by an ordinary resolution of the general shareholders' meeting.

原章程：第一百四十一條：

公司的財務報告及董事會報告應當在召開股東大會年會的二十(20)日以前置備於本公司，供股東查閱。公司的每名股東都有權得到本章中所提及的財務報告。

公司至少應當在股東大會年會召開前二十一(21)日將前述財務報告及董事會報告以郵資已付的郵件寄給每個境外上市外資股股東，收件人地址以股東的名冊登記的地址為準。但是，對境外上市外資股股東在滿足法律、行政法規、公司股份上市的證券交易所的上市規則的條件下，也可通過本公司網站及上市規則不時規定的方式發送或提供。

修改後：

公司的財務報告應當在召開股東大會年會的二十(20)日以前置備於本公司，供股東查閱。公司的每名股東都有權得到本章中所提及的財務報告。

公司至少應當在股東大會年會召開前二十一(21)日將前述財務報告以郵資已付的郵件寄給每個境外上市外資股股東，收件人地址以股東的名冊登記的地址為準。但是，對境外上市外資股股東在滿足法律、行政法規、公司股份上市的證券交易所的上市規則的條件下，也可通過本公司網站及上市規則不時規定的方式發送或提供。

原章程：第一百四十九條：

股利按股東持股分配。除股東大會有特別決議外，公司股利每年分配一次。股利分配方案由股東大會以普通決議通過。經董事會考慮公司的財務狀況之後並遵守有關法律和法規，股東可通過普通決議授權董事會分配和支付中期股利。

CORPORATE GOVERNANCE REPORT 企業管治報告

Amended as:

Dividends shall be distributed in accordance with the proportion of shares held by shareholders. Unless approved by a special resolution of the general shareholders' meeting, the Company distributes share dividends once a year. Dividend distribution proposals shall be passed by ordinary resolution of the shareholders' general meeting. After consideration of the Company's financial conditions and adherence to the relevant laws and regulations, shareholders' general meeting may authorize the board of directors to distribute and pay interim dividends by an ordinary resolution of the general shareholders' meeting.

The original Article 154 is:

Under the premises of complying with the relevant laws and regulations of China, the Company may exercise its authority to confiscate unclaimed dividends. However, such authority may not be exercised before the expiry of the relevant litigation time limit.

The Company has the authority to end postal delivery of dividend cheques to shareholders of overseas listed foreign shares. However, such authority may be exercised only when two consecutive dividend cheques have not been cashed. However, the Company may exercise such authority when a dividend cheque cannot be delivered to the recipient at the first time and is bounced back to the Company.

Where the board of directors considers appropriate, the Company has the authority to sell shares held by shareholders of overseas listed foreign shares who cannot be contacted but it must comply with the following conditions:

- (1) There have been at least three payments of dividends during the past twelve years, and nobody collected the dividends during that period; and
- (2) At the expiration of the twelve-year period, the Company places an announcement in one or more than one newspapers in the place of listing, stating the intention to sell such shares and notify the overseas stock exchange of those shares.

修改後：

股利按股東持股比例分配。除股東大會有特別決議外，公司股利每年分配一次。股利分配方案由股東大會以普通決議通過。經考慮公司的財務狀況並遵守有關法律和法規，股東大會可通過普通決議授權董事會分配和支付中期股利。

原章程：第一百五十四條：

在遵守中國有關法律、行政法規的前提下，對於無人認領的股利，公司可行使沒收權力，但該權力在適用的有關訴訟時效屆滿前不得行使。

公司有權終止以郵遞方式向境外上市外資股持有人發送股息券，但公司應在股息券連續兩次未予提現後方可行使此項權力。然而，如股息券在初次未能送達收件人而遭退回後，公司亦可行使此項權力。

公司有權按董事會認為適當的方式出售未能聯絡的境外上市外資股股東的股票，但必須遵守以下條件：

- (一) 有關股份於12年內最少應已派發三次股利，而於該段期間無人認領股利；及
- (二) 公司於12年內的期間屆滿後，於公司上市地的一份或以上的報章刊登公告，說明其擬將股份出售的意向，並知會該等股份上市的證券交易所。

CORPORATE GOVERNANCE REPORT 企業管治報告

Amended as:

The shares that has been paid before payment request have dividends. But for advanced share payment, shareholders are not entitled to have the dividends declared after payment request.

Under the premises of complying with the relevant laws and regulations of China and rules of the Hong Kong Stock Exchange, the Company may exercise its authority to confiscate unclaimed dividends. However, such authority may only be exercised six (6) years or more after the date of dividends declaration.

The Company has the authority to end postal delivery of dividend cheques to shareholders of overseas listed foreign shares. However, such authority may be exercised only when two consecutive dividend cheques have not been cashed. However, the Company may exercise such authority when a dividend cheque cannot be delivered to the recipient at the first time and is bounced back to the Company.

Where the board of directors considers appropriate, the Company has the authority to sell shares held by shareholders of overseas listed foreign shares who cannot be contacted but it must comply with the following conditions:

- (1) There have been at least three (3) payments of dividends during the past twelve (12) years, and nobody collected the dividends during that period; and
- (2) At the expiration of the twelve-year (12) period, the Company places an announcement in one or more than one newspapers in the place of listing, stating the intention to sell such shares and notify the overseas stock exchange of those shares.

The original Article 164 is:

Auditors may resign by written notice by delivering the resignation letter to the Company's registered address. The notice shall include the following explanation:

- (1) declaration that their resignation does not involve any matters that require clarification to the Company's shareholders or creditors;
- (2) any matters that require clarification.

修改後：

於催繳股款前已交付的任何股份的股款，均可享有利息，但股份持有人無權就預繳股款參與其後宣佈的股息。

在遵守中國有關法律、行政法規及香港聯交所的規定的前提下，對於無人認領的股利，公司可行使沒收權力，但該權力只可在宣佈股息日期後六(6)年或六(6)年以後行使。

公司有權終止以郵遞方式向境外上市外資股持有人發送股息券，但公司應在股息券連續兩次未予提現後方可行使此項權力。然而，如股息券在初次未能送達收件人而遭退回後，公司亦可行使此項權力。

公司有權按董事會認為適當的方式出售未能聯絡的境外上市外資股股東的股票，但必須遵守以下條件：

- (一) 有關股份於12年內最少應已派發三(3)次股利，而於該段期間無人認領股利；及
- (二) 公司於12年內的期間屆滿後，於公司上市地的一份或以上的報章刊登公告，說明其擬將股份出售的意向，並知會該等股份上市的證券交易所。

原章程：第一百六十四條：

會計師事務所可用置於公司註冊地址一份辭聘書面通知的方式辭去其職務。該通知應當包括下列陳述：

- (一) 認為其辭聘並不涉及任何應該向公司股東或者債權人交代情況的聲明；
- (二) 任何應當交代情況的陳述。

CORPORATE GOVERNANCE REPORT 企業管治報告

This notice becomes effective on the delivery date to the Company's address or the date of the notice, whichever is later.

Within fourteen (14) days from receiving the above written notice, the Company shall deliver a copy of the notice to the relevant supervisory department. If the notice contains explanation described in section (2) above, the Company shall place a copy of the explanation at the Company, for inspection by shareholders. The Company shall send copies of the explanation by prepaid post to every shareholder of overseas listed foreign shares. The recipient addresses are based on the register of shareholders.

If the auditors' resignation notice contains any explanation that requires clarification, the auditors may request the board of directors to convene an extraordinary general shareholders' meeting, to hear the explanation related to their resignation.

Amended as:

Auditors may resign by written notice by delivering the resignation letter to the Company's registered address. The notice shall include the following explanation:

- (1) declaration that their resignation does not involve any matters that require clarification to the Company's shareholders or creditors;
- (2) any matters that require clarification.

This notice becomes effective on the delivery date to the Company's address or the date of the notice, whichever is later.

Within fourteen (14) days from receiving the above written notice, the Company shall deliver a copy of the notice to the relevant supervisory department. If the notice contains explanation described in section (2) above, the Company shall place a copy of the explanation at the Company, for inspection by shareholders. The Company shall send copies of the explanation by prepaid post, the Company's website or other methods set out in the Articles of Association to every shareholder of overseas listed foreign shares. The recipient addresses are based on the register of shareholders.

該等通知在其置於公司住所之日或者通知內註明的較遲的日期生效。

公司收到上述所指的書面通知的十四(14)日內，應當將通知複印件送出給有關主管部門。如果通知載有上述第(二)項所提及的陳述，公司還應將前述陳述副本備置於公司，供股東查閱。公司還應將前述陳述副本以郵資已付的郵件寄給每位境外上市外資股股東，收件人地址以股東名冊登記的地址為準；

如果會計師事務所的辭聘通知載有任何應當交代情況的陳述，會計師事務所可要求董事會召集臨時股東大會，聽取其就辭聘有關情況作出的解釋。

修改後：

會計師事務所可用置於公司註冊地址一份辭聘書面通知的方式辭去其職務。該通知應當包括下列陳述：

- (一) 認為其辭聘並不涉及任何應該向公司股東或者債權人交代情況的聲明；
- (二) 任何應當交代情況的陳述。

該等通知在其置於公司住所之日或者通知內註明的較遲的日期生效。

公司收到上述所指的書面通知的十四(14)日內，應當將通知複印件送出給有關主管部門。如果通知載有上述第(二)項所提及的陳述，公司還應將前述陳述副本備置於公司，供股東查閱。公司還應將前述陳述副本以郵資已付的郵件寄給每位境外上市外資股股東或通過公司網站發佈或本章程規定的其他方式發送，收件人地址以股東名冊登記的地址為準；

CORPORATE GOVERNANCE REPORT 企業管治報告

If the auditors' resignation notice contains any explanation that requires clarification, the auditors may request the board of directors to convene an extraordinary general shareholders' meeting, to hear the explanation related to their resignation.

The original Article 169 is:

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) when the general shareholders' meeting resolves that the Company should be dissolved;
- (2) when dissolution is necessary as a result of the merger or division of the Company;
- (3) when the Company is declared to be insolvent according to the law because it is unable to pay its debts as they fall due;
- (4) when the business license is revoked, the Company is ordered to be closed down or revoked due to reasons of its violation of laws or administrative regulations; and
- (5) when the Company is dissolved by the People's Court in accordance with Article 183 of the "Company Law".

Amended as:

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) when the general shareholders' meeting resolves that the Company should be dissolved;
- (2) when dissolution is necessary as a result of the merger or division of the Company;
- (3) when the Company is declared to be insolvent according to the law because it is unable to pay its debts as they fall due;

如果會計師事務所的辭聘通知載有任何應當交代情況的陳述，會計師事務所可要求董事會召集臨時股東大會，聽取其就辭聘有關情況作出的解釋。

原章程：第一百六十九條：

公司有下列情形之一的，應當解散並依法進行清算：

- (一) 股東大會決議解散；
- (二) 因公司合併或者分立需要解散；
- (三) 公司因不能清償到期債務被依法宣告破產；
- (四) 公司違反法律、行政法規被依法吊銷營業執照、責令關閉或被撤銷；及
- (五) 人民法院依照《公司法》第一百八十三條的規定予以解散。

修改後：

公司有下列情形之一的，應當解散並依法進行清算：

- (一) 股東大會決議解散；
- (二) 因公司合併或者分立需要解散；
- (三) 公司因不能清償到期債務被依法宣告破產；

CORPORATE GOVERNANCE REPORT 企業管治報告

(4) when the business license is revoked, the Company is ordered to be closed down or revoked due to reasons of its violation of laws or administrative regulations; and

(5) when the Company is dissolved by the People's Court in accordance with Article 182 of the "Company Law".

The original Article 174 is:

After processing company assets, and preparing the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan, and report to general shareholders' meeting or the People's Court for confirmation.

If assets of the Company are sufficient to repay debts, company debts shall be repaid after payment of liquidation expenses, employee wages, social insurance, statutory compensation and taxes.

The remaining assets after distribution in the previous paragraph shall be distributed to shareholders according to the class and proportion of their shares.

The Company shall not conduct any new business activities in the course of liquidation.

Amended as:

After processing company assets, and preparing the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan, and report to general shareholders' meeting or the People's Court for confirmation.

The remaining assets after payment of liquidation expenses, employee wages, social insurance, statutory compensation and taxes, respectively, shall be distributed to shareholders according to the class and proportion of their shares.

The Company shall not conduct any new business activities in the course of liquidation.

(四) 公司違反法律、行政法規被依法吊銷營業執照、責令關閉或被撤銷；及

(五) 人民法院依照《公司法》第一百八十二條的規定予以解散。

原章程：第一百七十四條：

清算組在清理公司財產、編製資產負債表和財產清單後，應當制定清算方案，並報股東大會或者有關主管機關確認。

公司財產能夠清償公司債務的，分別支付清算費用、職工工資，社會保險費用和法定補償金，繳納所欠稅款，清償公司債務。

公司財產按前款規定清償後的剩餘財產，由公司股東按其持有股份的種類和比例進行分配。

清算期間，公司不得開展新的經營活動。

修改後：

清算組在清理公司財產、編製資產負債表和財產清單後，應當制定清算方案，並報股東大會或者人民法院確認。

公司財產在分別支付清算費用，職工工資，社會保險費用和法定補償金，繳納所欠稅款，清償公司債務後的剩餘財產，由公司股東按其持有股份的種類和比例進行分配。

清算期間，公司不得開展新的經營活動。

CORPORATE GOVERNANCE REPORT 企業管治報告

The original Article 176 is:

After liquidation is completed, the liquidation team shall prepare a liquidation report, and the income and expenses report during the liquidation period. After these reports have been audited by registered Chinese accountants, the liquidation team shall report to the general shareholders' meeting and the relevant supervisory department for confirmation.

The liquidation team shall, within thirty (30) days after the general shareholders' meeting or the confirmation date by the relevant supervisory department, send the above documents to the department in charge of company registration, and apply for cancellation of company registration, in order to notify the termination of the Company.

Amended as:

After liquidation is completed, the liquidation team shall prepare a liquidation report, and the income and expenses report during the liquidation period. After these reports have been audited by registered Chinese accountants, the liquidation team shall report to the general shareholders' meeting and the People's Court for confirmation.

The liquidation team shall, within thirty (30) days after the general shareholders' meeting or the confirmation date by the People's Court, send the above documents to the department in charge of company registration, and apply for cancellation of company registration, in order to notify the termination of the Company.

The original Article 181 is:

Unless otherwise required, the Company, according to regulations or having received permission to send by public notice or to deliver any notice, shall publish public notice in one of the major English newspapers in Hong Kong and in Chinese in one of the major Chinese newspapers in Hong Kong.

Amended as:

Unless otherwise required, the Company, under reasonable and practicable circumstances, according to regulations or having received permission to send by public notice or to deliver any notice, shall publish public notice in one of the major English newspapers in Hong Kong and in Chinese in one of the major Chinese newspapers in Hong Kong.

Article 181 is amended from the original supplementary provision of Chapter 22 to the notice of Chapter 21.

原章程：第一百七十六條：

公司清算結束後，清算組應當製作清算報告以及清算期內收支報表和財務賬冊，經中國註冊會計師驗證後，報股東大會或者有關主管機關確認。

清算組應當自股東大會或者有關主管機關確認之日起三十(30)日內，將前述文件報送公司登記機關，申請註銷公司登記，公告公司終止。

修改後：

公司清算結束後，清算組應當製作清算報告以及清算期內收支報表和財務賬冊，經中國註冊會計師驗證後，報股東大會或者人民法院確認。

清算組應當自股東大會或者人民法院確認之日起三十(30)日內，將前述文件報送公司登記機關，申請註銷公司登記，公告公司終止。

原章程：第一百八十一條：

除非另有規定，公司按規定或獲允許通過公告形式發出或送出的任何通知或報告將在香港的一份主要的英文報紙上以英文刊登，並在香港的一份主要的中文報紙上以中文刊登。

修改後：

除非另有規定，公司在切實可行的情況下按規定或獲允許通過公告形式發出或送出的任何通知或報告將在香港的一份主要的英文報紙上以英文刊登，並在香港的一份主要的中文報紙上以中文刊登。

第一百八十一條由原第二十二章附則調整至第二十一章通知中。

CORPORATE GOVERNANCE REPORT 企業管治報告

COMMUNICATIONS WITH SHAREHOLDERS

The Company has placed emphasis on the communication with shareholders. Shareholders can be updated with the operations of the Company and market trends through means of website, email and phone enquiries. The information of the Company is delivered to the shareholders by the following methods:

1. to publish annual reports, interim reports, annual and interim results announcements and other information disclosure on the websites of the Hong Kong Stock Exchange and the Company;
2. organizing shareholders' general meeting, which is also one of the effective channels to communicate with the shareholders;
3. the Company continues to strengthen communication with shareholders by means including:
 - (1) arranging designated staff to meet with shareholders and answer their enquiries;
 - (2) arranging on-site visit to the Company for shareholders to understand the operation and the latest development of the Company in a timely manner; and
 - (3) providing relevant financial and operation data on the Company's website timely.

Shareholders or investors may make enquiries and offer suggestions through the following channels:

Telephone No.: 0898-69966021
Postal Code: 571126
Address: Office of the Board, Office Building of Meilan International Airport, Meilan District, Haikou City, Hainan Province, the PRC

與股東的溝通

本公司一直注重與股東的溝通，並利用網站、電郵、電話等各種平台，向股東反饋本公司的經營情況和市場動態。本公司數據通過以下方式向股東傳達：

1. 在香港聯交所網站及本公司網站刊發年報、中報、年度及中期業績和其他信息披露；
2. 本公司的股東大會，也是與股東溝通的有效渠道之一；
3. 本公司不斷加強與股東的持續溝通，其中包括：
 - (1) 安排專門人員接待股東，解答他們提出的相關問題；
 - (2) 安排他們到本公司實地考察，便於他們及時了解本公司的經營狀況及最新動向；及
 - (3) 通過本公司網站及時提供有關財務及運營數據。

股東或投資者可通過以下方式向本公司查詢及提出意見：

電話：0898-69966021
郵編：571126
郵件地址：中國海南省海口市美蘭區美蘭國際機場辦公樓董事會辦公室

SHAREHOLDERS' RIGHTS

To ensure better protection of shareholders' interests, the Articles of Association sets out the requirements for shareholders to request an extraordinary general meeting to be convened: when two or more shareholders holding in aggregate more than ten percent (10%) (including the ten percent (10%)) of the Company's shares entitling their holders to vote in the proposed general meeting request, by signing one or more copies of a written request in the same form and submit to the Board to convene an extraordinary general meeting with an agenda of the meeting. An extraordinary general meeting is required to be held as soon as practicable upon receipt by the Board of such written request.

During the year ended 31 December 2016, the Board did not receive any request from shareholders to convene an extraordinary general meeting.

INVESTORS' RELATIONS

1. Details of the classes of the Company's shareholders and particulars on shareholding in aggregate are set out in the "Report of the Board" in the 2016 annual report;
2. As at 31 December 2016, 226,913,000 H shares of the Company were held by the public; and
3. The Company has maintained active communications with a professional financial public relations firm and established daily communication channel between the Company and the investors and fund managers and securities analyst and media. The Company will publish the key operation data on a weekly and monthly basis and report the Company's latest development in relevant media and at the Company's website by means of press releases and announcements in a timely manner.

By order of the Board

Wang Zhen

Chairman

Hainan Province, the PRC

18 April 2017

股東權利

在保護本公司權利方面，《公司章程》規定了股東要求召集股東特別大會的方式：合計持有在該擬舉行的會議上有表決權的股份百分之十(10%)以上(含百分之十(10%))的兩個或者兩個以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集股東特別大會，並闡明會議的議題。董事會在收到前述書面要求後將盡快召集股東特別大會。

截至二零一六年十二月三十一日止年度期間，董事會未接到任何股東要求召集股東特別大會的申請。

投資者關係

1. 本公司股東類別的詳情及總持股量詳細刊載於本公司二零一六年年報的「董事會報告」中；
2. 於二零一六年十二月三十一日，本公司的公眾持股量為226,913,000股的H股；及
3. 本公司同專業的財經公關公司保持了密切聯繫和合作，並與投資者及基金經理、證券分析師和媒體建立了直接溝通與聯繫的渠道。本公司每周及每月及時公佈主要運營數據，並通過新聞稿及公告，在有關媒體及本公司網站適時發佈本公司最新的業務發展。

承董事會命

王 貞

董事長

中國海南省

二零一七年四月十八日

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層簡介

EXECUTIVE DIRECTORS

Mr. Wang Zhen, aged 54, master degree candidate, and a member of the Communist Party of China. He is the chairman and an Executive Director of the Company. From 1983 to 1992, he worked for Xinjiang Airlines Aircraft Repair Plant (新疆航空公司飛機維修廠) consecutively as the mechanic staff, the machinist, the maintenance leader, and the deputy workshop director. From 1993 to 1999, he worked for Hainan Airlines Co., Ltd. (海南航空股份有限公司) consecutively as the mechanic staff and the vice captain of the engineering department, the manager, the assistant to the department general manager and the branch department manager of the maintenance department. From October 1999 to January 2000, he was the vice general manager of the human resources department at Hainan Airlines Co., Ltd. From January 2000 to May 2000, he was the chief of the production operation center at Hainan Airlines Co., Ltd. From May 2000 to December 2002, he was consecutively the vice executive president and the assistant of the executive president of Hainan Airlines Co., Ltd. From December 2002 to May 2003, he was the president of Sanya Phoenix International Airport Co., Ltd. (三亞鳳凰國際機場有限公司). From March 2003 to November 2006, he was consecutively the chief executive officer and the general manager of Hainan Meilan International Airport Company Limited (海南美蘭國際機場股份有限公司). From November 2006 to January 2007, he was the vice executive president of HNA Airport Group Limited (海航機場集團有限公司). From January 2007 to September 2008, he was the vice executive president of HNA Airport Group Holdings Limited (海航機場控股集團有限公司). From September 2008 to July 2012, he worked for Sanya Phoenix International Airport Co., Ltd. consecutively as the president, the deputy commander of the construction management department, the executive chairman of the board and the chairman of the board. From July 2012 to May 2013, he worked as the deputy leader of the Meilan Airport aviation industrial park project promotion group of the airport management division at HNA Infrastructure Holdings Group Co., Ltd. (海航實業控股(集團)有限公司). From May 2013 to May 2014, he was the vice chairman of the Company. He has served as the chairman of the Company since May 2014.

Mr. Yang Xiaobin, aged 46, obtained his bachelor degree in law from Jiangsu University (江蘇大學) in 2009. He is an Executive Director and president of the Company. Mr. Yang has extensive management experience in civil aviation. He worked for Qingan Aerospace Equipment Company (慶安宇航設備公司), a State-owned Company, from October 1992 to February 1994, and was the secretary of the deputy chief executive and control room deputy safety officer of Haikou Meilan International Airport Company Limited (海口美蘭國際機場有限責任公司) from December 2000 to October 2002, the control room safety officer of

執行董事

王貞先生，54歲，碩士研究生，中國共產黨黨員。現任本公司董事長及執行董事。於一九八三年至一九九二年期間，曾先後擔任新疆航空公司飛機維修廠機械員、機械師、維護組長及車間副主任；於一九九三年至一九九九年，曾先後擔任海南航空股份有限公司工程部機械員、副中隊長、維修分部經理、部門總經理助理及一分部經理；於一九九九年十月至二零零零年一月期間任海南航空股份有限公司人事部副總經理；於二零零零年一月至二零零零年五月期間擔任海南航空股份有限公司生產運行中心主任；於二零零零年五月至二零零二年十二月期間先後擔任海南航空股份有限公司執行副總裁及執行總裁助理；於二零零二年十二月至二零零三年五月期間擔任三亞鳳凰國際機場有限公司總裁；於二零零三年三月至二零零六年十一月期間先後擔任海南美蘭國際機場股份有限公司首席執行官及總經理；於二零零六年十一月至二零零七年一月期間擔任海航機場集團有限公司執行副總裁；於二零零七年一月至二零零八年九月期間擔任海航機場控股集團有限公司執行副總裁；於二零零八年九月至二零一二年七月先後擔任三亞鳳凰國際機場有限責任公司總裁、基建管理部副總指揮、執行董事長及董事長；於二零一二年七月至二零一三年五月擔任海航實業控股(集團)有限公司機場管理事業部海口美蘭機場臨空產業園項目推進工作組副組長；於二零一三年五月至二零一四年五月期間擔任本公司副董事長；自二零一四年五月起擔任本公司董事長。

楊小濱先生，46歲，於二零零九年獲得江蘇大學法律專業學士學位。現任本公司執行董事及總裁。彼擁有豐富的民航管理經驗。自一九九二年十月至一九九四年二月，彼於國營慶安宇航設備公司工作。自二零零零年十二月至二零零二年十月，彼為海口美蘭國際機場有限責任公司辦公室執行副總裁秘書及安全監察室副經理。自二零零三年六月至二零零四年九月，彼為本公司安全監察室安全督查主管。自二零零四年九月

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理層簡介

the Company from June 2003 to September 2004, and safety supervisor of the operation safety office of the Company from September 2004 to May 2007, the deputy general manager of the control center of the Company from July 2007 to December 2008, the general manager (operation department) of HNA Airport Group Company Limited from December 2008 to August 2009, the chairman of Yichang Three Gorges Airport Co., Ltd (宜昌三峽機場有限責任公司). From September 2009 to September 2011, the deputy general manager of the Company from September 2011 to 18 March 2013 and the president of the Company since 19 March 2013.

Mr. Zhou Feng, aged 45, graduated from Zhengzhou University of Aeronautics (鄭州航空工業管理學院) majoring in planning statistics in 1993. Mr. Zhou has over 24 years of experience in finance and corporate management. Mr. Zhou served as a deputy director in the funds management office of finance and accounting department of Air Changan Co., Ltd. (長安航空有限責任公司) from July 1993 to July 2001. He successively worked in project development and management department of HNA Group Co., Ltd. (海航集團有限公司) as a project development clerk from July 2001 to February 2002 and a project manager of merger and acquisition business division from February 2002 to July 2002. From July 2002 to July 2004, Mr. Zhou successively served as a deputy general manager in the assets management department of Hainan Airport Co., Ltd. (海南機場股份有限公司), an alternate manager in the business development and management office of the airport management section of airport management department of HNA Group Co., Ltd. (海航集團有限公司) and a manager in the Haikou Meilan Airport management office of airport management department of HNA Group Co., Ltd. (海航集團有限公司). From July 2004 to June 2010, Mr. Zhou successively served as the general manager in the assets management department of Hainan Airport Co., Ltd. (海南機場股份有限公司), chief financial officer in Haikou Meilan International Airport Co., Ltd. (海口美蘭國際機場有限責任公司), general manager in the project development department of HNA Airport Group Co., Ltd. (海航機場集團有限公司) and general manager in the project management department of HNA Airport Holdings (Group) Co., Ltd. (海航機場控股(集團)有限公司). Mr. Zhou served as the general manager in the business development department of Sanya Phoenix International Airport Co., Ltd. (三亞鳳凰國際機場有限責任公司) from July 2010 to March 2011, the president in HNA (Guizhou) Investment and Development Co., Ltd. (海航(貴州)投資開發有限公司) from April 2011 to September 2011 and the chief financial officer in Western Air Co., Ltd. (西部航空有限責任公司) from November 2011 to August 2016. He has served as the Executive Director and chief financial officer of the Company since 11 October 2016.

至二零零七年五月，彼為本公司運行標準辦公室安全服務質量督察主管。自二零零七年七月至二零零八年十二月，彼為本公司指揮中心副總經理。自二零零八年十二月至二零零九年八月，彼為海航機場集團有限公司運營管理部總經理。自二零零九年九月至二零一一年九月，彼為宜昌三峽機場有限責任公司董事長。自二零一一年九月至二零一三年三月十八日，彼為本公司副總裁，自二零一三年三月十九日起，彼為本公司總裁。

周鋒先生，45歲，於一九九三年畢業於鄭州航空工業管理學院計劃統計專業。周先生擁有逾24年財務及公司管理經驗。周先生自一九九三年七月至二零零一年七月擔任長安航空有限責任公司計劃財務部資金管理室副主任。彼於二零零一年七月至二零零二年二月及二零零二年二月至二零零二年七月先後擔任海航集團有限公司項目開發管理部項目開發業務員及併購業務處項目經理。於二零零二年七月至二零零四年七月，周先生先後擔任海南機場股份有限公司資產管理部副總經理、海航集團有限公司機場管理部機場板塊業務開發與管理室代經理及海航集團有限公司機場管理部海口美蘭機場有限責任公司管理室經理。於二零零四年七月至二零一零年六月，周先生先後擔任海南機場股份有限公司資產管理部總經理、海口美蘭國際機場有限責任公司財務總監、海航機場集團有限公司項目發展部總經理及海航機場控股(集團)有限公司項目管理部總經理。周先生於二零一零年七月至二零一一年三月擔任三亞鳳凰國際機場有限責任公司業務發展部總經理、於二零一一年四月至二零一一年九月擔任海航(貴州)投資開發有限公司總裁及二零一一年十一月至二零一六年八月擔任西部航空有限責任公司財務總監。自二零一六年十月十一日起，擔任本公司執行董事及財務總監。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層簡介

Mr. Liu Shanbin, aged 40, graduated from Hainan University (海南大學) in Chinese language literature (undergraduate course) in July 2000. Mr. Liu is currently the Executive Director, the assistant to the president and the general manager of the integrated management department of the Company. Mr. Liu served successively as the head of human resources planning and the head of organizational planning of human resources centre of the integrated management department and the manager of the training management centre of Hainan HNA Real Estate Holdings Co., Ltd. (海南海航地產控股有限公司) from October 2008 to August 2010, and the general manager of the integrated management department of Haikou New City District Construction Development Co., Ltd. (海口新城區建設開發有限公司) from August 2010 to December 2011. Mr. Liu also served successively as the general manager of the integrated management department of HNA Real Estate Holdings Group Co., Ltd. (海航地產控股(集團)有限公司) and the general manager of the human resources department of Hainan HNA Engineering Construction Co., Ltd. (海南海航工程建設有限公司) and HNA International Travel Island Development Construction Group Co., Ltd. (海航國際旅遊島開發建設(集團)有限公司) from December 2011 to December 2012. From December 2012 to January 2015, Mr. Liu successively held the positions as the deputy general manager and general manager of the planning operation centre of the real estate development department, the general manager of the corporate management department and corporate management centre of HNA Infrastructure Holdings Group Co., Ltd. (海航實業控股(集團)有限公司). Mr. Liu also served successively as the deputy director of executive office and a deputy general manager of human resources administration department from January 2015 to June 2015 of HNA Infrastructure Holdings Group Co., Ltd. During the period June 2015 to December 2015, he served as the general manager of the integrated management department of the Company. Since December 2015, he has served as the assistant to the president and the general manager of the integrated management department of the Company and since 18 May 2016, he has served as the Executive Director.

劉善斌先生，40歲，於二零零零年七月畢業於海南大學漢語言文學專業(本科學歷)。現任本公司執行董事、總裁助理兼綜合管理部總經理。彼於二零零八年十月至二零一零年八月期間，先後擔任海南海航地產控股有限公司綜合管理部人力資源中心人力資源規劃主管、組織規劃主管及招聘與培訓管理中心經理；於二零一零年八月至二零一一年十二月期間，擔任海口新城區建設開發有限公司綜合管理部總經理；於二零一一年十二月至二零一二年十二月期間，先後擔任海航地產控股(集團)有限公司綜合管理部總經理、海南海航工程建設有限公司人力資源部總經理及海航國際旅遊島開發建設(集團)有限公司人力資源部總經理；於二零一二年十二月至二零一五年一月期間，先後擔任海航實業控股(集團)有限公司地產開發事業部計劃運營中心副總經理、總經理，企業管理部和企業管理中心總經理；於二零一五年一月至二零一五年六月期間，先後擔任海航實業控股(集團)有限公司辦公室副主任及人資行政部副總經理；於二零一五年六月至二零一五年十二月期間，擔任本公司綜合管理部總經理；於二零一五年十二月起，擔任本公司總裁助理兼綜合管理部總經理。自二零一六年五月十八日起，擔任本公司執行董事。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理層簡介

NON-EXECUTIVE DIRECTORS

Mr. Hu Wentai, aged 61, was re-appointed as a Non-executive Director and vice chairman of the Company in July 2015. He has also served a member of the strategic committee of the Company. Mr. Hu Wentai joined HNA Group in June 2000. He working as the general manager of Hainan Henghe Property Management Company Limited (海南恒禾物業管理有限公司), the executive vice president of Haikou Meilan International Airport Company Limited. Since Mr. Hu joined the Company in 2002, he has held a number of senior positions in the Company, including the chief operating officer and vice president of the Company. In February 2006, he was also the chairman of Haikou New City District Construction Development Co., Ltd. (海口新城區建設開發有限公司) and the deputy general manager of Beijing HNA Realty Group Company Limited (北京海航地產集團有限公司). Since February 2016 till now, he has concurrently served as the deputy commander of the Phase II expansion project of Meilan Airport and the chairman of Boao Airport since May 2016. Mr. Hu Wentai has extensive experience in the area of airport management and project construction.

Mr. Chan Nap Kee, Joseph, aged 56, was re-appointed as a Non-executive Director of the Company in December 2016. Mr. Chan acquired his master's degree from the University of Strathclyde majoring in International Marketing and a diploma from Peking University in China Investment and Trade Study. He holds licenses of Type 1 (dealing in securities), Type 6 (advising on corporate finance), and Type 9 (asset management) under Chapter 571 of SFO, respectively. Mr. Chan has nearly 30 years management experience in banking, investment banking and asset investment. Mr. Chan was the deputy manager of Credit Agricole Bank from 1986 to 1994, where he was mainly in charge of China business. From 1992 to 1994, he was also the co-head of Credit Agricole Asset Management South East Asia Limited (法國農業銀行東南亞資產管理公司). Since 1994, Mr. Chan has been a founding partner of Oriental Patron Financial Group (東英金融集團). He is also an executive director of Oriental Patron Asia Limited (東英亞洲有限公司). Mr. Chan was appointed as an executive director of Kaisun Energy Group Limited (凱順能源集團有限公司) (Stock Code: 8203) in September 2008, which is listed on the Growth Enterprise Market of the Stock Exchange, and is also the chairman of board of directors of Kaisun Energy Group Limited now. Mr. Chan was appointed as a non-executive director of North Asia Strategic Holdings Limited (北亞策略控股有限公司) on 19 February 2013 and re-designated from a non-executive director to an independent non-executive director of North Asia Strategic Holdings Limited (北亞策略控股有限公司) on 4 March 2016.

非執行董事

胡文泰先生，61歲，於二零一五年七月獲連續委任為本公司非執行董事並繼續擔任副董事長職務，同時，擔任本公司戰略委員會委員。胡文泰先生於二零零零年六月加入海航集團，曾擔任海南恒禾物業管理有限公司總經理、海口美蘭機場有限責任公司執行副總裁，二零零二年加入本公司，歷任本公司首席運行官及副總裁等高級管理職務，二零零六年二月，兼任海口新城區建設開發有限公司董事長及北京海航地產集團有限公司副總經理，二零一六年二月至今，兼任美蘭機場二期擴建指揮部副總指揮，二零一六年五月至今，兼任博鰲機場董事長。胡文泰先生在機場管理及工程建設方面有着豐富的經驗。

陳立基先生，56歲，二零一六年十二月獲重新委任為非執行董事。陳先生獲頒英國Strathclyde大學國際市場專業碩士學位、中國北京大學中國投資及貿易專業文憑，分別持有香港法例第571章《證券及期貨規則條例》規管的第一類（證券交易）、第六類（就機構融資提供意見）、第九類（提供資產管理）牌照。陳先生在商業銀行、投資銀行和資產管理領域有接近三十年的從業經歷。彼於一九八六年至一九九四年擔任法國農業銀行副經理，主理中國業務。彼於一九九二年至一九九四年兼任法國農業銀行東南亞資產管理公司聯席主管。陳先生自一九九四年起擔任東英金融集團創辦合夥人，彼亦為東英亞洲有限公司執行董事。二零零八年九月，陳先生獲委任為於香港聯交所創業板上市之凱順能源集團有限公司（股份代號：8203）執行董事，現亦為凱順能源集團有限公司之董事會主席。於二零一三年二月十九日起，陳先生獲委任為北亞策略控股有限公司非執行董事，於二零一六年三月四日，由北亞策略控股有限公司非執行董事調任為獨立非執行董事。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理層簡介

Mr. Yan Xiang, aged 53, was re-appointed as a Non-executive Director in December 2016. Mr. Yan graduated from Peking University, where he received a bachelor's degree in Economics and a master's degree in Economics. From January 1988 to August 1991, he served as a teaching assistant and lecturer in Economics at Peking University. Since August 1991, he has been a research fellow with the Research Center of the People's Government of Hainan Province (海南省政府研究中心), the general manager of Hainan Securities Exchange Center (海南證券交易中心) and the president of Hainan Securities Company Limited (海南省證券公司). He had concurrently been a director of Zhongfu Industrial Co., Ltd. (中孚實業股份有限公司) and an independent director of China United Travel Company Limited (國旅聯合股份有限公司). Mr. Yan currently serves as the chairman of the China Region of the Oriental Patron Financial Group (東英金融集團) and the president of the Oriental Patron Resources Investment Limited (東英資源投資有限公司) concurrently. Mr. Yan had concurrently been the executive director of Hainan Development Promotion Association (海南開發促進會), the committee member of Experts Committee in Research of National Debts and Futures (國債、期貨研究專家委員會) and the committee member of Credit Assessment Experts Committee of China Credit Securities Assessment Limited (中國誠信證券評估有限公司信用評級專家委員會).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Deng Tianlin, aged 68, was appointed as an Independent Non-executive Director of the Company in November 2014. He also acts as chairman of the Remuneration Committee, the chairman of the Audit Committee and members of the Nomination Committee and strategic committee of the Company. Mr. Deng is a certified public accountant senior member of the Chinese Institute of Certified Public Accountants, a senior accountant and was a guest professor of Hainan University (海南大學). Mr. Deng has extensive experience in the field of finance and accounting. He previously served, among others, as the section chief in the personnel division of Hubei Provincial Department of Finance (湖北省財政廳), a deputy director of Fang County Tax Bureau in Hubei Province (湖北省房縣稅務局), the chief of the loan section of the World Bank Group and a deputy director of the Department of Agricultural Tax (農業稅處). Mr. Deng was appointed by the Organization Department of the CPC Central Committee (中央組織部) to Hainan Provincial Department of Finance (海南省財政廳) as a director of the accounting department and the secretary general of Hainan Provincial Institute of Certified Public Accountants (海南省註冊會計師協會) in 1990. Mr. Deng retired in 2009 and has been an independent director of Hainan Airlines Co., Ltd. (Stock Code: Hainan Airlines: 600221; Hainan Airline B Shares: 900945) since April 2012.

燕翔先生，53歲，二零一六年十二月獲重新委任為非執行董事。燕先生畢業於北京大學，獲經濟學學士學位及經濟學碩士學位。一九八八年一月至一九九一年八月，先後擔任北京大學經濟學院助教及講師。自一九九一年八月起，彼曾先後擔任海南省政府研究中心研究人員、海南證券交易中心總經理、海南省證券公司總裁，並曾兼任中孚實業股份有限公司董事及國旅聯合股份有限公司獨立董事。燕先生現亦為東英金融集團中國區主席，並兼任東英資源投資有限公司總裁。燕先生曾兼任過海南開發促進會理事，國債、期貨研究專家委員會委員及中國誠信證券評估有限公司信用評級專家委員會委員。

獨立非執行董事

鄧天林先生，68歲，於二零一四年十一月獲委任為本公司獨立非執行董事，並擔任本公司薪酬委員會主席、審核委員會主席、提名委員會委員以及戰略委員會委員。鄧先生為註冊會計師、中國註冊會計師協會資深會員、高級會計師、曾任海南大學客座教授。鄧先生於財務及會計領域有着豐富經驗。彼曾任（其中包括）湖北省財政廳人事處科長、湖北省房縣稅務局副局長、世界銀行集團貸款科科長及農業稅處副處長。鄧先生於一九九零年經中共中央組織部調派至海南省財政廳，任會計處處長、海南省註冊會計師協會秘書長。鄧先生於二零零九年退休，並自二零一二年四月出任海南航空股份有限公司（股票代碼：海南航空600221，海航B股900945）獨立董事。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理層簡介

Mr. Fung Ching, Simon, aged 48, was re-appointed as an Independent Non-executive Directors in December 2016. He has also served as the chairman of the strategic committee and members of the Audit Committee and Remuneration Committee. Mr. Fung graduated from the Queensland University of Technology in Australia with a bachelor's degree, majoring in accountancy. Mr. Fung is a Hong Kong resident. He is a fellow member of the CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Fung worked in PricewaterhouseCoopers from 1994 to 2004, and he served as the chief financial officer and secretary to the board of directors of Baoye Group Company Limited (寶業集團股份有限公司) (Stock Code: 2355.HK) from 2004 to 2010. Mr. Fung has served in Greentown China Holdings Limited (綠城中國控股有限公司) (Stock Code: 3900.HK) as the chief financial officer and company secretary since August 2010. Mr. Fung has over 12 years of experience in managing finance and accounting functions, mergers and acquisitions, fund raising and investor relations for PRC companies listed in Hong Kong, and has over 10 years of experience in auditing, accounting and business advisory with "Big-4" international accounting firms. Mr. Fung is also a non-executive director of Baoye Group Company Limited currently, and he has served as an independent non-executive director of China Logistics Property Holdings Co., Ltd (中國物流資產控股有限公司) (Stock Code: 1589.HK) since July 2016.

Mr. George F Meng, aged 73, was re-appointed as an Independent Non-Executive Director in December 2016. He has also served as a member of the Audit Committee, the Remuneration Committee and the strategic committee of the Company. Mr. Meng graduated from Civil Aviation University of China (中國民航學院) in 1966, majoring in radio communication and English language. In 1972, he entered into Tianjin Foreign Studies University (天津外國語大學) for further study in English language. From 1984 to 1991, he studied the FAA Aircraft Dispatcher Training Courses in Aviation Training School, Long Island, New York, the United States, the Advanced Training in Aviation Course with Ansett Airlines, and MBA course at Oklahoma City University. From 1966 to 1988, Mr. Meng served various positions including the radio station master of Communication Department of General Administration of CAAC Chengdu Administration (中國民航成都管理局), the dean of the Technical English Department of Civil Aviation University of China (中國民航學院), and the deputy director of CAAC Training Center (中國民航訓練中心). Since 1991, he has been a director and the general manager of China Resource Ltd., USA. Since 2000, Mr. Meng has been the president of Soaring Eagle Industrial LLC., USA. Since September 2010, he has been the principal of Northern New Jersey Huaxia Chinese School (non-profit organization). He has served as the general manager (United States) and certified senior translator of Hua Ling Consultant Inc. in Toronto, Canada, since January 2012.

馮征先生，48歲，於二零一六年十二月獲重新委任為獨立非執行董事，並擔任本公司戰略委員會主席、審核委員會委員以及薪酬委員會委員。馮先生畢業於澳洲昆士蘭科技大學，主修會計並獲得學士學位，現居於香港，是澳洲會計師公會資深會員及香港會計師公會資深會員。馮先生從一九九四年至二零零四年於普華永道會計師事務所工作，二零零四年至二零一零年於寶業集團股份有限公司（股票代碼：2355.HK）擔任財務總監及董事會秘書，二零一零年八月起擔任綠城中國控股有限公司（股票代碼：3900.HK）首席財務官及公司秘書。馮先生擁有逾十二年於香港上市的中國公司從事財務及會計管理、併購、融資及投資者關係的經驗，以及逾十年於一家「四大」國際會計師事務所從事有關審計、會計及商業諮詢的經驗。馮先生現亦擔任寶業集團股份有限公司的非執行董事，並自二零一六年七月起，擔任中國物流資產控股有限公司（股份代號：1589.HK）獨立非執行董事。

孟繁臣先生，73歲，於二零一六年十二月獲重新委任為獨立非執行董事，並擔任本公司審核委員會、薪酬委員會及戰略委員會委員。孟先生於一九六六年畢業於中國民航學院無線電通訊和英語專業，並於一九七二年進入天津外國語大學英語進修班深造。一九八四年至一九九一年，先後在美國紐約長島航空培訓學校學習FAA飛機簽派員課程、澳大利亞安塞特航空公司學習高級航空管理課程、美國阿克拉荷馬市大學學習企業管理課程並獲得MBA學位。孟先生一九六六年至一九八八年先後任職於中國民航成都管理局通訊處電台台長、中國民航學院外語系專業英語教研室主任及中國民航訓練中心副主任。一九九一年起，任擔任中國物產有限公司（美國）董事兼總經理。自二零零零年起，孟先生擔任美國飛鷹工業公司總裁。自二零一零年九月起，彼擔任美國華夏中文學校北部分校（非盈利機構）校長。自二零一二年一月起，彼擔任加拿大多倫多華玲諮詢公司美國總經理兼認證的資深翻譯。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層簡介

Mr. He Linji, aged 60. He was appointed as an Independent Non-executive Director in May 2015, and served as the chairman of the Nomination Committee and a member of the strategic committee of the Company. Mr. He graduated from Hainan University (海南大學) in economic law (undergraduate course) in December 1999 and graduated from Wuhan University (武漢大學) in economic law (postgraduate course) in December 2000. He is a third-grade senior judge (三級高級法官) recognized by the Supreme People's Court of China in August 2006 and was awarded "Meritorious Service Medals in Fairness" by the Supreme People's Court on 22 April 2016. Mr. He has extensive experience in the field of law. He served successively as the vice president and the president of Haikou Military Court of Guangzhou Military Area (廣州軍區海口軍事法院) from January 1992 to August 1998. He also successively held the positions of the deputy chief of discipline inspection Group, the director of supervisory office and the presiding judge of case filing chamber and member of judicial committee of Haikou Intermediate People's Court from September 1998 to February 2004. Mr. He was the president of the People's Court of Longhua District, Haikou (海口市龍華區人民法院) from March 2004 to August 2010. Subsequently, he served as a minister-level judge (正處級審判員) of Haikou Intermediate People's Court from September 2010 to September 2013.

SUPERVISORS

Mr. Dong Guiguo, aged 54, was re-appointed as a Supervisor on 3 July 2015 and has served as the chairman of the supervisory committee of the Company. Mr. Dong graduated from Civil Aviation University of China (中國民航學院) majoring in aircraft engine. He has pursued further studies in China Europe International Business School. He is qualified as aviation engineer and accountant. He has extensive experience in civil aviation and finance. Mr. Dong has worked at civil aviation maintenance base in Beijing, Beijing Aircraft Maintenance Engineering Co., Ltd. (北京飛機維修工程有限責任公司), HNA Group Purchase Management Department, HNA Group Airport Management Department and HNA Airport Group Company Limited (海航機場集團有限公司). Since October 2000, he has respectively served as deputy manager of the aviation material and equipment procurement center of the procurement department of HNA Group, deputy general manager of airport management department of HNA Group, general manager of Haikou Meilan Airport Company Limited (海口美蘭機場有限責任公司), executive chairman's assistant, general manager of the finance department and general manager of the project management department, vice chairman, vice president and chief financial officer of HNA Airport Group Company Limited (海航機場集團有限公司). Mr. Dong was appointed as a Director of the Company from March 2006 to October 2008 and become the financial officer of the Company in December 2006. He was appointed as the chief financial officer of the Company in April 2007. In December 2008, he resigned from the Company. Currently, Mr. Dong is currently the Chief Supervisor of the supervisory of HNA Holding Group Co., Ltd. (海航實業集團有限公司) and a Supervisor and the chairman of the supervisory committee of the Company.

何霖吉先生，60歲，二零一五年五月獲委任為本公司獨立非執行董事，並擔任本公司董事會提名委員會主席及戰略委員會委員。何先生於一九九九十二月畢業於海南大學經濟法專業（本科課程）及於二零零零年十二月畢業於武漢大學經濟法專業（研究生課程）。彼於二零零六年九月獲中國最高人民法院頒發三級高級法官證書；於二零一六年四月二十二日，獲中國最高人民法院授予榮譽天平獎章。何先生於法律界累積豐富經驗。彼於一九九二年一月至一九九八年八月期間，先後擔任廣州軍區海口軍事法院副院長及院長。於一九九八年九月至二零零四年二月期間，先後出任海口市中级人民法院紀檢組副組長、監察室主任、立案庭庭長及審判委員會委員。何先生於二零零四年三月至二零一零年八月期間擔任海口市龍華區人民法院院長。於二零一零年八月至二零一三年九月期間任職海口市中级人民法院正處級審判員、審判委員會委員。自二零一三年十月起擔任海口市中级人民法院審判委員會專職委員。

監事會成員

董桂國先生，54歲，於二零一五年七月三日獲連續委任為本公司監事、監事會主席。董先生畢業於中國民航學院飛機發動機專業，曾赴中歐工商管理學院進修，具有機務工程師及會計師職業資格，有着豐富的民航及財務工作經驗。董先生先後就職於民航北京維修基地、北京飛機維修工程有限責任公司、海航集團採購管理部、海航集團機場管理部、海航機場集團有限公司。二零零零年十月加入海航集團，歷任海航集團採購部飛機引進辦公室航材中心常務副總經理、海航集團機場管理部副總經理、海口美蘭機場有限責任公司總經理、海航機場集團有限公司執行總裁助理、海航機場集團有限公司計劃財務部總經理、海航機場集團有限公司項目發展部總經理、海航機場集團副董事長、副總裁兼財務總監等職務。二零零六年三月至二零零八年十月期間擔任本公司董事。二零零六年十二月獲委任為本公司首席財務官，二零零七年四月獲委任為本公司財務總監。二零零八年十二月，辭去本公司所有職務。董先生現任海航實業集團有限公司監事會監事長及本公司監事、監事會主席。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理層簡介

Mr. Zhang Shusheng, aged 80, is a senior reporter. He was re-appointed as an independent Supervisor in December 2016. He graduated from the Department of Chinese, Lan Zhou University (蘭州大學) majoring in Han Literature. He served as the officer at Youth League Committee of Gansu Province (青年團甘肅省定西地委) and concurrently a reporter at Gansu Youth Daily (甘肅青年報社). He once worked as a newspaper editor and a reporter for Gansu Daily (甘肅日報社) and as the chief reporter stationed at Gansu Province for People's Daily (人民日報社). In June 1994, he was re-designated to China Civil Aviation News (《中國民航報》社) working as the chief editor and Party branch secretary and was responsible for the management of China Civil Aviation News. During the term of office, he had been the vice chairman of Gansu Province Journalist Association (甘肅省新聞工作者協會(記者協會)), the president of the Association for Resident Correspondent in Gansu Province (中央暨首都駐甘肅記者聯誼會), the managing director of China Press Cultural Advancement Association (中國新聞文化促進會) and a deputy chairman of the Association of China Industrial Newspapers (中國產業報協會), etc.

Mr. Han Aimin, aged 46, graduated from Beijing Business College (北京商學院) in 1995. He was re-appointed as the staff representative Supervisor of the Company on 28 August 2014. He joined the Company in November 2008. From July 1995 to June 2004, Mr. Han worked at the freight department of Hainan Airlines Co., Ltd. He served as the vice general manager of Haikou freight center of the marketing department of Hainan Airlines Co., Ltd. from June 2004 to March 2007. He was the general manager of the freight Company under Hainan Meilan International Airport Company Limited from November 2008 to December 2009, and the general manager of Hainan Meilan International Airport Cargo Co., Ltd. from January 2009 to September 2010. He has been the general manager of the business development department of the Company since September 2010. He served as an assistant to president and general manager of business development department of the Company since December 2015.

張述聖先生，80歲，高級記者。於二零一六年十二月獲重選為本公司獨立監事。張先生畢業於蘭州大學中文系漢語言文學專業。他曾擔任青年團甘肅省定西地委幹事並兼任甘肅青年報社記者；甘肅日報社編輯、記者；人民日報社駐甘肅省首席記者、記者站站長；一九九四年六月，調入《中國民航報》社，任總編輯兼黨支部書記，主持《中國民航報》工作。在職期間曾任甘肅省新聞工作者協會(記者協會)副會長；中央暨首都駐甘肅記者聯誼會會長；中國新聞文化促進會常務理事；中國產業報協會專職副會長等職。

韓愛民先生，46歲，於一九九五年畢業於北京商學院。二零一四年八月廿八日獲連續委任為本公司職工代表監事。韓愛民先生自二零零八年十一月加入本公司。自一九九五年七月至二零零四年六月，就職於海南航空股份有限公司貨運部。自二零零四年六月至二零零七年三月，擔任海南航空股份有限公司市場部海口貨運中心副總經理。自二零零八年十一月至二零零九年十二月，擔任海南美蘭國際機場股份有限公司貨運公司總經理，及自二零零九年一月至二零一零年九月擔任海南美蘭國際機場貨運有限責任公司總經理。自二零一零年九月至今擔任本公司業務發展部總經理。自二零一五年十二月起擔任本公司總裁助理兼業務發展部總經理。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層簡介

SENIOR MANAGEMENT

Mr. Wu Jian, aged 40, was re-appointed as deputy general manager of the Company on 29 March 2016. Mr. Wu graduated from the computer science department of Civil Aviation University of China and is an assistant engineer. He was the manager of the service support department, manager of the operation department, general manager of the IT department and the assistant to the executive officer of Hainan Airlines Aviation Information System Co., Ltd. (海南海航航空信息系統有限公司), the general manager of the operation department of HNA Airport Group Company Limited, deputy general manager of the airport operation department of HNA Infrastructure Industry Group Limited, the manager of the IT office of airport management department of HNA Infrastructure Holdings Group Co., Ltd. (海航實業控股(集團)有限公司). He has extensive experience in the implementation of airport IT system and intelligent system.

Mr. Tu Haidong, aged 39, was appointed as vice president of the Company on 29 March 2016. Mr. Tu graduated from Nanjing Audit University (formerly known as Nanjing Audit College) in audit profession. He started to work from September 2000. He was an auditor of Audit and Legal Affairs Office of HNA Group Company Limited (海航集團有限公司), an auditor of hotel industry, the Head of Audit, reform assistant, manager of an audit firm, deputy general manager of Audit and Legal Affairs Office, officer of the audit division, general manager of engineering management department, general manager of construction management department, general manager of engineering management department of HNA Holding Group Co., Ltd. (海航實業控股(集團)有限公司), assistant to the president, general manager of the real estate department and engineering management department, the Chairman and general manager of Yangpu Guoxing Construction Co., Ltd. (洋浦國興工程建設有限公司), the Chairman and President of HNA Real Estate Holdings Co., Ltd. (海航地產控股(集團)有限公司), President of the real estate department of HNA Infrastructure Holdings Group Co., Ltd. (海航實業控股(集團)有限公司), President of Hainan International Tourism Island Development and Construction Group Co., Ltd. (海航國際旅遊島開發建設(集團)有限公司), general manager of the chief engineering office, deputy commander of the infrastructure expansion command office of Meilan Airport. Mr. Tu has extensive experiences in corporate governance and infrastructure construction.

高級管理人員

吳健先生，40歲，於二零一六年三月二十九日獲連續委任為本公司副總裁。吳先生畢業於中國民航大學計算機應用專業，助理工程師職稱。曾擔任海南海航航空信息系統有限公司運行保障部服務支持中心服務支持經理、海南海航航空信息系統有限公司服務運營部經理、海南海航航空信息系統有限公司IT服務事業部總經理、海南海航航空信息系統有限公司總裁助理、海航機場集團有限公司運營管理部總經理、海航基礎產業集團有限公司機場事業部副總經理、海航實業控股(集團)有限公司機場管理事業部智能化建設中心經理。在機場信息系統建設管理及機場智能化建設方面有豐富經驗。

涂海東先生，39歲，於二零一六年三月二十九日獲委任為本公司副總裁。涂先生畢業於南京審計大學(原南京審計學院)審計專業。自二零零零年九月參加工作。曾擔任海航集團有限公司審計與法律事務辦公室審計事務室審計員、酒店業審計員、審計事務主管、變革助理、審計事務室經理、審計與法律事務室副總經理、審計室主任、工程管理部總經理、基建管理部總經理、海航實業控股(集團)有限公司工程管理部總經理、總裁助理、地產事業部工程管理部總經理、洋浦國興工程建設有限公司董事長兼總經理、海航地產控股(集團)有限公司董事長兼總裁、海航實業控股(集團)有限公司地產事業部總裁、海航國際旅遊島開發建設(集團)有限公司總裁、總工辦總經理、美蘭機場基建擴建指揮部副總指揮。涂先生在公司治理及基礎設施工程建設方面有着豐富的經驗。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 董事、監事及高級管理層簡介

COMPANY SECRETARY

Mr. Xing Zhoujin, aged 51, was re-appointed as the company secretary of the Company in May 2016. Mr. Xing graduated from the Anhui Normal University (安徽師範大學) majoring in financial management. He also has a bachelor degree in laws and a title of economist. Mr. Xing has been the personnel and office director of Sanya Phoenix International Airport and Haikou Meilan International Airport. He is engaged in the management and operation of the Company since 2002 and fully participated in the listing of H shares of Hainan Meilan International Airport Company Limited and worked as a board secretary of the Parent Company of the Company, Haikou Meilan International Airport Company Limited. He has also been responsible for handling the results disclosure and daily operation of the Board after the listing of the Company.

公司秘書

邢周金先生，51歲，於二零一六年五月獲繼續委任為本公司公司秘書。邢先生畢業於安徽師範大學經濟管理專業，法學士學位，經濟師職稱。邢先生曾擔任三亞鳳凰國際機場和海口美蘭國際機場人事處處長、辦公室主任等職務，自二零零二年起即開始從事本公司的治理和運作工作，並全程參與了海南美蘭國際機場股份有限公司的H股上市發行工作，同時還擔任了母公司海口美蘭國際機場有限責任公司的董事會秘書。並於上市後負責本公司的業績披露及董事會日常事務的處理工作。

MARKET POLICIES

市場政策

As the old saying goes, “a perfect match of people, time and location”, the Hainan provincial government and Haikou municipal government attach great importance to the development of Meilan Airport. Recently, policies related air services allowance are issued by both the provincial and municipal governments to support the development of Meilan Airport.

正所謂「天時地利人和」，美蘭機場的發展受到了海南省、海口市兩級政府的高度重視。目前，海南省、海口市出台了相關航空補貼政策支持美蘭機場的發展。



Departure Tax Refund Scheme

The departure tax refund scheme of Hainan Province was put into practice on 1 January 2011.

The designated shops of Haikou City for departure tax refund are as follows:

Seaview International Plaza (address: 6th, Haixiu Road, Haikou City)

Shengsheng Mall (address: Zhujiang Square, Binhai Avenue, Longhua District, Haikou City)

Off-shore Duty-free Policy

The Duty-free Shopping Policy for off-shore customers which has sparked wide attention was put into practice on a pilot basis on 20 April 2011, thus Hainan becomes the fourth region around the world where Off-shore Duty-free Policy is introduced.

Visa Exemption Policy

The Visa Exemption Policy of Hainan was put into practice as expected on 12 August 2010, since then the number of inbound tourists has greatly increased.

The Opening Up of Traffic Rights

Hainan promotes the opening up of traffic rights. The opening up of the third, the fourth and the fifth batch of traffic rights was approved on March 2003. The midway range-splitting right was approved in 2004.

The Yacht Policy

By establishing the bonded warehouse and handling special cases with special means, the customs supervision of offshore yachts to and from Hainan port was simplified.

Civil Aviation Policy

In August 2016, the CAAC formally approved the design of the separation aircraft route for arrival and departure of Meilan Airport to improve the capacity of Meilan Airport's airspace by more than 10%. In January 2017, the CAAC formally approved the application for the capacity adjustment during flight peak hours of Meilan airport, thus increasing the capacity during flight peak hours from 27 to 30 times.

離境退稅

二零一一年一月一日，海南離境退稅政策正式開始實行。

海口市「離境退稅」購物指定商店：

望海國際廣場（地址：海口市海秀路6號）

生生百貨（地址：海口市龍華區濱海大道珠江廣場）

離島免稅

二零一一年四月二十日，備受關注的離島旅客免稅購物政策試點正式實施，海南成為全球第四個實施離島免稅政策的區域。

免簽政策

二零一零年八月十二日，海南26國免簽政策順利落地，入境游客數量大幅增加。

航權開放

海南－中國航權最開放的地區之一。二零零三年三月，批准開放第三、第四、第五航權。二零零四年，批准開放中途分程權。

遊艇政策

通過建立保稅倉、特事特辦等措施先試行簡化對進出海南口岸境外遊艇的海關監督。

民航政策

二零一六年八月，民航中南管理局正式批復關於美蘭機場進離場航線分離飛行程序設計，提升美蘭機場空域容量10%以上；二零一七年一月，民航局正式批復美蘭機場航班高峰時刻容量調整申請，航班高峰時刻容量由27架次調增至30架次。

REPORT OF THE BOARD 董事會報告

The Board has approved to present the annual report together with the audited financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Group is principally engaged in both aeronautical and non-aeronautical businesses. Its aeronautical business mainly consists of the provision of terminal facilities, ground handling services and passenger services. Its non-aeronautical business mainly includes commercial and retail spaces leasing at Meilan Airport, airport-related business franchising, advertising space leasing, car parking business, cargo handling services and sales of consumable goods.

For the year ended 31 December 2016, the Group conducted its business within one business segment, i.e. the operation of an airport and provision of related services in the PRC. The Group also operated within one geographical segment and its revenues are primarily generated from its assets located in the PRC. Accordingly, no geographical segment data is presented.

In 2016, the Group's total revenue amounted to RMB1,208,710,234, representing an increase of 13.66% as compared to 2015. Income from aviation business amounted to RMB680,280,877, representing an increase of 17.28% as compared to 2015. Income from non-aviation business amounted to RMB528,429,357, representing an increase of 9.32% as compared to 2015.

The total passenger throughput for the year reached 18.8038 million, flight takeoff and landing for transportation up to 135,523 times and cargo throughput up to 274,535.90 tons, with a year-on-year growth of 16.31%, 11.24% and 11.24%, respectively, in Meilan Airport.

In the non-aviation business income, franchise income accumulated to RMB296,214,134, representing a year-on-year increase of 15.50%, where freight and packaging income reached RMB76,666,706, representing a year-on-year decrease of 26.75%; and rental income reached RMB45,266,013, representing a year-on-year increase of 17.61%. In addition, parking fee income also reached RMB18,813,859, representing a year-on-year increase of 10.52%. Meanwhile, VIP room income reached RMB21,769,644, representing a year-on-year increase of 22.38%.

OPERATING RESULTS AND FINANCIAL POSITION

The Group's operating results for the year ended 31 December 2016 was prepared in accordance with the Accounting Standards for Business Enterprises, Hong Kong Companies Ordinance and relevant applicable disclosure requirements of the Hong Kong Stock Exchange, and the financial positions of the Group and the Company as at 31 December 2016 are set out in page 167 to page 174 of this annual report.

董事會同意謹將本集團截至二零一六年十二月三十一日止的年度報告連同經審核的賬目呈覽。

主要業務

本集團主要從事航空及非航空業務。航空業務主要包括提供航站樓設施、地勤服務以及旅客服務；非航空業務則主要包括出租美蘭機場的商業及零售鋪位、機場相關業務特許經營、廣告位、停車場、貨物處理及出售消費品。

在截至二零一六年十二月三十一日止的年度內，本集團以一種業務環節經營業務：即在中國經營機場及提供相關服務。本集團亦在一個地域環節內營運，因本集團之收入皆主要來自位於中國的資產，因此，並無呈列地區分部資料。

於二零一六年，本集團之總收入為人民幣1,208,710,234元，較二零一五年上升13.66%。來自航空業務的收入為人民幣680,280,877元，較二零一五年上升17.28%；來自非航空業務的收入為人民幣528,429,357元，較二零一五年上升9.32%。

美蘭機場二零一六年全年共計完成旅客吞吐量1,880.38萬人次，航班運輸起降135,523架次，貨郵行吞吐量274,535.90噸，同比分別增長16.31%、11.24%和11.24%。

非航空業務收入中特許經營權收入累計達人民幣296,214,134元，同比增長15.50%；貨運及包裝收入達人民幣76,666,706元，同比下降26.75%；租金收入達人民幣45,266,013元，同比增長17.61%；停車場收入達人民幣18,813,859元，同比增長10.52%；貴賓室收入達到人民幣21,769,644元，同比增長22.38%。

經營業績及財務狀況

本集團按企業會計準則、香港公司條例以及香港聯交所所有關披露規定編製的截至二零一六年十二月三十一日止年度的經營業績，及本集團和本公司於該日之財務狀況，載於本年度報告第167頁至第174頁。

BUSINESS REVIEW

For business review of the Group as at 31 December 2016, please refer to page 30 to page 38 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

In 2016, in order to implement sustainable green, low-carbon strategy, the Group launched “green airport” project in full swing. Details in relation to the Group’s 2016 environmental protection measures and effects are set out in the social responsibility report disclosed on or before 30 June 2017.

For the year ended 31 December 2016, the business operation of the Group had complied with the relevant environmental laws and regulations.

MAJOR OPERATION RISKS

In 2016, the Company made scientific analysis and sorting of the deficiencies or potential risks found in the operation and identified the key risk points which may affect the Company’s operation in the future. Risks affecting the usual operation of the Company and the weakening/avoiding measures issued by the Company are as follows:

業務回顧

本集團截至二零一六年十二月三十一日止年度的業務回顧請參閱本年報第30頁至第38頁。

環境政策及表現

二零一六年，為切實踐行可持續低碳發展戰略，本集團全面開展「綠效機場」建設。關於本集團二零一六年度環境保護之具體措施與成果請詳見本公司將於二零一七年六月三十日或之前披露的社會責任報告。

截至二零一六年十二月三十一日止，本集團的業務經營遵守相關環保法律法規。

主要經營風險

本公司於二零一六年度內針對工作開展過程中發現的本公司經營不足或潛在風險進行了科學分析及梳理，識別出未來可能影響本公司經營運作的關鍵風險點。影響本公司正常經營的關鍵風險及本公司出台的弱化／規避措施具體如下：

Names of Risks 風險名稱	Risk Descriptions 風險描述	Measures 應對措施
Operation risks – core safety risks	(1) Bird strikes: Meilan Airport is near to wet land, where there are myriads of bird activities nearby. Failure to drive away the birds effectively may lead to their collision with the aircraft, which will cause damage to the aircraft, or even flight crash and fatalities;	(1) In light of numerous bird strikes against aircrafts this year, the Company organized the specified bird risk assessment, starting from the human, aircraft, environment and management aspects: the Group sorted out 10 root causes of the problem, and developed targeted preventive measures with coordination from the flight department. At the same time, the Company drafted and issued specified safety pre-warning for bird strike control, to urge the flight department to strengthen bird risk control. Through the pre-warning study, the importance of pre-warning for bird strike are highlighted among all the staff, and they will be committed to a joint effort in preventing bird strikes;

REPORT OF THE BOARD 董事會報告

Names of Risks 風險名稱	Risk Descriptions 風險描述	Measures 應對措施
	<p>(2) Aircraft damage risks: assume that bruise and collision happen during the process of flight operations and ground service, or ground crew vehicles and aircraft collision occurred, or cutting-in of vehicles with the taxiing aircraft in the apron; or metal parts coming off vehicles and equipment are left in the apron and pose as foreign matters, or the ground crew left on the ramp, the formation of foreign objects; or undertrained security personnel or fatigued operations; or damages on the aircraft during handling baggage or cargo which caused by the box deformation, equipment failure, improper operation and other reasons, all this may beget economic losses, or delay or even cancellation of the flight; and</p>	<p>(2) As for aircraft damage risks, the Group put forward the vehicle technical measures and operational preventive measures. In order to ensure the effectiveness of the measures, on one hand, the Company increased the times of inspection and training on technical devices; on the other hand, the Company strengthened the effects of the measures by means of personnel training, business revision training, risk prevention and education; and</p>
	<p>(3) Construction management risks in the flight area: failure in exercising effective management of the relevant personnel, vehicles and materials in the flight area during the course of construction and maintenance work, may increase the risk of foreign matters and invasion of the flight area and related risk.</p>	<p>(3) Prior to the commencement of construction, the enclosure was set up to effectively prevent the construction wastes from flying into the flight area, the Group arranged the construction personnel and vehicles to apply for a pass in isolation area, and arranged guide for the construction personnel and vehicles to prevent foreign personnel from getting in and out randomly and caused danger to the airport isolation area.</p>

Names of Risks 風險名稱	Risk Descriptions 風險描述	Measures 應對措施
<p>運營風險 – 核心安全 風險</p>	<p>(1) 鳥擊風險：美蘭機場臨近濕地，附近有大量的鳥類活動。假設未能有效驅鳥，可能導致其與航空器發生碰撞，造成航空器受損，甚至產生機毀人亡的風險；</p> <p>(2) 航空器受損風險：假設在航班作業保障過程中，保障車輛與航空器發生剮蹭、碰撞；或者車輛在機坪內行駛時與滑行航空器發生搶道；或者車輛、設備金屬零件鬆脫，遺留在機坪，形成外來物；或者保障人員培訓不到位或者疲勞作業；亦或者行李貨物裝卸作業過程中，由於板箱變形、設備故障、人為操作不當等原因，對航空器造成損傷，可能引發經濟損失、航班延誤甚至取消的風險；及</p> <p>(3) 飛行區施工管理風險：倘若在機場飛行區內進行施工作業和維護工作的過程中，未能有效地對相關人員、車輛和相關物資材料進行有效管理，可能增加外來物以及飛行區入侵的相關風險。</p>	<p>針對今年以來本場鳥擊航空器事件信息較多的情況，公司組織開展了專項鳥害防治風險評估，從人、機、環、管方面梳理出10項根源性問題，並協調飛行區管理部制定針對性預防措施。同時，公司擬制下發了鳥害防治專題安全預警，督促飛行區管理部加強鳥害防治工作力度，並通過預警學習，促使全體幹部員工認知鳥害防治工作的重要性，共同做好鳥害防治工作；</p> <p>針對航空器受損風險，提出車輛技防及人防措施。一方面通過加大對技防裝置的檢查和培訓，另一方面通過強化人員培訓、業務複訓、風險防治教育方法確保措施效果；及</p> <p>於施工開始前建立圍擋，有效的防止施工垃圾飛入飛行區，安排施工人員和車輛辦理隔離區通行證，並安排施工人員及車輛引領人，防止外來人員隨意進出機場隔離區造成安全隱患。</p>
<p>Operation Risk – Risk of flight release normal rate</p>	<p>Reduced normal rate of flight release and flight on time rate due to airline defaults (including aircraft maintenance, flight dispatching, etc.) or non-airline factors (e.g. weather conditions, air traffic control, mechanical trouble, passenger, etc.) may result in the CAAC to reduce the flight number or restricted the flight number increase of Meilan Airport, which may reduce or make passenger traffic volume unable to grow, thus leading to a major adverse impact on the economic benefit of the Company.</p>	<p>The Group established the Coordination Committee for Flight Operation Management of Meilan Airport, which consists of the Civil Aviation Authority, Air Traffic Control Bureau, Airport Inc, airlines, as well as the ground service units. The Company made full use of the platform of Coordination Committee for Flight Operation Management of Meilan Airport, to coordinate the existing issues during the service process, and make it a leading role in the problem solving process;</p>

REPORT OF THE BOARD 董事會報告

Names of Risks 風險名稱	Risk Descriptions 風險描述	Measures 應對措施
		<p>(2) The Group conducted daily inspection and report of the normal flight conditions, focused in figuring out and timely issue the reasons for flight delay, to allow the ground support units to understand the normal flight conditions, and take timely measures based on the reasons for the delay; and</p> <p>(3) The Group standardized the construction of the normal flight management systems, in order to achieve systematic management of normal flight operations, developed “Routine Flight Operation Regulations of Meilan Airport” and revised the “Service Standard for Flight Operations in Meilan Airport” and “Normal Statistics Management Method of Meilan Airport”, etc.</p>
<p>運營風險－航班放行正常率風險</p>	<p>由於航空公司自身原因（包括機務維護、機械故障、航班調配等）；或者是非航空公司自身因素（如天氣原因、空中管制、地面設施故障、旅客原因等），造成航班的放行正常率下降，影響航班的準點率，可能會導致民航局減少美蘭機場的航班數量，或者限制航班量的增長，導致客流量下降或者無法增長，繼而對公司的經濟利益產生重大不利影響。</p>	<p>成立「美蘭機場航班運行管理協調委員會」，由民航監管局、空管分局、機場公司、各航空公司、以及各保障單位共同組建。充分利用「美蘭機場航班運行管理協調委員會」平台，協調保障過程中存在的問題，起到解決問題的主導作用；</p> <p>(2) 對航班正常情況做到每日調查、每日通報，集中精力查清並及時公佈航延原因，使得地面保障各單位了解航班正常情況，針對延誤原因及時採取措施；及</p> <p>(3) 規範航班正常管理制度建設，為了系統性做好航班正常管理工作，制定《美蘭機場航班正常管理規定》、修訂《美蘭機場航班運行保障標準》及《美蘭機場航班正常統計管理辦法》等制度。</p>

Names of Risks 風險名稱	Risk Descriptions 風險描述	Measures 應對措施
<p>Business risks/ strategic risks – business environment and market demand change risks</p>	<p>The airport construction features large scale of financing, long repayment time, and uncertain investment returns. If it is due to the economic environment, international political factors and passenger demand changes and so on, the Company's income (especially the non-aviation business income) declines or sees sluggish growth, and the investment costs and benefits do not match, this will impact on the company's profitability, even bring pressure on debt repayment performance.</p>	<p>The Group studied the economic environment, passenger demand changes and other factors, and adjusted the terminal business leasing strategies according to the company's strategies;</p> <p>The Company has completed the redesign of the terminal, which enhanced the terminal in terms of appearance and service efficiency. At the same time, by diversifying the leasing approaches, the Company further promoted the continuous growth of non-aviation business income; and</p> <p>the Group timely innovated the leasing mode and operation mode to ensure the continuous growth in business income by combining market changes, industry development as well as new business models and so on.</p>
<p>商業風險／戰略風險－商業環境及市場需求變化風險</p>	<p>機場建設融資規模大、償債時間長、投資收益具有不確定性。假設由於受到經濟環境、國際政治因素及旅客需求變化等因素的影響，導致公司收入（尤其是非航空性業務收入）下降或者增長乏力，投資成本與收益上不匹配，將對公司的盈利能力帶來衝擊，甚至可能對債務償還構成壓力。</p>	<p>研究經濟環境、旅客需求變化等因素，並根據公司戰略調整候機樓商業招商策略；</p> <p>公司已完成對候機樓重新規劃設計，使候機樓在外觀和使用效率上，實現了很大提升，同時通過加大多種招商方式，進一步促進非航空業務收入的持續大幅提升；及</p> <p>結合市場變化、行業發展情況以及新興商業模式等方面的變化，及時創新商業招商模式和經營模式，確保商業收入的持續增長。</p>

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In the future, the Company will establish a sustainable and risk management and internal work system. On one hand, to inspect the targeted weak links of previous year and its elimination; on the other, to update the internal inspection of the key business's progress and the risk database timely in accordance with the most updated progress of current year, to ensure the Company is updated with the times and in a bid to establish and strengthen the risk firewall of the Company's ordinary and usual course of the business and its key work.

EVENTS AFTER THE RELEVANT PERIOD

The Company has convened the 6th session of the third Board meetings on 30 December 2016 to consider and approve the resolutions regarding: (1) the Company and the Parent Company entered into a domestic shares subscription agreement, pursuant to which the Parent Company agreed to subscribe not more than 190,463,284 new domestic shares of the Company as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company and not more than 250,626,566 new domestic shares of the Company by cash at an aggregate subscription price of not more than RMB2,000,000,000; (2) the Company and Hainan HNA Infrastructure entered into a domestic shares subscription agreement, pursuant to which Hainan HNA Infrastructure agreed to subscribe not more than 50,125,313 new domestic shares of the Company by cash at an aggregate subscription price of not more than RMB400,000,000; (3) the grant of the proposed Specific Mandate to the Board to issue not more than 150,375,940 new H Shares; and (4) proposed consequential amendments to the articles of association.

The progress of issuance of domestic shares and proposed placing of new H shares project is being reviewed by the Hong Kong Stock Exchange. The Company will convene extraordinary general meeting and class meetings soon after the receipt of approval, and announce to the market in a timely manner for the latest progress.

未來，公司將建立長效的風險管理及內部工作機制，一方面檢查前一年度薄弱環節的整改及消除情況，另一方面，及時根據當年工作最新情況更新內審重點業務流程及風險庫，確保與時俱進，為公司日常業務及重點工作的開展建立堅固的風險防火牆。

期後事項

於二零一六年十二月三十日，本公司第六屆第三次董事會審議並批准（一）本公司與母公司訂立母公司內資股認購協議，母公司同意以一期跑道相關資產作價向本公司認購不超過190,463,284股新內資股，及按不超過人民幣2,000,000,000元的認購價以現金認購的不超過250,626,566股新內資股；（二）本公司與海南海航基礎訂立海南海航基礎內資股認購協議，海南海航基礎同意以現金認購不超過50,125,313股新內資股，現金認購價不超過人民幣400,000,000元；（三）向本公司董事會授出發行不超過150,375,940股新H股的建議特別授權；及（四）建議對組織章程細則作出相應修訂。

內資股發行及建議新H股配售項目正由香港聯交所進行審閱。公司將於獲得批准後盡快召開股東特別大會及類別股東大會，並及時就最新情況向市場發佈公告。

CHARITABLE DONATIONS

In 2016, Meilan Airport established the Charity Foundation and raised RMB1.5 million, which will be used to support impoverished families or employees suffered from severe illness. This reflects the responsibility culture of Meilan Airport, enhances the sense of belonging among the staff and the solidarity of the corporation. According to statistics, the Meilan Airport Charity Foundation funded 12 impoverished employees in 2016, with donations amounting to RMB610,000. In addition, Meilan Airport also vigorously carried forward the traditional virtues of assisting the impoverished, actively participated in social poverty alleviation work, formed a paired assistance relationship with the Village Committee of Shuiwei Village, Shiling Town, Baoting County and the Village Committee of Sumin Village, Yanfeng Town, Haikou City, based on which it provided poverty relief funds of RMB50,000 in total, helping the villagers to solve the difficulties during their production and living activities.

FUTURE DEVELOPMENT

Aviation Business

In 2017, the Company will deepen the transformation to adapt to the market, in combination with the Meilan Airport peak hour capacity adjustment, which will bring a room for growth of 3.35 million of passenger throughput per year for Meilan Airport, it will continue to promote the flight course development, improve the depth and breadth of the route network of Meilan Airport; at the same time, in order to conform to the position of Southeast Asia airport center honored by CAAC for Meilan Airport, the Company will implement the Southeast Asia regional aviation hub development strategy, continue to seek government policy support, and strive to improve the airline rewarding standard, increase the number of flights, to ensure the quality of services and effectiveness of safety.

Non-Aviation Business

In 2017, the Company will grasp the opportunity of putting terminal complex into use while actively seeking “to expand the amount of passengers and throughput”, and deeply explore the business resource potentials, and strive to achieve maximum profits; it will further strengthen business management and control efforts, and strengthen the construction of business resources investment system. The Group will continue off-shore duty-free franchising cooperation; innovate the development mode to achieve the growth in non-aviation business revenue.

慈善捐款

二零一六年度，美蘭機場成立愛心基金會，籌集基金人民幣150萬元，用於資助家庭貧困或是患重病的員工，體現出了美蘭機場的責任擔當文化，增進了員工的歸屬感和企業凝聚力。據統計，二零一六年美蘭機場愛心基金會共資助困難員工12名，資助金額人民幣61萬元。此外，美蘭機場還大力弘揚扶危救貧的傳統美德，積極參與社會扶貧工作，分別與保亭縣什玲鎮水尾村委會和海口市演豐鎮蘇民村委會結對幫扶，共資助扶貧款人民幣5萬元，用於幫助村民解決生產生活困難。

未來發展

航空業務

二零一七年，本公司將持續深化轉型以適應市場，結合美蘭機場航班高峰時刻容量調整並可為美蘭機場年旅客吞吐量帶來335萬人次增長空間的利好消息，繼續推進航線開發工作，提高美蘭機場航線網絡的深度與廣度；同時，順應民航局將美蘭機場設定為東南亞區域樞紐機場的定位，實施東南亞樞紐機場發展戰略，繼續尋求政府政策支持，努力提高航空獎勵標準，增加航班數量、保證服務質量、確保安全效能。

非航空業務

二零一七年，本公司在航空市場積極「找客擴量」的同時，將抓住站前綜合體投入使用的契機，深度挖掘商業資源潛力，力爭實現收益、利潤最大化；進一步強化經營管控力度，加強商業資源招商體系的建設；延續離島免稅特許經營合作；創新發展模式，實現非航空業務收入的增長。

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In the meantime, the Company will also carry out brand promotion work, to improve the service quality of Meilan Airport. It will optimize the financial structure to ensure a balance in funding base. It will strengthen the safety control to smoothly realize the 19th safety operation year of Meilan Airport. It will fully promote the infrastructure construction with all strength, and to ensure there is a stable progress on the construction of every aspect on the infrastructure project for Meilan Airport, while vigorously promoting Meilan Airport Phase II expansion project and planning of GTC in an attempt to turn Meilan Airport into a comprehensive three-dimensional transportation center based in northern Hainan with coverage of the whole Hainan Province and Southeast Asia within 5 years.

FINAL DIVIDEND

The Board has passed the resolution, at the forthcoming annual general meeting of the Company to be held on Thursday, 18 May 2017, to recommend the payment of a final dividend on or before Friday, 14 July 2017 of RMB0.073 per share (tax inclusive) to shareholders of the Company whose names appear on the Company's register of members on Monday, 29 May 2017 (the **"2016 Final Dividend"**). The 2016 Final Dividend shall be subject to the approval by shareholders of the Company at the forthcoming annual general meeting to be held by the Company.

The dividends to H-shareholders are declared in Renminbi but paid in HK\$. The exchange rate of Renminbi to HK\$ to be adopted shall be the average middle exchange rate of the five business days preceding and including the date of declaration of such dividends at the forthcoming annual general meeting on Thursday, 18 May 2017 as announced by the People's Bank of China.

According to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which took effect on 1 January 2008, and its implementation rules and the relevant interpretation by tax authorities in the PRC, when a Company makes distribution to non-resident enterprise shareholders whose names appear on the H-share register of the Company, such Company is required to withhold and pay on behalf of such shareholders an enterprise income tax at a rate of 10% in general (except as required otherwise by the laws, regulations and tax treaties regarding tax revenue). Any shares registered in the name of a non-individual shareholder, including HKSCC Nominees Limited, other nominee or trustee, or other organisation and group, are deemed as shares held by non-resident enterprise shareholders. As such, the dividends that such shareholder is entitled to are subject to the enterprise income tax.

同時，本公司還將紮實開展品牌提升工作，提升美蘭機場服務品質；優化財務結構，確保資金平衡；加強安全管控，順利實現美蘭機場第十九個安全運行年；全力推進基礎設施建設，在確保美蘭機場各項在建基建項目穩步推進的同時，大力推進美蘭機場二期擴建項目及GTC規劃建設工作，力爭在二零二零年內將美蘭機場打造成為立足瓊北、輻射全省、走向東南亞的綜合立體交通樞紐。

末期股息

根據董事會決議，在即將於二零一七年五月十八日（星期四）舉行之股東週年大會上建議於二零一七年七月十四日（星期五）或該日之前向於二零一七年五月二十九日（星期一）登記於本公司股東名冊的股東派發每股0.073元人民幣（含稅）之末期股息（「二零一六年末期股息」）。二零一六年末期股息須於本公司即將舉行的股東週年大會上批准後，方可作實。

向H股股份持有人派發的股息以人民幣宣派，但以港元支付。人民幣兌換港元所採用的匯率將以宣派有關股息當日（包括當日）（即二零一七年五月十八日，星期四，為股東週年大會的日期）之前五個營業日中國人民銀行所公佈的平均匯率中間價為準。

根據自二零零八年一月一日起實行的《中華人民共和國企業所得稅法》及其實施條例及相關中國稅務機關之解釋，各公司向名列於H股股東名冊上的非居民企業股東派發股息時，有義務代扣代繳企業所得稅，稅率一般為10%（除非法律法規或有關稅收協定另有規定）。任何以非個人股東名義登記的股份，包括以香港中央結算（代理人）有限公司，其他代理人或受託人，或其他組織及團體名義登記的股份皆被視為非居民企業股東所持的股份，所以，其應得之股息將被扣除企業所得稅。

The Company will strictly comply with the laws and/or requirements of relevant government departments, and will withhold and pay the enterprise income tax on behalf of its non-resident enterprise shareholders whose names appear on the H-share register of the Company on the record date. The Company will take no responsibility and will not deal with any request in relation to any delay or error in ascertaining the identities of shareholders, nor will the Company handle any disputes arising from the arrangement of withholding tax. However, the Company may provide assistance within its capability.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Tuesday, 18 April 2017 to Thursday, 18 May 2017 (both days inclusive), during which no transfer of shares will be registered. In order to be qualified for attending and vote at the annual general meeting of the Company, all share transfer instruments, accompanied by the relevant share certificates and forms of transfer, shall be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 13 April 2017.

The Company's register of members will be closed from Wednesday, 24 May 2017 to Monday, 29 May 2017 (both days inclusive), during which no transfer of shares will be registered. In order to be qualified for the 2016 Final Dividend, all share transfer instruments, accompanied by the relevant share certificates and forms of transfer, shall be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 23 May 2017. The Company will pay the 2016 Final Dividend on or before Friday, 14 July 2017 upon approval at the annual general meeting of the Company.

BANK BORROWINGS

Details of the bank borrowings of the Group and the Company are set out in Note 4(13) and Note 4 (22) to the financial statements

PROPERTY, PLANT AND EQUIPMENT

Details of the property, plant and equipment as at 31 December 2016 and the change in property, plant and equipment of the Group and the Company for the year ended 31 December 2016 are set out in Note 4(8) and Note 4(9) to the financial statements.

本公司將嚴格依照法律和／或相關政府部門的要求並嚴格依照登記日的本公司H股非居民企業股東名冊代扣代繳企業所得稅。對於任何因股東身份未能及時確定或確定不准而提出的任何要求或對代扣代繳安排的爭議，本公司將不會對股東負責任及不予受理，但本公司可以在適當能力範圍內提供協助。

暫停辦理股東登記

本公司將於二零一七年四月十八日(星期二)至二零一七年五月十八日(星期四)(包括首尾兩日)的期間內暫停辦理股份過戶登記手續。為能夠出席股東週年大會並參與表決，所有股份過戶文件連同有關股票及過戶表格，最遲須於二零一七年四月十三日(星期四)下午四點半前送交本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

本公司將於二零一七年五月二十四日(星期三)至二零一七年五月二十九日(星期一)(包括首尾兩日)的期間內暫停辦理股份過戶登記手續。為符合資格享有二零一六年末期股息，所有股份過戶文件連同有關股票及過戶表格，最遲須於二零一七年五月二十三日(星期二)下午四點半前送交本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。經股東週年大會批准後，本公司二零一六年末期股息將於二零一七年七月十四日(星期五)或之前派發。

銀行借款

本集團及本公司之銀行借款的詳情載於財務報表附註四(13)及四(22)。

物業、機器及設備

本集團及本公司於二零一六年十二月三十一日之物業、機器及設備及截至二零一六年十二月三十一日止年度之物業、機器及設備的變動情況載列於財務報表附註四(8)和附註四(9)。

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TAXATION

Details of taxation of the Group and the Company (including all tax preferences) for the year ended 31 December 2016 are set out in Note 3 to the financial statements.

RESERVES

Change in reserves of the Group and the Company for the year ended 31 December 2016 is set out in Note 4(27) and Note 4(28) to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2016, the balance of capital reserve and statutory reserve of the Company amounted to approximately RMB846,304,744 and approximately RMB246,394,231, respectively, which were determined in accordance with the Company Law of the PRC and China's accounting standards and regulations. In addition, pursuant to the Articles of Association, the Company's distributable retained profits amounted to approximately RMB2,102,790,701.

SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2016 are set out in Note 5 and Note 6(1) to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The largest customer and the top five largest customers of the Group represented 15.44% and 45.64% of the total sales of the Group for the year ended 31 December 2016, respectively.

The largest supplier and the top five largest suppliers of the Group represented 7.87% and 19.10% of the total operating costs of the Group for the year ended 31 December 2016, respectively.

The Group and customers as well as the supplier comply with the principle of fairness, transparency and friendliness for a couple of years. The Group believes that with the expansion of the business scope and increase of business volume, the Group will comply with regulated procurement and auditing system and cultivate good relationship with the customers and suppliers.

稅項

本集團及本公司截至二零一六年十二月三十一日止年度的稅項詳情(包括任何稅項優惠)載列於財務報表附註三。

儲備

本集團及本公司於截至二零一六年十二月三十一日止年度之儲備詳情載列於財務報表附註四(27)和附註四(28)。

可供分派儲備

於二零一六年十二月三十一日，根據中國《公司法》、中國會計準則及規定釐定，本公司資本儲備金餘額約為人民幣846,304,744元，法定儲備金餘額約為人民幣246,394,231元。此外，根據《公司章程》，本公司保留利潤約為人民幣2,102,790,701元可作股息予以分派。

子公司

本公司於二零一六年十二月三十一日止之子公司詳情載列於財務報表附註五及六(1)。

主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團經營業務中，最大的客戶及五位最大的客戶分別佔本集團總銷售額的15.44%及45.64%。

截至二零一六年十二月三十一日止年度，本集團經營業務中，最大的供貨商及五位最大的供貨商分別佔本集團運營成本的7.87%及19.10%。

本集團與客戶及供應商之間遵照公允、透明、友好的原則，已合作多年。本集團相信，隨着業務範圍的擴張及業務量的增長，本集團將會遵從合規的採購和審計制度與更多的客戶及供應商達成良好合作關係。

The Company entered into relevant transactions with the Parent Company, details of which are set out in the section headed “The Connected Transactions” below.

Save as disclosed above, during the year ended 31 December 2016, none of the Directors, their close associates or, to the knowledge of the Directors, any shareholders holding more than 5% of the issued shares of the Company were interested in the top five largest customers or suppliers of the Group.

RELATIONSHIP WITH EMPLOYEES

The Group and the employees established a harmonious relationship through the staff caring activities and the social welfare campaigns. For details, please refer to the corporate social responsibility report to be published on or before 31 June 2017.

SHARE CAPITAL STRUCTURE

As at 31 December 2016, the total number of issued share capital of the Company was 473,213,000, of which:

		Numbers of Shares	Percentage of total issued shares
		股數	佔已發行總股份比例
Domestic Shares	內資股	246,300,000	52%
H Shares	H股	226,913,000	48%
Total	總數	473,213,000	100%

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2016, so far as known to the Directors, supervisors or chief executive of the Company, the following persons (other than a Director, supervisor or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (“SFO”), or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital, or would be required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

本公司已與母公司訂立相關交易，其詳情載於下文「關連交易事項」一節。

除前述披露外，於截至二零一六年十二月三十一日止年度任何時間，概無董事、其緊密聯繫人或就董事所知擁有本公司已發行股份超過5%的股東於本集團五大客戶及供貨商當中任何一方擁有權益。

與僱員之關係

本集團通過細緻入微的員工關愛行動、豐富多彩的社會公益活動等與本集團員工保持良好的僱主與僱員關係。詳情請參見本公司將於二零一七年六月三十日或之前披露的社會責任報告。

股本結構

於二零一六年十二月三十一日，本公司已發行之總股本為473,213,000股，其中：

主要股東的股份權益

於二零一六年十二月三十一日，就本公司董事、監事或主要行政人員所知，以下人士（本公司董事、監事或主要行政人員除外）於本公司股份或相關股份中擁有或被視為或當作按《證券及期貨條例》（「《證券及期貨條例》」）第xv部第2及第3部份的條文須向本公司及聯交所披露的權益或淡倉，或直接或間接擁有附帶權利在所有情況下均可在本集團任何其他成員公司股東大會上投票的面值10%或以上的任何類別股東的權益，或擁有有關該等股本的任何購股權，或根據《證券及期貨條例》第336條規定記錄於本公司存置的登記冊內。

REPORT OF THE BOARD 董事會報告

LONG POSITION IN SHARES

Domestic Shares

股份好倉

內資股

Name of shareholders	Capacity	Class of shares	Number of ordinary shares	Percentage of domestic shares issued	Percentage of total issued share capital
股東名稱	身份	股份類別	普通股數目	佔已發行內資股百分比	佔已發行總股本百分比
Haikou Meilan International Airport Company Limited (Note 1)	Beneficial owner	Corporate	237,500,000(L)	96.43%	50.19%
海口美蘭國際機場有限責任公司 (附註1)	實益擁有人	企業	237,500,000(L)	96.43%	50.19%

H SHARES

H股

Name of shareholders	Type of interest	Number of ordinary shares	Percentage of H shares issued	Percentage of total issued share capital
股東名稱	權益類別	普通股數目	H股百分比	總股本百分比
Zhang Gaobo (Note 2)	Interest of controlled corporations	94,343,000(L)	41.58%	19.94%
張高波 (附註2)	受控制公司權益	94,343,000(L)	41.58%	19.94%
Zhang Zhiping (Note 2)	Interest of controlled corporations	94,343,000(L)	41.58%	19.94%
張志平 (附註2)	受控制公司權益	94,343,000(L)	41.58%	19.94%
Oriental Patron Financial Services Group Limited (Note 2)	Interest of controlled corporations	94,343,000(L)	41.58%	19.94%
Oriental Patron Financial Services Group Limited (附註2)	受控制公司權益	94,343,000(L)	41.58%	19.94%
Oriental Patron Financial Group Limited (Note 2)	Interest of controlled corporations	94,343,000(L)	41.58%	19.94%
Oriental Patron Financial Group Limited (附註2)	受控制公司權益	94,343,000(L)	41.58%	19.94%

REPORT OF THE BOARD 董事會報告

Name of shareholders	Type of interest	Number of ordinary shares	Percentage of H shares issued	Percentage of total issued share capital
股東名稱	權益類別	普通股數目	H股百分比	總股本百分比
Oriental Patron Resources Investment Limited (Note 2)	Beneficial owner	94,343,000(L)	41.58%	19.94%
Oriental Patron Resources Investment Limited (附註2)	實益擁有人	94,343,000(L)	41.58%	19.94%
UBS Group AG (Note 3)	Security interest in shares and interest of controlled corporations	27,365,400(L)	12.06%	5.78%
UBS Group AG (附註3)	對股份持有保證權益及受控制公司權益	27,365,400(L)	12.06%	5.78%
UBS AG (Note 4)	Beneficial owner, security interests in shares and interests of controlled corporations	27,174,400(L) 15,000(S)	11.98% 0.01%	5.74% 0.00%
UBS AG (附註4)	實益擁有人·對股份持有保證權益及受控制公司權益	27,174,400(L) 15,000(S)	11.98% 0.01%	5.74% 0.00%
ARC Capital Holdings Limited (Note 5)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
ARC Capital Holdings Limited (附註5)	受控制公司權益	32,788,500(L)	14.45%	6.93%
ARC Capital Partners Limited (Note 5)	Investment manager	32,788,500(L)	14.45%	6.93%
ARC Capital Partners Limited (附註5)	投資經理	32,788,500(L)	14.45%	6.93%
Pacific Alliance Asia Opportunity Fund L.P. (Note 5)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Asia Opportunity Fund L.P. (附註5)	受控制公司權益	32,788,500(L)	14.45%	6.93%

REPORT OF THE BOARD 董事會報告

Name of shareholders	Type of interest	Number of ordinary shares	Percentage of H shares issued	Percentage of total issued share capital
股東名稱	權益類別	普通股數目	H股百分比	總股本百分比
Pacific Alliance Equity Partners Limited (Note 5)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Equity Partners Limited (附註5)	受控制公司權益	32,788,500(L)	14.45%	6.93%
Pacific Alliance Group Asset Management Limited (Note 5)	Investment manager	32,788,500(L)	14.45%	6.93%
Pacific Alliance Group Asset Management Limited (附註5)	投資經理	32,788,500(L)	14.45%	6.93%
PAG Holdings Limited (Note 5)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
PAG Holdings Limited (附註5)	受控制公司權益	32,788,500(L)	14.45%	6.93%
Pacific Alliance Group Limited (Note 5)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Group Limited (附註5)	受控制公司權益	32,788,500(L)	14.45%	6.93%
Pacific Alliance Investment Management Limited (Note 5)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Investment Management Limited (附註5)	受控制公司權益	32,788,500(L)	14.45%	6.93%
Walden Ventures Limited (Note 5)	Beneficial owner	32,788,500(L)	14.45%	6.93%
Walden Ventures Limited (附註5)	實益擁有人	32,788,500(L)	14.45%	6.93%

REPORT OF THE BOARD 董事會報告

Name of shareholders	Type of interest	Number of ordinary shares	Percentage of H shares issued	Percentage of total issued share capital
股東名稱	權益類別	普通股數目	H股百分比	總股本百分比
Greenwoods Asset Management Limited (Note 6)	Investment manager	13,844,000(L)	6.10%	2.93%
Greenwoods Asset Management Limited (附註6)	投資經理	13,844,000(L)	6.10%	2.93%
JP Morgan Chase & Co. (Note 7)	Beneficial owner and custodian corporation/approved lending agent	13,607,488(L)	5.99%	2.88%
JP Morgan Chase & Co. (附註7)	實益擁有人及託管法團／核准借出代理人	13,607,488(L)	5.99%	2.88%
Svenska Handelsbanken AB Publ. (Note 8)	Investment manager	11,387,747(L)	5.02%	2.41%
Svenska Handelsbanken AB Publ. (附註8)	投資經理	11,387,747(L)	5.02%	2.41%

Notes:

- Haikou Meilan International Airport Company Limited is a company established in the PRC and is the controlling shareholder of the Company.
- Zhang Gaobo and Zhang Zhiping held 49% and 51% interest in Oriental Patron Financial Group Limited, respectively. Oriental Patron Financial Group Limited held 95% interest in Oriental Patron Financial Services Group Limited. Oriental Patron Resources Investment Limited was wholly-owned by Oriental Patron Financial Services Group Limited.
- According to the disclosure of interest filed by UBS Group AG on the website of Hong Kong Stock Exchange, UBS Group AG was deemed to hold 8,896,000 shares through its security interest and hold 18,469,400 shares through its interest in a controlled corporation. UBS AG, UBS Asset Management (Hong Kong) Ltd, UBS Asset Management (Singapore) Ltd, UBS Fund Management (Luxembourg) S.A. and UBS Fund Management (Switzerland) AG were wholly-owned by UBS Group AG. UBS Group AG was deemed to hold interests in the Company through owning the above-mentioned companies pursuant to Part XV of the SFO and were beneficially holding 56,000 shares, 601,000 shares, 790,300 shares, 17,018,100 shares and 4,000 shares in the Company, respectively.

附註：

- 海口美蘭國際機場有限責任公司在中國境內成立，為本公司之控股股東。
- 張高波及張志平分別持有Oriental Patron Financial Group Limited 49%及51%權益。Oriental Patron Financial Group Limited持有Oriental Patron Financial Services Group Limited 95%權益。Oriental Patron Resources Investment Limited的100%權益由Oriental Patron Financial Services Group Limited全資擁有。
- 根據UBS Group AG於香港聯交所網站列載之權益披露，UBS Group AG被視為透過其保證權益持有8,896,000股股份及以透過其受控制公司權益持有18,469,400股股份。UBS AG, UBS Asset Management (Hong Kong) Ltd, UBS Asset Management (Singapore) Ltd, UBS Fund Management (Luxembourg) S.A.及UBS Fund Management (Switzerland) AG均由UBS Group AG全資擁有。根據證券及期貨條例第XV部，UBS Group AG被視為透過擁有上述公司而持有本公司權益，而該等公司分別實益持有本公司56,000股股份、601,000股股份、790,300股股份、17,018,100股股份及4,000股股份。

REPORT OF THE BOARD 董事會報告

4. According to the disclosure of interest filed by UBS AG on the website of Hong Kong Stock Exchange, among the 27,174,400 shares in the Company, UBS AG was deemed to hold 8,896,000 shares through security interest, and 18,263,400 shares through interests of a controlled corporation and 15,000 long position shares and 15,000 short position shares as beneficial owner. UBS Fund Services (Luxembourg) SA, UBS Global Asset Management (Hong Kong) Ltd and UBS Global Asset Management (Singapore) Ltd were wholly-owned by UBS AG. UBS AG was deemed hold interests in the Company through owning the above-mentioned companies pursuant to Part XV of the SFO and were beneficially holding 14,194,100 shares, 1,905,000 shares, and 2,164,300 shares in the Company, respectively.
5. PAG Holdings Limited held 99.17% interest in Pacific Alliance Group Limited, which in turn held 90% interest in Pacific Alliance Investment Management Limited. Pacific Alliance Investment Management Limited held 52.53% interest in Pacific Alliance Equity Partners Limited. Pacific Alliance Equity Partners Limited held 100% interest in ARC Capital Partners Limited. ARC Capital Partners Limited was deemed to be interested in 32,788,500 shares in its capacity as investment manager. ARC Capital Holdings Limited is a corporation controlled by ARC Capital Partners Limited for the purpose of Part XV of the SFO. ARC Capital Holdings Limited was holding 46.67% interest in Walden Ventures Limited which in turn held 32,788,500 H shares of the Company in its capacity as a beneficial owner. Pacific Alliance Investment Management Limited held 100% interest in Pacific Alliance Group Asset Management Limited. Pacific Alliance Group Asset Management Limited was deemed to be interested in 32,788,500 shares in its capacity as investment manager. Pacific Alliance Asia Opportunity Fund L.P. is a corporation controlled by Pacific Alliance Group Asset Management Limited for the purpose of Part XV of the SFO. Pacific Alliance Asia Opportunity Fund L.P. held 36.67% interest in Walden Ventures Limited which was in turn held 32,788,500 H shares of the Company.
6. Greenwood Asset Management Limited was wholly owned by Greenwood Asset Management Holdings Limited, which in turn was held 81% by Jiang Jinzhi. Greenwood Asset Management Limited held 13,844,000 shares in the capacity of investment manager.
7. Among the 13,607,488 shares in the Company, JPMorgan Chase & Co. was deemed to hold 12,963,588 shares as custodian corporation/approved lending agent and held 643,900 shares as beneficial owner.
8. Svenska Handelsbanken AB Publ. held 11,387,747 shares in the Company by virtue of its capacity as investment manager.
9. (L) and (S) represent long position and short position, respectively.
4. 根據UBS AG於香港聯交所網站載列之權益披露，本公司27,174,400股股份中，UBS AG被視為透過保證權益持有8,896,000股股份，透過受控制公司權益持有18,263,400股股份以及作為實益擁有人持有15,000股好倉股份及15,000股淡倉股份。UBS Fund Services (Luxembourg) SA, UBS Global Asset Management (Hong Kong) Ltd及UBS Global Asset Management (Singapore) Ltd均由UBS AG全資擁有。根據證券及期貨條例第XV部，UBS AG被視為透過擁有上述公司而持有本公司權益，而該等公司分別實益擁有本公司14,194,100股股份、1,905,000股股份及2,164,300股股份。
5. PAG Holdings Limited持有Pacific Alliance Group Limited之99.17%權益，而Pacific Alliance Group Limited持有Pacific Alliance Investment Management Limited 90%權益。Pacific Alliance Investment Management Limited持有Pacific Alliance Equity Partners Limited 52.53%權益。Pacific Alliance Equity Partners Limited持有ARC Capital Partners Limited 100%權益。ARC Capital Partners Limited被視為以其投資經理身份持有32,788,500股股份權益。根據證券及期貨條例第XV部，ARC Capital Holdings Limited為一間由ARC Capital Partners Limited控制的公司。ARC Capital Holdings Limited持有Walden Ventures Limited 46.67% 權益，而Walden Ventures Limited以實益擁有人身份擁有本公司32,788,500股H股權益。Pacific Alliance Investment Management Limited持有Pacific Alliance Group Asset Management Limited 100% 權益。Pacific Alliance Group Asset Management Limited被視為以投資經理身份持有32,788,500股股份權益。根據證券及期貨條例第XV部，Pacific Alliance Asia Opportunity Fund L.P.為一間由Pacific Alliance Group Asset Management Limited控制的公司。Pacific Alliance Asia Opportunity Fund L.P.持有Walden Ventures Limited 36.67%權益，而Walden Ventures Limited則持有本公司32,788,500股H股。
6. Greenwood Asset Management Limited由Greenwood Asset Management Holdings Limited全資擁有，而Greenwood Asset Management Holdings Limited則由Jiang Jinzhi持有81%權益。Greenwood Asset Management Limited以投資經理身份持有13,844,000股股份。
7. 在本公司的13,607,488股股份中，JPMorgan Chase & Co.以託管法團／核准借出代理人身份持有12,963,588股股份，並以實益擁有人身份持有643,900股股份。
8. Svenska Handelsbanken AB Publ.以其投資經理身份持有本公司11,387,747股股份。
9. (L)及(S)分別代表好倉及淡倉。

Save as disclosed above, as at 31 December 2016, so far as known to the Directors, supervisors and chief executives of the Company, no other person (not being the Directors, supervisors, and chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or had any option in respect of such capital; or would be required to be recorded in the register to be kept by the Company under section 336 of the SFO.

Interests of DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES

As at 31 December 2016, none of the Directors, supervisors and the chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that is required to be recorded in the register to be kept under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions (“**Model Code**”) by Directors as set out in Appendix 10 to the Listing Rules.

THE CONNECTED TRANSACTIONS

The Parent Company is the controlling shareholder of the Company as it holds 50.19% interest in the Company, and accordingly is a connected person of the Company. Details of connected transactions between the Parent Company and the Company are set below:

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

1. Airport Composite Services by Parent Company (the “Service Agreement”)

Date: 25 August 2016

Parties: the Company and Parent Company

除上文披露者外，截至二零一六年十二月三十一日止，就本公司董事、監事及主要行政人員所知，概無其他人士（並非本公司董事、監事及主要行政人員）於本公司股份或相關股份中擁有或被視為或當作按《證券及期貨條例》第XV部第2及第3部份的條文須向本公司及聯交所披露的權益或淡倉，或直接或間接有附帶權利在所有情況下均可在本集團任何其他成員公司股東大會上投票的面值10%或以上的任何類別股本的權益，或擁有有關該等股本的任何購股權，或根據《證券及期貨條例》第336條記錄於本公司須存置的登記冊內。

董事、監事及主要行政人員的股份權益

於二零一六年十二月三十一日，根據《證券及期貨條例》第352條記入須予存備的登記冊內，或根據《上市規則》附錄十所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所的本公司董事、監事及主要行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份中的權益本公司董事、監事及主要行政人員概無於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份或債券中擁有根據證券及期貨條例第352條記入須予存備的登記冊內，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉。

關連交易事項

母公司持有本公司50.19%的股權，為本公司的控股股東，因此亦為本公司的關連人士。本公司與母公司的關連交易的詳情列載如下：

非豁免持續關連交易

1. 由母公司提供之機場綜合服務（「服務協議」）

協議日期：二零一六年八月二十五日

訂約方：本公司及母公司

REPORT OF THE BOARD 董事會報告

Subject matters: pursuant to the Service Agreement, Parent Company has agreed to provide or procure any third party if necessary with the Company's consent to provide to the Company the following services: (a) security guard service; (b) cleaning and environment maintenance; (c) sewage and refuse processing; (d) power and energy supply and equipment maintenance; (e) passengers and luggage security inspection; and (f) other services required by the Company.

Price and payment: charges as to the service in items (a) to (c) above will be determined in accordance with the cost incurred by Parent Company in providing such services plus a 5% management fee; charges as to the service in item (d) above will be determined in accordance with the cost incurred by Parent Company in providing such service plus a 25% management fee; charges as to the service in item (e) above shall be calculated in accordance with the standards prescribed by CAAC and collected by the Company on behalf of Parent Company from the relevant airlines; and charges as to other services in item (f) above shall be calculated by reference to the pricing standards prescribed by the relevant PRC government authorities (if any), or, in the absence of the same, the industry pricing standards or a cost plus mark-up fee basis.

The service fee shall be paid either on a quarterly or an annual basis and will be determined by the parties to the Service Agreement depending on the type of services to be provided by the Parent Company and in accordance with normal business practices. According to the announcement of the Company dated 28 November 2013, the annual cap for transactions under the Service Agreement in 2016 was RMB25,960,000. As at 31 December 2016, the actual amount for 2016 was RMB22,613,713, which did not exceed the annual cap for the year.

Term: a term of three years commencing from 1 January 2017 and ending on 31 December 2019.

For details of the Service Agreement, please refer to the announcement of the Company dated 25 August 2016.

主體內容：根據服務協議，在需要並在本公司已同意的情況下，則母公司同意或促使任何第三方向本公司提供以下服務：(a)保安服務；(b)清潔及環境維護；(c)污水及廢物處理；(d)電力及能源供應及設備維護；(e)乘客及行李安全檢查；及(f)本公司所規定之其他服務。

價格及付款：上述(a)至(c)項服務收費將根據母公司在提供該等服務時所涉及之成本另加5%管理費而釐定；上述(d)項服務收費將根據母公司就提供該等服務所涉及之成本另加25%管理費而釐定；上述(e)項服務收費將根據民航局所規定之標準計算，並由本公司代母公司向有關航空公司收取；及上述(f)項其他服務收費將參照有關中國政府部門規定的定價標準(如有)，或如沒有該標準則參照行業定價標準或按成本加附加費基準計算。服務費每季或每年支付，由服務協議之訂約方視乎母公司提供服務之類型及按照一般商業慣例訂定。

服務費可按季度亦可按年支付，將由協議各方根據母公司提供服務的類型並按一般商業慣例釐定。根據本公司於二零一三年十一月二十八日之公告，服務協議於二零一六年度之交易限額為人民幣25,960,000元。截至二零一六年十二月三十一日止，二零一六年度實際發生額為人民幣22,613,713元，未超出該年度交易限額。

有效期：自二零一七年一月一日起至二零一九年十二月三十一日止為期三年。

有關服務協議的詳情，請參閱本公司二零一六年八月二十五日的公告。

OTHER CONNECTED TRANSACTIONS

1. Construction of the Terminal Expansion Project Investment Agreement (“Expansion Project Investment and Construction Agreement”)

On 12 December 2012, the Company and Parent Company entered into the Expansion Project Investment and Construction Agreement, details of which are set out below.

Date: 12 December 2012

Parties: the Company and Parent Company

Subject matters: pursuant to the Expansion Project Investment and Construction Agreement, Parent Company shall continue to complete the construction of the terminal expansion project (the “**Project**”) carried out by Parent Company according to the original schedule previous agreed by the Company and Parent Company, unless the schedule of the Project is adjusted due to the reasons beyond the control of the Company and Parent Company.

The funds provided by the Company to Parent Company under the Expansion Project Investment and Construction Agreement could be used to pay for the consideration for the transfer of the Project as agreed between the parties in the future. Parent Company and Company agree that the actual construction cost of the Project as audited by a competent independent auditor upon completion of the construction of the Project shall not exceed 110% of the estimated construction cost of RMB876,500,000.

Consideration: under the Expansion Project Investment and Construction Agreement, the Company will provide funds to Parent Company according to the progress of the construction of the Project based on the estimated construction cost of the Project in the amount of RMB876,500,000 and the land use right in the amount of RMB150,180,000, which in total is RMB1,026,680,000. The amount of RMB439,000,000 has already been paid by the Company to Parent Company according to the acquisition

其他關連交易

1. 航站樓擴建工程之投資建設協議 (「擴建工程投資建設協議」)

於二零一二年十二月十二日，本公司與母公司訂立擴建工程投資建設協議，詳情載列如下。

日期：二零一二年十二月十二日

訂約方：本公司及母公司

主體內容：根據擴建工程投資建設協議，母公司將繼續根據本公司與母公司過往協議的原訂時間表完成由母公司進行的航站樓擴建工程（「**項目**」），除非該項目的時間表因本公司及母公司未能控制的原因而被調整。

本公司根據擴建工程投資建設協議向母公司提供的資金可用於支付雙方未來達成的項目轉讓的對價。母公司及本公司同意於該項目竣工後，經符和資格的獨立核數師審核，該項目實際施工成本將不得超過預計建築成本人民幣876,500,000元之110%。

代價：本公司將根據擴建工程投資建設協議，在項目預計的建築成本人民幣876,500,000元，以及土地使用權價值人民幣150,180,000元合計人民幣1,026,680,000元內按照項目建設的進度向母公司提供資金。本公司於收購協議（由母公司與本公司於二零一一年八月二十六日簽訂）終止前根據該協議向母公司支付的人民幣439,000,000元金

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agreement (entered between the Company and the Parent Company dated 26 August 2011) prior to the termination of such agreement shall be used to offset the total investment under the Expansion Project Investment and Construction Agreement. The accumulated Project construction fee payments made by the Company to Parent Company up to 31 December 2016 amounted to RMB733,361,200 (31 December 2015: RMB733,361,200).

For details of the Expansion Project Investment and Construction Agreement, please refer to the announcement of the Company dated 12 December 2012.

2. Phase II Expansion Project Investment Agreement for the Construction of the Airport Project (“Phase II Expansion Investment and Construction Agreement”)

On 21 August 2015, the Company and Parent Company entered into the Phase II Expansion Investment and Construction Agreement, details of which are set out below.

Date: 21 August 2015

Parties: the Company and Parent Company

Subject matters: pursuant to the Phase II Expansion Investment and Construction Agreement, the Company has agreed to provide funds for building the Company’s construction project, with the amount of approximately RMB7.158 billion. Parent Company will serve as the project representative of the airport project, and will be responsible for the organization and supervision of the implementation of the airport construction plan and the funds raising issues of the Parent Company construction project until its completion and acceptance.

額將用以抵銷根據擴建工程投資建設協議作出的投資總額。截至二零一六年十二月三十一日止，本公司已向母公司累計支付項目建設資金人民幣733,361,200元（二零一五年十二月三十一日：人民幣733,361,200元）。

有關擴建工程投資建設協議的詳情，請參閱本公司二零一二年十二月十二日的公告。

2. 二期擴建工程中機場工程之投資建設協議（「二期擴建投資建設協議」）

於二零一五年八月二十一日，本公司與母公司訂立二期擴建投資建設協議，詳情載列如下。

日期：二零一五年八月二十一日

訂約方：本公司及母公司

主體內容：根據二期擴建投資建設協議，本公司同意提供興建本公司建設項目之資金，金額約為人民幣71.58億元。母公司將作為機場工程的項目代表，直至其完工及驗收前負責組織及監督機場工程建設計劃的實施以及母公司建設項目的集資事宜。

Unless otherwise agreed between the Company and the Parent Company, the Parent Company has agreed to register the ownership of the relevant asset constituting the Company's construction project in the name of the Company upon the completion and acceptance of the airport construction, including but not limited to the land using rights and property ownership of the buildings. The ownership of assets of the Parent Company of the construction project will be held by the Parent Company.

The Parent Company has irrevocably agreed, undertaken and confirmed that the Company has the right to occupy, use and benefit from and dispose of assets constituting the Company's construction project without paying any money to the Parent Company to the extent permitted by applicable PRC laws before the registration of asset ownership constituting the Company's construction project in the name of the Company.

Consideration: Pursuant to the Phase II Expansion Investment and Construction Agreement, the Company will provide all the funding covering the construction of the Company's construction project, the estimated total amount is about RMB7.158 billion. Restricted by the airport project's completion and closing report which requires approval of the relevant bodies (if required) and the assets invested by and registered under the name of the Company upon the completion and acceptance of the airport project. It is estimated that the maximum amount of investment will have to be further adjusted. In the event that any factor is beyond the Company's control and foreseeability, leading to the investment amount exceeds RMB7.158 billion, the Company will seek shareholder's approval and make further disclosure in accordance with compliant regulations in the Listing Rules.

Expected date of completion: expected to complete and to pass the acceptance by relevant authorities by the end of 2020.

For details of the Phase II Expansion Investment and Construction Agreement, please refer to the announcement of the Company dated 21 August 2015.

除非本公司及母公司另有協定，母公司已同意於機場工程完成及驗收後以本公司名義登記構成本公司建設項目之相關資產之擁有權，包括但不限於土地使用權及樓宇之物業擁有權。母公司建設項目資產之擁有權將由母公司持有。

母公司已不可撤回地同意、承諾及確認，於以本公司名義登記構成本公司建設項目之資產擁有權前，本公司有權於無須向母公司支付任何款項之情況及中國適用法律批准下，佔用、使用、受益自及出售構成本公司建設項目之資產。

代價：根據二期擴建投資建設協議，本公司將提供涵蓋興建本公司建設項目的所有資金，預計總金額約為人民幣71.58億元。受限於需經相關機構批准（如需要）的機場工程之項目完工及結算報告及本公司於機場工程完工及驗收後，將投資及以本公司名義登記的資產，估計最高投資金額將須進一步調整。如出現任何本公司控制範圍以外及無法預見的因素，導致本公司投資金額超出71.58億元時，本公司將根據《上市規則》適用的合規規定尋求股東批准並作出進一步披露。

預計完工日期：預計於二零二零年底完工並通過有關當局驗收。

有關二期擴建投資建設協議的詳情，請參閱本公司二零一五年八月二十一日的公告。

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3. Hainan Meilan Airport Asset Management Limited's Equity Transfer Agreement ("Equity Transfer Agreement")

On 13 November 2015, the Company and the Parent Company entered into the Equity Transfer Agreement, details of which are set out below.

Date: 13 November 2015

Parties: the Company and the Parent Company

Subject matters: pursuant to the Equity Transfer Agreement, the Company agreed to acquire 100% equity interests in Meilan Airport Assets Management, the wholly owned subsidiary of the Parent Company. Upon the acquisition, the Company will directly hold 100% equity interests in Meilan Airport Assets Management, thus becoming the sole shareholder of Meilan Airport Assets Management.

Consideration: RMB604,800,000, was determined with reference to the valuation of the total assets of Meilan Airport Assets Management as at 30 September 2015, being the base date of evaluation, conducted by Vigers Appraisal & Consulting Limited. The payment of the entire consideration of the equity transfer by the Company is subject to the fulfillment of the capital contribution obligation by the Parent Company to Meilan Airport Assets Management.

The consideration shall be paid by two installments as follows:

- (i) RMB574,560,000 (being 95% of the total consideration) shall be payable within 60 business days from the date of approval of the Equity Transfer Agreement and the transaction contemplated thereunder by the extraordinary general meeting; and
- (ii) RMB30,240,000 (being 5% of the total consideration) shall be payable within 15 business days from the date of completion of the necessary industrial and commercial registrations and filings relating to the Equity Transfer Agreement and the transaction contemplated thereunder in the Industrial and Commercial Bureau of Hainan Province.

Time to complete: the Equity Transfer Agreement will be completed upon the completion of the necessary industrial and commercial registrations and filings relating to the Equity Transfer Agreement and the transaction contemplated thereunder in the Industrial and Commercial Bureau of Hainan Province.

For details of the Equity Transfer Agreement, please refer to the announcement of the Company dated 13 November 2015.

3. 海南美蘭機場資產管理有限公司之股權轉讓協議（「股權轉讓協議」）

於二零一五年十一月十三日，本公司與母公司訂立股權轉讓協議，詳情載列如下。

日期：二零一五年十一月十三日

訂約方：本公司及母公司

主體內容：根據股權轉讓協議，本公司同意收購母公司的全資子公司美蘭機場資管公司100%股權。收購完成後，本公司將直接持有美蘭機場資管公司100%股權，因而成為美蘭機場資管公司之單一股東。

代價：人民幣604,800,000元，乃參考威格斯資產評估顧問有限公司於二零一五年九月三十日（估值基準日）根據美蘭機場資管公司總資產之估值釐定。本公司支付全部股權代價是基於母公司向美蘭機場資管公司履行注資責任。

本公司將分兩期支付上述款項，詳情如下：

- (i) 人民幣574,560,000元（即總代價之95%）須於股東特別大會批准股權轉讓協議及其項下擬進行之交易後60個營業日內支付；及
- (ii) 人民幣30,240,000元（即總代價之5%）將待有關股權轉讓協議及其項下擬進行之交易於海南省工商局辦妥所需工商變更登記及備案手續之日起15個營業日內支付。

完成時間：股權轉讓協議將於海南省工商局就股權轉讓協議項下股權轉讓之工商變更登記及備案手續完成後即告完成。

有關股權轉讓協議的詳情，請參閱本公司二零一五年十一月十三日的公告。

4. Supplement to the Hainan Meilan Airport Asset Management Limited's Equity Transfer Agreement ("Supplement 1 to the Equity Transfer Agreement")

On 30 November 2016, the Company and the Parent Company entered into the Supplement 1 to the Equity Transfer Agreement, details of which are set out below.

Date: 30 September 2016

Parties: the Company and the Parent Company

Subject matters: pursuant to the Equity Transfer Agreement, the Company agreed to acquire 100% equity interests in Meilan Airport Assets Management, the wholly owned subsidiary of the Parent Company. Upon the acquisition, the Company will directly hold 100% equity interests in Meilan Airport Assets Management, thus becoming the sole shareholder of Meilan Airport Assets Management. In view of the fact that upon the signing the Equity Transfer Agreement, the parties have been actively handling the transfer of assets to the airport management in accordance with the relevant procedures. As at 30 September 2016, the procedures of transferring the assets are still in the process, hence, both parties re-signed a supplementary agreement to agree the date of transfer of assets will be extended to 31 March 2017.

Time to complete: the Equity Transfer Agreement will be completed upon the completion of the necessary industrial and commercial registrations and filings relating to the Equity Transfer Agreement and the transaction contemplated thereunder in the Industrial and Commercial Bureau of Hainan Province.

For details of the Equity Transfer Agreement, please refer to the announcement of the Company dated 13 November 2015.

Owing to the transfer of assets involved in the project is still in the process, the Company has issued an extension announcement on 30 September 2016.

4. 海南美蘭機場資產管理有限公司股權轉讓協議之補充協議（「股權轉讓協議之補充協議1」）

於二零一六年九月三十日，本公司與母公司訂立股權轉讓協議之補充協議1，詳情載列如下。

日期：二零一六年九月三十日

訂約方：本公司及母公司

主體內容：根據股權轉讓協議，本公司同意收購母公司的全資子公司美蘭機場資管公司100%股權。收購完成後，本公司將直接持有美蘭機場資管公司100%股權，因而成為美蘭機場資管公司之單一股東。鑑於，《股權轉讓協議》簽訂後，各方一直積極辦理出資資產的產權過戶至機場資管的相關手續，截至二零一六年九月三十日，出資資產的產權過戶手續仍在辦理過程中。故雙方重新簽訂補充協議，約定產權過戶日期延長至二零一七年三月三十一日。

完成時間：股權轉讓協議將於海南省工商局就股權轉讓協議項下股權轉讓之工商變更登記及備案手續完成後即告完成。

有關股權轉讓協議的詳情，請參閱本公司二零一五年十一月十三日的公告。

因該項目所涉資產轉讓事項正在辦理過戶流程，因此公司已於二零一六年九月三十日發佈延期公告。

5. Supplement to the Hainan Meilan Airport Asset Management Limited's Equity Transfer Agreement ("Supplement 2 to the Equity Transfer Agreement")

On 30 March 2017, the Company and the Parent Company entered into the Supplement 2 to the Equity Transfer Agreement, details of which are set below.

Date: 30 March 2017

Parties: the Company and the Parent Company

Subject matters: According to the Equity Transfer Agreement, the Company has agreed to acquire all the equity interest in Meilan Airport Assets Management, a wholly-owned subsidiary of the parent company. After the acquisition, the Company will directly hold all the equity interest of Meilan Airport Assets Management, which makes the Company the sole shareholder of Meilan Airport Assets Management. Since the Equity Transfer Agreement has been signed, the parties have been actively involved in the procedures of transferring the contributed asset to airport asset management. As of 30 March 2017, the contributed asset transfer procedure is still in process, as a result, they re-signed a Supplementary Agreement, in which they agreed to extend the property right transfer date to 30 September 2017.

Completion time: the Equity Transfer Agreement will be completed upon the completion of the necessary industrial and commercial registrations and filings relating to the Equity Transfer Agreement and the transaction contemplated thereunder in the Industrial and Commercial Bureau of Hainan province.

For details of the Equity Transfer Agreement, please refer to the announcement of the Company dated 13 November 2015.

Owing to the transfer of assets involved in the project is still in the progress, the Company has issued an extension notice on 30 March 2017, and the Company will issue a notice in a timely manner if there is any latest progress.

5. 海南美蘭機場資產管理有限公司股權轉讓協議之補充協議（「股權轉讓協議之補充協議2」）

於二零一七年三月三十日，本公司與母公司訂立股權轉讓協議之補充協議2，詳情載列如下。

日期：二零一七年三月三十日

訂約方：本公司及母公司

主體內容：根據股權轉讓協議，本公司同意收購母公司的全資子公司美蘭機場資管公司100%股權。收購完成後，本公司將直接持有美蘭機場資管公司100%股權，因而成為美蘭機場資管公司之單一股東。鑒於，《股權轉讓協議》簽訂後，各方一直積極辦理出資資產的產權過戶至機場資管的相關手續，截至二零一七年三月三十日，出資資產的產權過戶手續仍在辦理過程中。故雙方重新簽訂補充協議，約定產權過戶日期延長至二零一七年九月三十日。

完成時間：股權轉讓協議將於海南省工商局就股權轉讓協議項下股權轉讓之工商變更登記及備案手續完成後即告完成。

有關股權轉讓協議的詳情，請參閱本公司二零一五年十一月十三日的公告。

因該項目所涉資產轉讓事項正在辦理過戶流程，因此公司已於二零一七年三月三十日發佈延期公告。其後如有最新進展將及時發佈新公告。

6. Haikou Meilan Airport Co., Ltd. Domestic Shares Subscription Agreement

On 30 December 2016, the Company and the Parent Company entered into the Parent Company Domestic Shares Subscription Agreement, details of which are set below:

Date: 30 December 2016

Parties: the Company and Parent Company

Pursuant to the Parent Company Domestic Shares Subscription Agreement, the Parent Company agreed to subscribe, which include: (i) not more than 190,463,284 new Domestic Shares as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company; and (ii) not more than 250,626,566 new Domestic Shares by cash at an aggregate subscription price of not more than RMB2,000,000,000 (equivalent to approximately HK\$2,232,641,000). The cash subscription price for Subscription Shares shall be paid by the Parent Company to the bank account of the Company within fifteen (15) Business Days (or otherwise as agreed between the Parent Company and the Company in writing) upon the satisfaction of the conditions precedent set out in the Parent Company Domestic Shares Subscription Agreement. Subscription Shares will be allotted and issued at no less than RMB7.98 per share. This agreement is subject to the authorization to be granted by the Shareholders in the EGM and Class Meetings.

6. 海口美蘭國際機場有限責任公司內資股認購協議

於二零一六年十二月三十日，本公司與母公司訂立母公司內資股認購協議，其詳情載列如下：

日期：二零一六年十二月三十日

訂約方：本公司及母公司

根據母公司內資股認購協議，母公司同意：(i)作為母公司以向本公司轉讓的一期跑道相關資產作價向本公司認購的不超過190,463,284股新內資股；及(ii)按不超過人民幣2,000,000,000元（相等於約2,232,641,000港元）的總認購價以現金認購的不超過250,626,566股新內資股。現金認購價款應由母公司內資股認購協議所載先決條件達成後十五(15)個營業日（或母公司與本公司書面議定的其他日期）內支付予本公司的銀行賬戶。認購股份將按每股不低於人民幣7.98元配發及發行。該協議需待股東特別大會及類別股東大會批准後方可作實。

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CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDITOR

With respect to the continuing connected transactions of the Company, the Independent Non-executive Directors, having reviewed the aforesaid transaction, are of the opinion that the transaction was:

- (a) entered into in the ordinary and usual course of business of the Group;
- (b) conducted on normal commercial terms; and
- (c) conducted in accordance with the terms of the relevant transaction agreement and on terms which were fair and reasonable and in the interest of the shareholders of the Company as a whole.

The Company's auditor PricewaterhouseCoopers Zhong Tian LLP was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or 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 auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transaction disclosed by the Group on page 141 in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

None of the related party transactions as disclosed in Note 8 to the consolidated financial statements fall under the definition of connected transaction or continuing connected transactions within the meaning of the Listing Rules, except for those described in this section headed "The Connected Transactions", in respect of which the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

獨立非執行董事及核數師之確認

就本公司持續關連交易而言，獨立非執行董事經審核後認為：

- (a) 該等交易屬本集團的日常業務；
- (b) 該等交易是按照一般商務條款進行；及
- (c) 該等交易是根據有關交易的協議條款進行，而交易條款公平合理，並且符合本公司股東的整體利益。

根據香港會計師公會頒佈的香港鑑證業務準則第3000號「非審核或審閱過往財務資料的鑑證工作」規定，並參照實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，本公司核數師普華永道中天會計師事務所（特殊普通合伙）獲委聘就本集團持續關連交易作出報告。根據《上市規則》第14A.56條，核數師已就本集團於本年報第141頁披露的持續關連交易的審查結果及結論發出無保留意見函件。核數師函件的副本經已由本公司提交香港聯交所。

除於本「關連交易事項」小節披露的以外，於合併財務報表附註八披露之關聯方交易不屬於《上市規則》定義下的關連交易或持續關連交易的範圍，而本公司已根據《上市規則》第14A章遵守披露規定。

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Directors and Supervisors as at the date of this annual report are as follows:

EXECUTIVE DIRECTORS

- Mr. Wang Zhen
(re-appointed on 18 May 2016)
- Mr. Yang Xiaobin
(re-appointed on 18 May 2016)
- Mr. Zhou Feng
(duly appointed on 11 October 2016)
- Mr. Liu Shanbin
(duly appointed on 18 May 2016)

NON-EXECUTIVE DIRECTORS

- Mr. Hu Wentai
(re-appointed on 3 July 2015)
- Mr. Chan Nap Kee, Joseph
(re-appointed on 30 December 2016)
- Mr. Yan Xiang
(re-appointed on 30 December 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS

- Mr. Deng Tianlin
(duly appointed on 3 November 2014)
- Mr. Fung Ching, Simon
(re-appointed on 30 December 2016)
- Mr. George F Meng
(re-appointed on 30 December 2016)
- Mr. He Linji
(duly appointed on 18 May 2015)

SUPERVISORS

- Mr. Dong Guiguo
(re-appointed on 3 July 2015)
- Mr. Zhang Shusheng
(re-appointed on 30 December 2016)
- Mr. Han Aimin
(re-appointed on 23 August 2014)

董事與監事之服務合約

以下為截至本年報日期的本公司董事及監事：

執行董事

- 王 貞先生
(於二零一六年五月十八日連續獲委任)
- 楊小濱先生
(於二零一六年五月十八日連續獲委任)
- 周 鋒先生
(於二零一六年十月十一日獲正式委任)
- 劉善斌先生
(於二零一六年五月十八日獲正式委任)

非執行董事

- 胡文泰先生
(於二零一五年七月三日連續獲委任)
- 陳立基先生
(於二零一六年十二月三十日連續獲委任)
- 燕 翔先生
(於二零一六年十二月三十日連續獲委任)

獨立非執行董事

- 鄧天林先生
(於二零一四年十一月三日獲正式委任)
- 馮 征先生
(於二零一六年十二月三十日連續獲委任)
- 孟繁臣先生
(於二零一六年十二月三十日連續獲委任)
- 何霖吉先生
(於二零一五年五月十八日獲正式委任)

監事

- 董桂國先生
(於二零一五年七月三日連續獲委任)
- 張述聖先生
(於二零一六年十二月三十日連續獲委任)
- 韓愛民先生
(於二零一四年八月二十三日連續獲委任)

REPORT OF THE BOARD 董事會報告

The Directors who have resigned during the financial year and as at the date of this annual report are as follows:

Mr. Gao Jian

(duly resigned on 18 May 2016 as an Executive Director)

Mr. Zhang Peihua

(duly resigned on 11 October 2016 as an Executive Director)

Brief biographical details of the Directors and Supervisors are set out on page 112 to page 121 of this annual report. There is no relationship among the Directors that is required to be disclosed under the Listing Rules.

Each of the Directors and Supervisors had entered into a service contract with the Company for a term of three years. None of the Directors or the Supervisors had entered into any service contract with the Group which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors, Supervisors or their respective associates (within the meaning of the Listing Rules) held any shares, debentures or other interests in the Company, nor were they granted, nor had they exercised any rights or options to subscribe for shares in or debentures of the Company at no time during the year.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There was no transaction, arrangement or contract of significance to which the holding company of the Company, and the Company's subsidiaries was a party, and in which a Director or Supervisor or an entity connected with a Director or Supervisor of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 December 2016.

本年度直至本年報日期離任的董事如下：

高 建先生

(於二零一六年五月十八日正式離任執行董事)

張佩華先生

(於二零一六年十月十一日正式離任執行董事)

董事與監事的簡歷載列於本年報第112頁至第121頁。董事會成員之間不存在任何《上市規則》項下應予以披露的關係。

全部董事與監事分別與本公司訂立的服務合約為期三年。董事或監事並無與本集團簽訂任何本公司須於一年內補償(法定補償除外)方可終止的服務合約。

董事及監事收購股份及債券之權利

於年內任何時間，各董事及監事或彼等各自的連系人(定義見《上市規則》)概無持有任何本公司股份及債券或其他權益，同時亦無獲授予或行使認購本公司的股份或債券之任何權利或期權。

董事及監事於交易、安排或合約中的權益

本公司的任何控股公司及附屬公司概無訂有本公司董事或監事，或與董事或監事有關連的實體於當中擁有直接或間接重大權益，並且於截至二零一六年十二月三十一日止年度或年終時仍然生效的交易、安排或重大合約。

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or Supervisors holds any interests in any competing businesses against the Company or any of its jointly controlled entities or subsidiaries for the year ended 31 December 2016.

PERMITTED INDEMNITY PROVISION

The Company has arranged the liability insurance for the Directors, the Supervisors and other senior management. The coverage of liability insurance, including but not limited to indemnity for Company's security, indemnity for supervisory crisis, indemnity for Company's improper employment, indemnity for the loss of key personnel and indemnity for the intellectual liability, etc.

REMUNERATION OF DIRECTORS AND SUPERVISORS

Pursuant to the service contracts entered into between the Company, Directors and Supervisors and the resolution passed at the general meeting, the allowance paid to the Executive Directors, Non-executive Directors and Independent Non-executive Directors in 2016 were RMB70,000, RMB50,000 and RMB100,000 per person, respectively; and the allowance paid to the Supervisors was RMB20,000 per person.

Directors and Supervisors recommended by the Parent Company, proposed that Directors and Supervisors nominated by the controlling shareholder would not enjoy allowance for holding the position. But they were also entitled to receive respective salaries according to their respective positions taken in the Company. Details of remuneration packages for the Directors and Supervisors were set out in Note 8(4)(g) to the financial statements.

THE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group during the reporting period were either Directors or senior executives of the Company. Details of their remuneration are set out in Note 8(4)(h) to the financial statements.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existence during the year ended 31 December 2016.

董事及監事在競爭業務的權益

於截至二零一六年十二月三十一日止的年度內，本公司董事及監事概無與本公司或其共同控制實體或子公司存在競爭的業務中持有權益。

獲准許的彌償條文

本公司已為董事、監事和其他高級管理人員購買了責任險。責任險涵蓋範圍包括但不限於公司有價證券賠償、監管危機事件賠償、公司不正當僱傭行為賠償、重要人員損失賠償、知識產權責任賠償等。

董事、監事酬金

根據與董事、監事簽署的服務合約，二零一六年度，依據股東大會決議，支付予執行董事的津貼標準為人民幣70,000元／人；非執行董事為人民幣50,000元／人；獨立非執行董事為人民幣100,000元／人；監事為人民幣20,000元／人。

經由本公司母公司推薦的董事、監事提議，由控股股東提名的董事、監事繼續不再享受相應的董事、監事酬金津貼。但將根據其在本公司擔任的具體職務獲得相應的工資報酬。董事與監事薪酬詳情載列於財務報表附註八(4)(g)。

最高酬金人士

報告期內本集團最高酬金五名人士均為公司董事或高級管理人員，報酬詳情載列於財務報表附註八(4)(h)。

管理合約

截至二零一六年十二月三十一日止，概無本集團整體或任何重大部份業務的管理及行政工作訂立任何合約，亦不存在任何有關合約。

REPORT OF THE BOARD 董事會報告

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there is no similar restriction against such rights under the relevant PRC law that is applicable to the Company as a joint stock limited Company incorporated in the PRC. Therefore, the Company is not required to offer new shares, if any, to its existing shareholders on a pro-rata basis.

TRANSACTIONS IN ITS SECURITIES

As of 31 December 2016, the Company did not issue or grant any convertible securities, options, warrants or other similar rights. The Company had no redeemable securities as at 31 December 2016.

ENTRUSTED DEPOSITS AND OVERDUE TIME DEPOSITS

The Group had no entrusted deposits and overdue time deposits as at 31 December 2016.

COMPLIANCE WITH LAWS AND REGULATIONS

As the Company was established and conducts its business operations in mainland China and is also listed on the Hong Kong Stock Exchange, our establishment and business operation have to comply with the relevant laws and regulations in both mainland China and Hong Kong. During the year ended 31 December 2016 and up to the date of this annual report, the Company have complied with the relevant laws and regulations in mainland China and Hong Kong.

MATERIAL LITIGATION OR ARBITRATION

The Group had no material litigation or arbitration for the year ended 31 December 2016.

AUDITOR

The financial statements of the Group have been audited by PricewaterhouseCoopers Zhong Tian LLP and it has indicated its willingness to be continuously in office. A resolution will be proposed by the Board at the annual general meeting to re-appoint PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company until the next annual general meeting.

優先購股權

《公司章程》並無有關優先購股權的條文，而中國相關法例亦無針對有關權利而適用於本公司（作為中國註冊成立的股份有限公司）的相類限制。因此，本公司毋須向現有股東按其持股比例發售新股（如有）。

有關涉及本身的證券之交易

截至二零一六年十二月三十一日止，本集團並無發行或授予任何可轉換證券、期權、認股權證或其他類似權證。另外，截至二零一六年十二月三十一日止，本集團並無可贖回證券。

委託存款及逾期定期存款

截至二零一六年十二月三十一日止，本集團無委託存款及逾期定期存款。

遵守法律及法規

因本公司成立於中國內地及在中國內地經營業務，且本公司在香港聯交所上市，因此，我們的成立與業務經營需遵守中國內地及香港的有關法律法規。截至二零一六年十二月三十一日止年度及直至本年報日期，本公司已遵守中國內地及香港的有關法律及法規。

重大訴訟或仲裁

截至二零一六年十二月三十一日止，本集團無重大訴訟或仲裁。

核數師

本集團財務報表經普華永道中天會計師事務所（特殊普通合伙）審核，該會計師事務所願意連任。董事會將於股東週年大會提出決議案，建議續聘普華永道中天會計師事務所（特殊普通合伙）為本公司核數師，直至下屆股東週年大會為止。

AUDIT COMMITTEE

The Audit Committee was established on 24 September 2002 with terms of reference in accordance with Appendix 14 to the Listing Rules. The Audit Committee consists of three members, all of whom are Independent Non-executive Directors. Mr. Deng Tianlin, an Independent Non-executive Director, is the chairman. The Audit Committee is delegated by the Board to assess matters related to the financial statements and to provide recommendations and advices thereon, including review of the relationship with external auditors, the Company's financial reporting, risk management and internal control systems. There was no disagreement between the Audit Committee and the external auditors on the accounting policies adopted by the Company. The Audit Committee of the Company has reviewed the annual report of the Company for the year ended 31 December 2016.

FIVE YEAR FINANCIAL SUMMARY

A table of the operating results, assets and liabilities of the Group for the last five financial years is set out on page 7 of this annual report.

PUBLIC FLOAT REQUIREMENT

As at the date of publication, according to the public information held by the Company and within the knowledge of the Directors, the public float was 226,913,000 H shares, representing 47.95% of the total share capital of the Company, which is in compliance with the minimum public float requirement pursuant to Rule 8.08 of the Listing Rules.

By order of the Board

Wang Zhen

Chairman

Hainan Province, the PRC

18 April 2017

審核委員會

審核委員會已於二零零二年九月二十四日按照《上市規則》附錄十四制定的權責範圍成立。現有三名成員，均為獨立非執行董事，主席為獨立非執行董事鄧天林先生。董事會授權審核委員會評核財務報表的相關事宜並提供建議及意見，包括檢討與外聘核數師的關係、本公司的財務報告和風險管理及內部控制制度。審核委員會和外聘核數師對本公司採用的會計政策概無異議。本公司審核委員會已經對本公司截至二零一六年十二月三十一日止之年度報告進行了審閱。

五年財務狀況概要

本集團最近五個財政年度的經營成果、資產和負債情況載於本年報第7頁。

公眾持股量

截至最新公佈日期，根據本公司所持的公開資料及董事的了解，本公司的持股量為226,913,000股的H股，佔整體股本的47.95%，合乎《上市規則》8.08條公眾持股量的最低要求。

承董事會命

王 貞

董事長

中國海南省

二零一七年四月十八日

REPORT OF SUPERVISORY COMMITTEE 監事會報告

To shareholders:

During 2016, in accordance with the Company Law, the Listing Rules and the Articles of Association, the Supervisory Committee of the Company actively conducted supervision and inspection in the best interests of the shareholders and the Company and pursuant to regulatory laws and regulations as well as the requirements for corporate governance. During 2016, all Supervisors performed their supervisory duties conscientiously and effectively by convening and attending meetings, listening to the management's reports, attending regulation conferences and training. Acting on the principle of honesty and diligence, the Supervisory Committee successfully executed its work plan for 2016 and continuously improved the Company's governance practices.

The major activities of the Supervisory Committee during 2016 were as follows:

1. Attending meetings of the Board and monitoring the decision making process of the Board in terms of regulatory compliance, legal and managerial system;
2. Attending meetings at the office of the chairman of the Board, participating in important activities of the Company in the ordinary course of business, and monitoring the daily operation and management by the chairman and other senior officers and providing constructive suggestions thereto; and
3. Reviewing the financial statements of the Company on a regular basis and the vouchers and accounts of the Company on an ad-hoc basis.

In consideration of above works carried out, the Supervisory Committee believed that the shareholders' equity continued to grow in 2016, and the profitability of the Company was enhanced, dividend distribution policy was reasonable and the overall financial position was sound. We expressed our independent opinions as followings in relation to relevant matters:

致各位股東：

二零一六年度內，本公司監事會依照《公司法》、《上市規則》及《公司章程》，從維護廣大股東及公司利益出發，根據監管法規和公司治理要求，積極開展監督檢查工作。二零一六年內全體監事以誠信、勤勉為原則，通過召開和列席會議、聽取管理層報告、參加監管會議等方式，認真、有效地履行監督職責，順利完成了二零一六年度監事會工作計劃，不斷促進並完善本公司的治理工作。

二零一六年，監事會主要工作有：

1. 列席董事會會議，對董事會決策的合規性、合法性及科學性實施監督；
2. 列席董事長辦公會議及參與公司日常經營中的重大活動，對董事長及其他高級管理人員日常經營管理等方面實施有效監督，並提出建設性建議；及
3. 定期檢查公司的財務報告，不定期審閱公司的會計憑證、賬簿等資料。

通過上述工作，監事會認為公司二零一六年度股東權益繼續保持增長，公司盈利能力增強，股息派發政策合理，財務狀況總體良好。並就有關事項發表如下獨立意見：

1. LEGALITY OF THE COMPANY'S OPERATION

The Company's business operation is in compliance with the Company Law and the Articles of Association. The decision making procedure is lawful and valid. During the reporting period, the members of the Board, the general manager and other senior management observed the principle of diligence and honesty, and performed their duties in good faith and in the interests of the shareholders and the Company. The Supervisory Committee was not aware of any breach of laws, regulations and the Articles of Association or actions to the detriment of the interests of the shareholders and the Company on the part of Directors, senior management in carrying out their duties.

2. TRUTHFULNESS OF THE COMPANY'S FINANCIAL INFORMATION

The financial report for the year gives a true, objective, fair and accurate view of the Company's financial position and operating results.

3. ACQUISITION AND DISPOSAL OF ASSETS

During the reporting period, the Supervisory Committee was not aware of any acquisition and disposal of assets to the detriment of shareholders' interests or leading to loss of the Company's assets or insider trading.

4. CONNECTED TRANSACTIONS

During the reporting period, the Company entered into connected transactions by following the legal decision making procedure, in strict compliance with the principle of fairness, in accordance with the Listing Rules, with open and transparent information disclosure and without harming the interests of the Company.

1. 本公司的依法經營情況

本公司的經營活動符合《公司法》和《公司章程》的規定，決策程序合法有效。報告期內，董事會成員、總經理及其他高級管理人員恪守勤勉誠信原則，真誠地以股東和公司利益為基本出發點履行職責，未發現董事、高級管理人員擔任公司職務時有違反法律法規、《公司章程》或損害股東及本公司利益的行為。

2. 本公司財務情況的真實性

本年度財務報告真實、客觀、公允、準確地反映了本公司的財務狀況和經營成果。

3. 收購、出售資產情況

報告期內，未發現本公司收購、出售資產中有損害股東權益或造成本公司資產流失及內部交易的行為。

4. 關連交易情況

報告期內，本公司的關連交易嚴格遵守公允的原則，履行了法定的決策程序，符合上市公司的規定，信息披露規範透明，不存在損害公司利益的行為。

REPORT OF SUPERVISORY COMMITTEE 監事會報告

In 2016, Meilan Airport, as one of the world's largest airports which passenger throughput surpassing 18 million for its debut history, continuously improve its security, operation, services and management. It is expected that the business of the Company in 2017 will keep steady increase, and the Supervisory Committee is fully confident in the prospects of the Company's future development. Meanwhile, we will continue to safeguard the interests of all the shareholders and the Company, carry out our duties diligently and focus on monitoring the Company's actions for fulfilling its commitments to shareholders.

By Order of the Supervisory Committee

Dong Guiguo

Chairman of the Supervisory Committee

Hainan Province, the PRC

18 April 2017

二零一六年，作為旅客吞吐量首次突破1,800萬人次的國內大型機場，在安全、運行、服務及管理質量方面都保持穩健提升。預計在二零一七年，本公司業務量仍將保持平穩增長的態勢，監事會對本公司的發展前景充滿信心。同時，將一如既往地以維護股東及公司的利益為己任，勤勉盡職的履行職責，以監督公司落實對股東的承諾為重點，努力做好各項工作。

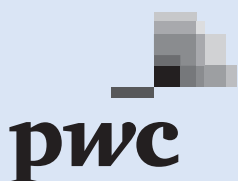
承監事會命

董桂國

監事會主席

中國海南省

二零一七年四月十八日



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普華永道

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To the Shareholders of
HNA Infrastructure Company Limited,

海航基礎股份有限公司全體股東：

1. OPINION (1) What we have audited

We have audited the accompanying financial statements of HNA Infrastructure Company Limited (hereinafter "HNA Infrastructure"), which comprise:

- the consolidated and company balance sheets as at 31 December 2016;
- the consolidated and company income statements for the year then ended;
- the consolidated and company cash flow statements for the year then ended;
- the consolidated and company statements of changes in shareholders' equity for the year then ended; and
- notes to the financial statements.

一、審計意見 (一) 我們審計的內容

我們審計了海航基礎股份有限公司(以下簡稱「航基股份」)的財務報表,包括2016年12月31日的合併及公司資產負債表,2016年度的合併及公司利潤表、合併及公司現金流量表、合併及公司股東權益變動表以及財務報表附註。

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(2) Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of HNA Infrastructure as at 31 December 2016, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises ("CASs").

2. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

We are independent of HNA Infrastructure in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

3. KEY AUDIT MATTERS

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

Key audit matter identified in our audit is the measurement of capitalised costs and expenses related to a major construction project.

(二) 我們的意見

我們認為，後附的財務報表在所有重大方面按照企業會計準則的規定編製，公允反映了航基股份2016年12月31日的合併及公司財務狀況以及2016年度的合併及公司經營成果和現金流量。

二、形成審計意見的基礎

我們按照中國註冊會計師審計準則的規定執行了審計工作。審計報告的「註冊會計師對財務報表審計的責任」部分進一步闡述了我們在這些準則下的責任。我們相信，我們獲取的審計證據是充分、適當的，為發表審計意見提供了基礎。

按照中國註冊會計師職業道德守則，我們獨立於航基股份，並履行了職業道德方面的其他責任。

三、關鍵審計事項

關鍵審計事項是我們根據職業判斷，認為對本期財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計並形成審計意見為背景，我們不對這些事項單獨發表意見。

我們在審計中識別出的關鍵審計事項是主要在建工程項目的資本化成本和費用的計量。

Key Audit Matter**The measurement of capitalised costs and expenses related to a major construction project**

Refer to note 4(9) "Construction in progress" of the financial statements.

As at 31 December 2016, the carrying value of a major construction project ("Terminal complex project") presented in the consolidated balance sheet of HNA Infrastructure amounted to RMB1,656,265,084. The actual cost incurred in current year comprised RMB1,016,202,697 in relation to the construction costs, installation costs and other costs necessary to bring the construction project ready for its intended use, and the borrowing costs of RMB115,130,057 eligible for capitalisation.

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation, and other costs necessary to bring the construction in progress ready for its intended use, including expenditures on project design, project supervision and project cost consultation, etc.

We focused on this area because of the great scale and complexity of Terminal complex project, which involved significant amount of capitalised costs and expenses.

How our audit addressed the Key Audit Matter

We understood and assessed the internal control process implemented by management in relation to the measurement of capitalised costs and expenses of the construction projects, and tested relevant key internal controls.

We performed sample check on the costs and expenses of Terminal complex project capitalised in current year, in order to evaluate whether such costs and expenses were eligible for capitalisation.

關鍵審計事項**主要在建工程項目的資本化成本和費用的計量**

請參閱財務報表附註4(9)「在建工程」

截至2016年12月31日，航基股份合併資產負債表中所列的站前綜合體項目的餘額為人民幣1,656,265,084元，其中本年新增實際發生的建築安裝成本以及符合資本化條件的其他為使在建工程達到預定可使用狀態所發生的必要支出的金額為人民幣1,016,202,697元，本年符合資本化條件的借款費用的資本化金額為人民幣115,130,057元。

在建工程按實際發生的成本計量。實際成本包括建築成本、安裝成本、符合資本化條件的借款費用以及其他為使在建工程達到預定可使用狀態所發生的必要支出，包括工程設計、監理和造價諮詢等支出。

站前綜合體項目是一個規模龐大而且複雜的工程項目，其資本化的工程成本和費用金額重大，因此作為我們審計的關鍵事項。

我們在審計中如何應對關鍵審計事項

我們了解並評估了管理層針對在建工程項目的資本化成本和費用的計量相關的內部控制流程，並測試了其中相關的關鍵內部控制。

我們針對站前綜合體項目本年新增的資本化成本和費用進行抽樣檢查，判斷上述資本化成本和費用是否滿足資本化的條件。

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How our audit addressed the Key Audit Matter

Our procedures in relation to the aforesaid capitalised costs and expenses included:

- selecting the samples of the construction and installation costs incurred in current year, and tracing to the project status reports that were jointly confirmed by the third party contractors, supervision companies, cost consulting firms and project manager;
- selecting the samples to test additions of significant construction and installation costs incurred in current year, inspecting relevant construction contracts, and agreeing the actual payment amount to the invoices and payment vouchers;
- selecting certain sub-projects of the Terminal complex project to perform on-site visit in order to evaluate the actual project status;
- selecting the samples of relevant services provided by third party professional institutions, including project design, project supervision, and project cost consultation, inspecting relevant service contracts, discussing with management the progress of services rendered, and checking it to the bills issued by the third party professional institutions;
- evaluating the reasonableness of the point of time to commence and cease the capitalisation of the borrowing costs based on our understanding of the project status; re-calculating the interest expenses eligible for capitalisation and the capitalised exchange differences attributable to foreign currency borrowings that have been taken out specifically for the construction of the Terminal complex project.

Based on our audit work performed, the additions of capitalised costs and expenses related to the Terminal complex project in current year, were supported by audit evidences obtained.

我們在審計中如何應對關鍵審計事項

針對資本化的工程成本和費用，我們分別執行了以下的審計程序：

- 我們抽查了本年新增的建築安裝成本，將其核對至第三方施工單位、監理公司、造價諮詢公司和工程項目負責人共同確認的報告；
- 我們抽查了本年新增的金額重大的建築安裝成本，檢查與之相關的工程合同，並將實際付款的金額核對至發票和付款憑證；
- 我們從站前綜合體的各子項目中抽取了部分項目，對施工現場進行了實地考察，以便瞭解其實際完成進度；
- 我們抽查了第三方專業機構提供的工程設計、監理和造價諮詢等服務，檢查與之相關的服務合同，以及向管理層瞭解服務的完成進度，並核對至第三方專業機構出具的賬單；
- 根據我們對項目完工進度的瞭解，我們對管理層計算資本化借款費用時所採用的開始資本化和停止資本化的時點的合理性進行了評估。我們根據借款合同的相關條款，對本年度符合資本化條件的借款利息支出和與工程相關的專門外幣借款的匯兌差額進行了重新計算。

根據我們的審計工作，我們所獲取的審計證據能夠支持所抽查的站前綜合體項目的資本化成本和費用的本年新增金額。

4. OTHER INFORMATION

Management is responsible for the other information. The other information comprises all of the information included in 2016 annual report of HNA Infrastructure other than the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing HNA Infrastructure'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 management either intend to liquidate HNA Infrastructure or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing HNA Infrastructure's financial reporting process.

四、其他信息

管理層對其他信息負責。其他信息包括航基股份2016年年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。

我們對財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑑證結論。

結合我們對財務報表的審計，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財務報表或我們在審計過程中了解到的情況存在重大不一致或者似乎存在重大錯報。基於我們已經執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

五、管理層和治理層對財務報表的責任

管理層負責按照企業會計準則的規定編製財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使財務報表不存在由於舞弊或錯誤導致的重大錯報。

在編製財務報表時，管理層負責評估航基股份的持續經營能力，披露與持續經營相關的事項（如適用），並運用持續經營假設，除非管理層計劃清算航基股份、終止運營或別無其他現實的選擇。

治理層負責監督航基股份的財務報告過程。

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6. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether these 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs 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 financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the 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.
- (2) 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 Company's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

六、註冊會計師對財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。合理保證是高水平的保證，但並不能保證按照審計準則執行的審計一定會發現存在的重大錯報。錯報可能由於舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響財務報表使用者依據財務報表作出的經濟決策，則通常認為錯報是重大的。

在按照審計準則執行審計工作的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行以下工作：

- (一) 識別和評估由於舞弊或錯誤導致的財務報表重大錯報風險；設計和實施審計程序以應對這些風險，並獲取充分、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、偽造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
- (二) 了解與審計相關的內部控制，以設計恰當的審計程序，但目的並非對內部控制的有效性發表意見。
- (三) 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。

- (4) Conclude on the appropriateness of management's 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 HNA Infrastructure'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 these 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 HNA Infrastructure to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within HNA Infrastructure 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.

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

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

- (四) 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對航基股份持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充分，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來的事項或情況可能導致航基股份不能持續經營。
- (五) 評價財務報表的總體列報、結構和內容（包括披露），並評價財務報表是否公允反映相關交易和事項。
- (六) 就航基股份中實體或業務活動的財務信息獲取充分、適當的審計證據，以對合併財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

我們與治理層就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計中識別出的值得關注的內部控制缺陷。

我們還就已遵守與獨立性相關的職業道德要求向治理層提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施（如適用）。

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, the People's Republic of China
28 March 2017

Signing CPA Yeung Sheung Yuen, Shirley (*Engagement Partner*)

Signing CPA Du WeiWei

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從與治理層溝通的事項中，我們確定哪些事項對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

普華永道中天會計師事務所（特殊普通合伙）

中國·上海市
2017年3月28日

註冊會計師 **楊尚圓**（項目合伙人）

註冊會計師 **杜維偉**

CONSOLIDATED AND COMPANY BALANCE SHEETS 合并及公司資產負債表

As at 31 December 2016 2016年12月31日

(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

			31 December 2016 2016年 12月31日 Note(s) 附註	31 December 2015 2015年 12月31日 Consolidated 合併	31 December 2016 2016年 12月31日 Company 公司	31 December 2015 2015年 12月31日 Company 公司
ASSETS	資產					
Current assets	流動資產					
Cash at bank and on hand	貨幣資金	4(1) 四(1)	952,868,307	1,023,267,032	947,780,380	1,018,071,646
Accounts receivable	應收賬款	4(2) 四(2)	254,279,646	303,184,304	251,576,809	300,803,069
Advances to suppliers	預付款項	4(3) 四(3)	3,014,742	1,936,434	2,051,928	1,349,798
Interest receivable	應收利息		4,131,919	1,122,387	4,131,919	1,122,387
Other receivables	其他應收款	4(4) 四(4)	8,311,392	23,965,933	12,095,653	25,059,831
Inventories	存貨		569,576	174,758	569,576	174,758
Other current assets	其他流動資產	4(5) 四(5)	44,492,717	388,331,072	44,490,922	388,329,277
Total current assets	流動資產合計		1,267,668,299	1,741,981,920	1,262,697,187	1,734,910,766
Non-current assets	非流動資產					
Long-term receivables	長期應收款	4(6) 四(6)	93,365,336	-	93,365,336	-
Long-term equity investments	長期股權投資	4(7), 15(1) 四(7)、十五(1)	1,384,104,022	1,210,687,572	1,394,304,022	1,220,887,572
Fixed assets	固定資產	4(8) 四(8)	1,759,710,550	1,598,841,660	1,752,276,403	1,593,344,409
Construction in progress	在建工程	4(9) 四(9)	1,730,470,347	568,551,255	1,730,470,347	568,551,255
Intangible assets	無形資產	4(10) 四(10)	174,034,793	177,709,903	173,738,140	177,709,903
Deferred tax assets	遞延所得稅資產	4(11) 四(11)	7,658,716	7,816,592	7,658,716	7,816,592
Other non-current assets	其他非流動資產	4(12) 四(12)	1,778,818,773	1,656,654,004	1,778,818,773	1,656,654,004
Total non-current assets	非流動資產合計		6,928,162,537	5,220,260,986	6,930,631,737	5,224,963,735
Total assets	資產總計		8,195,830,836	6,962,242,906	8,193,328,924	6,959,874,501
LIABILITIES AND EQUITY	負債及權益					
Current liabilities	流動負債					
Short-term borrowings	短期借款	4(13) 四(13)	470,014,771	-	470,014,771	-
Accounts payable	應付賬款	4(14) 四(14)	21,743,187	19,064,006	20,144,214	18,071,821
Advances from customers	預收款項	4(15) 四(15)	9,429,493	10,840,253	9,429,493	10,510,053
Employee benefits payable	應付職工薪酬	4(16) 四(16)	33,168,416	27,881,900	25,238,956	21,807,298
Taxes payable	應交稅費	4(17) 四(17)	39,787,073	45,807,492	38,502,100	44,234,584
Interests payable	應付利息	4(18) 四(18)	87,006,074	49,952,295	87,006,074	49,952,295
Dividends payable	應付股利	4(19) 四(19)	499,500	499,500	499,500	499,500
Other payables	其他應付款	4(20) 四(20)	947,148,540	283,759,288	1,002,924,675	322,184,417
Non-current liabilities due within one year	一年內到期的非流動負債	4(21) 四(21)	168,794,032	1,461,412,354	168,794,032	1,461,412,354
Total current liabilities	流動負債合計		1,777,591,086	1,899,217,088	1,822,553,815	1,928,672,322

CONSOLIDATED AND COMPANY BALANCE SHEETS 合併及公司資產負債表

As at 31 December 2016 2016年12月31日

(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

			31 December 2016 2016年 12月31日 Consolidated 合併	31 December 2015 2015年 12月31日 Consolidated 合併	31 December 2016 2016年 12月31日 Company 公司	31 December 2015 2015年 12月31日 Company 公司
	Note(s) 附註					
Non-current liabilities	非流動負債					
Long-term borrowings	長期借款	4(22) 四(22)	778,145,636	932,955,163	778,145,636	932,955,163
Corporate bonds	公司債券	4(23) 四(23)	1,808,667,580	794,952,116	1,808,667,580	794,952,116
Long-term payables	長期應付款	4(24) 四(24)	83,958,872	62,177,707	83,958,872	62,177,707
Long-term employee benefits payable	長期應付職工薪酬	4(16) 四(16)	524,126	1,244,453	524,126	1,244,453
Other non-current liabilities	其他非流動負債	4(25) 四(25)	19,275,137	20,305,734	19,275,137	20,305,734
Total non-current liabilities	非流動負債合計		2,690,571,351	1,811,635,173	2,690,571,351	1,811,635,173
Total liabilities	負債合計		4,468,162,437	3,710,852,261	4,513,125,166	3,740,307,495
Shareholders' equity	股東權益					
Share capital	股本	4(26) 四(26)	473,213,000	473,213,000	473,213,000	473,213,000
Capital surplus	資本公積	4(27) 四(27)	846,304,744	683,509,755	846,304,744	683,509,755
Surplus reserve	盈餘公積	4(28) 四(28)	246,394,231	246,394,231	246,394,231	246,394,231
Other comprehensive income	其他綜合收益		11,501,082	–	11,501,082	–
Undistributed profits	未分配利潤	4(29) 四(29)	2,118,506,186	1,826,832,534	2,102,790,701	1,816,450,020
Total capital and reserves attributable to shareholders of the Company	歸屬於本公司股東權益合計		3,695,919,243	3,229,949,520	3,680,203,758	3,219,567,006
Minority interest	少數股東權益	4(30) 四(30)	31,749,156	21,441,125	–	–
Total equity	權益合計		3,727,668,399	3,251,390,645	3,680,203,758	3,219,567,006
Total liabilities and equity	負債及權益總計		8,195,830,836	6,962,242,906	8,193,328,924	6,959,874,501

The accompanying notes form an integral part of these financial statements.

後附財務報表附註為財務報表的組成部份。

Legal representative:

企業負責人：

Wang Zhen

王貞

Person in charge of accounting function:

主管會計工作的負責人：

Zhou Feng

周鋒

Person in charge of accounting department:

會計機構負責人：

Wang Haoliang

王浩亮

CONSOLIDATED AND COMPANY INCOME STATEMENTS 合并及公司利潤表

For the year ended 31 December 2016 2016年度
(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

Item	項目	Note(s) 附註	2016	2015	2016	2015
			2016年度	2015年度	2016年度	2015年度
			Consolidated	Consolidated	Company	Company
			合併	合併	公司	公司
Revenue	營業收入	4(31),15(2)				
		四(31)、十五(2)	1,208,710,234	1,063,430,885	1,109,261,341	940,421,962
Less: Operating costs	減：營業成本	4(31),15(2)				
		四(31)、十五(2)	(461,668,963)	(405,913,389)	(388,610,744)	(304,115,791)
Taxes and surcharges	稅金及附加	4(32) 四(32)	(15,801,204)	(20,534,997)	(15,352,962)	(20,126,327)
General and administrative expenses	管理費用	4(31),15(2)				
		四(31)、十五(2)	(62,402,238)	(57,923,244)	(56,277,773)	(54,080,994)
Financial expenses – net	財務費用 – 淨額	4(33) 四(33)	(136,839,493)	(73,935,712)	(136,611,250)	(73,639,747)
Provision for asset impairment losses	資產減值損失	4(34) 四(34)	–	(1,828,230)	–	(1,828,230)
Add: Investment (loss)/income	加：投資（損失）／收益	4(35) 四(35)	(879,621)	67,616,735	(879,621)	67,616,735
Including: Share of (loss)/profit of associates	其中：對聯營企業的投資（損失）／收益		(879,621)	67,616,735	(879,621)	67,616,735
Operating profit	營業利潤		531,118,715	570,912,048	511,528,991	554,247,608
Add: Non-operating income	加：營業外收入	4(36) 四(36)	18,166,626	16,329,901	15,041,187	16,105,244
Including: Gains on disposal of non-current assets	其中：非流動資產處置利得		359,046	–	357,085	–
Less: Non-operating expenses	減：營業外支出		(8,702,083)	(8,437,774)	(8,702,073)	(8,422,544)
Including: Losses on disposal of non-current assets	其中：非流動資產處置損失		(8,633,907)	(7,970,513)	(8,633,907)	(7,962,264)
Total profit	利潤總額		540,583,258	578,804,175	517,868,105	561,930,308
Less: Income tax expenses	減：所得稅費用	4(37) 四(37)	(137,333,015)	(133,843,714)	(130,258,864)	(129,421,410)
Net profit	淨利潤		403,250,243	444,960,461	387,609,241	432,508,898
Attributable to shareholders of the Company	歸屬於本公司股東的淨利潤		392,942,212	438,771,138	387,609,241	432,508,898
Minority interest	少數股東損益		10,308,031	6,189,323	–	–
Earnings per share	每股收益					
Basic earnings per share	基本每股收益	4(38) 四(38)	0.83	0.93	N/A 不適用	N/A 不適用
Diluted earnings per share	稀釋每股收益	4(38) 四(38)	0.83	0.93	N/A 不適用	N/A 不適用

CONSOLIDATED AND COMPANY INCOME STATEMENTS 合併及公司利潤表

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

Item	項目	Note(s) 附註	2016	2015	2016	2015
			2016年度	2015年度	2016年度	2015年度
			Consolidated	Consolidated	Company	Company
			合併	合併	公司	公司
Other comprehensive income after tax	其他綜合收益扣除所得稅影響後的淨額		11,501,082	–	11,501,082	–
Total comprehensive income	綜合收益總額		414,751,325	444,960,461	399,110,323	432,508,898
Attributable to shareholders of the Company	歸屬於本公司股東的綜合收益總額		404,443,294	438,771,138	399,110,323	432,508,898
Minority interest	歸屬於少數股東的綜合收益總額		10,308,031	6,189,323	–	–

The accompanying notes form an integral part of these financial statements.

後附財務報表附註為財務報表的組成部份。

Legal representative:

企業負責人：

Wang Zhen

王貞

Person in charge of accounting function:

主管會計工作的負責人：

Zhou Feng

周鋒

Person in charge of accounting department:

會計機構負責人：

Wang Haoliang

王浩亮

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS 合并及公司現金流量表

For the year ended 31 December 2016 2016年度
(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

Item	項目	Note(s) 附註	2016 2016年度 Consolidated 合併	2015 2015年度 Consolidated 合併	2016 2016年度 Company 公司	2015 2015年度 Company 公司
Cash flows from operating activities	經營活動產生的現金流量					
Cash received from sales of goods or rendering of services	銷售商品、提供勞務收到的現金		1,320,402,242	902,567,875	1,213,122,996	772,350,753
Refund of taxes and surcharges	收到的稅費返還		69,445	250,354	53,032	250,354
Cash received relating to other operating activities	收到其他與經營活動有關的現金		243,695,324	202,112,639	237,872,226	201,882,030
Sub-total of cash inflows	經營活動現金流入小計		1,564,167,011	1,104,930,868	1,451,048,254	974,483,137
Cash paid for goods and services	購買商品、接受勞務支付的現金		(88,776,254)	(156,984,681)	(41,315,910)	(71,508,033)
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金		(198,609,672)	(142,413,935)	(155,466,741)	(109,214,748)
Payments of taxes and surcharges	支付的各项稅費		(166,855,563)	(164,003,696)	(154,569,740)	(156,417,519)
Cash paid relating to other operating activities	支付其他與經營活動有關的現金	4(40)(c) 四(40)(c)	(141,292,356)	(207,187,984)	(139,228,488)	(205,755,083)
Sub-total of cash outflows	經營活動現金流出小計		(595,533,845)	(670,590,296)	(490,580,879)	(542,895,383)
Net cash flows from operating activities	經營活動產生的現金流量淨額	4(40)(a) 四(40)(a)	968,633,166	434,340,572	960,467,375	431,587,754
Cash flows from investing activities	投資活動產生的現金流量					
Cash received from investment	收回投資收到的現金		380,000,000	–	380,000,000	–
Cash receipt of investment income	取得投資收益所收到的現金		12,497,778	29,977,778	12,497,778	29,977,778
Net cash received from disposal of fixed assets	處置固定資產收回的現金淨額		718,092	83,117	714,171	83,117
Cash received relating to other investing activities	收到其他與投資活動有關的現金		308,914,434	3,000,000	308,914,434	3,000,000
Sub-total of cash inflows	投資活動現金流入小計		702,130,304	33,060,895	702,126,383	33,060,895
Cash paid to acquire fixed assets and other long-term assets	購建固定資產和其他長期資產支付的現金		(1,265,289,403)	(1,620,574,859)	(1,257,012,232)	(1,619,037,465)
Cash paid relating to other investing activities	支付其他與投資活動有關的現金		(275,198,881)	–	(275,198,881)	–
Sub-total of cash outflows	投資活動現金流出小計		(1,540,488,284)	(1,620,574,859)	(1,532,211,113)	(1,619,037,465)
Net cash flows from investing activities	投資活動產生的現金流量淨額		(838,357,980)	(1,587,513,964)	(830,084,730)	(1,585,976,570)

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS 合并及公司現金流量表

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

Item	項目	Note(s) 附註	2016 2016年度 Consolidated 合併	2015 2015年度 Consolidated 合併	2016 2016年度 Company 公司	2015 2015年度 Company 公司
Cash flows from financing activities	籌資活動產生的現金流量					
Cash received from issuing bonds	發行債券收到的現金		1,011,000,000	—	1,011,000,000	—
Cash received from borrowings	取得借款收到的現金		458,905,114	1,088,000,000	458,905,114	1,088,000,000
Cash received relating to other financing activities	收到其他與籌資活動有關的現金		99,280,695	29,993,558	99,280,695	29,993,558
Sub-total of cash inflows	籌資活動現金流入小計		1,569,185,809	1,117,993,558	1,569,185,809	1,117,993,558
Cash repayments of borrowings	償還債務支付的現金		(1,581,730,430)	(496,255,565)	(1,581,730,430)	(496,255,565)
Cash payments for distribution of dividends or profits and interest expenses	分配股利、利潤或償付利息支付的現金		(299,288,605)	(271,380,385)	(299,288,605)	(271,395,709)
Cash payments relating to other financing activities	支付其他與籌資活動有關的現金		(89,099,918)	(58,332,106)	(89,099,918)	(58,332,106)
Sub-total of cash outflows	籌資活動現金流出小計		(1,970,118,953)	(825,968,056)	(1,970,118,953)	(825,983,380)
Net cash flows from financing activities	籌資活動產生的現金流量淨額		(400,933,144)	292,025,502	(400,933,144)	292,010,178
Effect of foreign exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等價物的影響		(157,477)	(142,465)	(157,477)	(134,805)
Net decrease in cash and cash equivalents	現金及現金等價物淨減少額	4(40)(b) 四(40)(b)	(270,815,435)	(861,290,355)	(270,707,976)	(862,513,443)
Add: Cash and cash equivalents at beginning of the year	加：年初現金及現金等價物餘額		1,023,267,032	1,884,557,387	1,018,071,646	1,880,585,089
Cash and cash equivalents at end of the year	年末現金及現金等價物餘額		752,451,597	1,023,267,032	747,363,670	1,018,071,646

The accompanying notes form an integral part of these financial statements.

後附財務報表附註為財務報表的組成部份。

Legal representative:

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Wang Zhen

王貞

Person in charge of accounting function:

主管會計工作的負責人：

Zhou Feng

周鋒

Person in charge of accounting department:

會計機構負責人：

Wang Haoliang

王浩亮

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

合併股東權益變動表

For the year ended 31 December 2016 2016年度
(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

Item	項目	Notes	Attributable to shareholders of the Company 歸屬於本公司的股東權益					Minority interest 少數股東權益	Total shareholders' equity 股東權益合計
			Share capital 股本	Capital surplus 資本公積	Surplus reserves 盈餘公積	Comprehensive income 其他綜合收益	Other undistributed profits 未分配利潤		
Balances at 1 January 2015	2015年1月1日年初餘額		473,213,000	668,585,780	246,394,231	-	1,487,909,356	15,251,802	2,891,354,169
Movements for the year ended 31 December 2015	2015年度增減變動額								
Total comprehensive income	綜合收益總額								
Net profit	淨利潤		-	-	-	-	438,771,138	6,189,323	444,960,461
Other comprehensive income	其他綜合收益		-	-	-	-	-	-	-
Total comprehensive income	綜合收益總額合計		-	-	-	-	438,771,138	6,189,323	444,960,461
Profit distribution	利潤分配								
Profit distributed to shareholders	對股東的分配	4(29) 四(29)	-	-	-	-	(99,847,960)	-	(99,847,960)
Other movement of capital surplus	其他資本公積變動	4(27) 四(27)	-	14,923,975	-	-	-	-	14,923,975
Balances at 31 December 2015	2015年12月31日年末餘額		473,213,000	683,509,755	246,394,231	-	1,826,832,534	21,441,125	3,251,390,645
Balances at 1 January 2016	2016年1月1日年初餘額		473,213,000	683,509,755	246,394,231	-	1,826,832,534	21,441,125	3,251,390,645
Movements for the year ended 31 December 2016	2016年度增減變動額								
Total comprehensive income	綜合收益總額								
Net profit	淨利潤		-	-	-	-	392,942,212	10,308,031	403,250,243
Other comprehensive income	其他綜合收益	4(7) 四(7)	-	-	-	11,501,082	-	-	11,501,082
Total comprehensive income	綜合收益總額合計		-	-	-	11,501,082	392,942,212	10,308,031	414,751,325
Profit distribution	利潤分配								
Profit distributed to shareholders	對股東的分配	4(29) 四(29)	-	-	-	-	(101,268,560)	-	(101,268,560)
Other movement of capital surplus	其他資本公積變動	4(27) 四(27)	-	162,794,989	-	-	-	-	162,794,989
Balances at 31 December 2016	2016年12月31日年末餘額		473,213,000	846,304,744	246,394,231	11,501,082	2,118,506,186	31,749,156	3,727,668,399

The accompanying notes form an integral part of these financial statements.

後附財務報表附註為財務報表的組成部份。

Legal representative:

企業負責人：

Wang Zhen

王貞

Person in charge of accounting function:

主管會計工作的負責人：

Zhou Feng

周鋒

Person in charge of accounting department:

會計機構負責人：

Wang Haoliang

王浩亮

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 公司股東權益變動表

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

Item	項目	Note	Share capital 股本 4(26) 四(26)	Capital reserves 資本公積 4(27) 四(27)	Surplus reserves 盈餘公積 4(28) 四(28)	Other comprehensive income 其他綜合收益	Undistributed profits 未分配利潤 4(29) 四(29)	Total shareholders' equity 股東權益合計
Balances at 1 January 2015	2015年1月1日年初餘額		473,213,000	668,585,780	246,394,231	-	1,483,789,082	2,871,982,093
Movements for the year ended 31 December 2015	2015年度增減變動額							
Total comprehensive income	綜合收益總額							
Net profit	淨利潤		-	-	-	-	432,508,898	432,508,898
Other comprehensive income	其他綜合收益		-	-	-	-	-	-
Total comprehensive income	綜合收益總額合計		-	-	-	-	432,508,898	432,508,898
Profit distribution	利潤分配							
Profit distributed to shareholders	對股東的分配	4(29) 四(29)	-	-	-	-	(99,847,960)	(99,847,960)
Other movement of capital surplus	其他資本公積變動	4(27) 四(27)	-	14,923,975	-	-	-	14,923,975
Balances at 31 December 2015	2015年12月31日年末餘額		473,213,000	683,509,755	246,394,231	-	1,816,450,020	3,219,567,006
Balances at 1 January 2016	2016年1月1日年初餘額		473,213,000	683,509,755	246,394,231	-	1,816,450,020	3,219,567,006
Movements for the year ended 31 December 2016	2016年度增減變動額							
Total comprehensive income	綜合收益總額							
Net profit	淨利潤		-	-	-	-	387,609,241	387,609,241
Other comprehensive income	其他綜合收益	4(7) 四(7)	-	-	-	11,501,082	-	11,501,082
Total comprehensive income	綜合收益總額合計		-	-	-	11,501,082	387,609,241	399,110,323
Profit distribution	利潤分配							
Profit distributed to shareholders	對股東的分配	4(29) 四(29)	-	-	-	-	(101,268,560)	(101,268,560)
Other movement of capital surplus	其他資本公積變動	4(27) 四(27)	-	162,794,989	-	-	-	162,794,989
Balances at 31 December 2016	2016年12月31日年末餘額		473,213,000	846,304,744	246,394,231	11,501,082	2,102,790,701	3,680,203,758

The accompanying notes form an integral part of these financial statements.

後附財務報表附註為財務報表的組成部份。

Legal representative:

企業負責人：

Wang Zhen

王貞

Person in charge of accounting function:

主管會計工作的負責人：

Zhou Feng

周鋒

Person in charge of accounting department:

會計機構負責人：

Wang Haoliang

王浩亮

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

1 GENERAL INFORMATION

HNA Infrastructure Company Limited (formerly known as “Hainan Meilan International Airport Company Limited”) (the “Company”) was established as a joint stock company with limited liability in the People’s Republic of China (the “PRC”) on 28 December 2000. The legal address and headquarters of the Company is at Haikou City, Hainan Province, the PRC. The Company’s H-shares have been listed on The Stock Exchange of Hong Kong Limited since 18 November 2002. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the operation of the Meilan Airport in Hainan Province, the PRC (the “Meilan Airport”) and certain ancillary commercial businesses. The parent company and the ultimate holding company of the Company is Haikou Meilan Airport Co., Ltd. (“Haikou Meilan”), a state-owned enterprise established in the PRC with limited liability.

These financial statements were authorised for issue by the Board of Directors on 28 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Basis of preparation

The financial statements were prepared in accordance with the Basic Standard of Accounting Standards for Business Enterprises, specific accounting standards and other relevant regulations (hereafter collectively referred to as the “Accounting Standards for Business Enterprises” or “CAS”) issued by the Ministry of Finance of the PRC on or after 15 February 2006.

As at 31 December 2016, the Group recorded net current liabilities of RMB509,922,787 (31 December 2015: RMB157,235,168). The Group has planned refinancing arrangements for the repayment of the Group’s borrowings and construction expenditure, including the proposed subscription of the Company’s domestic share by Haikou Meilan and Hainan HNA Infrastructure Investment Group Co., Ltd., the proposed issuance of H shares of the Company, and obtaining facility lines from several domestic financial institutions. Management has prepared the Group’s cash flow forecast for the year ending 31 December 2017, by taking into account the expected operating cash inflows and the commitments to provide sufficient funding from a financial institution. Management is of the view that the Group would have sufficient funds to settle the outstanding debt when it falls due. As a result, the consolidated financial statements of the Group for the year ended 31 December 2016 have been prepared on a going concern basis.

一 公司基本情況

海航基礎股份有限公司(前稱為「海南美蘭國際機場股份有限公司」，以下簡稱「本公司」)為一家於2000年12月28日在中華人民共和國(以下簡稱「中國」)成立的股份有限公司。本公司註冊地及總部地址為中國海南省海口市。本公司股票於2002年11月18日在香港聯合交易所主板掛牌上市交易。本公司和子公司(以下合稱「本集團」)的主要業務為經營中國海南省海口市美蘭機場(以下簡稱「美蘭機場」)以及若干輔助商業業務。本公司的母公司及最終控制方為在中國成立的國有企業海口美蘭國際機場有限責任公司(以下簡稱「海口美蘭」)。

本財務報表由本公司董事會於2017年3月28日批准報出。

二 主要會計政策和會計估計

(1) 財務報表的編製基礎

本財務報表按照財政部於2006年2月15日及以後期間頒佈的《企業會計準則—基本準則》、各項具體會計準則及相關規定(以下合稱「企業會計準則」)編製。

於2016年12月31日，本集團淨流動負債為人民幣509,922,787元(2015年12月31日：淨流動負債人民幣157,235,168元)。本集團已就償還將到期之借款及支付在建項目相關的工程支出籌劃新的融資安排，包括本公司與海口美蘭及海南海航基礎設施投資集團股份有限公司分別訂立內資股認購協議、建議發行H股，以及向其他國內金融機構獲取新的貸款。根據管理層編製的本集團2017年度現金流預測，結合預期的經營活動現金流入及從主要金融機構獲得提供足夠備用資金的承諾，管理層預計本集團有充足的資金償付到期債務。因此，本集團截至2016年12月31日止年度的財務報表以持續經營為基礎編製。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2016 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Group and of the Company as of 31 December 2016 and of their financial performance, cash flows and other information for the year then ended.

(3) Accounting year

The Group's accounting year starts on 1 January and ends on 31 December.

(4) Recording currency

The recording currency of the Group is Renminbi (RMB).

(5) Business combinations

(a) Business combinations involving enterprises under common control

The consideration paid and net assets obtained in a business combination are measured at the carrying amount. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to cover the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the combination are recognised in profit or loss in the period in which they are incurred.

二 主要會計政策和會計估計 (續)

(2) 遵循企業會計準則的聲明

本公司2016年度財務報表符合企業會計準則的要求，真實、完整地反映了本公司2016年12月31日的合併及公司財務狀況以及2016年度的合併及公司經營成果和現金流量等有關信息。

(3) 會計年度

會計年度為公曆1月1日起至12月31日止。

(4) 記賬本位幣

記賬本位幣為人民幣。

(5) 企業合併

(a) 同一控制下的企業合併

合併方支付的合併對價及取得的淨資產均按賬面價值計量。合併方取得的淨資產賬面價值與支付的合併對價賬面價值的差額，調整資本公積（股本溢價）；資本公積（股本溢價）不足以沖減的，調整留存收益。為進行企業合併發生的直接相關費用於發生時計入當期損益。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度
(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(5) Business combinations (Continued)

(b) Business combinations involving enterprises not under common control

The cost of combination and identifiable net assets obtained in a business combination are measured at the fair value at the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the period when the combination is incurred. Costs directly attributable to the combination are recognised in profit or loss in the period in which they are incurred.

(6) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profit realised before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

二 主要會計政策和會計估計 (續)

(5) 企業合併 (續)

(b) 非同一控制下的企業合併

購買方發生的合併成本及在合併中取得的可辨認淨資產按購買日的公允價值計量。合併成本大於合併中取得的被購買方於購買日可辨認淨資產公允價值份額的差額，確認為商譽；合併成本小於合併中取得的被購買方可辨認淨資產公允價值份額的差額，計入當期損益。為進行企業合併發生的直接相關費用於發生時計入當期損益。

(6) 合併財務報表的編製方法

編製合併財務報表時，合併範圍包括本公司及全部子公司。

從取得子公司的實際控制權之日起，本集團開始將其納入合併範圍；從喪失實際控制權之日起停止納入合併範圍。對於同一控制下企業合併取得的子公司，自其與本公司同受最終控制方控制之日起納入本公司合併範圍，並將其於合併日前實現的淨利潤在合併利潤表中單列項目反映。

在編製合併財務報表時，子公司與本公司採用的會計政策或會計期間不一致的，按照本公司的會計政策和會計期間對子公司財務報表進行必要的調整。對於非同一控制下企業合併取得的子公司，以購買日可辨認淨資產公允價值為基礎對其財務報表進行調整。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(6) Preparation of consolidated financial statements

(Continued)

All significant inter-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profits and losses and comprehensive income for the year not attributable to the Company are recognised as minority interests and presented separately in the consolidated financial statements within equity, net profits and comprehensive income respectively. Unrealised profit or loss in transactions where the Company sells assets to its subsidiaries are fully eliminated and deducted from the net profits attributable to equity holders of the Company. Unrealised profit or loss in transactions where a subsidiary sells assets to the Company are eliminated and deducted proportionately from the net profits attributable to equity holders of the Company and the minority interest. Unrealised profit or loss in selling assets between subsidiaries are eliminated and deducted from the net profits attributable to equity holders of the Company and of the minority interest in proportion to the equity interest of the sale side held by the Company and minority interests.

A transaction will be adjusted from the perspective of the Group in condition that assertions are different when accounting entities are the Group and the Company or its subsidiaries.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

二 主要會計政策和會計估計 (續)

(6) 合併財務報表的編製方法 (續)

集團內所有重大往來餘額、交易及未實現利潤在合併財務報表編製時予以抵銷。子公司的股東權益、當期淨損益及綜合收益中不屬於本公司所擁有的部份分別作為少數股東權益、少數股東損益及歸屬於少數股東的綜合收益總額在合併財務報表中股東權益、淨利潤及綜合收益總額項下單獨列示。本公司向子公司出售資產所發生的未實現內部交易損益，全額抵銷歸屬於母公司股東的淨利潤；子公司向本公司出售資產所發生的未實現內部交易損益，按本公司對該子公司的分配比例在歸屬於母公司股東的淨利潤和少數股東損益之間分配抵銷。子公司之間出售資產所發生的未實現內部交易損益，按照母公司對出售方子公司的分配比例在歸屬於母公司股東的淨利潤和少數股東損益之間分配抵銷。

如果以本集團為會計主體與以本公司或子公司為會計主體對同一交易的認定不同時，從本集團的角度對該交易予以調整。

(7) 現金及現金等價物

現金及現金等價物是指庫存現金，可隨時用於支付的存款，以及持有的期限短、流動性強、易於轉換為已知金額現金、價值變動風險很小的投資。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度
(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(8) Foreign currency translation

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(9) Financial instrument

(a) Financial assets

(i) Classification of financial assets

Financial assets are classified into the following categories at initial recognition: financial assets at fair value through profit or loss, receivables, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets.

The financial assets of the Group as at 31 December 2016 and for the year then ended are receivables. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

二 主要會計政策和會計估計 (續)

(8) 外幣折算

外幣交易按交易發生日的即期匯率將外幣金額折算為人民幣入賬。

於資產負債表日，外幣貨幣性項目採用資產負債表日的即期匯率折算為人民幣。為購建符合借款費用資本化條件的資產而借入的外幣專門借款產生的匯兌差額在資本化期間內予以資本化；其他匯兌差額直接計入當期損益。以歷史成本計量的外幣非貨幣性項目，於資產負債表日採用交易發生日的即期匯率折算。匯率變動對現金的影響額在現金流量表中單獨列示。

(9) 金融工具

(a) 金融資產

(i) 金融資產分類

金融資產於初始確認時分類為：以公允價值計量且其變動計入當期損益的金融資產、應收款項、可供出售金融資產和持有至到期投資。金融資產的分類取決於本集團對金融資產的持有意圖和持有能力。

本集團於本年度發生的及截至2016年12月31日之金融資產為應收款項。應收款項是指在活躍市場中沒有報價、回收金額固定或可確定的非衍生金融資產。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(9) Financial instrument (Continued)

(a) Financial assets (Continued)

(ii) Recognition and measurement

Financial assets are recognised at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument, and transaction costs that are attributable to the acquisition of the financial assets are included in their initially recognised amounts.

Receivables are measured at amortised cost using the effective interest method.

(iii) Impairment of financial assets

The Group assesses the carrying amounts of financial assets at each balance sheet date. If there is objective evidence that a financial asset is impaired, an impairment loss is provided for.

When an impairment loss on a financial asset carried at amortised cost has occurred, the amount of loss is measured at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the amount of reversal is recognised in profit or loss.

A financial asset 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 group of financial assets that can be reliably estimated.

二 主要會計政策和會計估計 (續)

(9) 金融工具 (續)

(a) 金融資產 (續)

(ii) 確認和計量

金融資產於本集團成為金融工具合同的一方時，按公允價值在資產負債表內確認。取得應收款項時發生的相關交易費用計入初始確認金額。

應收款項採用實際利率法，以攤餘成本計量。

(iii) 金融資產減值

本集團於資產負債表日對金融資產的賬面價值進行檢查，如果有客觀證據表明某項金融資產發生減值的，計提減值準備。

表明金融資產發生減值的客觀證據，是指金融資產初始確認後實際發生的、對該金融資產的預計未來現金流量有影響，且本集團能夠對該影響進行可靠計量的事項。

以攤餘成本計量的金融資產發生減值時，按預計未來現金流量（不包括尚未發生的未來信用損失）現值低於賬面價值的差額，計提減值準備。如果有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度
(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(9) Financial instrument (Continued)

(a) Financial assets (Continued)

(iv) Derecognition of financial assets

A financial asset is derecognised when any of the below criteria is met: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in equity, is recognised in profit or loss.

(b) Financial liabilities

Financial liabilities are classified into the following categories at initial recognition: financial liabilities at fair value through profit or loss and other financial liabilities. The financial liabilities in the Group as at 31 December 2016 and for the year then ended mainly comprise other financial liabilities, including payables, borrowings and corporate bonds.

Payables, including accounts payable, other payables, interests payable, dividends payable and long-term payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings and corporate bonds are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities with maturities no more than one year are classified as current liabilities. Other financial liabilities with maturities over one year but are due within one year at the balance sheet date are classified as the current portion of non-current liabilities. Others are classified as non-current liabilities.

二 主要會計政策和會計估計 (續)

(9) 金融工具 (續)

(a) 金融資產 (續)

(iv) 金融資產的終止確認

金融資產滿足下列條件之一的，予以終止確認：
(1)收取該金融資產現金流量的合同權利終止；
(2)該金融資產已轉移，且本集團將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方；或者
(3)該金融資產已轉移，雖然本集團既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，但是放棄了對該金融資產控制。

金融資產終止確認時，其賬面價值與收到的對價的差額，計入當期損益。

(b) 金融負債

金融負債於初始確認時分類為以公允價值計量且其變動計入當期損益的金融負債和其他金融負債。本集團於本年度發生的及截至2016年12月31日之金融負債主要為其他金融負債，包括應付款項、借款及公司債券等。

應付款項包括應付賬款、其他應付款、應付利息、應付股利及長期應付款等，以公允價值進行初始計量，並採用實際利率法按攤餘成本進行後續計量。

借款及應付債券按其公允價值扣除交易費用後的金額進行初始計量，並採用實際利率法按攤餘成本進行後續計量。

其他金融負債期限在一年以下(含一年)的，列示為流動負債；期限在一年以上但自資產負債表日起一年內(含一年)到期的，列示為一年內到期的非流動負債；其餘列示為非流動負債。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(9) Financial instrument (Continued)

(b) Financial liabilities (Continued)

A financial liability is derecognised or partly derecognised when the current obligation is discharged or partly discharged. The difference between the carrying amount of the financial liability or the derecognised part of the financial liability and the consideration paid is recognised in profit or loss.

(c) Determination of fair value of financial instrument

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in active market.

(10) Receivables

Receivables comprise accounts receivable, other receivables and interest receivable and long-term receivables. Accounts receivable arising from rendering of services or sale of goods are initially recognised at fair value of the contractual payments from the service recipients or buyers.

Receivables with amounts that are individually significant are subject to assessment for impairment on the individual basis. If there exists objective evidence that the Group will not be able to collect the amount under the original terms, a provision for impairment of that receivable is made. The method of providing for bad debts for those individually significant amounts is as follows: the amount of the present value of the future cash flows expected to be derived from the receivable below its carrying amount.

Receivables with amounts that are not individually significant and those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for bad debts is determined based on the historical loss experience for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances. The Group uses ageing analysis method to make provision for impairment of receivables with amounts that are not individually significant.

二 主要會計政策和會計估計 (續)

(9) 金融工具 (續)

(b) 金融負債 (續)

當金融負債的現時義務全部或部份已經解除時，終止確認該金融負債或義務已解除的部份。終止確認部份的賬面價值與支付的對價之間的差額，計入當期損益。

(c) 金融工具的公允價值確定

存在活躍市場的金融工具，以活躍市場中的報價確定其公允價值。

(10) 應收款項

應收款項包括應收賬款、其他應收款、應收利息及長期應收款等。本集團對外提供勞務或銷售商品形成的應收賬款，按從勞務接受方或購貨方應收的合同或協議價款的公允價值作為初始確認金額。

對於單項金額重大的應收款項，單獨進行減值測試。當存在客觀證據表明本集團將無法按應收款項的原有條款收回款項時，計提壞賬準備。單項金額重大並單獨計提壞賬準備的計提方法為：根據應收款項的預計未來現金流量現值低於其賬面價值的差額進行計提。

對於單項金額非重大的應收款項，與經單獨測試後未減值的應收款項一起按信用風險特徵劃分為若干組合，根據以前年度與之具有類似信用風險特徵的應收賬款組合的實際損失率為基礎，結合現時情況確定應計提的壞賬準備。本集團對單項金額非重大的應收款項組合採用賬齡分析法計提壞賬準備。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(11) Inventories

Inventories include food and spare parts, and are presented at the lower of cost and net realisable value. Cost is determined using the first in first out method. Provision for declines in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale and related taxes.

(12) Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries and the Group's long-term equity investments in its associates.

Subsidiaries are all investees over which the Company is able to control. Associates are the investees that the Company has significant influence on their financial and operating policies.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted to the equity method when preparing the consolidated financial statements; Investments in associates are accounted for using the equity method.

(a) Determining initial investment cost

The long-term equity investments of the Company acquired by payment in cash, the initial investment cost shall be the purchase price actually paid.

(b) Subsequent measurement and recognition of related profit or loss

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognised as investment income in profit or loss.

二 主要會計政策和會計估計 (續)

(11) 存貨

存貨包括食品及備件等，按成本與可變現淨值孰低計量。存貨發出時的成本按先進先出法核算。存貨跌價準備按存貨成本高於其可變現淨值的差額計提。可變現淨值按日常活動中，以存貨的估計售價減去估計的銷售費用以及相關稅費後的金額確定。

(12) 長期股權投資

長期股權投資包括：本公司對子公司的長期股權投資以及本集團對聯營企業的長期股權投資。

子公司為本公司能夠對其實施控制的被投資單位。聯營企業為本集團能夠對其財務和經營決策具有重大影響的被投資單位。

對子公司的投資，在公司財務報表中按照成本法確定的金額列示，在編製合併財務報表時按權益法調整後進行合併；對聯營企業投資採用權益法核算。

(a) 投資成本確定

本公司的長期股權投資為以支付現金取得的長期股權投資，按照實際支付的購買價款作為初始投資成本。

(b) 後續計量及損益確認方法

採用成本法核算的長期股權投資，按照初始投資成本計量，被投資單位宣告分派的現金股利或利潤，確認為投資收益計入當期損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(12) Long-term equity investments (Continued)

(b) Subsequent measurement and recognition of related profit or loss (Continued)

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets on the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets on the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income or losses according to its share of net profit or loss of the investee. The Group discontinues recognising its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognising the investment losses and the losses are recognised as estimate debts. For changes in shareholders' equity of the investee other than those arising from its net profit or loss, other comprehensive income and profit distribution, the Group adjusts the carrying amount of long-term equity investments and records its proportionate share directly into capital surplus. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by the investee. The unrealised profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealised loss is not eliminated.

二 主要會計政策和會計估計 (續)

(12) 長期股權投資 (續)

(b) 後續計量及損益確認方法 (續)

採用權益法核算的長期股權投資，初始投資成本大於投資時應享有被投資單位可辨認淨資產公允價值份額的，以初始投資成本作為長期股權投資成本；初始投資成本小於投資時應享有被投資單位可辨認淨資產公允價值份額的，其差額計入當期損益，並相應調增長期股權投資成本。

採用權益法核算時，本集團按應享有或應分擔的被投資單位的淨損益份額確認當期投資損益。確認被投資單位發生的淨虧損，以長期股權投資的賬面價值以及其他實質上構成對被投資單位淨投資的長期權益減記至零為限，但本集團負有承擔額外損失義務且符合或有事項準則所規定的預計負債確認條件的，繼續確認投資損失並作為預計負債核算。被投資單位除淨損益、其他綜合收益和利潤分配以外所有者權益的其他變動，調整長期股權投資的賬面價值並計入資本公積。被投資單位分派的利潤或現金股利於宣告分派時按照本集團應分得的部份，相應減少長期股權投資的賬面價值。本集團與被投資單位之間未實現的內部交易損益按照持股比例計算歸屬於本集團的部份，予以抵銷；然後在此基礎上確認投資損益。本集團與被投資單位發生的內部交易損失，其中屬於資產減值損失的部份，相應的未實現損失不予抵銷。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(12) Long-term equity investments (Continued)

(c) Basis for determining existence of control and significant influence over investees

Control is the power over the investee to be exposed to, or has rights to, variable returns from the Group’s involvement with the investee, and the ability to use the power over the investee to affect those returns.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

(d) Impairment of long-term equity investments

The carrying amount of long-term equity investments in subsidiaries and associates is reduced to the recoverable amount when the recoverable amount are below their carrying amount (Note 2(17)).

(13) Fixed assets

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, machinery and equipment, motor vehicles, office equipment and others.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the acquisition date.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

二 主要會計政策和會計估計 (續)

(12) 長期股權投資 (續)

(c) 確定對被投資單位具有控制及重大影響的依據

控制是指擁有對被投資單位的權力，通過參與被投資方的相關活動而享有可變回報，並且有能力運用對被投資方的權力影響其回報金額。

重大影響是指對被投資單位的財務和經營政策有參與決策的權力，但並不能夠控制或者與其他方一起共同控制這些政策的制定。

(d) 長期股權投資減值

對子公司和聯營企業的長期股權投資，當其可收回金額低於其賬面價值時，賬面價值減記至可收回金額（附註二(17)）。

(13) 固定資產

(a) 固定資產確認及初始計量

固定資產包括房屋及建築物、機器設備、運輸工具、辦公設備及其他。

固定資產在與其有關的經濟利益很可能流入本集團、且其成本能夠可靠計量時予以確認。購置或新建的固定資產按取得時的成本進行初始計量。

與固定資產有關的後續支出，在與其有關的經濟利益很可能流入本集團且其成本能夠可靠計量時，計入固定資產成本；對於被替換的部份，終止確認其賬面價值；所有其他後續支出於發生時計入當期損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(13) Fixed assets (Continued)

(b) Depreciation method of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets being provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated residual values expressed as a percentage of cost and the annual depreciation rates are as follows:

		Estimated useful lives 預計使用壽命	Estimated residual value 預計淨殘值率	Annual depreciation rate 年折舊率
Buildings and structures	房屋及建築物	15-40 years 15-40年	3%	6.5%-2.4%
Machinery and equipment	機器設備	14 years 14年	3%	6.9%
Motor vehicles	運輸工具	10 years 10年	3%	9.7%
Office equipment and others	辦公設備及其他	6-15 years 6-15年	3%	16.2%-6.5%

The estimated useful life, the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at least at each year-end.

二 主要會計政策和會計估計 (續)

(13) 固定資產 (續)

(b) 固定資產的折舊方法

固定資產折舊採用年限平均法並按其入賬價值減去預計淨殘值後在預計使用壽命內計提。對計提了減值準備的固定資產，則在未來期間按扣除減值準備後的賬面價值及依據尚可使用年限確定折舊額。

固定資產的預計使用壽命、淨殘值率及年折舊率列示如下：

對固定資產的預計使用壽命、預計淨殘值和折舊方法於每年年度終了進行復核並作適當調整。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(13) Fixed assets (Continued)

(c) The carrying amount of fixed assets is reduced to the recoverable amount when the recoverable amount is less than the carrying amount (Note 2(17)).

(d) Recognition and measurement of fix assets held under finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Fixed assets held under finance leases are recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The difference between the recorded amount of the leased assets and the minimum lease payments is accounted for as unrecognised finance charge (Note 2(23)(b)).

Fixed assets held under finance leases are depreciated in accordance with the Group’s policy on self-owned assets. If there is reasonable certainty that the Group will obtain ownership by the end of the lease term, the leased assets are depreciated over the shorter of the estimated useful life and the lease term.

(e) Fixed assets disposal

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

二 主要會計政策和會計估計 (續)

(13) 固定資產 (續)

(c) 當固定資產的可收回金額低於其賬面價值時，賬面價值減記至可收回金額 (附註二(17))。

(d) 融資租入固定資產的認定依據和計量方法

實質上轉移了與資產所有權有關的全部風險和報酬的租賃為融資租賃。融資租入固定資產以租賃資產的公允價值與最低租賃付款額的現值兩者中的較低者作為租入資產的入賬價值。租入資產的入賬價值與最低租賃付款額之間的差額作為未確認融資費用 (附註二(23)(b))。

融資租入的固定資產採用與自有固定資產相一致的折舊政策。能夠合理確定租賃期屆滿時將取得租入資產所有權的，租入固定資產在其預計使用壽命內計提折舊；否則，租入固定資產在租賃期與該資產預計使用壽命兩者中較短的期間內計提折舊。

(e) 固定資產的處置

當固定資產被處置、或者預期通過使用或處置不能產生經濟利益時，終止確認該固定資產。固定資產出售、轉讓、報廢或毀損的處置收入扣除其賬面價值和相關稅費後的金額計入當期損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(14) Construction in progress

Construction in progress ("CIP") is measured at actual cost. Actual cost comprises construction costs, installation cost, borrowing costs that are eligible for capitalisation and other costs, including the project design, project supervision and project cost consultation, etc, which are necessary to bring the CIP ready for their intended use. CIP is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount of CIP is reduced to the recoverable amount when the recoverable amount is less than the carrying amount (Note 2(17)).

(15) Borrowing costs

The borrowing costs that are directly attributable to the acquisition and construction of a fixed asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

二 主要會計政策和會計估計 (續)

(14) 在建工程

在建工程按實際發生的成本計量。實際成本包括建築成本、安裝成本、符合資本化條件的借款費用以及其他為使在建工程達到預定可使用狀態所發生的必要支出包括工程設計、監理和造價諮詢等。在建工程在達到預定可使用狀態時，轉入固定資產並自次月起開始計提折舊。當在建工程的可收回金額低於其賬面價值時，賬面價值減記至可收回金額（附註二(17)）。

(15) 借款費用

發生的可直接歸屬於需要經過相當長時間的購建活動才能達到預定可使用狀態之固定資產的購建的借款費用，在資產支出及借款費用已經發生、為使資產達到預定可使用狀態所必要的購建活動已經開始時，開始資本化並計入該資產的成本。當購建的資產達到預定可使用狀態時停止資本化，其後發生的借款費用計入當期損益。如果資產的購建活動發生非正常中斷，並且中斷時間連續超過3個月，暫停借款費用的資本化，直至資產的購建活動重新開始。

對於為購建符合資本化條件的固定資產而借入的專門借款，以專門借款當期實際發生的利息費用減去尚未動用的借款資金存入銀行取得的利息收入或進行暫時性投資取得的投資收益後的金額確定專門借款借款費用的資本化金額。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(15) Borrowing costs (Continued)

For the general borrowings obtained for the acquisition or construction of a fixed asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by applying the weighted average effective interest rate of general borrowings, to the weighted average of the excess amount of cumulative expenditures on the asset over the amount of specific borrowings. The effective interest rate is the rate at which the estimated future cash flows during the period of expected duration of the borrowings or applicable shorter period are discounted to the initial amount of the borrowings.

(16) Intangible assets

Intangible assets are land use rights (“LUR”) and are measured at cost. LUR acquired are amortised on the straight-line basis over their estimated useful lives.

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.

The carrying amount of intangible assets is reduced to the recoverable amount when the recoverable amount is less than the carrying amount (Note 2(17)).

二 主要會計政策和會計估計 (續)

(15) 借款費用 (續)

對於為購建符合資本化條件的固定資產而佔用的一般借款，按照累計資產支出超過專門借款部份的資本支出加權平均數乘以所佔用一般借款的加權平均實際利率計算確定一般借款借款費用的資本化金額。實際利率為將借款在預期存續期間或適用的更短期間內的未來現金流量折現為該借款初始確認金額所使用的利率。

(16) 無形資產

無形資產為土地使用權，以成本計量。土地使用權按直線法於使用年限內平均攤銷。

對使用壽命有限的無形資產的預計使用壽命及攤銷方法於每年年度終了進行復核並作適當調整。

當無形資產的可收回金額低於其賬面價值時，賬面價值減記至可收回金額（附註二(17)）。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(17) Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives and long-term equity investments in subsidiaries and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are 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 the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

(18) Employee benefits

Employee benefits are all forms of considerations given in exchange for services rendered by employees or compensation paid in order to terminate the employment relationship. Employee benefits mainly include short-term employee benefits, demission benefits, termination benefits and other long-term employee benefits, etc.

(a) Short-term employee benefits

Short-term employee benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, social security contributions, housing funds, labor union funds and employee education funds. When an employee has rendered service to the Group during an accounting period, the Group shall recognise short-term employee benefits as liabilities and charge to the cost of an asset or as an expense at the same time. Non-monetary benefits are measured in accordance with fair value.

二 主要會計政策和會計估計 (續)

(17) 長期資產減值

固定資產、在建工程、使用壽命有限的無形資產及對子公司和聯營企業的長期股權投資等，於資產負債表日存在減值跡象的，進行減值測試。減值測試結果表明資產的可收回金額低於其賬面價值的，按其差額計提減值準備並計入減值損失。可收回金額為資產的公允價值減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間的較高者。資產減值準備按單項資產為基礎計算並確認，如果難以對單項資產的可收回金額進行估計的，以該資產所屬的資產組確定資產組的可收回金額。資產組是能夠獨立產生現金流入的最小資產組合。

上述資產減值損失一經確認，以後期間不予轉回價值得以恢復的部份。

(18) 職工薪酬

職工薪酬是本集團為獲得職工提供的服務或解除勞動關係而給予的各種形式的報酬或補償，包括短期薪酬、離職後福利、辭退福利和其他長期職工福利等。

(a) 短期薪酬

短期薪酬包括工資、獎金、津貼和補貼、職工福利費、醫療保險費、工傷保險費、生育保險費、住房公積金、工會和教育經費、短期帶薪缺勤等。本集團在職工提供服務的會計期間，將實際發生的短期薪酬確認為負債，並計入當期損益或相關資產成本。其中，非貨幣性福利按照公允價值計量。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(18) Employee benefits (Continued)

(b) Demission benefits

Demission benefits are classified as defined contribution plan and defined benefit plans. Defined contribution is demission benefits plan in which the Group is not obliged to make further payment after paying a certain amount to individual funds. Defined benefit plans is other demission benefits plan except for defined contribution plan. During the period, demission benefits mainly include basic social pension security and unemployed insurance, both of which are defined contribution plan.

Basic social pension security

Employees of the Group participate in the basic social pension plan set up and administered by the government authorities. Basic pensions are provided monthly according to stipulated proportions and basis, which are paid to local labor and social security institutions will pay related pension to employees accordingly. After retirement of employees, local labor and social security institutions will pay related pensions to employees accordingly. When an employee has rendered service to the Group during an accounting period, the Group shall compute and recognise liabilities according to the above stipulation and charge to the cost of an asset or as an expense at the same time.

(c) Termination benefits

Termination benefits are payables when employment is terminated by the Group before the employment contract expire, or compensation provided as an offer to encourage employees to accept voluntary redundancy. The Group recognises termination benefits as liabilities and charges to profit or losses at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of termination plan; and (ii) when the Group recognises costs for restructuring which involving the payment of termination benefits.

二 主要會計政策和會計估計 (續)

(18) 職工薪酬 (續)

(b) 離職後福利

本集團將離職後福利計劃分類為設定提存計劃和設定受益計劃。設定提存計劃是本集團向獨立的基金繳存固定費用後，不再承擔進一步支付義務的離職後福利計劃；設定受益計劃是除設定提存計劃以外的離職後福利計劃。於報告期內，本集團的離職後福利主要是為員工繳納的基本養老保險和失業保險，均屬於設定提存計劃。

基本養老保險

本集團職工參加了由當地勞動和社會保障部門組織實施的社會基本養老保險。本集團以當地規定的社會基本養老保險繳納基數和比例，按月向當地社會基本養老保險經辦機構繳納養老保險費。職工退休後，當地勞動及社會保障部門有責任向已退休員工支付社會基本養老金。本集團在職工提供服務的會計期間，將根據上述社保規定計算應繳納的金額確認為負債，並計入當期損益或相關資產成本。

(c) 辭退福利

本集團在職工勞動合同到期之前解除與職工的勞動關係、或者為鼓勵職工自願接受裁減而提出給予補償，在本集團不能單方面撤回解除勞動關係計劃或裁減建議時和確認與涉及支付辭退福利的重組相關的成本費用時兩者孰早日，確認因解除與職工的勞動關係給予補償而產生的負債，同時計入當期損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(18) Employee benefits (Continued)

(d) Early retirement benefits

The Group is obligated to pay the early retirement benefits for voluntary early retired employees. Early retirement benefits are payable to the employees not reaching mandatory retirement age and voluntarily quit jobs as approved by the management of the Group. The Group pays for their salary and social insurance during the period from early retirement date to the mandatory retirement date. Similar to termination benefits, a provision for early retirement benefits is recognised when the above conditions are satisfied, during the period from the early retirement date to the mandatory retirement date. Changes in actuarial assumptions and benefits policies are charged to profit or loss of current year.

Termination benefits which will be settled within one year would be disclosed as current liability.

(19) Dividend distribution

Cash dividend is recognised as a liability for the period in which the dividend is approved by the shareholders' meeting.

(20) Revenue recognition

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of rebates and discounts.

Revenue is recognised when the economic benefits associated with the transaction will likely flow to the Group, the relevant revenue can be reliably measured and specific revenue recognition criteria have been met for each of the Group's activities as described below:

二 主要會計政策和會計估計 (續)

(18) 職工薪酬 (續)

(d) 內退福利

本集團向接受內部退休安排的職工提供內退福利。內退福利是指，向未達到國家規定的退休年齡、經本集團管理層批准自願退出工作崗位的職工支付的工資及為其繳納的社會保險費等。本集團自內部退休安排開始之日起至職工達到正常退休年齡止，向內退職工支付內部退養福利。對於內退福利，本集團比照辭退福利進行會計處理，在符合辭退福利相關確認條件時，將自職工停止提供服務日至正常退休日期間擬支付的內退職工工資和繳納的社會保險費等，確認為負債，一次性計入當期損益。內退福利的精算假設變化及福利標準調整引起的差異於發生時計入當期損益。

預期在資產負債表日起一年內需支付的辭退福利，列示為流動負債。

(19) 股利分配

現金股利於股東大會批准的當期，確認為負債。

(20) 收入確認

收入的金額按照本集團在日常經營活動中提供勞務和銷售商品時，已收或應收合同或協議價款的公允價值確定。收入按扣除銷售折讓及銷售退回的淨額列示。

與交易相關的經濟利益很可能流入本集團，相關的收入能夠可靠計量且滿足下列各項經營活動的特定收入確認標準時，確認相關的收入：

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(20) Revenue recognition (Continued)

(a) Rendering of services

- Services have been provided;
- It is probable that the economic benefits associated with the transaction will likely flow to the Group; and
- The relevant amount of revenue and costs can be measured reliably.

(b) Sale of goods

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefits associated with the transaction will likely flow to the Group; and
- The relevant amount of revenue and costs can be measured reliably.

(c) Transfer of asset use rights

Interest income is recognised based on the time that other parties occupy cash of the Group using the effective interest method.

Rental income is recognised on a straight-line basis over the period of the lease. VIP room income is recognised base on specified minimum rent guarantees.

Parking income is recognised by the charge rate of an hour or a day when the customers using the parking lot.

二 主要會計政策和會計估計 (續)

(20) 收入確認 (續)

(a) 勞務收入

- 勞務已經提供；
- 交易相關的經濟利益很可能流入本集團；
- 勞務收入和勞務成本能夠可靠計量。

(b) 銷售商品收入

- 商品所有權上的重要風險及報酬已轉移給買方；
- 本集團不再對該商品實施繼續管理權或擁有實際控制權；
- 與交易相關的經濟利益很可能流入本集團；
- 相關的收入和成本能夠可靠地計量。

(c) 讓渡資產使用權收入

利息收入按照其他方使用本集團貨幣資金的時間，採用實際利率計算確定。

租金收入按照直線法在租賃期內確認。貴賓室收入按約定的保底租金確認。

停車場收入按每小時或每天的收費標準在客戶使用停車場的期間予以確認。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(20) Revenue recognition (Continued)

(d) Airport Fee

Airport fee represents Civil Aviation Development Fund (the “Airport Fee”) which is recognised when the related services are rendered to the outbound passengers departing from the airport. The charge rates of the Airport Fee are regulated by Civil Aviation Administration of China (“CAAC”). Revenue is recognised according to the authorised charge rates attributable to the Group collected from outbound passengers.

(e) Franchise income

The Company grants the right to certain operators to operate retail, catering and advertising businesses in Haikou Meilan Airport and charges them for franchise fee. The franchise fee is charged at the higher of certain percentage of sales generated by franchisee or on a specified minimum amount on a monthly basis and is recognised as franchise income accordingly.

(21) Government Grants

Government grants are transfers of monetary or non-monetary assets from the government to the Group at nil consideration.

A government grant is recognised when the conditions attached to it can be complied with and the government grant can be received. For a government grant in the form of transfer of non-monetary assets, it is measured at fair value; if the fair value is not reliably determinable, the grant is measured at nominal amount.

A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. Government grants measured at nominal amounts are recognised immediately in profit or loss for the current period.

二 主要會計政策和會計估計 (續)

(20) 收入確認 (續)

(d) 機場費收入

機場費為預計能獲得政府返還之民航發展基金 (以下簡稱「機場費」)，在相關服務提供給離開機場的出港旅客時確認收入。返還比例由中國民用航空局 (「民航局」) 確定，收入確認根據歸屬於該機場的返還比例以及向出港旅客人數收取的機場費確定。

(e) 特許經營權收入

本公司授權若干經營方於海口美蘭機場經營零售、餐飲、廣告等業務並向其收取特許經營權費。特許經營權費乃按特許經營方銷售額的一定百分比或約定的保底金額之孰高按月收取並確認為特許經營權收入。

(21) 政府補助

政府補助為本集團從政府無償取得的貨幣性資產或非貨幣性資產。

政府補助在本集團能夠滿足其所附的條件並且能夠收到時，予以確認。政府補助為貨幣性資產的，按照收到或應收的金額計量。政府補助為非貨幣性資產的，按照公允價值計量；公允價值不能可靠取得的，按照名義金額計量。

與資產相關的政府補助，確認為遞延收益，並在相關資產使用壽命內平均分配，計入當期損益。按照名義金額計量的政府補助，直接計入當期損益。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(21) Government Grants (Continued)

For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred by the Group in the subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs are recognised; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognised immediately in profit or loss for the current period.

(22) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax base of assets and liabilities and their carrying amount (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax law. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

二 主要會計政策和會計估計 (續)

(21) 政府補助 (續)

與收益相關的政府補助，用於補償以後期間的相關費用或損失的，確認為遞延收益，並在確認相關費用的期間，計入當期損益；用於補償已發生的相關費用或損失的，直接計入當期損益。

(22) 遞延所得稅資產和遞延所得稅負債

遞延所得稅資產和遞延所得稅負債根據資產和負債的計稅基礎與其賬面價值的差額（暫時性差異）計算確認。對於按照稅法規定能夠於以後年度抵減應納稅所得額的可抵扣虧損，確認相應的遞延所得稅資產。對於既不影響會計利潤也不影響應納稅所得額（或可抵扣虧損）的非企業合併的交易中產生的資產或負債的初始確認形成的暫時性差異，不確認相應的遞延所得稅資產和遞延所得稅負債。於資產負債表日，遞延所得稅資產和遞延所得稅負債，按照預期收回該資產或清償該負債期間的適用稅率計量。

遞延所得稅資產的確認以很可能取得用來抵扣可抵扣暫時性差異、可抵扣虧損和稅款抵減的應納稅所得額為限。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(22) Deferred tax assets and deferred tax liabilities

(Continued)

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries and associates, except where the Group 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. When it is probable that the temporary differences arising from investments in subsidiaries and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and liabilities are offset when:

- The deferred taxes are related to the same tax payer within the Group and same fiscal authority, and;
- That tax payer has a legally enforceable right to offset current tax assets against current tax liabilities.

二 主要會計政策和會計估計 (續)

(22) 遞延所得稅資產和遞延所得稅負債

(續)

對與子公司及聯營公司投資相關的應納稅暫時性差異，確認遞延所得稅負債，除非本集團能夠控制該暫時性差異轉回的時間且該暫時性差異在可預見的未來很可能不會轉回。對與子公司及聯營公司投資相關的可抵扣暫時性差異，當該暫時性差異在可預見的未來很可能轉回且未來很可能獲得用來抵扣可抵扣暫時性差異的應納稅所得額時，確認遞延所得稅資產。

同時滿足下列條件的遞延所得稅資產和遞延所得稅負債以抵銷後的淨額列示：

- 遞延所得稅資產和遞延所得稅負債與同一稅收徵管部門對本集團內同一納稅主體徵收的所得稅相關；及
- 本集團內該納稅主體擁有以淨額結算當期所得稅資產及當期所得稅負債的法定權利。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(23) Lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

(a) Operating leases

Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets, or charged as an expense for the current period.

(b) Finance leases

The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge and is amortised using the effective interest method over the period of the lease. A long-term payable is recorded at the amount equal to the minimum lease payments less the unrecognised finance charge.

(24) Segment information

The Group identify operating segments based on the internal organisation structure, management requirement and internal reporting, then disclose segment information of reportable segment which is based on operating segment.

An operating segment is the component of the Group that all of the following conditions are satisfied: (1) that component can earn revenues and incur expenses from ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance, and (3) for which the information of financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics, and certain conditions are satisfied, they may be aggregated into a single operating segment.

二 主要會計政策和會計估計 (續)

(23) 租賃

實質上轉移了與資產所有權有關的全部風險和報酬的租賃為融資租賃。其他的租賃為經營租賃。

(a) 經營租賃

經營租賃的租金支出在租賃期內按照直線法計入相關資產成本或當期損益。

(b) 融資租賃

以租賃資產的公允價值與最低租賃付款額的現值兩者中較低者作為租入資產的入賬價值，租入資產的入賬價值與最低租賃付款額之間的差額作為未確認融資費用，在租賃期內按實際利率法攤銷。最低租賃付款額扣除未確認融資費用後的餘額作為長期應付款列示。

(24) 分部信息

本集團以內部組織結構、管理要求、內部報告制度為依據確定經營分部，以經營分部為基礎確定報告分部並披露分部信息。

經營分部是指本集團內同時滿足下列條件的組成部份：(1)該組成部份能夠在日常活動中產生收入、發生費用；(2)本集團管理層能夠定期評價該組成部份的經營成果，以決定向其配置資源、評價其業績；(3)本集團能夠取得該組成部份的財務狀況、經營成果和現金流量等有關會計信息。兩個或多個經營分部具有相似的經濟特徵，並且滿足一定條件的，則可合併為一個經營分部。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(25) Critical accounting estimates and judgments

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below:

(a) *Fixed assets*

The Group’s management determines the estimated useful lives and related depreciation charges for its fixed assets. This estimate is made based on management’s experience in operating airport and the conditions of the fixed assets. It could change significantly as a result of actual use and improvements. Management will increase the depreciation charges where useful lives are shorter than previously estimated lives.

Management determines the residual values of its fixed assets based on all relevant factors (including the use of the current scrap value in current market as a reference value) at the end of each financial period.

二 主要會計政策和會計估計 (續)

(25) 重要會計估計和判斷

本集團根據歷史經驗和其他因素，包括對未來事項的合理預期，對所採用的重要會計估計和關鍵判斷進行持續的評價。

重要會計估計及其關鍵假設

下列重要會計估計及關鍵假設存在會導致下一會計年度資產和負債的賬面價值出現重大調整的重要風險：

(a) *固定資產*

本集團的管理層為固定資產估計可使用年期及相關的折舊費用。此估計是以管理層在機場營運方面的經驗及固定資產的狀況為基準，並可能因實際使用及改良情況而出現大幅變動。如果預計使用壽命較之前估計的預計使用壽命短，管理層將提高折舊支出。

管理層於每年年度終結時，根據所有相關因素（包括使用目前市場上的現行報廢價值作為參考價值）估計其固定資產的殘值。

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(Continued)

(25) Critical accounting estimates and judgments (Continued)

Critical accounting estimates and key assumptions (Continued)

(b) Airport fee refund rates

Civil Aviation Development Fund is a fee charged to passengers taking domestic flights in the PRC. Pursuant to the “Interim Measures for the Collection, Use and Management of the Civil Aviation Development Fund” promulgated by the Ministry of Finance of the PRC, effective from 1 April 2012 till 31 December 2015, the former Civil Airport Construction Fee was superseded by the Civil Aviation Development Fund, the charge rate remains the same. On 9 December 2015, the Ministry of Finance of the PRC issued “Notice by Ministry of Finance over the issues Regarding the Civil Aviation Development Fund and the Tourism Development Fund”, in which the notice stipulates that collection of Civil Aviation Development Fund and Tourism December Fund will continue from 1 January 2016 to 31 December 2020, and the refund policy that the Group enjoys under the Civil Aviation Development Fund remains unchanged and till 31 December 2020.

According to the “Notice Regarding the Grant of Subsidy of Civil Aviation Development Fund to Haikou Meilan Airport Company Limited” issued by CAAC on 11 April 2012, the refund of Civil Airport Construction Fee granted to the Group was correspondingly superseded by the refund of Civil Aviation Development Fund, the refund rate should be determined by CAAC. Given the nature and refund method of both funds are same, the actual refund rate of the airport fee is 48% since 2008 and the Group did not receive any notice from relevant authorities in respect of change of the refund rate during the current year, the Group continued to recognise the refund of Civil Aviation Development Fund at a rate of 48%.

(c) Income taxes

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

二 主要會計政策和會計估計 (續)

(25) 重要會計估計和判斷 (續)

重要會計估計及其關鍵假設 (續)

(b) 民航發展基金返還比例

根據財政部發佈並於2012年4月1日開始實施的《民航發展基金徵收使用管理暫行辦法》，對乘客徵收民航發展基金，並維持與原機場建設費相同的徵收標準，該辦法執行至2015年12月31日。同時，原機場建設費廢止。於2015年12月9日，中國財政部下發了《關於民航發展基金和旅遊發展基金有關問題的通知》，通知規定2016年1月1日至2020年12月31日繼續徵收民航發展基金和旅遊發展基金，本集團享受的返還政策亦將延續至2020年12月31日。

根據民航局於2012年4月11日下發的《關於下達海口美蘭機場股份公司民航發展基金補貼的通知》，本集團享受的機場建設費返還補貼相應變更為民航發展基金返還，返還比例由民航總局確定。由於民航發展基金與原機場建設費的性質及返還方式基本一致，且本集團於本年度沒有收到任何關於變更歸屬於本集團的民航發展基金返還比例的通知，而從2008年開始本集團機場費的實際返還比例為48%。經管理層作出的最佳估計，本集團於本年按48%的返還比例確認民航發展基金返還補貼收入。

(c) 所得稅

在正常的經營活動中，很多交易和事項的最終稅務處理都存在不確定性。在計提各個地區的所得稅費用時，本集團需要作出重大判斷。如果這些稅務事項的最終認定結果與最初入賬的金額存在差異，該差異將對作出上述最終認定期間的所得稅費用和遞延所得稅的金額產生影響。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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3 TAXATION

(1) The main categories and rates of taxes applicable to the Group are set out below:

三 稅項

(1) 本集團適用的主要稅種及其稅率列示如下：

Category 稅種	Tax base 計稅依據	Tax rate 稅率
Corporate income tax (“CIT”) 企業所得稅	Taxable income 應納稅所得額	25%
Value Added Tax (“VAT”) (Note) 增值稅 (附註)	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of current year) 應納稅增值額 (應納稅額按應納稅銷售額乘以適用稅率扣除當期允許抵扣的進項稅後的餘額計算)	6%, 11% or 17%
Business tax (Note) 營業稅 (附註)	Taxable turnover amount 應納稅營業額	5%
City maintenance and construction fee 城市維護建設稅	VAT and business tax paid/payable 繳納的增值稅和營業稅稅額	5% or 7%
Education Surcharge 教育費附加	VAT and business tax paid/payable 繳納的增值稅和營業稅稅額	3%
Local Education surcharge 地方教育費附加	VAT and business tax paid/payable 繳納的增值稅和營業稅稅額	2%

Note: Pursuant to “Notice on Expanding the Pilot Program of Replacing Business Tax with Value-Added Tax to All Industries” jointly issued by the Ministry of Finance of the PRC and the State Administration of Taxation (Caishui [2016] No.36), starting from 1 May 2016, all revenue of the Group (the aeronautical revenue charged to offshore units and the refund from Civil Aviation Development Fund are both free of VAT) are subject to VAT at the applicable tax rates of 6%, 11% or 17%. Before 1 May 2016, except for the aeronautical revenue, VIP room income, equipment rental income, and freight related service income, revenue from other businesses of the Group was subject to Business Tax, and the applicable tax rate was 5%.

附註：根據財政部、國家稅務總局《關於全面推開營業稅改增值稅試點的通知》(財稅[2016] 36號)，自2016年5月1日起，本集團所有營業收入(向境外單位提供航空服務收入和民航發展基金返還補貼免徵增值稅)適用增值稅，稅率為6%、11%或17%。2016年5月1日前，本集團除航空性業務收入、貴賓室收入、設備租賃收入和貨運服務收入適用增值稅外，其他營業收入適用營業稅，稅率為5%。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Cash at bank and on hand

四 合併財務報表項目附註

(1) 貨幣資金

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Cash on hand	庫存現金	32,524	35,641
Cash at bank(a)	銀行存款(a)	952,835,783	1,023,231,391
		952,868,307	1,023,267,032
Less: restricted cash(b)	減：受限制資金(b)	(200,416,710)	—
Cash and cash equivalents	現金及現金等價物	752,451,597	1,023,267,032

(a) As at 31 December 2016, the Group’s deposit in HNA Group Finance Co., Ltd (“HNA Group Finance”, a related party) amounted to RMB40,300,022 (31 December 2015: RMB350,671,059). HNA Group Finance is a non-bank financial institution.

(b) As at 31 December 2016, a fixed deposit of RMB160,000,000 was pledged as collateral (31 December 2015: Nil) for the Group’s short-term borrowings of US\$24,508,400 (equivalent to RMB170,014,771) (Note4(13)).

As at 31 December 2016, deposit of RMB40,416,710 was pledged as collateral for the asset-backed security borrowings (Note 4(22)).

(a) 於2016年12月31日，存放於關聯方海航集團財務有限公司（「海航財務」）的銀行存款為人民幣40,300,022元（2015年12月31日：人民幣350,671,059元），該公司為非銀行金融機構。

(b) 於2016年12月31日，人民幣160,000,000元的定期存款（2015年12月31日：無）質押給銀行作為美元24,508,400元（折合人民幣170,014,771元）短期借款的擔保（附註四(13)）。

於2016年12月31日，人民幣40,416,710元的銀行存款作為資產證券化借款的保證金（附註四(22)）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) Accounts receivable

四 合併財務報表項目附註 (續)

(2) 應收賬款

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Accounts receivable by nature	應收賬款按性質劃分		
– from aeronautical services	– 來自於航空性收入	168,743,161	123,335,441
– from non-aeronautical services	– 來自於非航空性收入	87,364,715	181,677,093
		256,107,876	305,012,534
Less: provision for bad debts	減：壞賬準備	(1,828,230)	(1,828,230)
		254,279,646	303,184,304
Accounts receivable by customers	應收賬款按客戶劃分		
– from third parties	– 應收第三方賬款	191,061,030	248,580,881
Less: provision for bad debts	減：壞賬準備	(1,828,230)	(1,828,230)
		189,232,800	246,752,651
– from related parties	– 應收關聯方賬款	65,046,846	56,431,653
Less: provision for bad debts	減：壞賬準備	–	–
		65,046,846	56,431,653
		254,279,646	303,184,304

Credit terms granted to customers are determined on an individual basis with a general range from 1 to 3 months.

本集團給予商業客戶的信用期間須經管理層個別審核授予，一般為1至3個月。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) Accounts receivable (Continued)

(a) The ageing analysis of accounts receivable, based on the date of recognition, is set out as follows:

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Within 90 days	90天以內	227,460,723	178,533,954
91 to 180 days	91天至180天	12,361,770	38,807,796
181 to 365 days	181天至365天	9,731,774	82,037,452
Over 365 days	365天以上	6,553,609	5,633,332
		256,107,876	305,012,534

(b) Accounts receivable of third parties were assessed individually for impairment. As at 31 December 2016, accounts receivable of third parties amounting to RMB11,322,703 (31 December 2015: RMB114,075,553) were past due, but based on the analysis of the customers' financial status and credit record, the Group expected that the overdue amounts can be recovered, and the accounts receivable are not impaired, thus no provisions for bad debts are individually provided. The past-due ageing of these accounts receivable is analysed as follows:

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
91 to 180 days	91天至180天	1,472,800	33,082,494
181 to 365 days	181天至365天	4,010,021	80,668,113
Over 365 days	365天以上	5,839,882	324,946
		11,322,703	114,075,553

四 合併財務報表項目附註 (續)

(2) 應收賬款 (續)

(a) 應收賬款按其入賬日期的賬齡分析如下：

(b) 本集團根據個別認定法對第三方應收賬款餘額執行減值評估。於2016年12月31日，對第三方的應收賬款人民幣11,322,703元（2015年12月31日：人民幣114,075,553元）已逾期，但基於對客戶的財務狀況及其信用記錄的分析，本集團認為這部分款項可以收回，沒有發生減值，故未單獨計提減值準備。這部分應收賬款的逾期賬齡分析如下：

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) Accounts receivable (Continued)

(c) As at 31 December 2016, accounts receivable of related parties amounting to RMB9,568,254 (31 December 2015: RMB5,319,398) were past due, but based on the analysis of these related parties' financial status and credit record, the Group expected that the overdue amounts can be recovered in one year, and the accounts receivable are not impaired, thus no provisions for bad debts are individually provided. The past-due ageing of these accounts receivable is analysed as follows:

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
91 to 180 days	91天至180天	4,991,505	907,642
181 to 365 days	181天至365天	4,086,458	331,595
Over 365 days	365天以上	490,291	4,080,161
		9,568,254	5,319,398

(d) The movement of provision for bad debts is set out as follows:

		31 December	Reductions			31 December
		2015	Additions	Written off	Reversals	2016
		2015年	本年增加	核銷	收回	2016年
		12月31日	本年增加	核銷	收回	12月31日
Provision for bad debts	壞賬準備	1,828,230	–	–	–	1,828,230

(3) Advances to suppliers

As at 31 December 2016 and 2015, the ageing of advances to suppliers was within one year.

四 合併財務報表項目附註 (續)

(2) 應收賬款 (續)

(c) 於2016年12月31日，應收關聯方賬款人民幣9,568,254元（2015年12月31日：人民幣5,319,398元）已逾期，但基於對這些關聯方財務狀況及其信用記錄的分析，本集團預計這部分款項可以在一年內收回，沒有發生減值，故未單獨計提壞賬準備。這部分應收賬款的逾期賬齡分析如下：

(d) 應收賬款壞賬準備於本年度變動情況如下：

(3) 預付款項

於2016年及2015年12月31日，預付款項的賬齡均在一年以內。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(4) Other receivables

四 合併財務報表項目附註 (續)

(4) 其他應收款

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Compensation receivables from airlines	應收航空公司賠償款	2,041,436	2,150,301
Deposits for borrowings	借款保證金	—	16,500,000
Others	其他	6,269,956	5,315,632
		8,311,392	23,965,933

The ageing of other receivables is analysed below:

其他應收款賬齡分析如下：

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Within 90 days	90天以內	3,080,739	6,720,287
91 to 180 days	91天至180天	222,375	12,782,094
181 to 365 days	181天至365天	1,376,758	975,211
Over 365 days	365天以上	3,631,520	3,488,341
		8,311,392	23,965,933

As at 31 December 2016, balances of other receivables of the Group aged over 365 days were primarily due from a number of related parties from which management believes that there was no collectability problem. Accordingly, no provision was made against these receivables.

於2016年12月31日，本集團其他應收款賬齡超過365天的款項主要為關聯方往來款，管理層認為不存在回收性問題。其他應收款沒有計提壞賬準備。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(5) Other current assets

四 合併財務報表項目附註 (續)

(5) 其他流動資產

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Deductible VAT	待抵扣增值稅	22,657,377	8,329,277
Long-term receivables due within one year (Note 4(6))	一年以內到期的長期應收款 (附註四(6))	21,833,545	—
Entrusted loan due within one year (a)	一年以內到期的委託貸款(a)	—	380,000,000
Prepayments of other taxes and levies	預繳其他稅費	1,795	1,795
		44,492,717	388,331,072

(a) The Group’s entrusted loan to Hainan Haidao Commercial Management Co., Ltd. (“Haidao Commercial”, a related party) through HNA Group Finance has been settled in 2016.

(a) 本集團通過海航財務向關聯方海南海島商業管理有限公司(「海島商業」)提供的委託貸款已於2016年收回。

(6) Long-term receivables

(6) 長期應收款

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Advances receivable	應收代墊款	115,198,881	—
Less: Long term receivables within one year (Note 4(5))	減：一年以內到期的長期應收款 (附註四(5))	(21,833,545)	—
		93,365,336	—

On 5 September 2016, the Company and Haimian Haikou Meilan Airport Duty Free Shop Co., Ltd. (“Meilan Airport Duty Free Shop”) entered into the Loan Agreement, pursuant to which, the Company shall advance the investment funds in relation to refurbishment and pre-opening of the Duty-Free Shop Project amounting to approximately RMB400,000,000 for Meilan Airport Duty-Free Shop. Meilan Airport Duty-Free Shop shall repay the principal amount of RMB400,000,000 to the Company within five years at an annual interest rate of 7.19%. As at 31 December 2016, the Company advanced the investment funds of RMB115,198,881 for Meilan Airport Duty-Free Shop. As at 31 December 2016, no repayment of the principal has yet been made by Meilan Airport Duty Free Shop.

根據本公司與海免海口美蘭機場免稅店有限公司(「美蘭機場免稅店」)於2016年9月5日訂立的貸款協議，本公司須為美蘭機場免稅店墊付約人民幣400,000,000元之投資資金，以作免稅店項目裝修及籌辦之用，期限為5年，年利率為7.19%。截至2016年12月31日止，本公司向美蘭機場免稅店墊付共計人民幣115,198,881元。截至2016年12月31日止，美蘭機場免稅店尚未開始償還本金。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) Long-term equity investments

Associates – Unlisted companies

四 合併財務報表項目附註 (續)

(7) 長期股權投資

聯營企業 – 非上市公司

		Movement in current year 本年增減變動				
		31 December 2015	Share of net profit/(loss) under equity method (Note 4(35)) 按權益法 調整的淨損益 (附註四(35))	Share of other comprehensive income under equity method 其他綜合 收益調整	Share of other changes in equity (Note 4(27)) 其他 權益變動 (附註四(27))	31 December 2016
		2015年 12月31日	按權益法 調整的淨損益 (附註四(35))	其他綜合 收益調整	其他 權益變動 (附註四(27))	2016年 12月31日
Haikou Decheng Industrial and Development Co., Ltd. (“Haikou Decheng”)	海口德誠實業發展有限公司 (「海口德誠」)	31,985,588	10,658	–	–	31,996,246
Hainan Airlines Airport Holding Group Company Limited (“HNA Airport Holdings”) (Note)	海航機場控股(集團)有限公司 (「海航機場控股」) (附註)	1,178,701,984	(890,279)	11,501,082	162,794,989	1,352,107,776
		1,210,687,572	(879,621)	11,501,082	162,794,989	1,384,104,022

There is no significant restriction on the transfer of fund between the Group and its long term equity investments.

本集團與聯營企業之間不存在轉移資金方面的重大限制。

Note: The place of incorporation and business of HNA Airport Holding and its subsidiaries (the “HNA Airport Group”) are in the PRC, and there is no business transaction relationship between the Group and HNA Airport Group.

附註：海航機場控股及其子公司(「海航機場控股集團」)的註冊地及主要經營地均在中國境內，與本集團無業務上的往來。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

(8) Fixed assets

(8) 固定資產

		Buildings and structures 房屋及建築物	Machinery and equipment 機器設備	Motor vehicles 運輸工具	Office equipment and others 辦公設備及其他	Total 合計
Cost	原價					
31 December 2015	2015年12月31日	1,748,228,049	117,664,637	104,624,150	90,917,945	2,061,434,781
Increase in current year	本年增加					
Purchase	購置	27,586,051	28,388,890	41,486,868	56,363,071	153,824,880
Transfer from CIP	在建工程轉入	79,637,820	–	–	27,005,365	106,643,185
Decrease in current year	本年減少					
Disposal and other decrease	處置及其他減少	(804,369)	(10,775,195)	(15,134,294)	(1,685,216)	(28,399,074)
31 December 2016	2016年12月31日	1,854,647,551	135,278,332	130,976,724	172,601,165	2,293,503,772
Accumulated Depreciation	累計折舊					
31 December 2015	2015年12月31日	(350,303,670)	(28,209,518)	(36,496,252)	(47,583,681)	(462,593,121)
Increase in current year	本年增加					
Depreciation charged in current year	計提	(45,136,839)	(13,888,980)	(13,005,213)	(18,575,190)	(90,606,222)
Decrease in current year	本年減少					
Disposal and other decrease	處置及其他減少	16,716	4,008,644	13,867,168	1,513,593	19,406,121
31 December 2016	2016年12月31日	(395,423,793)	(38,089,854)	(35,634,297)	(64,645,278)	(533,793,222)
Carrying amount	賬面價值					
31 December 2016	2016年12月31日	1,459,223,758	97,188,478	95,342,427	107,955,887	1,759,710,550
31 December 2015	2015年12月31日	1,397,924,379	89,455,119	68,127,898	43,334,264	1,598,841,660

(a) In 2016, the amount of depreciation expense charged to operating costs, and general and administrative expenses were RMB89,867,274 (2015: RMB61,922,994) and RMB738,948 (2015: RMB517,513), respectively.

(a) 本年度計入營業成本和管理費用的折舊分別為人民幣89,867,274元以及人民幣738,948元(2015年度：分別為人民幣61,922,994元以及人民幣517,513元)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) Fixed assets (Continued)

(b) Fixed assets held under finance lease

As at 31 December 2016, the fix assets with a carrying amount of RMB175,146,043 (a cost of RMB232,220,894) (31 December 2015: carrying amount of RMB102,675,243 and a cost of RMB145,370,653) of the Company and the Group (Note 11) are held under a sale and finance leaseback arrangement, which is analysed as follows:

四 合併財務報表項目附註 (續)

(8) 固定資產 (續)

(b) 融資租入的固定資產

於2016年12月31日，本集團及本公司賬面價值人民幣175,146,043元（原價為人民幣232,220,894元）的固定資產為以售後租回融資租賃方式租入（2015年12月31日：賬面價值為人民幣102,675,243元，原價為人民幣145,370,653元）（附註十一）。具體分析如下：

31 December 2016:		Cost	Accumulated Depreciation	Carrying amount
2016年12月31日：		原價	累計折舊	賬面價值
Machinery and equipment	機器設備	60,669,287	(15,231,130)	45,438,157
Motor vehicles	運輸工具	117,342,098	(33,134,966)	84,207,132
Office equipment and others	辦公設備及其他	54,209,509	(8,708,755)	45,500,754
		232,220,894	(57,074,851)	175,146,043

31 December 2015:		Cost	Accumulated Depreciation	Carrying amount
2015年12月31日：		原價	累計折舊	賬面價值
Machinery and equipment	機器設備	70,829,969	(24,299,254)	46,530,715
Motor vehicles	運輸工具	71,570,484	(17,223,469)	54,347,015
Office equipment and others	辦公設備及其他	2,970,200	(1,172,687)	1,797,513
		145,370,653	(42,695,410)	102,675,243

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) Fixed assets (Continued)

(c) As at 31 December 2016, the carrying amount of international terminal building and its ancillary projects is RMB217,791,213 (31 December 2015: carrying amount of RMB223,352,604). The property title certificates in respect of the international terminal building are jointly held by the Company and Haikou Meilan.

As at 31 December 2016, the carrying amount of west gallery expansion project is RMB581,111,093 (31 December 2015: carrying amount of RMB598,431,745). The Company is in the process of applying for the property title certificates.

(d) As at 31 December 2016, international terminal building with carrying amount of RMB171,267,491 (original cost of RMB186,133,521) was pledged as collateral for Haikou Meilan's long-term borrowings of RMB530,000,000 (31 December 2015: RMB560,000,000). The borrowings are specially for financing the construction of international terminal building, west gallery expansion and other ancillary projects, with the Company and Haikou Meilan being the co-borrowers. The loan was early repaid in January 2017.

四 合併財務報表項目附註 (續)

(8) 固定資產 (續)

(c) 於2016年12月31日，國際航站樓及配套工程的資產賬面價值為人民幣217,791,213元（2015年12月31日：人民幣223,352,604元），其對應的房屋產權證為與海口美蘭共有。

於2016年12月31日，航站樓西指廊擴充工程的資產賬面價值為人民幣581,111,093元（2015年12月31日：人民幣598,431,745元），其房屋產權證尚在辦理中。

(d) 於2016年12月31日，賬面價值為人民幣171,267,491元（原值為人民幣186,133,521元）的國際航站樓，作為海口美蘭人民幣530,000,000元長期借款的抵押物（2015年12月31日：人民幣560,000,000元），該借款專項用於國際航站樓、航站樓西指廊擴充工程以及其他機場配套工程建設項目，海口美蘭與本公司為該借款的共同借款人。上述借款已於2017年1月償還。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

(9) Construction in progress

(9) 在建工程

		31 December 2015	Increase in current year	Transfer to fixed assets in current year	31 December 2016	Accumulated interest capitalisation	Including: Interest capitalisation in current year	Interest capitalisation rate
		2015年 12月31日	本年增加	本年轉入 固定資產	2016年 12月31日	資本化 累計金額	其中：本年借款 費用 資本化金額	本年借款 費用 資本化率
Terminal complex project	站前綜合體	524,932,330	1,131,332,754	–	1,656,265,084	326,572,387	115,130,057	6.73%
Phase II expansion project	航站樓二期擴建工程	8,550,000	62,558,700	–	71,108,700	71,108,700	62,558,700	7.80%
Other projects	其他工程項目	35,068,925	74,670,823	(106,643,185)	3,096,563	–	–	
		568,551,255	1,268,562,277	(106,643,185)	1,730,470,347	397,681,087	177,688,757	

(10) Intangible assets

(10) 無形資產

			Land use right 土地使用權	Office software 辦公軟件	Total 合計
Cost	原價				
31 December 2015	2015年12月31日		224,715,283	–	224,715,283
Increase in current year	本年新增		–	299,145	299,145
31 December 2016	2016年12月31日		224,715,283	299,145	225,014,428
Accumulated amortisation	累計攤銷				
31 December 2015	2015年12月31日		(47,005,380)	–	(47,005,380)
Amortisation in current year	本年攤銷		(3,971,763)	(2,492)	(3,974,255)
31 December 2016	2016年12月31日		(50,977,143)	(2,492)	(50,979,635)
Carrying amount	賬面淨額				
31 December 2016	2016年12月31日		173,738,140	296,653	174,034,793
31 December 2015	2015年12月31日		177,709,903	–	177,709,903

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(10) Intangible assets (Continued)

- (a) In 2016, the amount of amortisation charged to operating costs, and general and administrative expenses were RMB3,971,763 (2015: RMB3,971,763) and RMB2,492 (2015: Nil) respectively.
- (b) International terminal building and its ancillary projects were put into use in 2013(Note 4(8)(c)). As at 31 December 2016, land use rights of the relevant projects amounted to RMB42,315,371 (original cost of RMB45,078,000) (31 December 2015: carrying amount of RMB43,123,945, original cost of RMB45,078,000). The land use right certificates are currently held by Haikou Meilan.
- (c) As at 31 December 2016, land use rights with carrying amount of RMB67,980,548 (original cost of RMB86,905,771) (31 December 2015: carrying amount of RMB69,232,255, original cost of RMB86,905,771) were pledged as collateral for Haikou Meilan's long-term borrowings of RMB530,000,000 (31 December 2015: RMB560,000,000), the borrowings were specially for financing international terminal building, west gallery expansion and other ancillary projects, and the Company and Haikou Meilan are the co-borrowers. The borrowings were early repaid in January 2017.
- (d) The carrying amount of land use rights by regions and years of limitation are analysed as follows:

四 合併財務報表項目附註 (續)

(10) 無形資產 (續)

- (a) 本年度計入營業成本和管理費用的無形資產的攤銷分別為人民幣3,971,763元以及人民幣2,492元(2015年度：人民幣3,971,763元全額計入營業成本)。
- (b) 美蘭機場國際航站樓及相關工程項目已於2013年投入使用(附註四(8)(c))，於2016年12月31日該工程相關的土地使用權賬面價值約為人民幣42,315,371元(原價為人民幣45,078,000元)(2015年12月31日：賬面價值約為人民幣43,123,945元，原價為人民幣45,078,000元)，土地使用權證尚由海口美蘭持有。
- (c) 於2016年12月31日，賬面價值為人民幣67,980,548元(原價為人民幣86,905,771元)(2015年12月31日：賬面價值為人民幣69,232,255元，原價為人民幣86,905,771元)的土地使用權，作為海口美蘭人民幣530,000,000元長期借款的抵押物(2015年12月31日：人民幣560,000,000元)，該借款專項用於國際航站樓、航站樓西指廊擴充工程以及其他機場配套工程建設項目，海口美蘭與本公司為該借款的共同借款人。上述借款已於2017年1月償還。
- (d) 土地使用權按所在地區及年限分析如下：

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Inside Mainland China –	位於中國內地 –		
between 10 to 50 years	10到50年	53,263,200	55,013,653
over 50 years	50年以上	120,474,940	122,696,250
		173,738,140	177,709,903

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

(11) Deferred income tax

(11) 遞延所得稅資產

(a) Deferred income tax assets – before offset

(a) 未經抵銷的遞延所得稅資產

		31 December 2016 2016年12月31日		31 December 2015 2015年12月31日	
		Deferred tax assets 遞延 所得稅資產	Deductible temporary differences 可抵扣 暫時性差異	Deferred tax assets 遞延 所得稅資產	Deductible temporary differences 可抵扣 暫時性差異
Provision for asset impairment	資產減值準備	457,058	1,828,230	457,058	1,828,230
Accrued allowance for directors	預提的董事津貼	–	–	120,547	482,192
Accrued termination benefits	預提辭退福利	293,908	1,175,634	531,237	2,124,947
Accrued airline subsidies	預提航線開發補貼款	3,265,250	13,061,000	3,265,250	13,061,000
Government grants related to fire alarm system	政府消防補貼	3,642,500	14,570,000	3,442,500	13,770,000
		7,658,716	30,634,864	7,816,592	31,266,369
Including:					
Deferred tax asset to be recovered within one year (one year inclusive)		其中： 預計於1年內(含1年) 轉回的金額		651,837	
Deferred tax assets to be recovered after more than one year		447,160		7,164,755	
		預計於1年後轉回 的金額			
		7,211,556			
		7,658,716		7,816,592	

(b) As at 31 December 2016, no deferred income tax liabilities of the Group were recognised (31 December 2015: nil).

(b) 於2016年12月31日，本集團無遞延所得稅負債(2015年12月31日：無)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) Other non-current assets

四 合併財務報表項目附註 (續)

(12) 其他非流動資產

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Advances for terminal complex project (a)	預付站前綜合體工程款(a)	192,522,560	452,900,683
Advances for acquisition agreement (b)	預付股權購買款(b)	570,000,000	570,000,000
Advance payments for land use rights of Phase II Expansion Project (c)	支付二期擴建工程土地款(c)	950,000,000	600,000,000
Advances for other projects	其他預付工程款	66,296,213	33,753,321
		1,778,818,773	1,656,654,004

(a) As at 31 December 2016, the Group prepaid RMB192,522,560 to Yangpu Guoxing Construction Co., Ltd (“Yangpu Guoxing”) in connection with the construction of terminal complex project (31 December 2015: RMB452,900,683). Details of terminal complex project are set out in Note8(6)(b).

(b) On 13 November 2015, the Group and Haikou Meilan entered into an equity transfer agreement pursuant to which, Haikou Meilan agreed to transfer 100% of the equity interest in Haikou Meilan Airport Assets Management Co., Ltd. to the Group at a consideration of RMB604,800,000. Up to 31 December 2016, the Group has paid an aggregate amount of RMB570,000,000 to Haikou Meilan (31 December 2015:RMB570,000,000). Details of the acquisition agreement are set out in Note 8(6)(c).

(c) Up to 31 December 2016, the Group has made an advance payment of RMB950,000,000 to the government for the land requisition in relation to the Meilan Airport Phase II Expansion Project (“Phase II Expansion Project”). Details of Phase II Expansion Project are set out in Note8(6)(d).

(a) 於2016年12月31日，本集團預付給洋浦國興工程建設有限公司（「洋浦國興」）與美蘭國際機場站前綜合體項目相關的工程款為人民幣192,522,560元（2015年12月31日：人民幣452,900,683元）。站前綜合體工程的詳細情況請參見附註八(6)(b)。

(b) 於2015年11月13日，本集團與海口美蘭簽訂股權轉讓協議，海口美蘭同意轉讓海南美蘭機場資產管理有限公司100%股權，作價人民幣604,800,000元。截至2016年12月31日，本集團累計支付給海口美蘭人民幣570,000,000元（2015年12月31日：570,000,000元）。股權轉讓協議的詳細情況請參見附註八(6)(c)。

(c) 截至2016年12月31日，本集團就美蘭機場二期擴建項目（「二期擴建項目」）已支付人民幣950,000,000元徵地款。二期擴建項目的詳細情況請參見附註八(6)(d)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(13) Short-term borrowings

四 合併財務報表項目附註 (續)

(13) 短期借款

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Secured borrowings (a)	質押借款(a)	170,014,771	-
Guaranteed borrowings(b)	保證借款(b)	300,000,000	-
		470,014,771	-

(a) As at 31 December 2016, bank borrowings of US\$24,508,400 (equivalent to approximately RMB170,014,771) with interest rate of 0.20% per annum were secured by the Group's fixed deposits of RMB160,000,000.

(b) As at 31 December 2016, bank borrowings of RMB300,000,000 were guaranteed by Haikou Meilan with interest rate of 5.25% per annum.

(a) 於2016年12月31日，銀行質押借款美元24,508,400元(折合人民幣170,014,771元)系由人民幣160,000,000元定期存款作為質押，年利率為0.20%。

(b) 於2016年12月31日，銀行保證借款人民幣300,000,000元系由海口美蘭提供擔保，年利率為5.25%。

(14) Accounts payable

The ageing analysis of accounts payable, based on the dates of recognition, is set out as follows:

(14) 應付賬款

應付賬款按其入賬日期的賬齡分析如下：

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Within 90 days	90天以內	13,062,328	14,282,146
91 to 180 days	91天至180天	1,028,752	4,444,660
Over 180 days	180天以上	7,652,107	337,200
		21,743,187	19,064,006

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(15) Advances from customers

四 合併財務報表項目附註 (續)

(15) 預收款項

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
User fees of VIP rooms	貴賓室使用費	5,441,533	7,561,642
Consideration of land use rights (Note 8(6)(a-1))	土地使用權轉讓款 (附註八(6)(a-1))	3,128,973	3,128,973
Others	其他	858,987	149,638
		9,429,493	10,840,253

(16) Employee benefits payable

(16) 應付職工薪酬

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Short-term employee benefits payable(a)	應付短期薪酬(a)	32,193,092	26,852,259
Defined contribution plans payable(b)	應付設定提存計劃(b)	323,816	1,050
Termination benefits payable (c)	應付辭退福利(c)	651,508	1,028,591
		33,168,416	27,881,900

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

(16) Employee benefits payable (Continued)

(16) 應付職工薪酬 (續)

(a) Short-term employee benefits payable

(a) 短期薪酬

		31 December 2015 2015年 12月31日	Increase in current year 本年增加	Decrease in current year 本年減少	31 December 2016 2016年 12月31日
Wages and salaries, bonuses and allowances	工資、獎金、津貼和補貼	24,915,721	148,603,433	(143,917,820)	29,601,334
Staff welfare	職工福利費	–	8,528,267	(8,528,267)	–
Social security contributions	社會保險費	(1,713)	4,572,414	(4,522,963)	47,738
Including: Medical insurance	其中：醫療保險費	(2,288)	4,045,780	(4,005,417)	38,075
Work injury insurance	工傷保險費	–	258,974	(254,590)	4,384
Maternity insurance	生育保險費	575	267,660	(262,956)	5,279
Supplementary medical insurance	補充醫療保險	884	396,730	(397,614)	–
Housing funds	住房公積金	197,297	6,296,815	(6,215,319)	278,793
Labor union and employee education funds	工會經費和職工教育經費	1,740,070	3,949,431	(3,424,274)	2,265,227
		26,852,259	172,347,090	(167,006,257)	32,193,092

(b) Defined contribution plans payable

(b) 設定提存計劃

		31 December 2016 2016年12月31日		31 December 2015 2015年12月31日	
		Amount payable 應付金額	Ending balance 年末餘額	Amount payable 應付金額	Ending balance 年末餘額
Basic social pension security	基本養老保險	10,694,508	309,788	9,497,804	–
Unemployment insurance	失業保險費	410,339	14,028	470,134	1,050
		11,104,847	323,816	9,967,938	1,050

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) Employee benefits payable (Continued)

(c) Termination benefits payable

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Early retirement benefits payable	應付內退福利	1,175,634	2,273,044
Less: Termination benefits payable over 1 year presented in long-term employee benefits payable	減：列示於長期應付 職工薪酬的一年 以上應付內退福利	(524,126)	(1,244,453)
		651,508	1,028,591

四 合併財務報表項目附註 (續)

(16) 應付職工薪酬 (續)

(c) 應付辭退福利

(17) Taxes payable

(17) 應交稅費

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Corporate income tax payable	應交企業所得稅	35,797,272	40,227,479
Business tax payable	應交營業稅	—	2,765,314
Property tax payable	應交房產稅	3,331,856	602,212
Individual income tax payable	應交個人所得稅	183,184	893,529
Others	其他	474,761	1,318,958
		39,787,073	45,807,492

(18) Interests payable

(18) 應付利息

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Interests of long-term borrowings with repayment of interest and principal by installment	分期還本付息的長期借款利息	920,250	205,628
Interests of short-term borrowings	短期借款利息	236,125	—
Interests of corporate bonds (Note 4(23))	公司債券利息 (附註四(23))	85,849,699	49,746,667
		87,006,074	49,952,295

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

(19) Dividends payable

(19) 應付股利

		2016	2015
		2016年度	2015年度
Dividends payable of ordinary shares			
at the beginning of the year	年初應付普通股股利	499,500	499,500
Add : Dividends payable of ordinary shares	加：本年應付普通股股利		
in current year (Note 4(29), 4(39))	(附註四(29)、附註四(39))	101,268,560	99,847,960
Less : Dividends and withholding tax paid	減：本年派發股利及代扣稅費		
in current year		(101,268,560)	(99,847,960)
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Dividends payable of ordinary shares			
at the end of the year	年末應付普通股股利	499,500	499,500

(20) Other payables

(20) 其他應付款

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Construction cost payable and quality	應付設備工程款及工程質保金		
guarantee deposit		589,543,037	101,881,919
Airport ground services fee payable	應付代收地面服務費	279,272,965	108,939,962
Guarantee deposits	應付押金保證金	38,133,055	21,004,567
Accrued airlines development subsidy	預提航線開發補貼款	13,061,000	13,061,000
Accrued airlines increment subsidy	預提航線增量補貼款	-	3,176,336
Others	其他	27,138,483	35,695,504
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		947,148,540	283,759,288

(21) Non-current liabilities due within one year

(21) 一年內到期的非流動負債

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Long-term borrowings due within one year	一年內到期的長期借款		
(Note (22))	(附註四(22))	93,000,000	1,421,619,464
Long-term payables due within one year	一年內到期的長期應付款		
(Note 4(24))	(附註四(24))	75,794,032	39,792,890
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		168,794,032	1,461,412,354

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(22) Long-term borrowings

四 合併財務報表項目附註 (續)

(22) 長期借款

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Asset-backed security borrowings	資產證券化借款	871,145,636	1,012,955,163
Secured borrowings	抵押借款	–	1,341,619,464
Less: Long-term borrowings due within one year (Note 4(21))	減：一年內到期的長期借款 (附註四(21))	(93,000,000)	(1,421,619,464)
		778,145,636	932,955,163

As at 31 December 2016, the weighted average interest rate of long-term borrowings is 7.81% per annum (31 December 2015: 6.74%).

On 2 July 2015, the Company entered into an arrangement with CITIC Trust Co., Ltd. whereby the Company obtained financing from the trust of RMB1,100,000,000 under which the Company's entitlements to aviation service income for the period from 1 May 2015 to 30 April 2020 were pledged to the trust for issuing an asset-backed security (“ABS”). As at 31 December 2016, the remaining principal of the external borrowings of the ABS amounted to RMB873,000,000 (31 December 2015: RMB1,030,000,000). The assets and liabilities of the ABS have been consolidated into the Group's financial statements. Details are set out in Note 9.

於2016年12月31日，長期借款的加權平均年利率為7.81%（2015年12月31日：6.74%）。

於2015年7月2日，本公司以2015年5月1日至2020年4月30日期間內本公司航空服務經營收入權利為質押，與中信信託有限責任公司訂立了一項資產證券化（「資產證券化」）安排，借入信託貸款人民幣1,100,000,000元。於2016年12月31日，該項資產證券化對外借款的本金為人民幣873,000,000元（2015年12月31日：人民幣1,030,000,000元）。該資產證券化的資產與負債已併入本集團的財務報表，詳細情況請參見附註九。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(23) Corporate bonds

四 合併財務報表項目附註 (續)

(23) 公司債券

		31 December 2015 2015年 12月31日	Issuance in current year 本年發行	Issuance expenses 發行費用	Amortization in current year 本年攤銷	31 December 2016 2016年 12月31日
Long-term corporate bonds	長期公司債券	794,952,116	1,020,000,000	(9,000,000)	2,715,464	1,808,667,580

Details of the bonds are as follows:

債券有關信息如下：

		Par value 面值	Issuance date 發行日期	Maturity 債券期限	Issuance amount 發行金額
Meilan bonds (a)	美蘭債(a)	800,000,000	13 March 2012 2012年3月13日	7 years 7年	800,000,000
Guohai private equity bonds phase I (b)	國海私募中票一期(b)	500,000,000	27 April 2016 2016年4月27日	3 years 3年	500,000,000
Guohai private equity bonds phase II (c)	國海私募中票二期(c)	520,000,000	2 September 2016 2016年9月2日	3 years 3年	520,000,000
		1,820,000,000			1,820,000,000

Interest accrued of the bonds is analysed as below:

債券之應計利息分析如下：

		31 December 2015 2015年12月31日	Interest accrued in current year 本年應付利息	Interest paid in current year 本年已付利息	31 December 2016 2016年12月31日
Meilan bonds	美蘭債	49,746,667	62,053,333	(62,400,000)	49,400,000
Guohai private equity bonds phase I	國海私募中票一期	-	24,900,000	-	24,900,000
Guohai private equity bonds phase II	國海私募中票二期	-	11,549,699	-	11,549,699
		49,746,667	98,503,032	(62,400,000)	85,849,699

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(23) Corporate bonds (Continued)

- (a) Pursuant to Zheng Jian Xu Ke [2011] No. 2082 approved by the China Securities Regulatory Commission, the Company issued real-name registered book-entry corporate bonds of RMB800,000,000 which are listed on the Shanghai Stock Exchange on 13 March 2012. The maturity of the bonds is 7 years with fixed interest rate of 7.8% per annum and the interest is payable annually on 15 March of each year and the principal is repayable upon maturity.
- (b) On 27 April 2016, the Company issued Guohai private equity bonds phase I of RMB500,000,000 to qualified investors which are listed on the Shenzhen Stock Exchange. The maturity of the bonds is 3 years, with fixed interest rate of 7.3% per annum, and the interest is payable annually on 27 April of each year and the principal is repayable upon maturity.
- (c) On 2 September 2016, the Company issued Guohai private equity bonds phase II of RMB520,000,000 to qualified investors which are listed on the Shenzhen Stock Exchange. The maturity of the bonds is 3 years, with fixed interest rate of 6.7% per annum, and the interest is payable annually on 2 September of each year and the principal is repayable upon maturity.

(24) Long-term payables

四 合併財務報表項目附註 (續)

(23) 公司債券 (續)

- (a) 經中國證券監督管理委員會證監許可 [2011]2082號文核准，2012年3月13日本公司於上海證券交易所公開發行實名制記賬式公司債券，發行總額人民幣800,000,000元，債券期限為7年。此債券採用單利按年計息，固定年利率為7.8%，每年付息一次，付息日為每年3月15日，本金在到期日一次性償還。
- (b) 2016年4月27日，本公司於深圳證券交易所(以下簡稱「深交所」)向合資格投資者非公開發行國海私募中票一期人民幣500,000,000元，債券期限為3年。此債券採用單利按年計息，固定年利率為7.3%，每年付息一次，付息日為每年4月27日，本金在到期日一次償還。
- (c) 2016年9月2日，本公司於深交所向合資格投資者非公開發行國海私募中票二期人民幣520,000,000元，債券期限為3年。此債券採用單利按年計息，固定年利率為6.7%，每年付息一次，付息日為每年9月2日，本金在到期日一次償還。

(24) 長期應付款

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Finance lease	應付融資租賃款	159,752,904	101,970,597
Less: finance lease payable due within one year (Note 4(21))	減：一年內到期的應付融資租賃款 (附註四(21))	(75,794,032)	(39,792,890)
		83,958,872	62,177,707

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

Payables for finance lease is analysed as follows:

應付融資租賃款明細

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Payables to Jiangsu Finance Leasing Co., Ltd	應付江蘇金融租賃有限公司	47,541,428	71,977,039
Payables to Dongyin Finance Leasing (Tianjin) Co., Ltd	應付東銀融資租賃(天津)有限公司	112,211,476	29,993,558
		159,752,904	101,970,597

Payables for finance lease represent the minimum lease payments for the Group's fixed assets held under finance leases less unrecognised finance charges.

應付融資租賃款為本集團融資租入固定資產的最低租賃付款額扣除未確認融資費用後的餘額。

As at 31 December 2016, the unrecognised financing charge amounted to RMB13,434,791 (31 December 2015: RMB10,675,666) (Note 4(8)(b)).

於2016年12月31日，未確認的融資費用餘額為人民幣13,434,791元(2015年12月31日：人民幣10,675,666元)(附註四8(b))。

(25) Other non-current liabilities

(25) 其他非流動負債

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Deferred income	遞延收益：		
Government grants related to assets	與資產相關的政府補助		
– Fire equipment	– 消防設備補助專項基金	14,570,000	13,770,000
– Inspection building	– 聯檢樓專項補助	2,700,000	2,800,000
Unrealised gains on sale and leaseback transaction	未實現售後租回收益	2,005,137	3,735,734
		19,275,137	20,305,734

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(25) Other non-current liabilities (Continued)

四 合併財務報表項目附註 (續)

(25) 其他非流動負債 (續)

		31 December 2015 2015年12月31日	Addition in current year 本年新增	Amortisation in current year 本年攤銷	31 December 2016 2016年12月31日
Government grants related to assets – Fire equipment	消防設備補助 專項基金	13,770,000	2,000,000	(1,200,000)	14,570,000
Government grants related to assets – Inspection building	聯檢樓專項補助	2,800,000	–	(100,000)	2,700,000
Unrealised gains on sale and leaseback transaction	未實現售後租回 收益	3,735,734	–	(1,730,597)	2,005,137
		20,305,734	2,000,000	(3,030,597)	19,275,137

Government grants relevant to assets are amortised over the expected useful life of the assets, i.e. 15 years and 40 years.

與資產相關的政府補助在資產預計使用年限15年和40年內攤銷。

Unrealised gains on sale and leaseback transaction are amortised over the depreciation period of the leased assets.

因售後租回交易形成的未實現售後租回損益及按相關資產的折舊進度進行攤銷。

(26) Share capital

(26) 股本

		31 December 2016 and 2015 2016年12月31日及 2015年12月31日 (Number of shares) (股數)	31 December 2016 and 2015 2016年12月31日及 2015年12月31日 (RMB) (人民幣元)
Shares held by domestic legal entities	境內法人持股		
Haikou Meilan	海口美蘭	237,500,000	237,500,000
HNA Group Company Limited (“HNA Group”)	海航集團有限公司 (「海航集團」)	3,512,500	3,512,500
Hainan Airlines Company Limited (“Hainan Airlines”)	海南航空股份有限公司 (「海南航空」)	5,287,500	5,287,500
Foreign listed shares held by foreign investors	境外上市的外資股	226,913,000	226,913,000
		473,213,000	473,213,000

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(27) Capital surplus

四 合併財務報表項目附註 (續)

(27) 資本公積

		31 December 2015 2015年12月31日	Increase in current year 本年增加 (Note) (附註)	Decrease in current year 本年減少	31 December 2016 2016年12月31日
Share premium	股本溢價	598,983,655	–	–	598,983,655
Other capital surplus –	其他資本公積 –				
Share of changes in equity other than comprehensive income and profit distribution of investments accounted for using equity method	權益法核算的被投資單位除綜合收益和利潤分配以外的其他權益變動	(15,974,899)	162,794,989	–	146,820,090
Others	其他	100,500,999	–	–	100,500,999
		683,509,755	162,794,989	–	846,304,744

		31 December 2014 2014年12月31日	Increase in current year 本年增加	Decrease in current year 本年減少	31 December 2015 2015年12月31日
Share premium	股本溢價	598,983,655	–	–	598,983,655
Other capital surplus –	其他資本公積 –				
Share of changes in equity other than comprehensive income and profit distribution of investments accounted for using equity method	權益法核算的被投資單位除綜合收益和利潤分配以外的其他權益變動	(30,898,874)	14,923,975	–	(15,974,899)
Others	其他	100,500,999	–	–	100,500,999
		668,585,780	14,923,975	–	683,509,755

Note: The increase in other capital surplus in 2016 is mainly due to the increase of the capital surplus of HNA Airport Holdings. As the Group has accounted for the investment in HNA Airport Holdings using equity method, the capital surplus of the Group increased accordingly. Details are set out in Note 6(2)(b)(i).

附註：本年其他資本公積的增加，主要是由於聯營公司海航機場控股的資本公積增加，本集團按權益法核算聯營公司應佔權益份額時相應調增本集團的其他資本公積，詳細情況請參見附註六(2)(b)(i)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(28) Surplus reserve

四 合併財務報表項目附註 (續)

(28) 盈餘公積

		31 December 2016 and 31 December 2015 2016年12月31日及 2015年12月31日
Statutory surplus reserve	法定盈餘公積金	246,394,231

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid-in capital after approval from the appropriate authorities. No statutory surplus reserve was appropriated in 2016 and 2015 as the Company's statutory surplus reserve has accumulated to more than 50% of its registered capital.

根據《中華人民共和國公司法》及本公司章程，本公司按年度淨利潤的10%提取法定盈餘公積金，直至法定盈餘公積金累計額達到註冊資本的50%。法定盈餘公積金經批准後可用於彌補虧損，或者增加股本。由於法定盈餘公積金累計額已達到本公司註冊資本的50%以上，本公司於2016年度及2015年度均未提取法定盈餘公積金。

(29) Undistributed profits

(29) 未分配利潤

		2016 2016年度	2015 2015年度
Undistributed profits at the beginning of the year	年初未分配利潤	1,826,832,534	1,487,909,356
Add: Attributable to shareholders of the Company in current year	加：本年歸屬於母公司股東的淨利潤	392,942,212	438,771,138
Less: Dividends paid in current year	減：應付普通股股利	(101,268,560)	(99,847,960)
Undistributed profits at the end of the year	年末未分配利潤	2,118,506,186	1,826,832,534

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(29) Undistributed profits (Continued)

Pursuant to the resolution of shareholders’ annual general meeting on 18 May 2016, 2015 final dividend of RMB0.120 per share, calculated by issued shares 473,213,000, amounting to RMB56,785,560 (2015: final dividend of RMB43,062,400), were declared and paid. For details please refer to Note 4(39).

Pursuant to the resolution of shareholders’ general meeting on 11 October 2016, 2016 interim cash dividend of RMB0.094 per share, calculated by issued shares 473,213,000, amounting to RMB44,483,000 (2015: interim dividend of RMB56,785,560), were declared and paid. For details please refer to Note 4(39).

(30) Minority interest

Equity attributable to the minority shareholders of the subsidiaries

Subsidiaries 子公司名稱	Minority shareholder 少數股東名稱	31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Meilan Cargo 美蘭貨運	Baixiang Logistic Ltd. 百翔物流有限公司	31,749,156	21,441,125
Haikou Meilan International Airport Duty Free Shop Ltd. (“Meilan Duty free shop”) 海南海口美蘭國際機場免稅品有限公司 (「美蘭免稅」)	Haikou Meilan 海口美蘭	—	—
		31,749,156	21,441,125

四 合併財務報表項目附註 (續)

(29) 未分配利潤 (續)

根據2016年5月18日股東周年大會決議，本公司向全體股東派發2015年度末期現金股利，每股股利為人民幣0.120元，按已發行股份473,213,000股計算，派發現金股利人民幣56,785,560元（2015年度：派發2014年度末期現金股利人民幣43,062,400元），請參見附註四(39)。

根據2016年10月11日股東大會決議，本公司向全體股東派發2016年度中期現金股利，每股股利為人民幣0.094元，按已發行股份473,213,000股計算，派發現金股利人民幣44,483,000元（2015年度：派發2015年度中期現金股利人民幣56,785,560元），請參見附註四(39)。

(30) 少數股東權益

歸屬於各子公司少數股東的少數股東權益

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

(All amounts in Renminbi ("RMB") Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(31) Revenue and operating costs, general and administrative expenses

四 合併財務報表項目附註 (續)

(31) 營業收入和營業成本、管理費用

		2016	2015
		2016年度	2015年度
Revenue	營業收入		
<i>Aeronautical:</i>	<i>航空性業務：</i>		
Passenger service charges	旅客服務費	258,865,736	229,766,658
Refund of Civil Aviation Development Fund	民航發展基金返還補貼	217,408,980	184,693,275
Ground handling service income	地面服務費	114,377,433	85,616,611
Fees and related charges on aircraft takeoff and landing	飛機起降及相關收費	89,628,728	79,972,831
		680,280,877	580,049,375
<i>Non-aeronautical:</i>	<i>非航空性業務：</i>		
Franchise income	特許經營權收入	296,214,134	256,458,436
Freight and packaging income	貨運及包裝收入	76,666,706	104,666,441
Rental income	租金收入	45,266,013	38,486,680
VIP room income	貴賓室收入	21,769,644	17,788,387
Parking income	停車場收入	18,813,859	17,023,384
Other income	其他收入	69,699,001	48,958,182
		528,429,357	483,381,510
		1,208,710,234	1,063,430,885

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度
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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(31) Revenue and operating costs, general and administrative expenses (Continued)

Operating costs and general and administrative expenses include the following items:

四 合併財務報表項目附註 (續)

(31) 營業收入和營業成本、管理費用 (續)

營業成本及管理費用主要由以下項目構成：

		2016	2015
		2016年度	2015年度
Employee salaries and benefit expenses	員工工資及福利費用	146,166,763	145,147,847
Depreciation of fixed assets	固定資產折舊費用	90,606,222	62,440,507
Outsource labour costs	勞務派遣人員費用	57,009,098	40,072,035
Airport and logistic services fee	機場及外勤綜合服務費	48,328,952	42,317,562
Utilities	水電費	32,935,061	29,014,085
Repairs and maintenance	維修費用	29,417,169	18,802,397
Other taxes	其他稅項	3,464,559	10,224,101
Packaging materials	紙箱成本	6,427,503	5,237,688
Handling fees of CAAC Settlement Center	民航清算中心手續費	5,188,391	4,314,405
Amortisation of land use rights	土地使用權攤銷	3,974,255	3,971,763
Audit fees	審計師費用	2,554,000	2,670,000
– Audit and review service	– 審計及審閱服務	2,076,000	1,900,000
– Non-audit service	– 非審計服務	478,000	770,000
Travelling expenses	差旅費	1,249,981	2,210,779
Others	其他	96,749,247	97,413,464
		524,071,201	463,836,633

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(32) Taxes and surcharges

四 合併財務報表項目附註 (續)

(32) 稅金及附加

		2016	2015
		2016年度	2015年度
Business tax	營業稅	5,421,620	17,780,171
City maintenance and construction fee	城市維護建設稅	1,017,499	1,572,926
Education fee	教育費附加	736,959	1,181,900
Stamp tax	印花稅	167,734	—
Land use tax	土地使用稅	626,899	—
Property tax	房產稅	7,830,493	—
		15,801,204	20,534,997

In December 2016, the Ministry of Finance issued “Circular on the Accounting Treatment of VAT” (Cai Kuai [2016]22), which took effect immediately on its release date. Transactions after 1 May 2016 shall be accounted for following the requirement of the circular. Pursuant to Cai Kuai[2016] 22, the property tax, land use tax and stamp tax of RMB8,625,126 for the period from May to December 2016 are presented in “Taxes and surcharges”. The property tax, land use tax and stamp tax of RMB3,464,559 for the four months that ended 30 April 2016 are still presented in “General and administrative expenses”. The comparative figures of year 2015 were not required to adjust retrospectively. Impact of other matters as set out in the circular are not material to the Group’s financial statements.

財政部於2016年12月頒佈了財會[2016]22號《增值稅會計處理規定》，要求自發佈之日起施行。2016年5月1日至該規定施行之間發生的交易按該規定調整。按照該規定的相關要求，本集團將2016年5月—12月發生的房產稅、土地使用稅、印花稅等人民幣8,625,126元列示在「稅金及附加」項目中，2016年1-4月發生的房產稅、土地使用稅、印花稅等人民幣3,464,559元仍然列示在「管理費用」項目中，2015年的比較數字不追溯調整，該規定其他事項對本集團財務報表影響並不重大。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

(33) Financial expenses – net

(33) 財務費用 – 淨額

		2016	2015
		2016年度	2015年度
Interest expenses	利息支出	273,377,495	223,705,344
Including: bank borrowings	其中：銀行借款	164,435,715	155,317,856
corporate bonds	公司債券	102,254,141	63,733,086
finance lease	融資租賃	6,687,639	4,654,402
Net foreign exchange losses	匯兌淨損失	81,165,186	73,044,238
Less: interest expenses and exchange losses capitalisation	減：利息支出及匯兌損失資本化	(177,688,757)	(180,955,372)
Less: interest income	減：利息收入	(41,105,929)	(43,802,977)
Others	其他	1,091,498	1,944,479
		136,839,493	73,935,712

(34) Provision for asset impairment losses

(34) 資產減值損失

		2016	2015
		2016年度	2015年度
Provision for bad debts	應收賬款壞賬損失	–	1,828,230

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(35) Investment (loss)/income

四 合併財務報表項目附註 (續)

(35) 投資 (損失) / 收益

		2016	2015
		2016年度	2015年度
Share of (loss)/profit of an associate	權益法核算的長期股權投資		
– HNA Airport Holdings	(損失) / 收益 – 海航機場控股	(890,279)	66,505,445
Share of profit of an associate	權益法核算的長期股權投資收益		
– Haikou Decheng	– 海口德誠	10,658	1,111,290
		(879,621)	67,616,735

No significant restrictions on the repatriation of investment income.

本集團不存在投資收益匯回的重大限制。

(36) Non-operating income

(36) 營業外收入

		2016	2015
		2016年度	2015年度
Government grants (Note)	政府補助 (附註)	16,860,800	13,200,000
Gains on disposal of fixed assets	處置固定資產利得	359,046	–
Others	其他	946,780	3,129,901
		18,166,626	16,329,901

Note: In 2016, the government grants includes the amortisation of government grants related to asset amounted to RMB1,300,000 (2015: RMB1,200,000), mainly represents subsidy for fire alarm system and inspection building. The government grants related to income amounted to RMB15,560,800, mainly represents subsidy for achieving flight punctuality rate and passenger throughput target amounted to RMB12,520,000 and cargo throughput target amounted to RMB3,040,800, which were recorded as income in current year (subsidy for achieving flight punctuality rate and throughput target in 2015: RMB12,000,000).

附註：2016年度的政府補助中，包括與資產相關的補助於本年度的攤銷額人民幣1,300,000元（2015年度：人民幣1,200,000元），主要為消防設備補貼和聯檢樓補貼；以及與收益相關的政府補助為人民幣15,560,800元，主要為航班正常率補貼和吞吐量達標補貼人民幣12,520,000元以及貨郵運輸達標補貼人民幣3,040,800元，直接計入當期損益（2015年度：航班正常率補貼和吞吐量達標補貼人民幣12,000,000元）。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

四 合併財務報表項目附註 (續)

(37) Income tax expenses

(37) 所得稅費用

		2016	2015
		2016年度	2015年度
Current income tax calculated based on tax law and related regulations	按稅法及相關規定計算的當期所得稅	137,175,139	128,411,994
Deferred income tax	遞延所得稅	157,876	5,431,720
		137,333,015	133,843,714

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses is as follows:

將基於合併利潤表的利潤總額採用適用稅率計算的所得稅調節為所得稅費用如下：

		2016	2015
		2016年度	2015年度
Total profit	利潤總額	540,583,258	578,804,175
Income tax expenses calculated at applicable tax rates	按本集團適用稅率計算的所得稅	135,145,815	144,701,044
Income not subject to tax	非應納稅收入	(2,665)	(16,904,184)
Costs and expenses not deductible for tax purposes	不得扣除的成本及費用	825,245	1,437,819
Tax losses for which no deferred tax asset was recognised	當期末確認遞延所得稅資產的可抵扣虧損	1,364,620	-
Write-off of deferred tax assets recognised in previous year	沖銷以前年度確認遞延所得稅資產	-	4,517,239
Under provision in previous year	以前年度所得稅項	-	91,796
		137,333,015	133,843,714

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(38) Earnings per share

- (a) Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

		2016	2015
		2016年度	2015年度
Consolidated net profit attributable to ordinary shareholders of the Company (RMB)	歸屬於本公司普通股股東合併淨利潤 (人民幣元)	392,942,212	438,771,138
Weighted average number of outstanding ordinary shares of the Company (share)	本公司發行在外普通股加權平均數 (股)	473,213,000	473,213,000
Basic earnings per share (RMB)	基本每股收益 (人民幣元)	0.83	0.93

- (b) Diluted earnings per share is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the Company adjusted by the profit or loss impact of the dilutive potential ordinary shares, if any, by the adjusted weighted average number of ordinary shares outstanding. As there were no dilutive potential ordinary shares in this year (2015: nil), diluted earnings per share equals to basic earnings per share.

(39) Dividends

		2016	2015
		2016年度	2015年度
2016 interim dividend paid of RMB0.094 per share (2015 interim dividend: RMB0.120 per share)	已派2016年中期股利每股人民幣0.094元 (2015年中期股利：每股人民幣0.120元)	44,483,000	56,785,560
Proposed to distribute 2016 final dividend of RMB0.073 per share (2015 final dividend: RMB0.120 per share)	擬派2016年末期股利每股人民幣0.073元 (2015年末期股利：每股人民幣0.120元)	34,543,000	56,785,560
		79,026,000	113,571,120

四 合併財務報表項目附註 (續)

(38) 每股收益

- (a) 基本每股收益以歸屬於母公司普通股股東的合併淨利潤除以本公司發行在外普通股的加權平均數計算：

- (b) 稀釋每股收益以根據稀釋性潛在普通股調整後的歸屬於本公司普通股股東的合併淨利潤除以調整後的本公司發行在外普通股的加權平均數計算。於本年度，本公司不存在具有稀釋性的潛在普通股 (2015年度：無)，因此，稀釋每股收益等於基本每股收益。

(39) 股利

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度
(All amounts in Renminbi (“RMB”) Yuan unless otherwise stated) (除特別註明外，金額單位為人民幣元)

4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(39) Dividends (Continued)

During the year, 2016 interim cash dividend of RMB0.094 per share, totaling RMB44,483,000 (2015 interim cash dividend: RMB0.120 per share, totaling RMB56,785,560) was declared to the shareholders of the Company.

An final dividend of RMB0.073 per share, totaling RMB34,543,000 was proposed by the Board of Directors on 28 March 2017 (2015 final dividend: RMB0.120 per share, totaling RMB56,785,560). This dividend has not been recognised as a liability in this financial information for the year ended 31 December 2016. It will be recognised in shareholders' equity for the year ending 31 December 2017.

(40) Supplementary information to the consolidated cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities

四 合併財務報表項目附註 (續)

(39) 股利 (續)

於本年度，本公司派發2016年度中期現金股利為每股人民幣0.094元，總計為人民幣44,483,000元（2015年中期現金股利：每股人民幣0.120元，總計為人民幣56,785,560元）。

於2017年3月28日，董事會建議分派2016年度末期現金股利每股人民幣0.073元，總計為人民幣34,543,000元（2015年度末期現金股利：每股人民幣0.120元，總計為人民幣56,785,560元）。截至2016年12月31日止年度，此等股利並未在本財務報表上確認為負債，而將於截至2017年12月31日止年度的股東權益中確認。

(40) 現金流量表補充資料

(a) 將淨利潤調節為經營活動現金流量

		2016 2016年度	2015 2015年度
Net profit	淨利潤	403,250,243	444,960,461
Add: Provision for asset impairment	加：計提的資產減值準備	—	1,828,230
Depreciation of fixed assets	固定資產折舊	90,606,222	62,440,507
Amortisation of intangible assets	無形資產攤銷	3,974,255	3,971,763
Amortisation of deferred income	遞延收益攤銷	(1,300,000)	(1,200,000)
Net losses on disposal of fixed assets	處置固定資產的淨損失	8,274,861	7,970,512
Financial expenses	財務費用	164,356,146	85,816,432
Investment loss/(income)	投資損失/(收益)	879,621	(67,616,735)
Decrease in deferred tax assets	遞延所得稅資產減少	157,876	5,339,924
Increase in inventories	存貨的增加	(394,818)	(138,341)
Decrease/(increase) in operating receivables	經營性應收項目的減少/(增加)	60,482,358	(190,741,054)
Increase in operating payables	經營性應付項目的增加	238,346,402	81,708,873
Net cash flows from operating activities	經營活動產生的現金流量淨額	968,633,166	434,340,572

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

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4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(40) Supplementary information to the consolidated cash flow statement (Continued)

(b) Net decrease in cash and cash equivalents

		2016	2015
		2016年度	2015年度
Cash and cash equivalents at end of the year	現金及現金等價物的年末餘額	752,451,597	1,023,267,032
Less: cash and cash equivalents at beginning of the year	減：現金及現金等價物的年初餘額	(1,023,267,032)	(1,884,557,387)
Net decrease in cash and cash equivalents	現金及現金等價物淨減少額	(270,815,435)	(861,290,355)

(c) Cash payments relating to other operating activities

		2016	2015
		2016年度	2015年度
Payments of Passenger Service Charges, Ground Service Fee, and Fees and Related Charges on Aircraft Takeoff and Landing collected on behalf of Haikou Meilan	向海口美蘭支付代收的旅客服務費、地面服務費、飛機起降費及相關收費	112,000,000	156,785,306
Payments of travelling and other expenses	支付差旅費等雜費	29,292,356	50,402,678
		141,292,356	207,187,984

5 CHANGE IN SCOPE OF CONSOLIDATION

(1) New subsidiaries

The information of new subsidiaries is as follows:

The Company set up a wholly-owned subsidiary of Hainan Meilan Airport Hotel Investment Holding Co., Ltd. ("Hotel Investment") on 13 April 2016, with the registered capital of RMB5,000,000. As at 31 December 2016, the Company has not subscribed for the capital.

The Company set up a wholly-owned subsidiary of Hainan Meilan Airport Terminal investment Co., Ltd ("Terminal investment") on 14 April 2016, with the registered capital of RMB50,000,000. As at 31 December 2016, the Company has not subscribed for the capital.

四 合併財務報表項目附註 (續)

(40) 現金流量表補充資料 (續)

(b) 現金及現金等價物淨變動情況

(c) 支付其他與經營活動有關的現金

五 合併範圍的變更

(1) 新增子公司

本年度新增子公司的相關信息匯總如下：

本公司於2016年4月13日設立全資子公司海南美蘭機場酒店投資有限公司（「酒店投資」），註冊資本為人民幣5,000,000元。截至2016年12月31日，本公司尚未出資認繳。

本公司於2016年4月14日設立全資子公司海南美蘭機場航站樓投資控股有限公司（「航站樓投資」），註冊資本為人民幣50,000,000元。截至2016年12月31日，本公司尚未出資認繳。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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6 INTEREST IN OTHER ENTITY

(1) Interest in subsidiaries

(a) Structure of the enterprise group

六 在其他主體中的權益

(1) 在子公司中的權益

(a) 企業集團的構成

	Type of entity	Place of operation	Place of registration	Principal activities	Registered capital	Interest held	Voting rights	Way of achieve
	法人類別	主要經營地	註冊地	業務性質	註冊資本	直接持股比例	表決權比例	取得方式
Meilan Duty Free Shop	Limited liability company	Haikou	Haikou	Retail sales	1,000,000	95%	100%	Set up
美蘭免稅	有限責任公司	海口市	海口市	銷售免稅商品				設立取得
Meilan Cargo (Note)	Limited liability company	Haikou	Haikou	Provision of cargo transportation service	20,000,000	51%	60%	Set up
美蘭貨運 (附註)	有限責任公司	海口市	海口市	提供貨運服務				設立取得
Hainan Meilan Airport Commercial Investment Co., Ltd.	Limited liability company	Haikou	Haikou	Business investment	50,000,000	100%	100%	Set up
海南美蘭機場商業投資有限公司	有限責任公司	海口市	海口市	商業投資				設立取得
Hotel Investment	Limited liability company	Haikou	Haikou	Hotel investment and management	5,000,000	100%	100%	Set up
酒店投資	有限責任公司	海口市	海口市	酒店投資經營				設立取得
Terminal Investment	Limited liability company	Haikou	Haikou	Investment and administration of Haikou Meilan International Airport terminal	50,000,000	100%	100%	Set up
航站樓投資	有限責任公司 Limited Liability Company	海口市	海口市	海口美蘭國際機場航站樓的投資管理				設立取得

Note: The Company holds 51% of equity interest and 60% of the voting rights in Meilan Cargo. The key operating and financial decisions of Meilan Cargo should be made by its board of directors with the approval of at least half of the directors attend at the board meeting. Three out of five directors of Meilan Cargo are nominated by the Company. Therefore, the Company holds 60% of the voting rights of the subsidiary.

There is no restriction of the use of the Group's assets nor the settlement of the liability of the Group.

附註：本公司對美蘭貨運的持股比例為51%，美蘭貨運主要經營及財務的決策由董事會作出，董事會決議至少應經由出席董事會會議的二分之一的董事同意才能通過，美蘭貨運董事會成員共5名，本公司有權派出3名董事，故本公司擁有的表決權比例為60%。

本集團不存在使用集團資產或清償集團負債方面的限制。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended 31 December 2016 2016年度

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6 INTEREST IN OTHER ENTITY (Continued)

(1) Interest in subsidiaries (Continued)

(b) Subsidiaries with material minority interest

Name of subsidiaries	Minority shareholding	Minority interest in 2016	Dividends to Minority Interest in 2016	Minority interest as at 31 December 2016
子公司名稱	少數股東的持股比例	2016年度歸屬於少數股東的損益	2016年度向少數股東分派股利	2016年12月31日少數股東權益
Meilan Duty Free Shop 美蘭免稅	5%	—	—	—
Meilan Cargo 美蘭貨運	49%	10,308,031	—	31,749,156

(2) Interest in associates

(a) Basic information of significant associates

	Place of operation	Place of registration	Principal activities	Strategic impact on group activity	Interest held
	主要經營地	註冊地	業務性質	對集團活動是否具有戰略性	持股比例
Haikou Decheng	Haikou, Hainan Province	Haikou, Hainan Province	Property development, resort operation, eco-agriculture development and gardening	Yes	30%
海口德誠	海南省海口市	海南省海口市	物業開發、休閒度假經營開發、生態農業開發、綠化園藝	是	30%
HNA Airport Holdings (Note)	Haikou, Hainan Province	Haikou, Hainan Province	Airport operation and ground handling services; airport investment, holding, constructing and rebuilding	Yes	24.5%
海航機場控股(附註)	海南省海口市	海南省海口市	機場運營管理和地面服務；機場投資、控股、建設、改造	是	24.5%

Investments in associates are accounted for using the equity method.

本集團對上述股權投資均採用權益法核算。

Note: The place of incorporation and business of HNA Airport Group are in the PRC, and there is no business relationship between the Group and HNA Airport Group. The equity interest held by the Group is 24.5% and the voting rights are 1/7. Although the percentage of the voting rights held by the Group is less than 20%, since one out of seven directors of the board of directors of HNA Airport Holdings is nominated by the Group. Therefore the Group is able to exercise significant influence over HNA Airport Holdings and regarded it as an associate of the Group.

附註：海航機場控股集團的註冊地及主要經營地均在中國境內，與本集團無業務上的往來。本集團對海航機場控股的持股比例為24.5%，表決權比例為1/7，雖然低於20%，但是海航機場控股董事會7名董事中的1名由本集團任命，從而本集團能夠對海航機場控股施加重大影響，故將其作為聯營企業核算。

六 在其他主體中的權益 (續)

(1) 在子公司中的權益 (續)

(b) 存在重要少數股東權益的子公司

(2) 在聯營企業中的權益

(a) 重要聯營企業的基本信息

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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6 INTEREST IN OTHER ENTITY (Continued)

(2) Interest in associates (Continued)

(b) Summarised financial information for the Group’s significant associate is set out below:

六 在其他主體中的權益 (續)

(2) 在聯營企業中的權益 (續)

(b) 重要聯營企業的主要財務信息列示如下：

		HNA Airport Group 海航機場控股集團	
		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Current assets	流動資產	5,814,558,306	6,147,837,474
Non-current assets	非流動資產	22,904,232,651	17,806,233,105
Total assets	資產合計	28,718,790,957	23,954,070,579
Current liabilities	流動負債	7,805,691,515	6,994,358,389
Non-current liabilities	非流動負債	6,563,684,982	9,239,499,496
Total liabilities	負債合計	14,369,376,497	16,233,857,885
Minority interests (Note (i))	少數股東權益 (附註(i))	7,203,688,603	3,295,993,194
Equity attributable to shareholders of HNA Airport Holdings (Note (ii))	歸屬於海航機場控股股東的權益 (附註(ii))	7,145,725,857	4,424,219,499
Share of net assets based on the percentage of equity interest held by the Group (Note (iii))	按本集團對其持股比例計算的淨資產份額 (附註(iii))	1,260,702,835	1,083,933,777
Adjustment	調整事項		
– Adjust to the fair value of identifiable net assets upon acquisition	– 按照取得投資時聯營企業可辨認淨資產公允價值進行調整	91,404,941	94,768,207
Carrying amount of investment in associate	對聯營企業權益投資的賬面價值	1,352,107,776	1,178,701,984

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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6 INTEREST IN OTHER ENTITY (Continued)

(2) Interest in associates (Continued)

(b) Summarised financial information for the Group’s significant associates is set out below: (Continued)

六 在其他主體中的權益 (續)

(2) 在聯營企業中的權益 (續)

(b) 重要聯營企業的主要財務信息列示如下：(續)

		HNA Airport Group 海航機場控股集團	
		2016 2016年度	2015 2015年度
Revenue	營業收入	1,272,604,080	1,074,943,404
Net profit/(loss)	淨利潤/(虧損)	169,470,028	397,854,205
Attributable to shareholders of HNA Airport Holdings	歸屬於海航機場控股股東的淨(虧損)/利潤	(3,633,792)	271,450,796
Attributable to minority interests	少數股東損益	173,103,820	126,403,409
Other comprehensive income	其他綜合收益	93,398,153	–
Total comprehensive income	綜合收益總額	262,868,181	397,854,205
Attributable to shareholders of HNA Airport Holdings	歸屬於海航機場股東的綜合收益總額	43,309,401	271,450,796
Attributable to Minority interests	歸屬於少數股東的綜合收益總額	219,558,780	126,403,409

The Group did not receive dividend from associates this year.

- Increase in minority interests of HNA Airport Holdings during the year is mainly due to further capital injection by minority shareholders of Sanya Phoenix International Airport Co., Ltd. (“Phoenix Airport”), a subsidiary of HNA Airport Holdings. As the capitals injected by the minority shareholders exceeded their respective share of net assets of Phoenix Airport, HNA Airport Holdings shared the surplus based on its percentages of shareholding in Phoenix Airport.
- Equity attributable to shareholders of HNA Airport Holdings included the perpetual bonds of RMB2 billion.
- The Group recognises its proportionate share of equity based on the equity attributable to shareholders of associates. The consolidated financial statements of associates are adjusted based on the fair value of the identifiable net assets on the acquisition date and in accordance with the accounting policies of the Group.

本集團本年度未收到來自聯營企業的股利。

- 2016年海航機場控股的少數股東權益增加，主要是由於海航機場控的子公司三亞鳳凰國際機場有限責任公司(「鳳凰機場」)的少數股東對其增資，因投入資本高於所獲得鳳凰機場的淨資產份額，海航機場控股按其股權比例相應增加其權益。
- 歸屬於海航機場控股股東的權益中包含人民幣20億元的永續債。
- 本集團以聯營企業合併財務報表中歸屬於母公司的金額為基礎，按持股比例計算資產份額。聯營企業合併財務報表中的金額考慮了取得投資時聯營企業可辨認淨資產和負債的公允價值以及統一會計政策的影響。

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7 SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) of the Group has been identified as the Executive Directors and senior management led by the chairman of the Company. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM considers the Group conducts its business within one business segment – the business of operating an airport and provision of related services in the PRC and the Group also operates within one geographical segment because its revenues are primarily generated from and its assets are located in the PRC.

8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(1) Information of the parent company

(a) General information of the parent company:

	Place of registration 註冊地	Nature of business 業務性質
Haikou Meilan	Haikou, Hainan Province	Air transportation and ground handling services
海口美蘭	海南省海口市	提供航空運輸及地面代理服務

(b) Registered capital and changes in registered capital of the parent company:

		31 December 2015 2015年12月31日	Increase in current year 本年增加	31 December 2016 2016年12月31日
Haikou Meilan	海口美蘭	2,975,938,781	389,255,171	3,365,193,952

七 分部信息

本集團最高營運決策者定義為執行董事及在總裁領導下的高級管理層。管理層審閱內部報告以評估業績及分配資源。管理層基於上述報告作為分部依據。

管理層認為本集團僅於一個行業內經營業務，即在中國經營一個機場並提供相關服務。同時，由於本集團的收益主要來自中國，其資產亦位於中國，本集團僅於一個地域內經營業務。

八 關聯方關係及其交易

(1) 母公司情況

(a) 母公司基本情況：

(b) 母公司註冊資本及其變化：

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(1) Information of the parent company (Continued)

- (c) The proportions of equity interests and voting rights in the Company held by the parent company:

		31 December 2016 and 31 December 2015 2016年12月31日 及2015年12月31日	
		% Interest held 持股比例%	% Voting rights 表決權比例%
Haikou Meilan	海口美蘭	50.19	50.19

(2) Information of subsidiaries

The general information and other related information of the subsidiaries is set out in Note 5.

八 關聯方關係及其交易 (續)

(1) 母公司情況 (續)

- (c) 母公司對本公司的持股比例和表決權比例：

(2) 子公司情況

子公司的基本情況及相關信息見附註五。

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(3) Information of other related parties

八 關聯方關係及其交易 (續)

(3) 其他關聯方情況

	Relationship with the Group 與本集團的關係
HNA Group 海航集團	Has significant influence on the Parent Company 對母公司有重大影響
Hainan Traffic Control Holding Co., Ltd. (“Hainan Traffic Control”) 海南交管控股有限公司 (「海交控股」)	Has significant influence on the Parent Company 對母公司有重大影響
Hainan Developing Holding Company Limited (“Hainan Developing”) 海南省發展控股有限公司 (「海發控股」)	Has significant influence on the Parent Company 對母公司有重大影響
Hainan Airlines 海南航空	Under control of Hainan Developing 受海發控股的控制
Hainan Airlines Food Co., Ltd. (“Hainan Food”) 海南航空食品有限公司 (「海航食品」)	Under control of HNA Group 受海航集團的控制
Beijing Capital Airlines Co., Ltd. (“Capital Airlines”) 北京首都航空有限公司 (「首都航空」)	Under control of HNA Group 受海航集團的控制
HNA Group Finance 海航財務	Under control of HNA Group 受海航集團的控制
HNA Safe Car Rental Co., Ltd. (“HNA Safe”) 海航思福汽車租賃有限公司 (「海航思福」)	Under control of HNA Group 受海航集團的控制
Tianjin Airlines Co., Ltd. (“Tianjin Airlines”) 天津航空有限責任公司 (「天津航空」)	Under control of HNA Group 受海航集團的控制
Western Airlines Co., Ltd. (“Western Airlines”) 西部航空有限責任公司 (「西部航空」)	Under control of HNA Group 受海航集團的控制
HNA Cargo Transportation Co., Ltd. (“HNA Cargo”) 海航貨運有限公司 (「海航貨運」)	Under control of HNA Group 受海航集團的控制

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(3) Information of other related parties (Continued)

八 關聯方關係及其交易 (續)

(3) 其他關聯方情況 (續)

	Relationship with the Group 與本集團的關係
Hainan Meilan International Airport Travelling Co., Ltd (“Meilan Travelling”) 海南美蘭國際機場旅行社有限責任公司 (「美蘭旅行社」)	Under control of HNA Group 受海航集團的控制
Deer Jet Co., Ltd. (“Deer Jet”) 三亞海航金鹿公務航空地面服務有限公司 (「三亞金鹿」)	Under control of HNA Group 受海航集團的控制
Hainan Eking Technology Co., Ltd. (“Hainan Eking Technology”) 海南易建科技股份有限公司 (「海南易建科技」)	Under control of HNA Group 受海航集團的控制
Hainan E-card Management Co., Ltd (“Hainan E-card”) (formerly known as “Hainan HNA Property Management Co., Ltd”) 海南一卡通物業管理股份有限公司 (「海南一卡通」) (前稱為「海航物業管理有限公司」)	Under control of Hainan Traffic Control 受海交控股的控制
Lucky Air Co., Ltd (“Lucky Air”) 雲南祥鵬航空有限責任公司 (「雲南祥鵬」)	Under control of Hainan Developing 受海發控股的控制
Shanghai Deer Air Co., Ltd (“Shanghai Deer Air”) 上海金鹿公務航空有限公司 (「上海金鹿」)	Under control of HNA Group 受海航集團的控制
Yangpu Guoxing 洋浦國興	Under control of HNA Group 受海航集團的控制
Haidao Commercial 海島商業	Under control of HNA Group 受海航集團的控制
Hainan HNA China Duty Free Merchandise Co., Ltd. (“HNA China Duty Free”) 海南海航中免免稅品有限公司 (「海航中免」)	Under common control of HNA Group 受海航集團的共同控制

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(4) Significant related party transactions

(a) Pricing policies

The Group's pricing on goods purchased from related parties, and services provided to or received from related parties are based on market price. The interest rates of deposits and the entrusted loans maintained with related parties of the Group are mutually agreed taking into consideration of deposit interest rates of commercial banks over the same period.

(b) Purchases of goods or services

		2016	2015	2016	2015
		2016年度	2015年度	2016年度	2015年度
		Group	Group	Company	Company
		本集團	本集團	本公司	本公司
Hainan E-card	海南一卡通	38,629,496	28,867,983	36,468,734	27,006,187
Haikou Meilan	海口美蘭	22,613,713	22,171,223	20,357,925	21,006,756
Meilan Travelling	美蘭旅行社	9,594,562	5,736,881	9,594,562	5,736,881
Hainan Eking Technology	海南易建科技	4,835,744	3,873,859	4,835,744	3,873,859
HNA Cargo	海航貨運	2,872,649	37,779,096	-	-
HNA Safe	海航思福	2,359,118	2,059,200	2,359,118	2,059,200
HNA Food	海航食品	189,544	634,132	189,544	634,132
		81,094,826	101,122,374	73,805,627	60,317,015

(c) Rendering of services

		2016	2015	2016	2015
		2016年度	2015年度	2016年度	2015年度
		Group	Group	Company	Company
		本集團	本集團	本公司	本公司
Hainan Airlines	海南航空	142,641,275	128,225,083	142,641,275	119,970,107
Capital Airlines	首都航空	51,255,173	47,666,433	51,255,173	47,666,433
Tianjin Airlines	天津航空	24,170,280	20,970,412	24,170,280	20,970,412
Lucky Air	雲南祥鵬	6,798,980	7,740,484	6,798,980	7,740,484
HNA China Duty Free	海航中免	6,796,046	6,736,515	6,796,046	6,736,515
Western Airlines	西部航空	4,905,377	3,655,034	4,905,377	3,655,034
Meilan Travelling	美蘭旅行社	4,811,478	4,650,000	4,811,478	4,650,000
Deer Jet	三亞金鹿	3,586,712	4,035,751	3,586,712	4,035,751
Shanghai Deer Air	上海金鹿	692,689	916,050	692,689	916,050
Others	其他	365,574	461,410	365,574	461,410
		246,023,584	225,057,172	246,023,584	216,802,196

八 關聯方關係及其交易 (續)

(4) 重大關聯交易

(a) 定價政策

本集團向關聯方採購的產品以及自關聯方接受勞務或向關聯方提供勞務的價格以市場價格作為定價基礎。本集團存放在關聯方的銀行存款的委託貸款利率參考商業銀行同期存款利率經雙方協商後確定。

(b) 採購貨物或接受勞務

(c) 提供勞務

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(4) Significant related party transactions (Continued)

(d) Lease expense

		2016	2015	2016	2015
		2016年度	2015年度	2016年度	2015年度
		Group	Group	Company	Company
		本集團	本集團	本公司	本公司
Meilan Cargo	美蘭貨運	–	–	3,600,000	3,600,000

(e) Interest Income

		2016	2015	2016	2015
		2016年度	2015年度	2016年度	2015年度
		Group	Group	Company	Company
		本集團	本集團	本公司	本公司
HNA Group Finance	海航財務	13,993,796	4,006,843	13,993,112	4,006,149
Haidao Commercial	海島商業	11,493,699	30,822,222	11,493,699	30,822,222
		25,487,495	34,829,065	25,486,811	34,828,371

The interest rates on balances with related parties are calculated in accordance with deposit interest rates of commercial banks over the same period.

上述利息收入按照商業銀行同期存款利率計算。

(f) Remuneration of key management

		2016	2015
		2016年度	2015年度
Remuneration of key management	關鍵管理人員薪酬	3,901,661	2,762,679

Key management personnel include executive directors, non-executive directors, president, vice president, company secretary, chief financial officer and supervisors of the Company.

關鍵管理人員包括本公司執行董事、非執行董事、總裁、副總裁、公司秘書、財務總監及監事。

八 關聯方關係及其交易 (續)

(4) 重大關聯交易 (續)

(d) 租賃費用

(e) 利息收入

(f) 關鍵管理人員薪酬

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(4) Significant related party transactions (Continued)

(g) Directors and supervisors' emoluments

Directors and supervisors' emoluments for the year ended 31 December 2016 are as follows:

八 關聯方關係及其交易 (續)

(4) 重大關聯交易 (續)

(g) 董事及監事薪酬

2016年度每位董事及監事的薪酬如下：

Name	姓名	Remunerations paid in respect of accepting office as director or supervisor 就接納擔任董事或監事 一職而支付的酬金	Emoluments paid for other services in connection with the management of the affairs of the Company 就管理本公司而支付的酬金			Total 合計
		Remuneration 酬金	Salary and allowance 薪金、房屋 津貼、其他津貼 和實物利益	Pension 養老金 計劃供款	Discretionary bonuses 酌情獎金	
Wang Zhen	王貞	-	388,928	83,559	-	472,487
Hu Wentai (Note(ii))	胡文泰 (附註(ii))	-	304,050	-	-	304,050
Yang Xiaobin (Note(iii))	楊小濱 (附註(iii))	-	347,754	83,055	-	430,809
Zhang Peihua (Note(i))	張佩華 (附註(i))	-	183,108	38,183	-	221,291
Zhou Feng (Note(i))	周鋒 (附註(i))	-	140,319	33,706	-	174,025
Gao Jian (Note (i))	高建 (附註(i))	-	-	-	-	-
Chan Nap Kee, Joseph (Note (iii))	陳立基 (附註(iii))	50,000	-	-	-	50,000
Yan Xiang (Note(ii))	燕翔 (附註(ii))	50,000	-	-	-	50,000
Fung Ching, Simon (Note(ii))	馮征 (附註(ii))	100,000	-	-	-	100,000
George F Meng (Note(ii))	孟繁臣 (附註(ii))	100,000	-	-	-	100,000
Deng Tianlin (Note(ii))	鄧天林 (附註(ii))	100,000	-	-	-	100,000
He Linji (Note(ii))	何霖吉 (附註(ii))	100,000	-	-	-	100,000
Liu Shanbin (Note(i))	劉善斌 (附註(i))	-	241,301	72,567	-	313,868
Dong Guiguo (Note(iv))	董桂國 (附註(iv))	-	-	-	-	-
Han Aimin (Note(iv))	韓愛民 (附註(iv))	-	225,346	60,899	-	286,245
Zhang Shusheng (Note(iv))	張述聖 (附註(iv))	20,000	-	-	-	20,000

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(4) Significant related party transactions (Continued)

(g) Directors and supervisors' emoluments (Continued)

Directors and supervisors' emoluments for the year ended 31 December 2015 are as follows:

八 關聯方關係及其交易 (續)

(4) 重大關聯交易 (續)

(g) 董事及監事薪酬 (續)

2015年度每位董事及監事的薪酬如下：

Name	姓名	Remunerations paid	Emoluments paid			Total
		in respect of accepting office as director or supervisor 就接納擔任董事或監事一職而支付的酬金	for other services in connection with the management of the affairs of the Company 就管理本公司而支付的酬金	Salary and allowance 薪金、房屋津貼、其他津貼	Pension 養老金	
		酬金	和實物利益	計劃供款	合計	
Wang Zhen	王貞	–	238,118	63,338	–	301,456
Hu Wentai (Note(ii))	胡文泰 (附註(ii))	–	235,118	62,834	–	297,952
Yang Xiaobin (Note(iii))	楊小濱 (附註(iii))	–	235,118	59,834	–	294,952
Zhang Peihua (Note(i))	張佩華 (附註(i))	–	208,118	59,834	–	267,952
Liang Jun (Resigned on 16 February 2015)	梁軍 (2015年2月16日離任)	–	–	–	–	–
Zhang Hao (Resigned on 3 July 2015)	張昊 (2015年7月3日離任)	–	–	–	–	–
Chan Nap Kee, Joseph (Note (ii))	陳立基 (附註(ii))	50,000	–	–	–	50,000
Yan Xiang (Note(ii))	燕翔 (附註(ii))	50,000	–	–	–	50,000
Xu Bailing (Resigned on 18 May 2015)	徐柏齡 (2015年5月18日離任)	37,808	–	–	–	37,808
Fung Ching, Simon (Note(iii))	馮征 (附註(iii))	100,000	–	–	–	100,000
George F Meng (Note(ii))	孟繁臣 (附註(ii))	100,000	–	–	–	100,000
Deng Tianlin (Note(ii))	鄧天林 (附註(ii))	100,000	–	–	–	100,000
Gao Jian (Note(i))	高建 (附註(i))	–	154,412	45,091	–	199,503
He Linji (Note(ii))	何霖吉 (附註(ii))	62,192	–	–	–	62,192
Dong Guiguo (Note(iv))	董桂國 (附註(iv))	–	–	–	–	–
Han Aimin (Note(iv))	韓愛民 (附註(iv))	–	225,316	28,850	–	254,166
Zhang Shusheng (Note(iv))	張述聖 (附註(iv))	20,000	–	–	–	20,000

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(4) Significant related party transactions (Continued)

(g) Directors and supervisors' emoluments (Continued)

Note:

- (i) Mr. Zhou was appointed as executive directors on 11 October 2016. Mr. Liu was appointed as executive directors on 18 May 2016. Mr. Zhang resigned from directors on 11 October 2016. Mr. Gao resigned from directors on 18 May 2016.
- (ii) Mr. Hu, Mr. Fung, Mr. Meng, Mr. Deng, Mr. He, Mr. Chan and Mr. Yan, are non-executive directors of the Company.
- (iii) Mr. Yang is a director and is also the chief executive.
- (iv) Mr. Dong, Mr. Zhang and Mr. Han are supervisors of the Company and Mr. Dong's emoluments were paid by the Company he worked for.

No directors or supervisors waived or agreed to waive any emoluments during the year.

Up to 31 December 2016, no emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office (2015: nil).

八 關聯方關係及其交易 (續)

(4) 重大關聯交易 (續)

(g) 董事及監事薪酬 (續)

附註：

- (i) 周鋒先生於2016年10月11日被任命為執行董事。劉善斌先生於2016年5月18日被任命為執行董事。張佩華先生於2016年10月11日卸任執行董事。高建先生於2016年5月18日卸任執行董事。
- (ii) 胡文泰先生、馮征先生、孟繁臣先生、鄧天林先生、何霖吉先生、陳立基先生和燕翔先生為公司非執行董事。
- (iii) 楊小濱先生為公司執行董事，同時也為公司的行政總裁。
- (iv) 董桂國先生、張述聖先生和韓愛民先生為公司監事。其中董桂國先生的薪酬由其任職公司支付。

本年沒有董事或監事放棄或同意放棄任何酬金。

截至2016年12月31日止年度，本公司並無向董事及監事支付任何作為吸引其加入本公司或作為離職補償的薪酬（2015年度：無）。

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(4) Significant related party transactions (Continued)

(h) The five individuals whose emoluments are the highest

The five individuals whose emoluments were the highest in the Group for year 2016 include four directors and one supervisor (2015: four directors and one senior management) whose emoluments are reflected in the analysis presented above.

(5) Significant receivables from and payables to related parties

(a) Cash at bank

八 關聯方關係及其交易 (續)

(4) 重大關聯交易 (續)

(h) 薪酬最高的前五位

2016年度本集團薪酬最高的前五位人士中包括四位董事及一位監事(2015年度：四位董事及一位高級管理人員)，其薪酬已反映在上表中。

(5) 重大關聯方應收、應付款項餘額

(a) 貨幣資金

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
HNA Group Finance	海航財務	40,300,022	350,671,059	40,247,147	350,610,187

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(5) Significant receivables from and payables to related parties (Continued)

(b) Accounts receivable

八 關聯方關係及其交易 (續)

(5) 重大關聯方應收、應付款項餘額 (續)

(b) 應收賬款

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Hainan Airlines	海南航空	26,653,229	24,376,785	26,033,717	23,813,217
Capital Airlines	首都航空	17,966,530	14,492,259	17,966,530	14,492,259
Tianjin Airlines	天津航空	8,970,553	6,947,733	8,970,553	6,947,733
Meilan Travelling	美蘭旅行社	2,855,826	3,197,492	2,855,826	3,197,492
Lucky Air	雲南祥鵬	2,305,182	1,788,185	2,305,182	1,788,185
Western Airlines	西部航空	864,705	598,889	864,705	598,889
HNA China Duty Free	海航中免	711,535	792,860	711,535	792,860
Hainan Food	海航食品	487,261	851,998	487,261	851,998
HNA Group	海航集團	183,030	134,450	183,030	134,450
HNA Safe	海航思福	162,000	-	162,000	-
Others	其他	3,886,995	3,251,002	3,886,995	3,251,002
		65,046,846	56,431,653	64,427,334	55,868,085

(c) Other non-current assets

(c) 其他非流動資產

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Haikou Meilan (Note 7(6)(c))	海口美蘭 (附註八(6)(c))	570,000,000	570,000,000	570,000,000	570,000,000
Yangpu Guoxing (Note 4(12)(a))	洋浦國興 (附註四(12)(a))	192,522,560	452,900,683	192,522,560	452,900,683
Hainan Eking Technology	海南易建科技	16,790,152	5,807,344	16,790,152	5,807,344
		779,312,712	1,028,708,027	779,312,712	1,028,708,027

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(5) Significant receivables from and payables to related parties (Continued)

(d) Other receivables

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Hainan Airlines	海南航空	3,515,799	3,478,614	3,515,799	3,478,614
Hotel Investment	酒店投資	–	–	3,367,459	–
Meilan Duty Free Shop	美蘭免稅	–	–	1,622,866	1,809,752
Business Investment	商業投資	–	–	90,428	–
Others	其他	1,285,678	1,978,518	1,205,578	1,954,701
		4,801,477	5,457,132	9,802,130	7,243,067

(e) Interest receivable

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
HNA Group Finance	海航財務	2,609,736	277,943	2,609,736	277,943
Haidao Commercial	海島商業	–	844,444	–	844,444
		2,609,736	1,122,387	2,609,736	1,122,387

八 關聯方關係及其交易 (續)

(5) 重大關聯方應收、應付款項餘額 (續)

(d) 其他應收款

(e) 應收利息

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(5) Significant receivables from and payables to related parties (Continued)

(f) Entrusted loan

Long-term receivables due within one year

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Haidao Commercial	海島商業	—	380,000,000	—	380,000,000

(g) Accounts payable

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Hainan E-card	海南一卡通	5,124,079	5,494,455	5,124,079	5,494,455
Meilan Travelling	美蘭旅行社	4,603,971	5,150,328	4,603,971	5,150,328
Hainan Eking Technology	海南易建科技	2,541,741	3,980,901	2,528,616	3,980,901
HNA Safe	海航思福	389,160	491,400	389,160	491,400
Hainan Food	海航食品	92,752	314,152	92,752	314,152
		12,751,703	15,431,236	12,738,578	15,431,236

八 關聯方關係及其交易 (續)

(5) 重大關聯方應收、應付款項餘額 (續)

(f) 委託貸款

一年以內到期的長期應收款

(g) 應付賬款

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(5) Significant receivables from and payables to related parties (Continued)

(h) Other payables

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Haikou Meilan	海口美蘭	420,709,596	187,643,210	411,016,348	179,499,533
Hainan Airlines	海南航空	10,027,862	10,636,618	10,014,474	10,623,230
Hainan E-card	海南一卡通	865,607	1,189,627	–	–
Meilan Cargo	美蘭貨運	–	–	76,708,086	57,596,515
Others	其他	2,260,383	277,495	2,218,102	277,495
		433,863,448	199,746,950	499,957,010	247,996,773

(i) Advances from customers

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Haikou Meilan (Note 8(6)(a))	海口美蘭 (附註八(6)(a))	3,128,973	3,128,973	3,128,973	3,128,973
HNA China Duty Free	海航中免	–	61,901	–	–
		3,128,973	3,190,874	3,128,973	3,128,973

(j) Directors' emolument payable

		31 December 2016 2016年 12月31日 Group 本集團	31 December 2015 2015年 12月31日 Group 本集團	31 December 2016 2016年 12月31日 Company 本公司	31 December 2015 2015年 12月31日 Company 本公司
Directors' emolument	董事薪酬	520,000	482,192	520,000	482,192

八 關聯方關係及其交易 (續)

(5) 重大關聯方應收、應付款項餘額 (續)

(h) 其他應付款

(i) 預收款項

(j) 應付董事薪酬

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(6) Significant asset acquisition and cooperative investment project with related parties

(a) Terminal Expansion Project

八 關聯方關係及其交易 (續)

(6) 重大關聯方資產收購及合作投資項目

(a) 航站樓擴建工程

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Land Use Right Transfer Agreement and Investment and Construction Agreement with Haikou Meilan	和海口美蘭簽訂的轉讓土地使用權協議及投資建設協議		
– Receivable from Haikou Meilan for Land Use Right Transfer (Note a-1)	– 可向海口美蘭收取之土地使用權轉讓款 (附註a-1)	(28,160,761)	(28,160,761)
– Payable to Haikou Meilan under the Investment and Construction Agreement (Note a-2)	– 需向海口美蘭支付之投資建設資金款 (附註a-2)	200,367,976	200,367,976
		172,207,215	172,207,215

On 26 August 2011, the Company entered into a Land Use Right Transfer Agreement and an Acquisition Agreement with Haikou Meilan in respect of construction of an international terminal, expansion of west gallery of the terminal and a number of ancillary projects in the Meilan Airport (the “Terminal Expansion Project”). On 12 December 2012, the Acquisition Agreement was terminated and superseded by an Investment and Construction Agreement entered into by the Company and Haikou Meilan on the same day.

(a-1) Pursuant to the Investment and Construction Agreement, in order to facilitate the construction of the Terminal Expansion Project and the possession of relevant property ownership certificate(s) as a whole by Haikou Meilan, the Company will transfer the land use rights for a site area of 125 acres to Haikou Meilan at a consideration of RMB31,289,734. Up to 31 December 2016, the Company has received deposits of RMB3,128,973 from Haikou Meilan (31 December 2015: RMB3,128,973).

於2011年8月26日，本公司與海口美蘭就建設美蘭機場國際航站樓、航站樓西指廊擴充工程以及其他機場配套工程分別訂立了土地使用權轉讓協議及收購協議。於2012年12月12日，原訂立的收購協議終止，由本公司與海口美蘭於同一日簽訂的投資建設協議所取代。

(a-1) 根據投資建設協議之約定，本公司按人民幣31,289,734元的價格向海口美蘭轉讓本公司約125畝的土地使用權，以便於海口美蘭進行航站樓擴建工程施工及將來整體取得航站樓之房產證。於2016年12月31日，本公司已收到海口美蘭支付的土地使用權轉讓款人民幣3,128,973元（2015年12月31日：人民幣3,128,973元）。

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(6) Significant asset acquisition and cooperative investment project with related parties (Continued)

(a) Terminal Expansion Project (Continued)

(a-2) Pursuant to the Investment and Construction Agreement, Haikou Meilan undertakes that, upon completion of the construction of the Terminal Expansion Project and before the transfer of the assets of the Terminal Expansion Project to the Company, Haikou Meilan shall not transfer or dispose of any assets of the Terminal Expansion Project to any third party, and upon completion of the construction of the Terminal Expansion Project and before the satisfaction of the closing conditions of transfer of the assets of the Terminal Expansion Project to the Company, the Company is exclusively entitled to operate the Terminal Expansion Project.

Up to 31 December 2016, total amount of RMB826,312,024 has been paid by the Company for this project. According to the total investment budget, the remaining construction investment is estimated to be RMB200,367,976 (31 December 2015: RMB200,367,976), of which RMB56,635,047 has been accrued according to the progress of the project.

The construction of the international terminal and the auxiliary projects, and the west gallery expansion project and the auxiliary projects have been completed and put into use in 2013 and 2015 respectively (Note 4 (8)).

八 關聯方關係及其交易 (續)

(6) 重大關聯方資產收購及合作投資項目 (續)

(a) 航站樓擴建工程 (續)

(a-2) 根據投資建設協議，海口美蘭負責領導及監察項目工程建設，並承諾於該項目竣工後及向本公司轉讓該項目之資產前，不得向任何第三方轉讓或出售該項目之任何資產，且本公司享有經營該項目之獨家權利。

截至2016年12月31日，本公司合共投入資金人民幣826,312,024元。根據投資總預算，本公司尚需支付投資建設資金人民幣200,367,976元（2015年12月31日：人民幣200,367,976元），其中人民幣56,635,047元已根據工程的完工進度進行預提。

該項目中的國際航站樓及配套工程和航站樓西指廊擴充工程及配套工程已分別於2013年和2015年完工並投入使用（附註四(8)）。

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(6) Significant asset acquisition and cooperative investment project with related parties (Continued)

(b) Terminal Complex Project

八 關聯方關係及其交易 (續)

(6) 重大關聯方資產收購及合作投資項目 (續)

(b) 站前綜合體

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Construction payable to be settled through Yangpu Guoxing	需通過洋浦國興支付之工程款	758,409,088	1,137,483,317

In 2014, the Company entered into a construction service agreement with Yangpu Guoxing in respect of construction of Terminal Complex Project. The budget cost of the Terminal Complex Project is RMB1,903,874,000. Pursuant to this agreement, the Company has engaged Yanpu Guoxing to monitor and manage the construction of the Terminal Complex Project at a service charge of 3% on the total budget cost.

As at 31 December 2016, the Company has made payments totaling RMB1,145,464,912 to Yangpu Guoxing according to the construction service agreement (31 December 2015: RMB766,390,683).

於2014年，本公司投資建設站前綜合體，預計總投資金額為人民幣1,903,874,000元；同時與洋浦國興就建設站前綜合體項目簽訂了建設服務協議，委託洋浦國興對整體工程建設進行管理統籌支付工程款，並支付洋浦國興約為站前綜合體投資總額3%的服務費。

截至2016年12月31日，按照建設服務協議，本公司已累計向洋浦國興支付工程款及相關服務費共計人民幣1,145,464,912元（2015年12月31日：人民幣766,390,683元）。

(c) Acquisition

(c) 股權購買

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Equity transfer agreement with Haikou Meilan – Payable to Haikou Meilan under the equity transfer agreement	和海口美蘭簽訂的股權轉讓協議 — 需向海口美蘭支付之股權購買款	34,800,000	34,800,000

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8 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

(6) Significant asset acquisition and cooperative investment project with related parties (Continued)

(c) Acquisition (Continued)

On 13 November 2015, the Company and Haikou Meilan entered into an equity transfer agreement pursuant to which, Haikou Meilan agreed to transfer 100% of the equity interest in Haikou Meilan Airport Assets Management Co., Ltd. at a consideration of RMB604,800,000. As at 31 December 2016, the Company has paid the consideration of RMB570,000,000 to Haikou Meilan (31 December 2015: 570,000,000) (Note 4(12)).

The assets of Hainan Meilan Assets Management Co., Ltd. mainly includes apron, offices, access road.

(d) Phase II expansion project

On 21 August 2015, the Company and Haikou Meilan entered into the Investment and Construction Agreement in respect of the Phase II Expansion Project. Pursuant to the agreement, total budgeted investment of Phase II Expansion Project is RMB13,838 million, the portion of construction responsible by the Company is estimated to be RMB7,158 million.

9 CONSOLIDATED STRUCTURED ENTITIES

The Group has consolidated a special purpose entity for the purpose of providing financing under an ABS arrangement. As the borrower, pledger and subordinate securities holder under this arrangement, the Group assessing whether it has control over this structured entity or not. Based on the purpose and design of the arrangement, the participation of the Group in the relevant activities, and the consideration of the Group's exposure to variability to risk and returns of being the subordinate securities holder, the Group is determined to be the primary obligor under this arrangement. Accordingly, the structured entity has been consolidated in the financial statements of the Group.

As at 31 December, the ABS external borrowings managed and consolidated by the Group amounting to RMB871,145,636 (31 December 2015: RMB1,012,955,163) (Note 4(22)).

八 關聯方關係及其交易 (續)

(6) 重大關聯方資產收購及合作投資項目 (續)

(c) 股權購買 (續)

於2015年11月13日，本公司與海口美蘭簽訂股權轉讓協議，海口美蘭同意轉讓海南美蘭機場資產管理有限公司100%股權，作價人民幣604,800,000元。截至2016年12月31日，本公司已累計向海口美蘭支付股權購買款人民幣570,000,000元（2015年12月31日：570,000,000元）（附註四(12)）。

海南美蘭機場資產管理有限公司資產主要包括停機坪、辦公室、進場道路等資產。

(d) 二期擴建項目

於2015年8月21日，本公司與海口美蘭就美蘭機場二期擴建項目訂立投資建設協議。根據投資建設協議，美蘭機場二期擴建項目總投資金額約為人民幣138.38億元，本公司負責建設部份（「本公司建設項目」）預計投資金額約為人民幣71.58億元。

九 合併的結構化主體

納入本集團合併範圍的結構化主體為一項具有融資目的的資產證券化借款安排。本集團作為資產證券化借款安排的借款人、出質人及次級債券持有人考慮對該等結構化主體是否存在控制，並基於該證券化安排的設立目的和設計，本集團參與該證券化安排的相關活動，同時考慮本集團作為次級債券持有人所面臨的可變動收益風險敞口等因素判斷本集團是該資產證券化安排的主要責任人，因此將該結構化主體納入合併範圍。

於2016年12月31日，本集團管理及合併的資產證券化對外借款金額共計人民幣871,145,636元（2015年12月31日：人民幣1,012,955,163元）（附註四(22)）。

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10 COMMITMENTS

(1) Capital commitments

Capital expenditures contracted for but not yet necessary to be recognized on the balance sheet

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Terminal Complex Project	站前綜合體項目	758,409,088	1,137,483,317
Terminal Expansion Project	航站樓擴建工程	143,732,929	143,732,929
Phase II Expansion Project	二期擴建項目	109,561,151	–
Others	其他	83,807,702	63,708,628
		1,095,510,870	1,344,924,874

(2) Investment commitments

Pursuant to the agreement entered into between the Company and Haikou Meilan on 13 November 2015, the Company is committed to acquire 100% equity of Hainan Meilan Airport Asset Management Co., Ltd. owned by Haikou Meilan at a price of RMB604,800,000. As at 31 December 2016, the Company has paid RMB570,000,000, and the remaining balance is RMB34,800,000 (Note 8(6)(c)).

11 LEASES

The future lease payments of the Group's assets held under finance lease (Note 4(8)(b)) are summarised as follows:

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Within one year	一年以內	76,262,428	39,960,198
One to two years	一到二年	69,003,894	51,013,416
Two to three years	二到三年	27,921,373	21,672,649
		173,187,695	112,646,263

十 承諾事項

(1) 資本性支出承諾事項

已簽約而尚不必在資產負債表上列示的資本性支出承諾

(2) 對外投資承諾事項

根據本公司與海口美蘭於2015年11月13日簽訂的協定，本公司承諾以人民幣604,800,000元的價格受讓海口美蘭擁有的海南美蘭機場資產管理有限公司100%的股權。於2016年12月31日，本公司已累計支付股權購買款人民幣570,000,000元，餘額人民幣34,800,000元尚未支付（附註八(6)(c)）。

十一 租賃

本集團通過融資租賃租入固定資產（附註四8(b)），未來應支付租金匯總如下：

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12 FINANCIAL INSTRUMENT AND RISK

The Group's activities expose it to a variety of financial risks: market risk (primarily foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(1) Market risk

(a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to US dollars. The Group's finance department at its headquarters is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies, to mitigate the foreign exchange risk. For the year ended 31 December 2016 and 2015, the Group did not enter into any forward exchange contracts or currency swap contracts.

As at 31 December 2016 and 31 December 2015, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarised below:

十二 金融工具及其風險

本集團的經營活動會面臨各種金融風險：市場風險（主要為外匯風險和利率風險）、信用風險和流動風險。本集團整體的風險管理計劃針對金融市場的不可預見性，力求減少對本集團財務業績的潛在不利影響。

(1) 市場風險

(a) 外匯風險

本集團的主要經營位於中國境內，主要業務以人民幣結算。但本集團已確認的外幣資產和負債及未來的外幣交易（外幣資產和負債及外幣交易的計價貨幣主要為美元）依然存在外匯風險。本集團總部財務部門負責監控集團外幣交易和外幣資產及負債的規模，以最大程度降低可能面臨的外匯風險。於本年度以及去年同期間，本集團未簽署任何遠期外匯合約或貨幣互換合約。

於2016年12月31日及2015年12月31日，本集團持有的外幣金融資產和外幣金融負債折算成人民幣的金額列示如下：

		31 December 2016 2016年12月31日		
		USD 美元項目	Others 其他外幣項目	Total 合計
Financial assets denominated in foreign currency	外幣金融資產			
– Cash at bank and on hand	– 貨幣資金	2,439,939	24,008	2,463,947
Financial liabilities denominated in foreign currency	外幣金融負債			
– Bank borrowings	– 銀行借款	170,014,771	–	170,014,771

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12 FINANCIAL INSTRUMENT AND RISK (Continued)

(1) Market risk (Continued)

(a) Foreign exchange risk (Continued)

十二 金融工具及其風險 (續)

(1) 市場風險 (續)

(a) 外匯風險 (續)

		31 December 2015		
		2015年12月31日		
		USD	Others	Total
		美元項目	其他外幣項目	合計
Financial assets denominated in foreign currency	外幣金融資產			
– Cash at bank and on hand	– 貨幣資金	2,433,077	36,168	2,469,245
Financial liabilities denominated in foreign currency	外幣金融負債			
– Bank borrowings	– 銀行借款	1,357,120,030	–	1,357,120,030

As at 31 December 2016, with RMB had weakened/strengthened by 5% against the USD while all other variables had been held constant, the Group’s net profit for the year would have been approximately RMB6,284,056 (31 December 2015: RMB11,839,161) higher for various financial assets and liabilities denominated in USD.

於2016年12月31日，對於本集團各種美元金融資產和美元金融負債，人民幣對美元升值或貶值5%，其他因素保持不變，則本集團淨利潤將增加或減少約人民幣6,284,056元（2015年12月31日：人民幣11,839,161元）。

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12 FINANCIAL INSTRUMENT AND RISK (Continued)

(1) Market risk (Continued)

(b) Interest rate risk

The Group's interest rate risk arises from long-term interest bearing borrowings including long-term borrowings and corporate bonds. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 31 December 2016, the Group's has no long-term borrowings with floating rates (31 December 2015: USD208,993,475, equivalent to RMB1,357,120,029).

Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial position. The Group's finance department at its headquarters continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. The Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During the year, the Group has not entered into any interest rate swap agreements.

十二 金融工具及其風險 (續)

(1) 市場風險 (續)

(b) 利率風險

本集團的利率風險主要產生於長期借款等長期帶息債務。浮動利率的金融負債使本集團面臨現金流量利率風險，固定利率的金融負債使本集團面臨公允價值利率風險。本集團根據當時的市場環境來決定固定利率及浮動利率合同的相對比例。於2016年12月31日，本集團無長期浮動利率帶息債務（2015年12月31日：美元208,993,475元，折合人民幣1,357,120,029元）。

本集團財務部門持續監控集團利率水平。利率上升會增加新增帶息債務的成本以及本集團尚未付清的以浮動利率計息的帶息債務的利息支出，並對本集團的財務業績產生重大的不利影響，管理層會依據最新的市場狀況及時作出調整，這些調整可能是進行利率互換的安排來降低利率風險。於本年度本集團並無利率互換安排。

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12 FINANCIAL INSTRUMENT AND RISK (Continued) (2) Credit risk

Credit risk is managed on a Group basis. Credit risk mainly arises from cash at bank and on hand, accounts receivable and other receivables.

The Group expects that there is no significant credit risk associated with cash at bank since most of them are deposited at state owned banks, listed banks or HNA Group Finance. Management does not expect that there will be any significant losses from non-performance by these counterparties.

In addition, the Group has policies to limit the credit exposure on accounts receivable and other receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiaries of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

十二 金融工具及其風險 (續) (2) 信用風險

本集團對信用風險按組合分類進行管理。信用風險主要產生於銀行存款、應收賬款及其他應收款。

本集團銀行存款主要存放於國有銀行、其他大中型上市銀行或海航財務，本集團認為其不存在重大的信用風險，不會產生因對方單位違約而導致的任何重大損失。

此外，對於應收賬款及其他應收款，本集團設定相關政策以控制信用風險敞口。本集團基於對客戶的財務狀況、從第三方獲取擔保的可能性、信用記錄及其他因素諸如目前市場狀況等評估客戶的信用資質並設置相應信用期。本集團會定期對客戶信用記錄進行監控，對於信用記錄不良的客戶，本集團會採用書面催款、縮短信用期或取消信用期等方式，以確保本集團的整體信用風險在可控的範圍內。

(3) 流動風險

本公司及本集團內各子公司負責其自身的現金流量預測。財務部門在匯總本公司及各子公司現金流量預測的基礎上，在集團層面持續監控短期和長期的資金需求，以確保維持充裕的現金儲備；同時持續監控是否符合借款協議的規定，從主要金融機構獲得提供足夠備用資金的承諾，以滿足短期和長期的資金需求。

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12 FINANCIAL INSTRUMENT AND RISK (Continued)

(3) Liquidity risk (Continued)

The financial assets and liabilities of the Group on the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash flows:

十二 金融工具及其風險 (續)

(3) 流動風險 (續)

於資產負債表日，本集團各項金融資產及金融負債以未折現的合同現金流量按到期日列示如下：

		31 December 2016 2016年12月31日				Total 合計
		Within 1 year 一年以內	1 to 2 years 一到二年	2 to 5 years 二到五年	Beyond 5 years 五年以上	
Short-term borrowings	短期借款	470,014,771	-	-	-	470,014,771
Accounts payable	應付賬款	21,743,187	-	-	-	21,743,187
Interest payable	應付利息	87,006,074	-	-	-	87,006,074
Dividends payable	應付股利	499,500	-	-	-	499,500
Other payables	其他應付款	947,148,540	-	-	-	947,148,540
Corporate bonds	公司債券	-	-	1,820,000,000	-	1,820,000,000
Long-term borrowings	長期借款	93,000,000	216,000,000	564,000,000	-	873,000,000
Interest and expense payable for long-term borrowings and bonds	將來應付長期借款、 債券利息及費用	176,584,932	206,230,685	122,613,178	-	505,428,795
Long-term payables	長期應付款	76,075,250	68,930,874	28,181,573	-	173,187,697
		1,872,072,254	491,161,559	2,534,794,751	-	4,898,028,564

		31 December 2015 2015年12月31日				Total 合計
		Within 1 year 一年以內	1 to 2 years 一到二年	2 to 5 years 二到五年	Beyond 5 years 五年以上	
Accounts payable	應付賬款	19,064,006	-	-	-	19,064,006
Interest payable	應付利息	49,952,295	-	-	-	49,952,295
Dividends payable	應付股利	499,500	-	-	-	499,500
Other payables	其他應付款	283,759,288	-	-	-	283,759,288
Corporate bonds	公司債券	-	-	800,000,000	-	800,000,000
Long-term borrowings	長期借款	1,437,120,030	190,000,000	760,000,000	-	2,387,120,030
Interest and expense payable for long-term borrowings and bonds	將來應付長期借款、 債券利息及費用	202,285,957	148,844,384	203,905,479	-	555,035,820
Long-term payables	長期應付款	39,792,890	39,854,215	32,999,158	-	112,646,263
		2,032,473,966	378,698,599	1,796,904,637	-	4,208,077,202

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12 FINANCIAL INSTRUMENT AND RISK (Continued)

(3) Liquidity risk (Continued)

Bank borrowings and corporate bonds are analysed by repayment terms as follows:

十二 金融工具及其風險 (續)

(3) 流動風險 (續)

銀行借款及公司債券償還期分析如下：

		31 December 2016 2016年12月31日		31 December 2015 2015年12月31日	
		Bank borrowings 銀行借款	Bonds payable 公司債券	Bank borrowings 銀行借款	Bonds payable 公司債券
Wholly repayable within five years-borrowings	最後一期還款日在 五年之內的借款	1,343,014,771	1,820,000,000	2,387,120,030	800,000,000
Not wholly repayable within five years-bonds	最後一期還款日在 五年之後的債券	-	-	-	-
		1,343,014,771	1,820,000,000	2,387,120,030	800,000,000

13 FAIR VALUE

Based on the lowest level input that is significant to the fair value measurement in its entirety, the fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

十三 公允價值估計

公允價值計量結果所屬的層次，由對公允價值計量整體而言具有重要意義的輸入值所屬的最低層次決定：

- 第一層次：相同資產或負債在活躍市場上未經調整的報價。
- 第二層次：除第一層次輸入值外相關資產或負債直接或間接可觀察的輸入值。
- 第三層次：相關資產或負債的不可觀察輸入值。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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13 FAIR VALUE (Continued)

(1) Financial instruments not measured at fair value

Financial assets and liabilities not measured at fair value mainly represent receivables payables, long-term borrowings, corporate bonds and long-term payables.

Except for financial liabilities listed below, the carrying amount of other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

十三 公允價值估計 (續)

(1) 不以公允價值計量但披露其公允價值的資產和負債

本集團以攤餘成本計量的金融資產和金融負債主要包括：應收款項、應付款項、長期借款、公司債券和長期應付款等。

除下述金融負債以外，其他不以公允價值計量的金融資產和負債的賬面價值與公允價值差異很小。

		31 December 2016		31 December 2015	
		2016年12月31日		2015年12月31日	
		Book value	Fair value	Book value	Fair value
		賬面價值	公允價值	賬面價值	公允價值
Financial liabilities	金融負債 –				
Meilan bonds	美蘭債	796,215,170	858,400,000	794,952,116	888,000,000

The fair value of corporate bonds is determined at the quoted price in the active market and is categorised in level 1 of the fair value hierarchy. The fair value of the corporate bonds of the Company is determined by the quoted prices of Shanghai Stock Exchange on the last trading day prior to 31 December 2016.

存在活躍市場的公司債券，以活躍市場中的報價確定其公允價值，屬於第一層級。本年度公司債券的公允價值以上海證券交易所2016年12月31日之前最近一交易日報價確定。

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14 CAPITAL MANAGEMENT

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including bank borrowings, corporate bonds and long-term payables) less cash and cash equivalents. Total capital is calculated as ‘shareholder’s equity’ as shown in the consolidated balance sheet plus net debt. The gearing ratios of the Group at 31 December 2016 and 31 December 2015 were as follows:

十四 資本管理

本集團資本管理政策的目標是為了保障本集團能夠持續經營，從而為股東提供回報，並使其他利益相關者獲益，同時維持最佳的資本結構以降低資本成本。

為了維持或調整資本結構，本集團可能會調整支付給股東的股利金額、向股東返還資本、發行新股或出售資產以減低債務。

本集團利用資本負債比率監控其資本。該比率按照債務淨額除以總資本計算。債務淨額為總借款（包括銀行借款、公司債券和長期應付款）減去現金及現金等價物。總資本為合併資產負債表中所示的股東權益與債務淨額之和。於2016年12月31日及2015年12月31日，本集團資本負債比率計算如下：

		31 December 2016	31 December 2015
		2016年12月31日	2015年12月31日
Total borrowings	總借款		
Long-term borrowings	銀行借款	1,341,160,407	2,354,574,627
Corporate bonds	公司債券	1,808,667,580	794,952,116
Long-term payables	長期應付款	159,752,904	101,970,597
		3,309,580,891	3,251,497,340
Less: Cash at bank and on hand	減：現金及現金等價物	(752,451,597)	(1,023,267,032)
Net liabilities	債務淨額	2,557,129,294	2,228,230,308
Shareholder’s equity	股東權益	3,727,668,399	3,251,390,645
Total capital	總資本	6,284,797,693	5,479,620,953
Gearing ratio	資本負債比率	40.69%	40.66%

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15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

(1) Long-term equity investments

十五 公司財務報表附註

(1) 長期股權投資

		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Subsidiaries (a)	子公司(a)		
– Unlisted companies	– 非上市公司	10,477,825	10,477,825
Associates (Note 4(7))	聯營公司(附註四(7))		
– Unlisted companies	– 非上市公司	1,384,104,022	1,210,687,572
Less: Long-term equity investments impairment	減：長期股權投資減值準備	(277,825)	(277,825)
		1,394,304,022	1,220,887,572

There is no significant restriction on the conversion of long-term equity investments into cash.

本公司不存在長期投資變現的重大限制。

(a) Subsidiaries

(a) 子公司

		31 December 2015 2015年12月31日	Reduction of investment 減少投資	31 December 2016 2016年 12月31日	Provision 減值準備
Meilan Duty Free Shop	美蘭免稅	277,825	–	277,825	(277,825)
Meilan Cargo	美蘭貨運	10,200,000	–	10,200,000	–
		10,477,825	–	10,477,825	(277,825)

There is no substantial business activity of Meilan DFS. Due to the significant uncertainty of future operation of Meilan DFS, the Company provided an impairment of RMB277,825 against the long-term investment of Meilan DFS in year 2014.

美蘭免稅無實質經營活動，未來經營存在重大不確定性，本公司已於2014年對持有的美蘭免稅長期股權投資全額計提減值準備人民幣277,825元。

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15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

十五 公司財務報表附註 (續)

(2) Revenue, operating costs, general and administrative expense

(2) 營業收入和營業成本、管理費用

		2016	2015
		2016年度	2015年度
Revenue	營業收入		
Aeronautical:	航空性業務：		
Passenger service charges	旅客服務費	258,865,736	229,766,658
Refund of Civil Aviation Development Fund	民航發展基金返還補貼	217,408,980	184,693,275
Fees and related charges on aircraft takeoff and landing	飛機起降及相關收費	89,628,728	79,972,831
Ground handling services income	地面服務費	88,234,441	63,674,128
		654,137,885	558,106,892
Non-aeronautical:	非航空性業務：		
Franchise income	特許經營權收入	296,214,134	256,458,436
Rental	租金	48,626,819	42,086,680
VIP room charge	貴賓室收入	21,769,644	17,788,387
Car parking	停車場	18,813,859	17,023,384
Others	其他	69,699,000	48,958,183
		455,123,456	382,315,070
		1,109,261,341	940,421,962

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15 NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (Continued)

(2) Revenue, operating costs, general and administrative expense (Continued)

Operating costs and general and administrative expenses include the following items:

十五 公司財務報表附註 (續)

(2) 營業收入和營業成本、管理費用 (續)

營業成本及管理費用主要由以下項目構成：

		2016	2015
		2016年度	2015年度
Employee salaries and benefit expenses	員工工資及福利費用	120,469,785	112,968,399
Depreciation of fixed assets	固定資產折舊費用	89,253,480	61,433,795
Airport and logistic services fee	機場及外勤綜合服務費	45,109,490	38,987,317
Outsource labour costs	勞務派遣人員費用	37,708,287	24,531,318
Utilities	水電費	32,598,119	28,725,238
Repairs and maintenance	維修費用	27,386,699	17,430,025
Other taxes	其他稅項	3,383,306	10,156,976
Amortisation of land use rights	土地使用權攤銷	3,971,763	3,971,763
Handling fees of CAAC Settlement Center	民航清算中心手續費	5,188,391	4,314,405
Audit fees	審計師費用	2,504,000	2,610,000
– Audit and Review service	– 審計及審閱服務	2,026,000	1,840,000
– Non-Audit service	– 非審計服務	478,000	770,000
Travelling expenses	差旅費	1,149,901	2,057,335
Others	其他	76,165,296	51,010,214
		444,888,517	358,196,785

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16 NET CURRENT ASSETS

十六 淨流動資產

		The Group 本集團	
		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Current assets	流動資產	1,267,668,299	1,741,981,920
Less: Current liabilities	減：流動負債	(1,777,591,086)	(1,899,217,088)
Net current (liabilities)/assets	淨流動負債	(509,922,787)	(157,235,168)

		The Company 本公司	
		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Current assets	流動資產	1,262,697,187	1,734,910,766
Less: Current liabilities	減：流動負債	(1,822,553,815)	(1,928,672,322)
Net current (liabilities)/assets	淨流動負債	(559,856,628)	(193,761,556)

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17 TOTAL ASSETS LESS CURRENT LIABILITIES

十七 總資產減流動負債

		The Group 本集團	
		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Total assets	資產總計	8,195,830,836	6,962,242,906
Less: Current liabilities	減：流動負債	(1,777,591,086)	(1,899,217,088)
Total assets less current liabilities	總資產減流動負債	6,418,239,750	5,063,025,818

		The Company 本公司	
		31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
Total assets	資產總計	8,193,328,924	6,959,874,501
Less: Current liabilities	減：流動負債	(1,822,553,815)	(1,928,672,322)
Total assets less current liabilities	總資產減流動負債	6,370,775,109	5,031,202,179



海航基礎股份有限公司
HNA INFRASTRUCTURE COMPANY LIMITED