KB

建滔化工集團有限公司

KINGBOARD CHEMICAL HOLDINGS LIMITED

Stock Code 股份代號：148

年報 ANNUAL REPORT 2016

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CORPORATE INFORMATION
公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung Kwok Wing *(Chairman)*
Mr. Chang Wing Yiu *(Managing Director)*
Mr. Cheung Kwong Kwan
Mr. Ho Yin Sang
Ms. Cheung Wai Lin, Stephanie
Mr. Cheung Ka Shing
Mr. Chen Maosheng

Independent Non-Executive Directors

Dr. Cheng Wai Chee, Christopher
Mr. Cheung Ming Man
Dr. Chong Kin Ki (appointed on 1 July 2016)
Mr. Leung Tai Chiu (appointed on 1 October 2016)
Mr. Lai Chung Wing, Robert (retired on 23 May 2016)
Mr. Tse Kam Hung (resigned on 1 July 2016)
Mr. Tang King Shing (resigned on 1 November 2016)

董事會

執行董事

張國榮先生*(主席)*
鄭永耀先生*(董事總經理)*
張廣軍先生
何燕生先生
張偉連女士
張家成先生
陳茂盛先生

獨立非執行董事

鄭維志博士
張明敏先生
莊堅琪醫生(於二零一六年七月一日獲委任)
梁體超先生(於二零一六年十月一日獲委任)
黎忠榮先生(於二零一六年五月二十三日退任)
謝錦洪先生(於二零一六年七月一日辭任)
鄧竟成先生(於二零一六年十一月一日辭任)

COMPANY SECRETARY

Mr. Lo Ka Leong

公司秘書

羅家亮先生

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.
China Construction Bank Corporation
Citibank, N.A.
DBS Bank Ltd., Hong Kong Branch
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Sumitomo Mitsui Banking Corporation
The Bank of Toyko-Mitsubishi UFJ, Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

主要往來銀行

交通銀行股份有限公司
中國建設銀行股份有限公司
花旗銀行
星展銀行香港分行
恒生銀行有限公司
渣打銀行(香港)有限公司
三井住友銀行
三菱東京UFJ銀行，香港分行
香港上海滙豐銀行有限公司

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

核數師

德勤・關黃陳方會計師行
執業會計師

LEGAL ADVISOR
Allen & Overy

法律顧問
安理國際律師事務所

REGISTERED OFFICE
Whitehall House
238 North Church Street
P.O. Box 1043
George Town
Grand Cayman KY1-1102
Cayman Islands

註冊辦事處
Whitehall House
238 North Church Street
P.O. Box 1043
George Town
Grand Cayman KY1-1102
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS
23/F, Delta House
3 On Yiu Street
Shek Mun
Shatin, N.T.
Hong Kong

總辦事處及主要營業地點
香港
沙田
石門安耀街3號
匯達大廈23樓

PRINCIPAL SHARE REGISTRAR
Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份登記處總處
Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

BRANCH SHARE REGISTRAR IN HONG KONG
Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

股份登記處香港分處
卓佳秘書商務有限公司
香港
皇后大道東一百八十三號
合和中心二十二樓

FINANCIAL HIGHLIGHTS
財務摘要

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度 HK$'million百萬港元	Year ended 31 December 2015 截至二零一五年十二月三十一日止年度 HK$'million百萬港元
Revenue	**營業額**	**35,830.3**	32,788.2
EBITDA*	**未扣除利息、稅項、折舊及攤銷前盈利***	**7,251.6**	5,279.5
Profit before tax*	**除稅前溢利***	**4,872.3**	2,598.9
Net profit attributable to owners of the Company	**本公司持有人應佔純利**		
– Underlying net profit*	– 基本純利*	**3,283.5**	1,740.5
– Reported net profit	– 賬面純利	**5,026.8**	1,650.3
Basic earnings per share	**每股基本盈利**		
– Based on underlying net profit*	– 以基本純利計算*	**HK$3.193港元**	HK$1.697港元
– Based on reported net profit	– 以賬面純利計算	**HK$4.889港元**	HK$1.609港元
Full-year dividend per share	**每股全年股息**	**HK 130.0 cents港仙**	HK 50.0 cents港仙
– Interim dividend per share	– 每股中期股息	**HK 30.0 cents港仙**	HK 20.0 cents港仙
– Proposed final dividend per share	– 建議每股末期股息	**HK 70.0 cents港仙**	HK 30.0 cents港仙
– Proposed special final dividend per share	– 建議每股特別末期股息	**HK 30.0 cents港仙**	–
Net asset value per share	**每股資產淨值**	**HK$36.2港元**	HK$34.4港元
Net gearing	**淨負債比率**	**24%**	38%

* Excluding:

(1) Gain on fair value changes of investment properties of HK$17.2 million, net of deferred tax and portion shared by non-controlling shareholders (FY2015: HK$249.6 million).

(2) Share-based payments of HK$20.9 million, net of portion shared by non-controlling shareholders (FY2015: HK$62.8 million).

(3) Impairment loss recognised on available-for-sale investments of HK$27.8 million, net of portion shared by non-controlling shareholders (FY2015: HK$310.6 million).

(4) Gain on disposal of a subsidiary of HK$1,573.7 million, net of portion shared by non-controlling shareholders (FY2015: HK$33.6 million).

(5) Income from relocation compensation of HK$201.1 million, net of portion shared by non-controlling shareholders (FY2015: Nil).

* 不包括：

(1) 投資物業公平值變動之收益一千七百二十萬港元，扣除遞延稅項及非控股股東應佔份額(二零一五年：二億四千九百六十萬港元)。

(2) 以股份形式付款二千零九十萬港元，扣除非控股股東應佔份額(二零一五年：六千二百八十萬港元)。

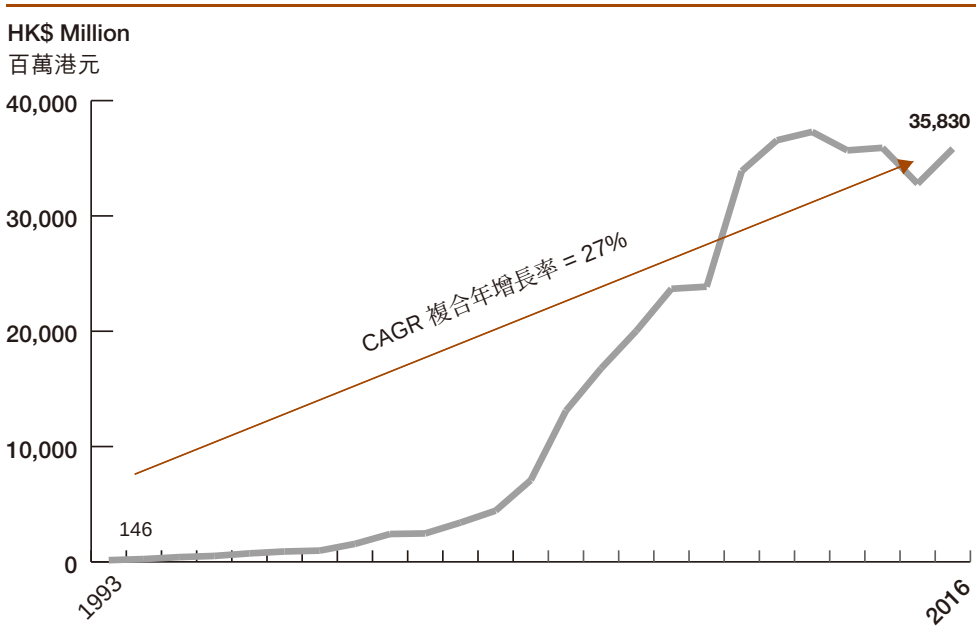
(3) 就可供出售投資確認之減值虧損二千七百八十萬港元，扣除非控股股東應佔份額(二零一五年：三億一千零六十萬港元)。

(4) 出售附屬公司之收益十五億七千三百七十萬港元，扣除非控股股東應佔份額(二零一五年：三千三百六十萬港元)。

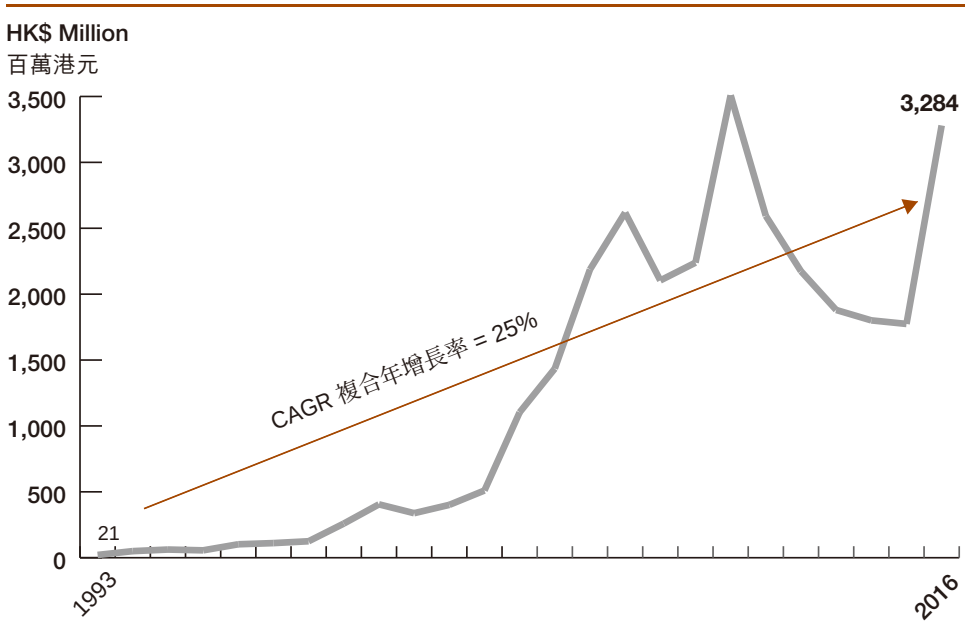
(5) 拆遷補償收入二億零一百一十萬港元，扣除非控股股東應佔份額(二零一五年：沒有)。

FINANCIAL HIGHLIGHTS
財務摘要

Revenue
營業額



Net profit attributable to owners of the Company*
本公司持有人應佔純利*



* Excluding non-recurring items

* 不包括非經常性項目

BUSINESS REVIEW (continued)

Group revenue rose by 9% to HK$35,830.3 million in 2016, registering an underlying net profit (excluding non-recurring items) of HK$3,283.5 million, a significant increase of 89%. Basic earnings per share based on underlying net profit were HK$3.193. During the year, the Group's subsidiary, Kingboard Laminates Holdings Limited, disposed of a subsidiary holding land for commercial use in Shenzhen, Guangdong Province. As a result, the Group's reported net profit surged 205% to HK$5,026.8 million. Basic earnings per share based on reported net profit were HK$4.889. The Group's financial position remains robust and the Board has therefore proposed a final dividend of HK70 cents per share and a special final dividend of HK30 cents per share, subject to shareholders' approval. Together with the interim dividend of HK30 cents per share paid in October 2016, this will constitute a full-year dividend of HK130 cents per share.

PERFORMANCE

The Group has been ranked as the world's top one laminates producer for more than ten consecutive years. This achievement is attributable to the Group's strong and comprehensive vertical integration business model. As a result of undersupply, market prices of glass fabric and other upstream materials rose significantly during the year, leading to several price increases of laminates. The division's profit margin thus grew significantly. Segment turnover (including inter-segment sales) increased by 8% to HK$13,923.1 million, while earnings before interest, tax, depreciation and amortisation ("EBITDA") increased substantially by 32% to HK$3,093.0 million.

Benefitting from upgrades in telecommunications network equipment, as well as the wide application of smart home appliances and automobile electronics, the PCB division gained strong demand and recorded steady orders growth. With the conclusion of its restructuring, the Elec & Eltek Group achieved an earnings turnaround for the year, and is expected to be back on track to positive contribution hereafter. The PCB division's segment turnover was up by 5% to HK$7,478.1 million, delivering an EBITDA of HK$873.7 million, an increase of 19%.

The bottoming out of international oil price has driven the increase in the prices of the Group's chemical products. China's further move to reduce excess capacity has also brought evident improvement in the demand-supply dynamics in the market. The profit margins for chemical products have thus rebounded. Segment turnover (including inter-segment sales) increased by 3% to HK$10,738.7 million, with EBITDA growing 21% to HK$1,106.6 million.

業務回顧(續)

集團二零一六年營業額較去年上升9%至三百五十八億三千零三十萬港元，基本純利(不包括非經常性項目)則大幅增加89%至三十二億八千三百五十萬港元，每股基本盈利3.193港元。由於年內旗下建滔積層板控股有限公司出售一間持有廣東省深圳市之商業用地的公司，賬面純利飆升205%至五十億二千六百八十萬港元，每股賬面純利4.889港元。集團財政狀況維持穩健，董事會建議派發末期股息每股70港仙及特別末期股息每股30港仙。此派息建議須待股東議決通過。連同於二零一六年十月已派發每股30港仙之中期股息，全年派息總額為每股130港仙。

業務表現

集團覆銅面板業務連續逾十年穩踞全球覆銅面板市場第一位，歸因於擁有強大且完善的垂直整合經營模式。年內，市場上玻璃布等上游物料價格因供應收緊而大幅抽升，覆銅面板售價亦隨之多次上調，部門利潤率因而大增。覆銅面板部門營業額(包括分部間之銷售)上升8%至一百三十九億二千三百一十萬港元，未扣除利息、稅項、折舊及攤銷之盈利則大幅上升32%至三十億九千三百萬港元。

印刷線路板業務方面，通訊網絡設備升級、家電智能化及汽車電子普及，均為部門帶來殷切的需求，訂單數量穩步增長。同時，旗下依利安達集團完成重組，業務扭虧為盈，貢獻重拾上升軌道。印刷線路板部門營業額上升5%至七十四億七千八百一十萬港元，未扣除利息、稅項、折舊及攤銷之盈利上升19%至八億七千三百七十萬港元。

環球石油價格觸底反彈，帶動化工部門各產品價格上漲。加上中國國內「去產能」政策進一步落實，供過於求的市場狀況明顯改善，各產品利潤空間持續回升。化工部門營業額(包括分部間之銷售)上升3%至一百零七億三千八百七十萬港元，未扣除利息、稅項、折舊及攤銷之盈利上升21%至十一億零六百六十萬港元。

PERFORMANCE (continued)

The partial booking of pre-sales from Huaqiao Kingboard Yu Garden Phase 2, Zhangpu Kingboard Yu Garden, Kunshan Development Zone Kingboard Yu Garden Phase 3, Qiandeng Kingboard Yu Garden Phase 2 and Jiangyin Kingboard Yu Garden Phase 1 contributed property sales turnover of HK$4,860.2 million during the year. Together with rental income of HK$625.9 million, segment turnover grew 35% to HK$5,486.1 million with EBITDA increased by 72% to HK$1,699.6 million. Pre-sales activities during the year generated contracted sales of HK$8,692.5 million on a contracted sales floor area of 650,000 square metres. As at 31 December 2016, the Group held a prime land bank in Shanghai and Kunshan with a gross floor area of over 4 million square metres.

業務表現(續)

年內花橋建滔裕花園二期、張浦建滔裕花園、昆山開發區建滔裕花園三期、千燈建滔裕花園二期及江陰建滔裕花園一期之部分預售收入入賬，物業銷售營業額達四十八億六千零二十萬港元。連同租金收入六億二千五百九十萬港元，房地產部門營業額上升35%至五十四億八千六百一十萬港元。未扣除利息、稅項、折舊及攤銷之盈利上升72%至十六億九千九百六十萬港元。年內預售方面，合同銷售金額為八十六億九千二百五十萬港元，合同銷售面積約為六十五萬平方米。於二零一六年十二月三十一日，集團在中國主要城市如上海及昆山等地擁有可建樓面面積逾四百萬平方米的優質土地儲備。

LIQUIDITY AND CAPITAL RESOURCES

The Group's financial and liquidity position continued to be robust. As at 31 December 2016, net current assets and current ratio of the Group were approximately HK$12,176.1 million (31 December 2015: HK$20,190.8 million) and 1.54 (31 December 2015: 2.24) respectively.

The net working capital cycle decreased from 57 days as at 31 December 2015 to 41 days as at 31 December 2016 on the following key metrics:

- Inventories, in terms of stock turnover days, was 23 days (31 December 2015: 30 days).
- Trade receivables, in terms of debtors turnover days, was 53 days (31 December 2015: 64 days).
- Trade and bills payables, in terms of creditors turnover days, was 35 days (31 December 2015: 37 days).

流動資金及財務狀況

集團的財務狀況持續保持穩健。集團於二零一六年十二月三十一日之流動資產淨值為一百二十一億七千六百一十萬港元(二零一五年十二月三十一日：二百零一億九千零八十萬港元)，流動比率為1.54(二零一五年十二月三十一日：2.24)。

淨營運資金週轉期由二零一五年十二月三十一日的五十七日，減少至二零一六年十二月三十一日的四十一日，細分如下：

- 存貨週轉期為二十三日(二零一五年十二月三十一日：三十日)。
- 貿易應收款項週轉期為五十三日(二零一五年十二月三十一日：六十四日)。
- 貿易及票據應付賬款週轉期為三十五日(二零一五年十二月三十一日：三十七日)。

LIQUIDITY AND CAPITAL RESOURCES
(continued)

The Group's net gearing ratio (ratio of interest-bearing borrowings net of cash and cash equivalents to total equity) significantly decreased from 38% as at 31 December 2015 to 24% as at 31 December 2016, while the proportion of bank borrowings between short term and long term stood at 47%:53% (31 December 2015: 30%:70%). During the year, the Group invested HK$840 million and HK$5.1 billion in new production capacity and property development projects respectively. Backed by a highly experienced professional management team, a sound business foundation and solid financial strength, management is confident that these investments will deliver stable and satisfactory returns to shareholders over the long term. Less than 1% of the Group's bank borrowings were denominated in RMB, while the remainder were in Hong Kong dollars or US dollars.

The Group continued to adopt a prudent financial management policy. It did not enter into any material derivative financial instruments, nor did the Group have any material foreign exchange exposure during the year. The Group's revenue, mostly denominated in Hong Kong dollars, RMB and US dollars, was fairly matched with the currency requirements of its operating expenses.

HUMAN RESOURCES

As at 31 December 2016, the Group had a global workforce of approximately 41,800 (31 December 2015: 43,200). Through the continued increase in the level of automation at its plants, the Group was able to streamline its manpower. This has enabled the Group to raise efficiency while controlling costs. In addition to offering competitive salary packages, the Group grants share options and discretionary bonuses to eligible employees based on the Group overall financial achievements and individual employee performance. The Group's continued success relies on a solid human resources strategy, part of which involved the establishment of the Kingboard Institute of Management to provide management training for middle and senior managers of the Group. The Group also recruits fresh graduates from both mainland China and Hong Kong each year in its search for talents to nurture. In future, the Group will continue its efforts in developing and retaining staff through its management training schemes, in order to sustain its long-term growth momentum.

流動資金及財務狀況(續)

集團之淨負債比率(扣除現金及現金等值後之附息借貸與資本總額比率)由二零一五年十二月三十一日的38%大幅下降至二零一六年十二月三十一日的24%。短期與長期借貸的比例為47%：53%(二零一五年十二月三十一日：30%：70%)。年內，集團投資了8.4億港元添置新的生產設施及51億港元於房地產發展項目。憑藉管理團隊專業豐富的經驗、穩固的業務基礎及雄厚的財政實力，集團深信此等投資將為股東帶來長遠穩定及理想的回報。銀行借貸中少於1%為人民幣貸款，其餘則為港元或美元貸款。

集團繼續採取審慎的財務政策，於年內並無訂立任何重要的衍生金融工具。集團並無面對重大的外匯風險，收入主要以港元、人民幣及美元結算，與營運開支的貨幣要求比例大致相符。

人力資源

於二零一六年十二月三十一日，集團在全球合共聘用員工約41,800人(二零一五年十二月三十一日：43,200人)。集團各廠房不斷增加自動化設備，精簡人手，以此提升效率並控制成本。集團除了提供具競爭力的薪酬待遇外，亦會根據公司的業績和個別員工的表現，發放優先購股權及特別獎金予合資格員工。集團持續取得理想業績，有賴完善的人力資源管理規劃。集團成立之建滔管理學院，多年來積極培育中層及高級管理人員。此外，集團每年均從中國內地及香港招聘具潛力之大學畢業生作重點培育。集團會繼續推行各種儲備人才的培訓，務求為未來長遠發展注入新的活力。

PROSPECTS

Management has complete confidence in the prospects for the Group's development in 2017. The Group's multi-year investments in operational enhancements for its four core divisions have put it among the industry's top players in terms of R&D capabilities, production efficiency and environmental standards. Riding on the significant recovery of the global business environment, the Group looks forward to driving its performance further to deliver greater returns to shareholders.

Looking ahead to 2017, the tight supply of upstream materials and laminates is unlikely to improve over the short term due to the lengthy process involved in capacity expansion. Thus there is room for upward price adjustments in those products. In view of the strong market demand and considering further supply-demand dynamics in the market, laminates division plans to expand its capacity for glass fabric and other upstream materials, as well as that for laminates.

Driven by the replacement demand brought by the upgrading of smartphone devices, the demand for high density interconnect ("HDI") PCB remains robust. The proliferation of smart home appliances, coupled with the introduction of new homes to the market, has helped to sustain a growing order for PCB used in home appliances. To cater to the keen market demand, the PCB division plans to add automated production facilities to its plant, while optimizing its product portfolio.

The chemicals division is constantly investing in environmental protection facilities in order to create a highly efficient and sustainable low-carbon production platform. It is expected that China will continue to phase out those chemical enterprises of weak performance in operating efficiency and environmental standards. Apart from the tightening of approval for new chemical capacities, the cost of production also increases, which will raise the industry's entry barrier. Management therefore anticipates further reduction in market supply, and subsequently steady earnings growth for the division.

Shanghai Kingboard Plaza Phase 1, located in Changning District, Shanghai, was completed during the second half of 2016. The Group also acquired a commercial property in London, the United Kingdom. These two projects are expected to drive significant growth in the property division's rental income in 2017. The Group has also scheduled the pre-sale of its residential projects in Kunshan, Jiangsu Province, with a view to expediting cash returns from its developments. In respect of its land bank, the Group will adopt a prudent and pragmatic approach before considering any expansion plans.

前景

管理層對集團二零一七年的發展充滿信心，四大核心部門業務經過多年優化提升，其研發能力、生產效率及環保標準均屬行業頂尖行列。現時市場營商環境顯著復甦，冀望憑此東風，集團表現能再上一層樓，為股東帶來更大回報。

進入二零一七年，由於新增產能需時較長，預期覆銅面板及其上游物料短缺的狀況在短期內難見紓緩，價格均有上升空間。為配合現時旺盛的下游需求和因應未來市場供求之發展，覆銅面板部門計劃將同時增加玻璃絲等上游產品及覆銅面板之產能。

電子市場整體需求熾熱，受惠於智能手機設備升級帶來的更新換代需求，高密度互聯(「HDI」)印刷線路板需求動力強勁。同時，家電智能化步伐加速，加上大量新建住宅單位為家電市場帶來的新增需求，雙面及多層印刷線路板銷售同樣暢旺。印刷線路板部門將增添自動化生產設備，優化現有產品組合，以滿足市場殷切的需求。

化工部門將不斷增加在環保方面的投入，以高效低碳模式提升現有設備。相信中國仍會淘汰一批運營效率低及環保標準落後的化工企業。現時新增化工產能審批難度加大，成本亦更高，大大提高了行業門檻，因而預期市場供應將進一步下降，利潤空間可望穩步增加。

二零一六年下半年，位於上海市長寧區之上海建滔廣場一期竣工落成，集團亦在英國倫敦購入一座商用物業，此兩個項目在二零一七年將可為地產部門租金收入帶來可觀增幅。同時，集團將有計劃地推售位於江蘇省昆山市等地之住宅項目，加速現金回收，而在考慮增加土地儲備方面則會維持審慎務實的策略。

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers, banks, the management and employees for their unreserved support to the Group in the past year.

Cheung Kwok Wing
Chairman
Hong Kong, 24 March 2017

致謝

本人謹代表董事會藉此向各位股東、客戶、銀行、管理人員及員工過去一年對集團毫無保留的支持致以衷心感謝。

主席
張國榮
香港，二零一七年三月二十四日

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES
董事及高級管理人員之資歷

EXECUTIVE DIRECTORS

Mr. CHEUNG Kwok Wing, aged 61, is the chairman and a co-founder of the Group, and the chairman and a non-executive director of Elec & Eltek International Company Limited ("EEIC"), which is a subsidiary of the Company listed on the Singapore Exchange Securities Trading Limited ("SGX") and dual-listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Cheung was the chairman and director of Kingboard Copper Foil Holdings Limited ("KBCF") which is the subsidiary of the Company listed on the SGX up to 3 January 2012. Mr. Cheung is a director of Hallgain Management Limited, a substantial shareholder of the Company. Mr. Cheung is the brother of Ms. Cheung Wai Lin, Stephanie, the cousin of Mr. Cheung Kwong Kwan, the brother-in-law of Mr. Chang Wing Yiu and Mr. Ho Yin Sang and the father of Mr. Cheung Ka Shing. Mr. Cheung had over 13 years' experience in the sales and distribution of electronic components including laminates prior to the establishment of the Group. Mr. Cheung is responsible

EXECUTIVE DIRECTORS (continued)

Mr. HO Yin Sang, aged 62, is the brother-in-law of Mr. Cheung Kwok Wing and Ms. Cheung Wai Lin, Stephanie and the uncle-in-law of Mr. Cheung Ka Shing. He joined the Group in 1989 and is responsible for the Group's chemical business operations in Hebei and Shanxi province. He is also a non-executive director of KBCF.

Ms. CHEUNG Wai Lin, Stephanie, aged 46, is the sister of Mr. Cheung Kwok Wing, the sister-in-law of Mr. Chang Wing Yiu and Mr. Ho Yin Sang, the cousin of Mr. Cheung Kwong Kwan and the auntie of Mr. Cheung Ka Shing. She joined the Group in 2002. Ms. Cheung was appointed as an executive director and the vice chairperson of EEIC with effect from 1 August 2014 and

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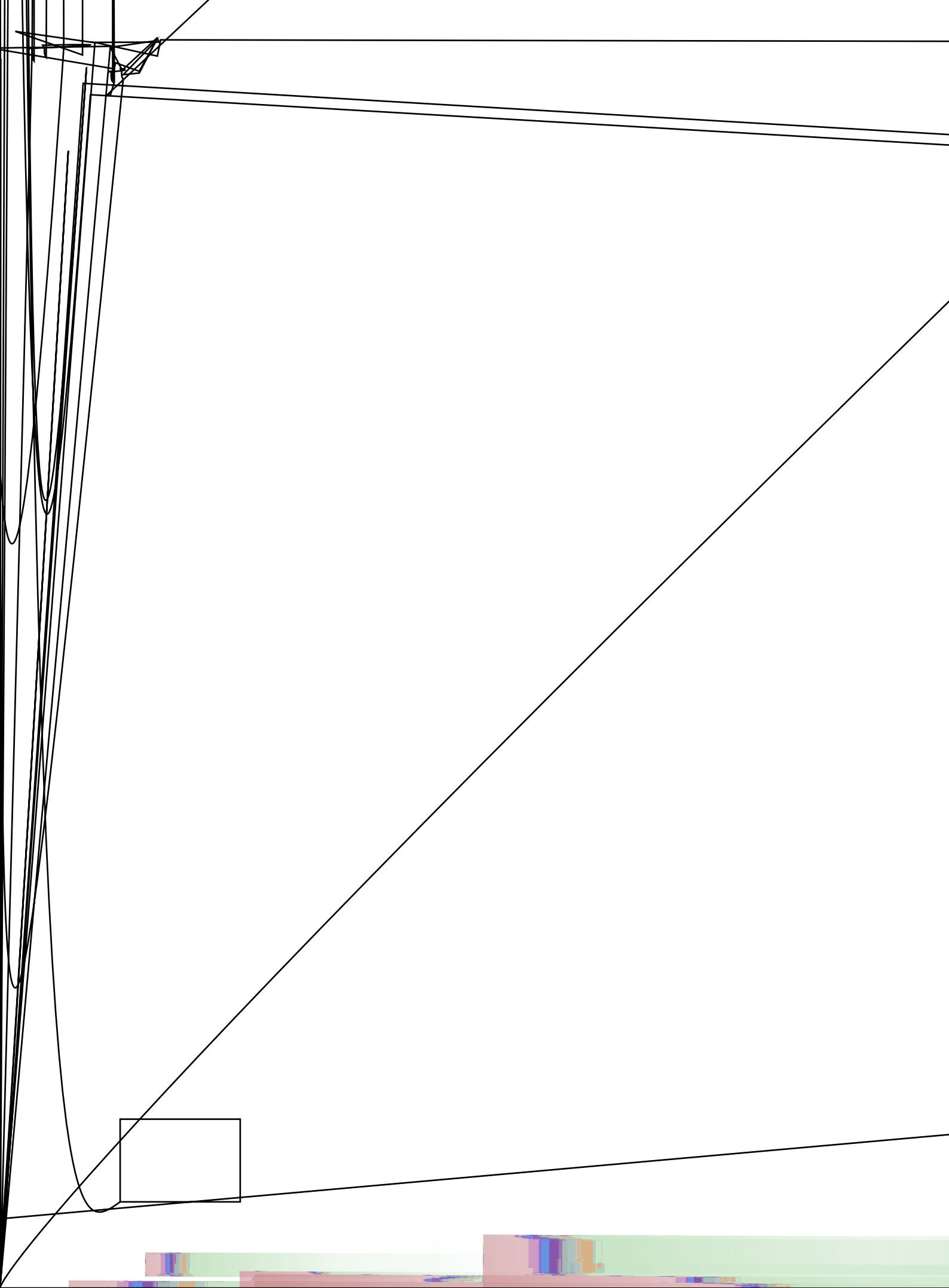
執行董事(續)

何燕生先生，62歲，為張國榮先生之妹夫、張偉連女士之姐夫及張家成先生之姑丈。自一九八九年起加盟於本集團，現時負責本集團於河北省及山西省之化工業務營運。彼亦為KBCF之非執行董事。

張偉連女士，46歲，為張國榮先生之胞妹、鄭永耀先生及何燕生先生之內妹、張廣軍先生之堂妹及張家成先生之姑姐，於二零零二年加盟本集團。張偉連女士於二零一四年八月一日獲委任為EEIC執行董事兼副主席，負責EEIC之策略規劃工作。於加盟本集團前，彼於一家上市公司任職助理行政經理約五年。

張家成先生，29歲，於二零一四年八月一日獲本公司委任為執行董事。張先生於二零零九年加盟本集團，負責本集團於華東的物業發展業務。張先生於二零零九年取得倫敦大學管理學及國際商務理學學士學位。張先生為張國榮先生之子、張偉連女士之侄兒、張廣軍先生之堂侄及鄭永耀先生與何燕生先生之侄兒。

陳茂盛先生，53歲，於二零一一年一月十一日獲本公司委任為執行董事。彼於一九九六年加入本集團，現任本集團在中華人民共和國(「中國」)之首席財務總監。彼負責管理本集團在中國之財務及稅務事宜。加盟本集團前，彼於中國政府轄下之財經管理部門工作12年。陳先生於一九九零年畢業於江西財經大學(前稱江西財經學院)。彼獲中國政府財政部授予會計師之資格。



INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. LEUNG Tai Chiu, aged 70, was appointed as independent non-executive Director on 1 October 2016. He graduated from The University of Hong Kong in 1969. He is a member of the Institute of Chartered Accountants in England and Wales. He has broad experience in accounting and auditing matters, having worked in the auditing profession for over 30 years, 20 years of which he served as a partner. Mr. Leung retired from PricewaterhouseCoopers in 2005. Mr. Leung was the President of Lions Club of Victoria in 1986 and 1998 and a director of Yan Oi Tong from 1995 to 1997. He is a member of The Hong Kong Institute of Directors. Mr. Leung is an independent non-executive director, the chairman of the audit committee, and a member of the remuneration committee and nomination committee of Kingboard Laminates Holdings Limited ("KLHL"), a subsidiary of the Company whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Leung is also an independent non-executive director of two other companies listed on the Main Board of the Stock Exchange, namely Eva Precision Industrial Holdings Limited (stock code: 0838) and G-Vision International (Holdings) Limited (stock code: 0657).

SENIOR MANAGEMENT

Mr. LO Ka Leong, aged 43, the Company Secretary, joined the Group in May 1999. Prior to that, he was an accountant at an international accounting firm. Mr. Lo is a fellow member of Hong Kong Institute of Certified Public Accountants. He holds a Bachelor's Degree in Professional Accountancy from The Chinese University of Hong Kong. He is in charge of the company secretarial work of the Group. He is a non-executive director of Kingboard Laminates Holdings Limited ("KLHL"), a 74.19% owned subsidiary listed on the main board of the Stock Exchange. Mr. Lo has taken no less than 15 hours of relevant professional training during the year ended 31 December 2016 in accordance with Rule 3.29 of the Listing Rules.

獨立非執行董事(續)

梁體超先生，70歲，於二零一六年十月一日獲本公司委任為獨立非執行董事。梁先生於一九六九年畢業於香港大學。梁先生為英格蘭及威爾斯特許會計師公會會員。梁先生在會計及審計方面擁有豐富經驗，在審計領域擁有逾30年經驗，其中20年為擔任合夥人。於二零零五年，梁先生在羅兵咸永道會計師事務所榮休。梁先生於一九八六年及一九九八年任域多利獅子會主席，並於一九九五至一九九七年任仁愛堂總理。現為香港董事學會成員。梁先生現為本公司附屬公司建滔積層板控股有限公司(「建滔積層板」)(其股份於香港聯合交易所有限公司(「聯交所」)主板上市)的獨立非執行董事、審核委員會主席兼薪酬委員會及提名委員會成員。梁先生亦為另外兩間聯交所主板上市公司億和精密工業控股有限公司(於聯交所上市之公司(股份代號：0838))和環科國際集團有限公司(於聯交所上市之公司(股份代號：0657))之獨立非執行董事。

高級管理人員

羅家亮先生，43歲，公司秘書，於一九九九年五月加盟本集團。於加盟本集團前，羅先生於一所國際會計師行任職會計師。彼為香港會計師公會資深會員，並持有香港中文大學專業會計學學士學位。彼現負責處理本集團之公司秘書工作。羅先生同時為建滔積層板控股有限公司(「建滔積層板」，本公司擁有74.19%權益的附屬公司，其股份於聯交所主板上市)之非執行董事。羅先生根據上市規則第3.29條，截至二零一六年十二月三十一日止年度內參與不少於十五小時的相關專業培訓。

DIRECTORS' REPORT
董事會報告

The directors of the Company (the "Directors") present their annual report and the audited consolidated financial statements for the year ended 31 December 2016.

本公司之董事(「董事」)提呈本集團截至二零一六年十二月三十一日止年度之年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 40 and 19 respectively to the consolidated financial statements.

主要業務

本公司為投資控股公司，其主要附屬公司及聯營公司之業務分別載於綜合財務報表附註40及19。

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2016 can be found in the section headed "Chairman's Statement" of this annual report, which forms part of this Directors' Report.

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可以於本年報「主席報告」一節中查閱得到，該部份構成本董事會報告之一部份。

Principal Risks and Uncertainties

The Group is exposed to various risks and uncertainties which are specific to the Group and/or the industries in which the Group operates. These risks may materially affect the Group's business operations, financial condition, results of operations and business prospects. The Group has identified the key risks and uncertainties as follows:

主要風險及不明確因素

本集團承受多項本集團及／或本集團經營行業特有的風險及不明確因素。此等風險可能會重大影響本集團的業務營運、財務狀況、營運業績及業務前景。本集團已辨別出以下的主要風險及不明確因素：

Product defects

The products of the Group may contain defects that can only be detected when the electronics systems into which they are incorporated are in use. The Group could be exposed to significant liability claims in the event that its products are found to be defective. While the Group has implemented sound systems to monitor its products at various stages of its production processes, no assurance can be given that the Group's products are free of defects. Any significant liability claims could have an adverse impact on the results of operations and reputation of the Group.

產品缺憾

本集團產品中可能帶有缺憾，要待產品被裝設到電子系統裡投用時方能被發現。倘若本集團產品被發現有缺憾時，我們可能會受到重大的責任索償。雖然本集團已設有穩妥的體貨釜鈅W酈哳덤늗嫈

二斤櫋雪荏胼

Customer contracts

The Group typically enters into one-off purchase orders with its customers. As such, the amount of purchase orders may vary significantly from time to time, and it is difficult to forecast the amount of orders to be received by the Group in the future. No assurance can be given that the Group's customers will continue to place purchase orders with it in the future in similar amounts to prior periods, if at all. As a result, the results of operations of the Group may vary significantly in the future.

薦兀W曭賴キ墂娶誺釵螓鉢罈毬櫞
績禾別出的士。本集團主要風

Competitive industry

The business segments in which the Group operates are highly competitive. No assurance can be given that the Group will be able to compete successfully against its current competitors or emerging companies in the future. If the Group fails to compete effectively, the Group's results of operations, financial condition and business prospects may be materially and adversely affected.

BUSINESS REVIEW (continued)

Principal Risks and Uncertainties (continued)

Recent global market fluctuations and economic conditions

The recent global market fluctuations and economic conditions have adversely affected economies and businesses around the world. A slowdown in the global economy, in particular, the PRC economy, could lead to a reduction in demand for the Group's products and may materially and adversely affect its business operations, financial condition and results of operations.

The risks and uncertainties stated above are not meant to be exhaustive. There may be other risks or uncertainties that are not known to the Group or which may not be material now but could turn out to be material in the future.

Environmental Policies and Performance

The Group is committed to achieving environmental sustainability. The Group endeavours to comply with the relevant laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, waste reduction and energy saving. For instance, the in-house manufacturing facilities of the Group operate in compliance with the relevant environmental rules and regulations. The Group reviews its environmental policies on a regular basis.

In accordance with Rule 13.91 and the ESG Reporting Guide contained in Appendix 27 of the Listing Rules, the Company's Environmental, Social and Governance Report will be available on our website within three months from the publication of this annual report.

Compliance with Relevant Laws and Regulations

The Group and its business operations are subject to various laws, rules and regulations. The Company seeks to ensure adherence to such laws, rules and regulations in all material respects through various measures such as internal controls, approval procedures, staff trainings and oversight of business operations at different levels of the Group. The Board also monitors the Group's policies and practices on compliance with relevant laws, rules and regulations in all material respects on a regular basis.

So far as the Directors and senior management are aware, for the year ended 31 December 2016, the Group has obtained the approvals, permits, consents, licences and registrations material for its business and operations, and there was no material breach of the relevant laws and regulations by our Group that have a significant impact on the Group.

業務回顧(續)

主要風險及不明確因素(續)

近來環球市場波動及經濟狀況

近來環球市場的波動及經濟狀況已對全世界的經濟體系及公司帶來打擊。全球經濟漸趨疲弱，特別是中國經濟放緩，可能導致本集團產品需求下降，因而或會對本集團的業務營運、財務狀況及營運業績造成重大不利影響。

風險及不明確因素並不能由上文一一盡錄，可能尚有其他風險或不明確因素未為本集團所知，或者目前仍未屬重大者日後可能變得重大。

環保政策及表現

本集團致力達至環境可持續能力。本集團努力遵守相關環保法律法規，採取有效措施達至善用資源、減少浪費以及節省能源。例如，本集團的內部生產設施一直按照相關環境規則及規例運作。本集團定期審視其環保政策。

根據上市規則第13.91條及附錄27所載之環境、社會及管治報告指引，本公司之環境、社會及管治報告將於刊發本年報後三個月內於本公司網站公佈。

遵守相關法律法規

本集團與其經營的業務受多項法律、法規及規例規管。本公司力求有關法律、法規及規例在所有重大方面均得以遵守，為此在本集團不同階層實施如內部監控、批核程序、員工訓練及監察業務營運等措施。董事會亦定期監察本集團的政策及實踐，視察是否在所有重大方面遵守相關法律、法規及規例。

依董事及高級管理層所知，截至二零一六年十二月三十一日止年度，本集團已領取對業務及營運而言屬重大的批准、許可、同意、牌照及註冊，而且本集團並無因重大違反相關法律法規而會對本集團帶來重大影響。

BUSINESS REVIEW (continued)

Key Relationships with Stakeholders

The Company understands the importance of maintaining a good relationship with its employees, customers and suppliers in order to operate in a sustainable manner and to meet its immediate and long-term goals.

The Company strongly believes that employees are its most important and valuable assets. In order to recognise the performance of and provide incentives for its employees, the Group reviews its policies on remuneration and benefits for its employees regularly to ensure that they are in line with the market standard. The Group reviews and improves catering, residence and recreational facilities and services to provide a pleasant living environment to the employees regularly. The Group organises various recreational activities for its staff to participate to maintain a close relationship with its employees.

The Company maintains sound relationships with its customers and suppliers which enable the Group to foster long term business benefits. The Directors and senior management of the Company endeavours to exchange business ideas and updates of the Group with its customers and suppliers from time to time. To maintain its competitiveness, the Group aims to deliver high quality of products and services to its customers.

During the year, there was no material and significant dispute between the Group and its employees, customers or suppliers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss on page 66.

An interim dividend of HK30 cents per ordinary share amounting to HK$307,680,000 in aggregate was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK70 cents per ordinary share and special final dividend of HK30 cents per ordinary share to the shareholders on the register of members of the Company on Wednesday, 7 June 2017, amounting to HK$726,880,000 and HK$311,520,000 respectively, in aggregate, and the retention of the remaining profit in the Company.

INVESTMENT PROPERTIES

Details of the movements in investment properties of the Group during the year are set out in note 14 to the consolidated financial statements.

業務回顧(續)

與利益相關人士的主要關係

本公司了解到與員工、客戶及供應商維持良好關係，對以可持續方式經營以及達成短期及長期目標而言，是相當重要的。

本公司深信員工是其最重要及最寶貴的資產。為表揚員工表現、激勵員工，本集團定期審視員工的薪酬及福利政策，確保符合市場標準。本集團定期審視並提升餐飲、住宿以及康樂設施及服務，為員工提供舒適怡人的生活環境。為與員工維持密切關係，本集團為員工舉行多項康樂活動供其參與。

本公司與客戶及供應商維持友好的關係，讓本集團可扶持其長遠業務利益。本公司董事及高級管理層致力於與客戶及供應商交流業務理念，並不時對向彼等提供本集團的最新狀況。為保持競爭力，本集團力求向客戶提供盡善盡美的產品和服務。

年內，本集團與其員工、客戶或供應商一概並無重大糾紛。

業績及分派

本集團截至二零一六年十二月三十一日止年度的業績載於第66頁之綜合損益表內。

年內，本公司已派付中期股息每股普通股30港仙，合計307,680,000港元予股東。董事現建議向於二零一七年六月七日(星期三)名列本公司股東名冊之股東派付末期股息每股普通股70港仙及特別末期股息每股普通股30港仙，金額分別為726,880,000港元及311,520,000港元，並保留剩餘的溢利於本公司。

投資物業

本集團之投資物業於年內之變動詳情載於綜合財務報表附註14。

AVAILABLE-FOR-SALE INVESTMENTS

During the year ended 31 December 2016, the Company has in aggregate approximately HK$6,537 million available-for-sale investment, representing approximately 9% of the total assets of the Company as at 31 December 2016, which consist of mostly securities listed on Main Board of the Stock Exchange and bonds issued mainly by companies listed on the Main Board of the Stock Exchange. The Company acquired its available-for-sale investments through on market purchase. As disclosed in the Company's announcement dated 12 December 2016, the Company held, in aggregate approximately 5.01% of the issued share capital of Cathay Pacific Airways Limited, a company listed on the Main Board of the Stock Exchange, in a total consideration of HK$2,261 million. As at 31 December 2016, the Company held 212,171,000 shares in the share capital of Cathay Pacific Airways Limited, representing approximately 5.4% of its total issued share capital. The aggregate consideration for purchasing the shares of Cathay Pacific Airways Limited is approximately HK$2,418 million as at 31 December 2016. The Group will from time to time monitor the price movement of prices in securities and bonds and may adjust its investment portfolio as and when appropriate.

可供出售投資

截至二零一六年十二月三十一日止年度期間，本公司可供出售投資總共約6,537百萬港元，佔本公司於二零一六年十二月三十一日總資產約9%，主要包括於聯交所主板上市之證券及主要由在聯交所主板上市之公司發行的債券。本公司透過市場購入收購其可供出售投資。誠如本公司日期為二零一六年十二月十二日的公告所披露，本公司一共持有國泰航空有限公司(於聯交所主板上市之公司)已發行股本約5.01%，總代價為2,261百萬港元。於二零一六年十二月三十一日，本公司持有國泰航空有限公司股本中212,171,000股股份，佔其已發行股本總數5.4%。於二零一六年十二月三十一日，購入國泰航空有限公司股份的總代價約2,418百萬港元。本集團不時監察證券及債券價格的走勢，並於適時調整其投資組合。

The following table sets out the Group's major available-for-sale investments as at 31 December 2016:

下表披露集團於二零一六年十二月三十一日主要持有之可供出售投資：

Name of available-for-sale investments	可供出售投資名稱	Fair value as at 31 December 2016 於二零一六年十二月三十一日之公平值 HK$'000 千港元	Dividend income for the year 年內股息收入 HK$'000 千港元	Bond interest for the year 年內債券利息 HK$'000 千港元
Cathay Pacific Airways Limited (listed on the stock exchange with stock code 293)	國泰航空有限公司（於聯交所上市，股份代號：293）	2,161,144	8,185	
Bond listed on SGX by Country Garden Holdings Limited (listed on the stock exchange with stock code 2007) with fixed coupon interest 4.75% per annum and maturity date on 28 September 2023	碧桂園控股有限公司（於聯交所上市，股份代號：2007）於新交所上市之債券，具有年息4.75厘之固定票息，到期日為二零二三年九月二十八日	1,051,674		15,863
		3,212,818	8,185	15,863

AVAILABLE-FOR-SALE INVESTMENTS

(continued)

Save as the available-for-sale investments as set out in the table above, the aggregate fair value of other available-for-sale investments held by the Group as at 31 December 2016 do not exceed 5% of the consolidated total assets of the Group as at 31 December 2016.

Based on the 2016 annual report of Cathay Pacific Airways Limited (stock code: 293), it was expected that, among others, the operating environment in 2017 to remain challenging. Strong competition from other airlines and the adverse effect of the strength of the Hong Kong dollar are expected to continue to put pressure on its yield. The cargo market got off to a good start, but overcapacity was expected to persist. Its group expected to continue to benefit in 2017 from the fact that fuel prices are much lower than their previous high levels, but to a lesser extent than in 2016.

Based on the announcement of Country Garden Holdings Company Limited (stock code: 2007) ("CGH") dated 21 September 2016, the senior notes ("Senior Notes") were issued by CGH in September 2016, and due in 2023. The Senior Notes are listed on Singapore Exchange Securities Trading Limited and carries an interest of 4.75% per annum and interests are payable

PROPERTIES, PLANT AND EQUIPMENT

Details of the movements in properties, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註15。

SHARE CAPITAL

Details of the movements during the year in the issued share capital of the Company are set out in note 27 to the consolidated financial statements.

股本

本公司已發行股本於年內之變動詳情載於綜合財務報表附註27。

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders of the Company by reason of their holding of Company's shares.

稅項減免

本公司並不知悉，本公司股東因持有本公司股份而獲減免任何稅項。

PURCHASE, SALE OF REDEMPTION OF SHARES

During the year, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities on the Stock Exchange.

購買、出售或贖回股份

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司於聯交所之上市證券。

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2016 comprised the retained profits of HK$596,559,000.

In addition to the retained profits of the Company, the share premium and the special surplus account of the Company are also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid.

At 31 December 2016, the sum of the retained profits and the share premium of the Company amounted to approximately HK$5,249,087,000.

本公司可分派之儲備

於二零一六年十二月三十一日，本公司可向股東分派之儲備包括保留溢利596,559,000港元。

除本公司之保留溢利外，本公司之股份溢價及特別盈餘賬目亦可向股東分派，惟於緊隨建議進行上述分派當日後，本公司仍有能力償還在日常業務中到期之欠款。

於二零一六年十二月三十一日，本公司之保留溢利及股份溢價之總額約為5,249,087,000港元。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:
Mr. Cheung Kwok Wing *(Chairman)*
Mr. Chang Wing Yiu *(Managing Director)*
Mr. Cheung Kwong Kwan
Mr. Ho Yin Sang
Ms. Cheung Wai Lin, Stephanie
Mr. Cheung Ka Shing
Mr. Chen Maosheng

Independent non-executive Directors:
Dr. Cheng Wai Chee, Christopher
Mr. Cheung Ming Man
Dr. Chong Kin Ki (appointed on 1 July 2016)
Mr. Leung Tai Chiu (appointed on 1 October 2016)
Mr. Lai Chung Wing, Robert (retired on 23 May 2016)
Mr. Tse Kam Hung (resigned on 1 July 2016)
Mr. Tang King Shing (resigned on 1 November 2016)

At the forthcoming annual general meeting of the Company, each of Mr. Cheung Kwong Kwan, Mr. Ho Yin Sang and Ms. Cheung Wai Lin, Stephanie, being executive Directors, will retire from directorship by rotation and will be eligible for re-election at the forthcoming annual general meeting of the Company in accordance with Article 92 of the Company's Articles of Association. Mr. Cheung Kwong Kwan, Mr. Ho Yin Sang and Ms. Cheung Wai Lin, Stephanie will offer themselves for re-election.

董事及董事之服務合約

年內及直至本報告日期止之董事如下：

執行董事：
張國榮先生*(主席)*
鄭永耀先生*(董事總經理)*
張廣軍先生
何燕生先生
張偉連女士
張家成先生
陳茂盛先生

獨立非執行董事：
鄭維志博士
張明敏先生
莊堅琪醫生(於二零一六年七月一日獲委任)
梁體超先生(於二零一六年十月一日獲委任)
黎忠榮先生(於二零一六年五月二十三日退任)
謝錦洪先生(於二零一六年七月一日辭任)
鄧竟成先生(於二零一六年十一月一日辭任)

根據本公司組織章程細則第92條，執行董事張廣軍先生、何燕生先生及張偉連女士各自將擬於本公司應屆股東週年大會上輪席退任董事，並將合資格重選連任。張廣軍先生、何燕生先生及張偉連女士將膺選連任。

DIRECTORS' INTERESTS IN SHARES (continued)

董事之股份權益(續)

Long position (continued)

長倉(續)

(c) Ordinary shares of HK$0.10 each ("KLHL Shares") in KLHL, a non-wholly owned subsidiary of the Company

(c) 本公司非全資擁有附屬公司建滔積層板每股面值0.10港元之普通股(「建滔積層板股份」)

Name of Director 董事姓名	Capacity 權益性質	Number of issued KLHL Shares held 所持已發行建滔積層板股份數目	Approximate percentage of the issued share capital of KLHL 佔建滔積層板已發行股本之概約百分比
Mr. Cheung Kwok Wing 張國榮先生	Beneficial owner 實益擁有人	1,043,000	0.035
Mr. Chang Wing Yiu 鄭永耀先生	Interest of spouse 配偶權益	2,500,000	0.083
Mr. Ho Yin Sang 何燕生先生	Interest of spouse 配偶權益	540,000	0.018
Mr. Leung Tai Chiu 梁體超先生	Beneficial owner 實益擁有人	78,000	0.003

(d) Share options of KLHL ("KLHL Share Options")

(d) 建滔積層板優先購股權(「建滔積層板優先購股權」)

Name of Director 董事姓名	Capacity 權益性質	Interest in underlying KLHL Shares pursuant to KLHL Share Options 建滔積層板優先購股權項下相關建滔積層板股份權益
Mr. Ho Yin Sang 何燕生先生	Interest of spouse 配偶權益	9,000,000
Mr. Cheung Ka Shing 張家成先生	Beneficial owner 實益擁有人	9,000,000

DIRECTORS' INTERESTS IN SHARES (continued)

董事之股份權益(續)

Long position (continued)

長倉(續)

(e) Non-voting deferred shares of HK$1 each in the share capital of Kingboard Laminates Limited, a non-wholly owned subsidiary of the Company

(e) 本公司非全資擁有附屬公司建滔積層板有限公司股本中每股面值1港元之無投票權遞延股份

Name of Director 董事姓名	Capacity 權益性質	Number of non-voting deferred shares held (Note) 所持無投票權遞延股份數目 (附註)
Mr. Cheung Kwok Wing 張國榮先生	Beneficial owner 實益擁有人	1,904,400
Mr. Chang Wing Yiu 鄭永耀先生	Beneficial owner 實益擁有人	423,200
Mr. Cheung Kwong Kwan 張廣軍先生	Beneficial owner 實益擁有人	846,400
Mr. Ho Yin Sang 何燕生先生	Beneficial owner 實益擁有人	529,000

Note: None of the non-voting deferred shares of Kingboard Laminates Limited are held by the Group. Such deferred shares carry no rights to receive notice of or to attend or vote at any general meeting of Kingboard Laminates Limited and have practically no rights to dividends or to participate in any distribution on winding up.

(f) Ordinary shares ("EEIC Shares") in the share capital of EEIC, a non-wholly owned subsidiary of the Company

	Number of issued EEIC Shares held	Mr. Ho Yi31953

DIRECTORS' INTERESTS IN SHARES (continued)

董事之股份權益(續)

Long position (continued)

(g) Ordinary shares ("KBCF Shares") of US$0.10 each in the share capital of KBCF, a non-wholly owned subsidiary of the Company

長倉(續)

(g) 本公司非全資擁有附屬公司KBCF股本中每股面值0.10美元之普通股(「KBCF股份」)

Name of Director 董事姓名	Capacity 權益性質	Number of issued KBCF Shares held 所持已發行KBCF股份數目	Approximate percentage of the issued share capital of KBCF 佔KBCF已發行股本之概約百分比
Mr. Ho Yin Sang 何燕生先生	Interest of spouse 配偶權益	2,000	0.0002

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 December 2016.

除上述披露者外，於二零一六年十二月三十一日，概無董事或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之任何股份、相關股份或債券中擁有任何權益或短倉。

SHARE OPTIONS

Particulars of the share option schemes of the Company, EEIC and KLHL (including their vesting and exercise period) are set out in note 28 to the consolidated financial statements.

On 17 October 2016, an aggregate of 12,800,000 share options were exercised at HK$12.424 per Share, with a closing market price per share of HK$24.00 on the immediately preceding business day which the options were exercised, for ordinary shares of the Company of HK$0.10 each. Save as disclosed, no share option was granted, exercised, cancelled or had lapsed under the Company's share option schemes during the year under review.

The following table discloses movements in the Share Options under the Scheme during the year:

優先購股權

本公司、EEIC及建滔積層板之優先購股權計劃詳情(包括其歸屬期及行使期)載於綜合財務報表附註28。

於二零一六年十月十七日，共有12,800,000份優先購股權獲行使，行使價為每股12.424港元，緊接優先購股權獲行使前一個營業日，本公司每股面值0.10港元的普通股之收市價為每股24.00港元。除上文所披露者外，回顧年度內本公司之優先購股權計劃項下並無授出、行使、註銷優先購股權或優先購股權失效。

下表披露該計劃項下優先購股權於年內之變動：

		Outstanding as at 1.1.2016 於二零一六年一月一日尚未行使	Transferred during the year 於年內轉撥	Granted during the year 於年內授出	Exercised during the year 於年內行使	Cancelled during the year 於年內註銷	Lapsed during the year 於年內失效	Outstanding as at 31.12.2016 於二零一六年十二月三十一日尚未行使
Category 1: Directors	第1類：董事							
Mr. Cheung Kwok Wing	張國榮先生	9,360,000	–	–	(2,600,000)	–	–	6,760,000
Mr. Chang Wing Yiu	鄭永耀先生	8,120,000	–	–	(2,300,000)	–	–	5,820,000
Mr. Cheung Kwong Kwan	張廣軍先生	7,120,000	–	–	(2,000,000)	–	–	5,120,000
Mr. Ho Yin Sang (Note 1)	何燕生先生(附註1)	7,120,000	–	–	(2,500,000)	–	–	4,620,000
Ms. Cheung Wai Lin, Stephanie	張偉連女士	7,120,000	–	–	(1,500,000)	–	–	5,620,000
Mr. Cheung Ka Shing	張家成先生	6,928,000	–	–	(800,000)	–	–	6,128,000
		45,768,000	–	–	(11,700,000)	–	–	34,068,000
Category 2: Employees (Note 1)	第2類：僱員(附註1)	11,784,000	–	–	(1,100,000)	–	–	10,684,000
Total all categories	所有類別合計	57,552,000	–	–	(12,800,000)	–	–	44,752,000

Note 1: In addition to 4,620,000 Share Options held by Mr. Ho Yin Sang, the spouse of Mr. Ho Yin Sang held 4,828,000 Share Options. None of such option was exercised.

附註1： 除何燕生先生持有的4,620,000份優先購股權外，何燕生先生之配偶亦持有4,828,000份優先購股權。上述優先購股權均未行使。

SHARE OPTIONS (continued)

The following table discloses movements in KLHL Share Options during the year:

優先購股權(續)

下表披露建滔積層板優先購股權於年內之變動：

		Outstanding as at 1.1.2016 於二零一六年一月一日尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Cancelled during the year 於年內註銷	Lapsed during the year 於年內失效	Outstanding as at 31.12.2016 於二零一六年十二月三十一日尚未行使
Directors and employees of KLHL (Note)	建滔積層板董事及僱員(附註)	81,000,000	–	–	–	–	81,000,000
Total	合計	81,000,000	–	–	–	–	81,000,000

Note: Among these KLHL Share Options, some of which were granted to a Director and a Director's associate. Please refer to page 26 for details.

附註： 該等建滔積層板優先購股權當中，若干優先購股權乃授予一位董事及一位董事的聯繫人士。詳情請見26頁。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

購買股份或債券之安排

除上文披露所持優先購股權外，本公司或其任何附屬公司於年內任何時間概無參與訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangement or contract of significance in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Save as disclosed in the paragraph headed "Connected Transactions" in this report and in note 39 to the consolidated financial statements, no transaction, arrangement or contract of significance to the business of the Group to which the Company, its subsidiaries, its substantial shareholder or any subsidiaries of its substantial shareholder was a party subsisted at the end of the year or at any time during the year under review.

董事在重大交易、安排或合約項下的權益

概無訂立任何於年末或年內任何時間仍然生效而董事或與董事有關連之實體直接或間接擁有重大權益之重大交易、安排或合約。

除本報告「關聯交易」一段及綜合財務報表附註39所披露者外，於年末或回顧年度內任何時間，本公司、其附屬公司、主要股東或其主要股東之任何附屬公司概無訂立對本集團業務而言屬重大之交易、安排或合約。

SUBSTANTIAL SHAREHOLDERS

At 31 December 2016, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors, the following shareholders had notified the Company of relevant interests or short positions in the issued share capital of the Company.

主要股東

根據本公司按證券及期貨條例第336條須存置之主要股東名冊所記錄，於二零一六年十二月三十一日，下列股東(上文所披露若干董事之權益除外)已知會本公司彼等於本公司已發行股本中擁有之相關權益或短倉。

Name of Shareholder 股東姓名	Capacity 權益性質	Number of issued Shares held 所持已發行股份數目	Approximate percentage of the issued share capital of the Company 佔本公司已發行股本之概約百分比
Hallgain Management Limited ("Hallgain") (Note) (附註)	Beneficial owner 實益擁有人	394,200,200 (L)	37.96 (L)
FMR LLC	Investment manager 投資經理	102,560,000 (L)	9.99 (L)

(L) The letter "L" denotes a long position.

Note: As at 31 December 2016: (i) no shareholder of Hallgain was entitled to exercise, or control the exercise of, directly or indirectly, one-third or more of the voting power at general meetings of Hallgain, and Hallgain and its directors were not accustomed to act in accordance with any shareholder's direction; and (ii) Mr. Cheung Kwok Wing, being a Director, was also a director of Hallgain.

(L) 「L」字代表長倉。

附註： 於二零一六年十二月三十一日：(i)概無Hallgain股東有權於Hallgain股東大會行使或直接或間接控制行使三分一或以上之表決權，而Hallgain及其董事並不慣常根據任何股東指示行事；及(ii)董事張國榮先生亦為Hallgain之董事。

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2016 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上述披露者外，本公司概無獲知會於二零一六年十二月三十一日之本公司已發行股本中根據證券及期貨條例第XV部第2及3分部之規定須向本公司披露之任何其他相關權益或短倉，或根據證券及期貨條例第336條規定本公司須保存之登記冊中記錄之任何其他相關權益或短倉。

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has been in compliance with the applicable code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2016, save for the deviation that independent non-executive Directors are not appointed for specific terms pursuant to paragraph A.4.1 of the CG Code. Notwithstanding the aforesaid deviation, all the Directors (including independent non-executive Directors) are subject to retirement by rotation and re-election at the Company's annual general meeting in compliance with the Company's Articles of Association and Listing Rules. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

企業管治

董事認為，除獨立非執行董事並非根據企業管治守則條文第A.4.1段按特定任期委任之偏離情況之外，本公司截至二零一六年十二月三十一日止年度內一直遵守上市規則附錄十四項下之企業管治守則(「企業管治守則」)所載列之適用守則條文。儘管有上述偏離情況，所有董事(包括獨立非執行董事)均遵照本公司組織章程細則及上市規則於本公司股東週年大會上輪席退任，並可於會上重選連任。因此，本公司認為已採取足夠措施，以確保本公司的企業管治常規不會寬鬆於企業管治守則。

CORPORATE GOVERNANCE (continued)

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, each Director confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company throughout the year ended 31 December 2016.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent for the purpose of Rule 3.13 of the Listing Rules.

CONNECTED TRANSACTIONS

In 2016, the Group had the following non-exempt continuing connected transactions (which are also related party transactions) within the meaning of Chapter 14A of the Listing Rules:

(a) 2013 KBC/Hallgain Purchase Framework Agreement

On 5 November 2013, the Company and Hallgain entered into a purchase framework agreement (the "2013 KBC/Hallgain Purchase Framework Agreement") pursuant to which the Group agreed to purchase certain materials for the production of PCBs such as copper balls and drill bits from Hallgain and its subsidiaries (the "Hallgain Group") from 1 January 2014 to 31 December 2016. Under the 2013 KBC/Hallgain Purchase Framework Agreement, the amount of materials to be purchased is not fixed but is to be determined and agreed between the parties from time to time. The actual quantity, specification and price (with reference to the prevailing market price) of the materials under the 2013 KBC/Hallgain Purchase Framework Agreement will be subject to the individual orders placed by the Group with the Hallgain Group.

The transactions contemplated under the 2013 KBC/Hallgain Purchase Framework Agreement constituted continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules on the basis that Hallgain is a substantial shareholder of the Company and hence a connected person of the Company under the Listing Rules.

企業管治(續)

就董事進行證券交易方面，本公司已採納條款不寬鬆於上市規則附錄十所載之規定標準(「標準守則」)之操守守則。經對所有董事作出特定查詢後，各董事確認，截至二零一六年十二月三十一日止年度內，彼等一直遵守標準守則所載規定標準及本公司所採納有關董事進行證券交易之操守守則。

遵照上市規則第3.13條，本公司已收到每位獨立非執行董事每年度之獨立身份確認。就上市規則第3.13條而言，本公司將視所有獨立非執行董事為獨立人士。

關連交易

二零一六年，本集團有以下上市規則第14A章所界定的不獲豁免持續關連交易(亦屬於有關連人士交易)：

(a) 二零一三年建滔化工／Hallgain購買框架協議

於二零一三年十一月五日，本公司與Hallgain訂立購買框架協議(「二零一三年建滔化工／Hallgain購買框架協議」)，據此，本集團同意於二零一四年一月一日至二零一六年十二月三十一日向Hallgain及其附屬公司(「Hallgain集團」)購買銅球及鑽咀等生產印刷線路板的若干材料。根據二零一三年建滔化工／Hallgain購買框架協議，將購買之材料數量並非固定，而是由訂約方不時釐定及同意。二零一三年建滔化工／Hallgain購買框架協議項下之材料實際數量、規格及價格(參考現行市價)將視乎本集團向Hallgain集團作出之個別訂單而定。

由於Hallgain為本公司之主要股東，根據上市規則為本公司之關連人士，故根據上市規則第14A章，二零一三年建滔化工／Hallgain購買框架協議項下之交易構成本公司之持續關連交易。

CONNECTED TRANSACTIONS (continued)

(a) 2013 KBC/Hallgain Purchase Framework Agreement (continued)

The annual cap and the actual transaction amount of the transactions contemplated under the 2013 KBC/Hallgain Purchase Framework Agreement for the year ended 31 December 2016 are set out in the table below. Details of the 2013rk Hallseement for the

關連交易(續)

(a) 二零一三年建滔化工／Hallgain購買框架協議(續)

二零一三年建滔化工／Hallgain購買框架協議項下之交易截至二零一六年十二月三十一日止年度之年度上限及實際交易額載於下表。二零一三年建滔化工／Hallgain購買框架協議之詳情已於本公司日期為二零一三年十一月二十八日之通函中披露。

因預期二零一三年建滔化工／Hallgain購買框架協議將於二零一六年末到期，本公司於二零一六年十月二十六日與Hallgain訂立購買框架協議(「二零一六年建滔化工／Hallgain購買框架協議」)，內容有關本集團向Hallgain集團購買銅球及鑽咀等生產印刷線路板的若干材料，年期為二零一七年一月一日起至二零一九年十二月三十一日止三年。截至二零一九年十二月三十一日止三個年度之年度上限分別為520百萬港元、572百萬港元及629百萬港元。詳情請參閱本公司日期為二零一六年十月二十六日之聯合公告。

(b) 二零一三年建滔積層板／Hallgain供應框架協議

於二零一三年十一月五日，建滔積層板與Hallgain訂立供應框架協議(「二零一三年建滔積層板／Hallgain板供應框架協議」)，據此，建滔積層板集團同意於二零一四年一月一日至二零一六年十二月三十一日向Hallgain集團供應銅及覆銅面板。根據二零一三年建滔積層板／Hallgain供應框架協議，將供應之數量並非固定，而是由訂約方不時釐定及同意。二零一三年建滔積層板／Hallgain供應框架協議項下之產品實際數量、規格及價格(參考現行市價)將視乎Hallgain集團向建滔積層板集團作出之個別訂單而定。

由於Hallgain為本公司之主要股東，根據上市規則為本公司之關連人士，而建滔積層板則為本公司之附屬公司，故根據上市規則第14A章，二零一三年建滔積層板／Hallgain供應框架協議項下之交易構成本公司之持續關連交易。

CONNECTED TRANSACTIONS (continued)

關連交易(續)

(c) 2013 KLHL/Hallgain Purchase Framework Agreement (continued)

The annual cap and the actual transaction amount of the transactions contemplated under the 2013 KLHL/Hallgain Purchase Framework Agreement for the year ended 31 December 2016 are set out in the table below. Details of the 2013 KLHL/Hallgain Purchase Framework Agreement were disclosed in the circular of the Company dated 28 November 2013.

In anticipation of the expiry of the 2013 KLHL/HallgainPurchase Framework Agreement by the end of 2016, on 26 October 2016, KLHL entered into a purchase framework agreement with Hallgain (the "2016 KBL/Hallgain Purchase Framework Agreement") in relation to the purchase of certain materials for the production of laminates such as drill bits and machineries from the Hallgain Group by the KLHL Group for a term of three years from 1 January 2017 to 31 December 2019. The annual caps for the three years ending 31 December 2019 are HK$350 million, HK$385 million and HK$424 million, respectively. Please refer to the Company's joint announcement dated 26 October 2016, and KLHL's circular dated 21 November 2016 for information.

(c) 二零一三年建滔積層板／Hallgain購買框架協議(續)

二零一三年建滔積層板／Hallgain購買框架協議項下之交易截至二零一六年十二月三十一日止年度之年度上限及實際交易額載於下表。二零一三年建滔積層板／Hallgain購買框架協議之詳情已於本公司日期為二零一三年十一月二十八日之通函中披露。

因預期二零一三年建滔積層板／Hallgain購買框架協議將於二零一六年末到期，建滔積層板於二零一六年十月二十六日與Hallgain訂立購買框架協議(「二零一六年建滔積層板／Hallgain購買框架協議」)，內容有關建滔積層板集團向Hallgain集團購買鑽咀及機器等生產覆銅面板的若干材料，年期為二零一七年一月一日起至二零一九年十二月三十一日止三年。截至二零一九年十二月三十一日止三個年度之年度上限分別為350百萬港元、385百萬港元及424百萬港元。詳情請參閱本公司日期為二零一六年十月二十六日之聯合公告以及建滔積層板日期為二零一六年十一月二十一日之通函。

		Amounts 金額 HK$'000 千港元	Annual caps 年度上限 HK$'000 千港元
Purchase of copper balls and drill bits from the Hallgain Group by the Group under the Purchase Framework Agreement	本集團根據購買框架協議向Hallgain集團購買銅球及鑽咀	440,692	926,000
Sales of coppers and laminates to the Hallgain Group by the KLHL Group under the KLHL Supply Framework Agreement	建滔積層板集團根據建滔積層板供應框架協議向Hallgain集團出售銅及覆銅面板	562,759	1,452,000
Purchase of drill bits and machineries from the Hallgain Group by the KLHL Group under the KLHL Purchase Framework Agreement	建滔積層板集團根據建滔積層板購買框架協議向Hallgain集團購買鑽咀及機器	222,368	705,000

CONNECTED TRANSACTIONS (continued)

The amounts of the above transactions did not exceed the corresponding annual caps for the financial year ended 31 December 2016 as announced by the Group.

The independent non-executive Directors had reviewed the above continuing connected transactions and confirmed that the transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms and that the terms thereof and the relevant annual caps thereto are fair and reasonable and in the interests of the Company and the shareholders as a whole.

The Company's auditor 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 an unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions for the year ended 31 December 2016 disclosed by the Group from pages 32 to 36 of this annual report in accordance with Listing Rule 14A.56. A copy of the auditor's letter has been provided by the Company to the Stock Exchange. The auditors has confirmed that nothing has come to its attention that causes it to believe that the continuing connected transactions entered into by the Group for the year ended 31 December 2016:

(a) have not been approved by the board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group; have been entered into in accordance with the terms of the relevant agreement governing such transactions;

(c) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and

(d) have exceeded the cap.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of transactions during the year ended 31 December 2016.

關連交易(續)

上述交易的金額並不超過本集團所公佈截至二零一六年十二月三十一日止財政年度之相關年度上限。

獨立非執行董事已審閱上述持續關連交易，彼等確認該等交易乃於本集團的日常及一般業務過程中按正常商業條款訂立，且該等條款及相關年度上限為公平合理及符合本公司及股東的整體利益。

本公司核數師獲委聘遵照香港會計師公會頒佈的香港鑒證業務準則第3000號「非審核或審閱過往財務資料的鑒證工作」，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」，對本集團的持續關連交易進行審閱。核數師已根據上市規則第14A.56條發出載有其有關截至二零一六年十二月三十一日止年度的持續關連交易之結果及結論的無保留意見函件，並由本集團於本年報第32至36頁中披露。本公司已將核數師函件副本呈交聯交所。核數師已確認並無注意到任何情況致使其認為本集團於截至二零一六年十二月三十一日止年度訂立的持續關連交易：

(a) 未經董事會批准；

(b) 在所有重大方面並無遵照本集團的定價政策；已根據監管該等交易的相關協議之條款訂立；

(c) 在所有重大方面並非根據監管該等交易的相關協議而訂立；及

(d) 已超出上限。

董事確認於截至二零一六年十二月三十一日止年度，本公司已就該等交易遵守上市規則第14A章的披露規定。

EVENT AFTER THE REPORTING PERIOD

Please refer to note 41 to the Group's consolidated financial statements for event after the reporting period.

報告期後事件

報告期後事件請參閱本集團綜合財務報告附註41。

AUDITOR

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

核數師

將於股東週年大會上提呈一項決議案，以續聘德勤・關黃陳方會計師行為本公司核數師。

On behalf of the Board
Cheung Kwok Wing
CHAIRMAN

24 March 2017

承董事會命
主席
張國榮

二零一七年三月二十四日

CORPORATE GOVERNANCE REPORT
企業管治報告

The Board recognises the importance of corporate governance practice of a listed company. It is in the interest of the stakeholders and shareholders for a listed company to operate in a transparent manner with the adoptions of various self-regulatory policies, procedures and monitoring mechanisms and a clear definition of accountability of directors and management.

董事會明瞭上市公司企業管治常規之重要性。上市公司之營運具透明度，採納各種自行規管政策與程序以及監控機制，並清楚界定董事與管理層權責，乃符合權益持有人及股東之利益。

The Company has complied with the code provisions as set out in the CG Code throughout the year ended 31 December 2016, save for the deviation from paragraph A.4.1 of the CG Code since the independent non-executive Directors are not appointed for a specific term. Notwithstanding the aforesaid deviation, all the Directors (including the independent non-executive Directors) are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association. As such, the Company considers that steps have been taken with a view to ensure that the Company's corporate governance practices are in line with the principles of the CG Code.

除獨立非執行董事並非根據企業管治守則條文第A.4.1段按特定任期委任之偏離情況之外，本公司於截至二零一六年十二月三十一日止年度內一直遵守企業管治守則所載列之守則條文。儘管有上述偏離情況，所有董事(包括獨立非執行董事)均遵照本公司組織章程細則於本公司股東週年大會上輪值退任，並可於會上重選連任。因此，本公司認為已採取措施，以確保本公司的企業管治常規符合企業管治守則的原則。

In addition to applying the principles in the CG Code, which is mandatory in nature, the Board also observes certain recommended best practices ("Recommended Best Practices") contained in Appendix 14 to the Listing Rules and has adopted certain Recommended Best Practices which are suitable to the Company's current situation. The Board will continuously enhance the corporate governance standard of the Company by reference to the Recommended Best Practices whenever suitable and appropriate.

除屬強制性質之企業管治守則外，董事會亦參考上市規則附錄14所載之若干建議最佳常規(「建議最佳常規」)，並採納適合本公司現行情況之若干建議最佳常規。董事會將於合適及適當情況下參考建議最佳常規，持續提升本公司之企業管治水平。

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, each Director has confirmed that he or she has complied with the required standard set out in the Model Code and the code of conduct regarding Director's securities transactions adopted by the Company throughout the year ended 31 December 2016.

A. DIRECTORS

The Board

The Board is responsible for the leadership and control of the Group

A. 董事

董事會

董事會負責領導及管理本集團，同時亦授責監督本集團之業務及事務管理事宜。本集團已採納內部指引訂明需經董事會批准之事項。除法定責任外，董事會亦負責批准本集團之策略計劃、年度預算、主要營運措施、重大投資及集資決定。董事會同時審閱本集團財務表現、識別本集團業務之主要風險及確保實施適當措施以管理有關風險。本集團日常業務運作及行政職能之職責已委派予管理層負責。

董事會定期及於特定情況所需時舉行會議。召開董事會會議之通告及議程由董事會主席委派公司秘書負責編製並於會議前合理時間內派發予董事會成員。相關會議文件亦會於會議前的充份時間送交董事，以通知彼等將提呈董事會之事項之背景資料並提供說明。各董事可於董事會會議議程上加入討論事項。為確保董事作出客觀及符合本公司利益之決定，本公司之組織章程細則規定，倘董事會會議上任何決議案涉及董事或其聯繫人士的重大權益，有關董事必須放棄投票，且不得計入會議法定人數。董事會會議記錄初稿及最終定稿將於董事會會議後合理時間內發送予全體董事，分別作表達意見及記錄之用，並由公司秘書存檔。

A. DIRECTORS (continued)

The Board (continued)

During the year under review, the Board had held four meetings and the Directors' attendance at Board meetings and Board committees' meetings were as follows:

A. 董事(續)

董事會(續)

於回顧年度內，董事會舉行了四次會議，董事於董事會會議及董事委員會會議之出席記錄如下：

		Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議
Number of Meeting	**會議數目**	4	3	2	2
Executive Directors	**執行董事**				
Cheung Kwok Wing *(Chairman)*	張國榮*(主席)*	4	–	–	–
Chang Wing Yiu *(Managing Director)*	鄭永耀*(董事總經理)*	4	–	–	–
Cheung Kwong Kwan	張廣軍	4	–	–	–
Ho Yin Sang	何燕生	4	–	–	–
Cheung Wai Lin, Stephanie	張偉連	4	–	–	–
Cheung Ka Shing	張家成	4	–	–	–
Chen Maosheng	陳茂盛	4	–	–	–
Independent non-executive Directors	**獨立非執行董事**				
Cheng Wai Chee, Christopher	鄭維志	4	–	–	–
Cheung Ming Man	張明敏	4	3	2	2
Chong Kin Ki (appointed on 1 July 2016)	莊堅琪 (於二零一六年七月一日獲委任)	3	3	2	2
Leung Tai Chiu (appointed on 1 October 2016)	梁體超 (於二零一六年十月一日獲委任)	1	2	1	1
Tse Kam Hung (resigned on 1 July 2016)	謝錦洪 (於二零一六年七月一日辭任)	2	–	–	–
Lai Chung Wing, Robert (retired on 23 May 2016)	黎忠榮 (於二零一六年五月二十三日退任)	1	–	–	–
Tang King Shing (resigned on 1 November 2016)	鄧竟成 (於二零一六年十一月一日辭任)	3	1	1	1

Mr. Tse Kam Hung ("Mr. Tse") resigned as an independent non-executive Director with effect from 1 July 2016 as he would like to devote more time to his other commitments. Mr. Tang King Shing ("Mr. Tang") resigned as an independent non-executive director with effect from 1 November 2016 as he would like to devote more time to his other commitments. Mr. Lai Chung Wing, Robert ("Mr. Lai") did not offer himself for re-election as an independent non-executive Director at the Company's annual general meeting on 23 May 2016 as Mr. Lai would like to devote more time to his personal and other business commitments. Their reasons for resignation and retirement do not relate to the affairs of the Company.

謝錦洪先生(「謝先生」)自二零一六年七月一日起辭任獨立非執行董事，以投入更多時間於彼之其他事務。鄧竟成先生(「鄧先生」)自二零一六年十一月一日起辭任獨立非執行董事，以投入更多時間於彼之其他事務。黎忠榮先生(「黎先生」)並無於本公司二零一六年五月二十三日召開之股東週年大會上膺選連任為獨立非執行董事，以投入更多時間於彼之私人及其他業務事務。彼等辭任及退任之因由與本公司業務無關。

A. DIRECTORS (continued)

The Board (continued)

Each of Mr. Tse, Mr. Tang and Mr. Lai confirmed that there is no disagreement with the Board and that there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Directors have observed the importance of directing and supervising the Company's affairs at a more regular interval. After consulting all Directors, Board meetings have been preliminarily scheduled to be held at quarterly interval and no less than four times in the coming year.

The Board is responsible for performing the functions set out in D.3.1 of the CG Code.

During the year under review, the Board met once to review the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Division and responsibilities

During the year under review, the Board was headed by the Chairman whose role differs from that of the Managing Director of the Company. The roles of the Chairman and Managing Director were segregated and are not exercised by the same individual.

The duties of the Chairman include (but not limited to) the following:

- scheduling meetings that enable the Board to perform its duties and responsibilities and to ensure all key and appropriate issues are discussed by the Board in a timely manner without interfering the Company's operations;
- preparing meeting agenda after consultation with the Managing Director;
- exercising control over quality, quantity and timeliness of the flow of information between Management and the Board and to ensure decisions are made on a fully informed basis by the Directors; and
- assisting in ensuring compliance with the Listing Rules and the Company's guidelines on corporate governance.

The Managing Director was mainly responsible for the overall strategic planning and day-to-day management of the Group.

A. 董事(續)

董事會(續)

謝先生、鄧先生及黎先生分別確認，彼等與董事會並無意見分歧，且並無有關彼等辭任之事宜須敦請本公司股東垂注。

董事明瞭更頻密地定期領導及監管本公司事務之重要性。經徵詢全體董事後，董事會初步計劃來年董事會會議將每季度舉行，全年舉行不少於四次會議。

董事會負責履行企業管治守則第D.3.1條所載職能。

於回顧年度，董事會舉行一次會議以審閱本公司企業管治政策及常規、董事及高級管理層培訓及持續專業發展、本公司遵守法律及監管規定的政策及常規、遵守標準守則的情況及本公司遵守企業管治守則及本企業管治報告披露的情況。

分工及職責

於回顧年度，董事會由主席領導，其職務有別於本公司董事總經理。主席及董事總經理各有獨立職務，且非由同一名人士擔任。

主席職責包括但不限於以下各項：

- 安排會議以便董事會履行職務及責任，並確保董事會及時討論所有重要及適當事宜，而不會妨礙本公司之營運；
- 經與董事總經理磋商後編製會議議程；
- 控制管理層與董事會之間資訊流通的質量、數量和及時性，確保董事於完全知情情況下作出決定；及
- 協助確保遵從上市規則及本公司之企業管治指引。

董事總經理主要負責整體策略規劃及本集團日常管理工作。

A. DIRECTORS (continued)

Board composition

The Board currently comprises eleven members, seven of whom are executive Directors and four of whom are independent non-executive Directors who are expressly identified in all corporate communications that disclose the names of the Directors. One of the independent non-executive Directors possesses appropriate professional qualifications (or accounting or related financial management expertise) as required by the Listing Rules. The composition of the Board as of the report date is as follows:

Executive Directors
Cheung Kwok Wing *(Chairman)*
Chang Wing Yiu *(Managing Director)*
Cheung Kwong Kwan
Ho Yin Sang
Cheung Wai Lin, Stephanie
Cheung Ka Shing
Chen Maosheng

Independent non-executive Directors
Cheng Wai Chee, Christopher
Cheung Ming Man
Chong Kin Ki (appointed on 1 July 2016)
Leung Tai Chiu (appointed on 1 October 2016)

Tse Kam Hung (resigned on 1 July 2016)
Lai Chung Wing, Robert (retired on 23 May 2016)

Tang King Shing (resigned on 1 November 2016)

Ms. Cheung Wai Lin, Stephanie is the sister of Mr. Cheung Kwok Wing. Mr. Cheung Kwong Kwan is a cousin of Mr. Cheung Kwok Wing and Ms. Cheung Wai Lin, Stephanie. Mr. Chang Wing Yiu and Mr. Ho Yin Sang are brothers-in-law of Mr. Cheung Kwok Wing and Ms. Cheung Wai Lin, Stephanie. Mr. Cheung Ka Shing is the son of Mr. Cheung Kwok Wing, the nephew of Ms. Cheung Wai Lin, Stephanie and Mr. Cheung Kwong Kwan and the nephew-in-law of Mr. Chang Wing Yiu and Mr. Ho Yin Sang.

During the year under review, the independent non-executive Directors were not appointed for specific terms but are subject to retirement by rotation and are eligible for re-election. The Board considers that although such arrangement deviates from paragraph A.4.1 of the CG Code, sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

A. 董事(續)

董事會成員

董事會現由十一名成員組成，其中七名為執行董事及四名為獨立非執行董事，彼等之身分均於所有載有董事姓名的公司通訊中明確說明。其中一名獨立非執行董事具備上市規則規定之適當專業資格(或會計或相關財務管理專業知識)。於本報告日期，董事會由下列成員組成：

執行董事
張國榮*(主席)*
鄭永耀*(董事總經理)*
張廣軍
何燕生
張偉連
張家成
陳茂盛

獨立非執行董事
鄭維志
張明敏
莊堅琪(於二零一六年七月一日獲委任)
梁體超(於二零一六年十月一日獲委任)
謝錦洪(於二零一六年七月一日辭任)
黎忠榮(於二零一六年五月二十三日退任)
鄧竟成(於二零一六年十一月一日辭任)

張偉連女士為張國榮先生之胞妹。張廣軍先生為張國榮先生及張偉連女士之堂兄弟。鄭永耀先生及何燕生先生為張國榮先生及張偉連女士之妹夫／姐夫。張家成先生為張國榮先生之子、張偉連女士之侄兒、張廣軍先生之堂侄及鄭永耀先生與何燕生先生之侄兒。

於回顧年度，獨立非執行董事之委任並無指定任期，惟須輪席退任並符合資格膺選連任。董事會認為雖然上述安排與企業管治守則條文第A.4.1段有所偏離，但本公司已採取足夠措施以確保本公司企業管治常規不比企業管治守則寬鬆。

A. DIRECTORS (continued)

Board composition (continued)

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence as required under Rule 3.13 of the Listing Rules.

The Board comprises Directors who collectively provide core competencies, sales and marketing experience and technical knowledge in laminates, printed circuit boards, property developments and chemical products, administration and management experience in the PRC factories, financial and accounting skills. The Company believes that the current Board with a balance of skills and experience is appropriate for effective decision making, taking into account the nature and scope of the operations of the Company.

Appointment, re-election and removal

The Company's Articles of Association set out a formal, considered and transparent procedure for the appointment of new Directors to the Board. Any Director appointed by the Board either to fill a casual vacancy or as addition to the Board, shall retire and be eligible for re-appointment at the next following general meeting (in the case of filling a casual vacancy) or annual general meeting (in the case of an additions to the Board) after appointment. The appointment of Directors are not fixed for a specified term, but at every annual general meeting one-third of the directors, including the Chairman, shall be subject to retirement by rotation and re-appointment by shareholders. The Directors appointed by the Board who are subject to retirement and re-appointment as mentioned above shall be taken into account in calculating the total number of Directors for the time being but shall not be taken into account in calculating the number of Directors who are to retire by rotation. All Directors eligible for re-appointment shall have their biographical details made available to the shareholders to enable them to make an informed decision on their re-appointment. Any appointment, resignation, removal or re-designation of Director shall be timely disclosed to the shareholders by announcement and shall include in such announcement, the reasons given by the Director for his resignation.

Responsibilities of Directors

The Company and the Board require each Director to keep abreast of his responsibilities as a director of the Company and of the conduct, business activities and development of the Company. Every Director is required to devote sufficient time and involvement in the affairs of the Board and the material matters of the Company and to serve the Board with such degree of care and due diligence given his own expertise, qualification and professionalism.

A. 董事(續)

董事會成員(續)

本公司已按上市規則第3.13條的規定，取得各獨立非執行董事之年度獨立性確認書。

董事會由多名董事組成，共同提供有關覆銅面板、印刷線路板、房地產發展及化工產品之核心競爭力、銷售及市場推廣經驗及技術知識、中國工廠之行政及管理經驗、財務及會計技巧。本公司相信，目前董事會擁有不同資歷及經驗，考慮到本公司之業務性質及規模，董事會成員人數對其決策效率而言實屬合適。

委任、重選及罷免

本公司之組織章程細則訂明一套正式、考慮周詳及具透明度之委任新董事程序。董事會委任之任何董事(不論為填補臨時空缺或屬董事會新增成員)均須於獲委任後首個股東大會(在填補臨時空缺之情況下)或於獲委任後首個股東週年大會(屬董事會新增成員之情況下)退任並合資格膺選連任。董事之委任並無固定任期，惟於每屆股東週年大會上，三分一之董事(包括主席)均須輪席退任及由股東重新委任。於計算當時董事總數時，將會計入按上文所述由董事會委任而須輪席退任及獲重新委任之董事，惟於計算將輪席退任董事人數時則不予計算。所有符合資格獲重新委任之董事均須向股東披露個人履歷，以便股東於重新委任時作出知情決定。任何董事委任、辭任、罷免或調任事宜均須以公佈形式及時向股東披露，並須在公佈中註明該董事辭任之理由。

董事責任

本公司及董事會要求每名董事清楚彼作為本公司董事之職責，以及了解本公司之經營方式、業務活動及發展。每名董事均須投入足夠時間及精神處理董事會事務及本公司重要事宜，並按照各自之專門知識、資歷及專業技能，以謹慎盡責之態度為董事會服務。

A. DIRECTORS (continued)

Responsibilities of Directors (continued)

Every newly appointed Director shall receive a comprehensive, formal and tailored induction on the first occasion of his appointment. All Directors shall be updated and briefed on continuing professional development as is necessary to ensure that they have a proper understanding of the operations and the business of the Company and that they are fully aware of their responsibilities under the applicable laws and regulations. The Board has a procedure for Directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expenses to enable and facilitate the Directors to make well considered decisions. Appropriate insurance coverage for Directors' and officers' liability has been arranged against possibility of legal action to be taken against the Directors and the management.

According to A.6.5 of the CG Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During the year under review, the Directors also participated in the following trainings:

A. 董事(續)

董事責任(續)

每名新委任董事於首次獲委任時均會獲得一份全面兼特為其而設的正式就任須知。全體董事於有需要時將參與持續專業發展計劃，以確保彼等清楚了解本公司之營運及業務，且充分明瞭彼等於適用法律及規定下之責任。董事會設立既定程序，董事於履行職務時，在有需要的情況下可個別或共同徵詢獨立專業顧問意見，以作出充份考慮的決定，有關費用由本公司承擔。本公司已就董事及管理人員可能面對之法律行動而為董事及管理人員安排適當責任保險。

根據企業管治守則第A.6.5條，董事應參與合適的持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

於回顧年度，董事亦參與以下培訓：

Name of Directors	董事姓名	Attending or participating in the briefing session/seminars/ programmes relevant to the business/directors' duties 出席或參與有關業務／董事職務的簡介會／座談會／計劃
Executive Directors	執行董事	
Cheung Kwok Wing *(Chairman)*	張國榮*(主席)*	✔
Chang Wing Yiu *(Managing Director)*	鄭永耀*(董事總經理)*	✔
Cheung Kwong Kwan	張廣軍	✔
Ho Yin Sang	何燕生	✔
Cheung Wai Lin, Stephanie	張偉連	✔
Cheung Ka Shing	張家成	✔
Chen Maosheng	陳茂盛	✔
Independent non-executive Directors	獨立非執行董事	
Cheng Wai Chee, Christopher	鄭維志	✔
Cheung Ming Man	張明敏	✔
Chong Kin Ki (appointed on 1 July 2016)	莊堅琪(於二零一六年七月一日獲委任)	✔
Leung Tai Chiu (appointed on 1 October 2016)	梁體超(於二零一六年十月一日獲委任)	✔
Tse Kam Hung (resigned on 1 July 2016)	謝錦洪(於二零一六年七月一日辭任)	✔
Lai Chung Wing, Robert (retired on 23 May 2016)	黎忠榮(於二零一六年五月二十三日退任)	✔
Tang King Shing (resigned on 1 November 2016)	鄧竟成(於二零一六年十一月一日辭任)	✔

The Directors confirmed that they have complied with A.6.5 of the CG Code on Directors' training for the year ended 31 December 2016.

董事確認，截至二零一六年十二月三十一日止年度，彼等已遵守有關董事培訓之企業管治守則第A.6.5條。

C. ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors acknowledge their responsibilities for preparing the Company's account which gives a true and fair view of the financial position of the Group. The Company deploys appropriate and sufficient resources to prepare unaudited half-yearly account and audited yearly account. Senior management is required to present and explain the financial reporting and matters that materially affect or may have material impact on the financial performance and operations of the Company to the Audit Committee and the Board and respond to the queries and concerns raised by the Audit Committee and the Board to their satisfaction. The statement of the auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 58 to 65 of this annual report.

Internal controls

The Group has in place a system of internal controls, the key elements of which are as follows:

- formal policies and procedures are in place, including the documentation of key processes, procedures and rules relating to the delegation of authorities. These allow the monitoring of controls and restrict the unauthorised use of the Group assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- monthly business and financial reports are prepared, providing relevant, timely, reliable and up-to-date financial and other information; budget variances are investigated as appropriate; and
- an internal audit function, which reports directly to the Audit Committee, is in place to determine whether the above procedures are properly carried out.

C. 問責及核數

財務匯報

董事確認編製能真實及公平反映本集團的財務狀況之本公司賬目乃彼等之責任。本公司調配合適及足夠的資源編製未經審核半年度賬目及經審核年度賬目。高級管理層須向審核委員會及董事會呈報及闡釋對本公司財務表現及營運構成或可能構成重大影響之財務匯報及事宜，並就審核委員會及董事會提出之查詢及關注作出令彼等信納之回應。本公司核數師就其對財務報表承擔之申報責任作出之聲明載於本年報第58至65頁之獨立核數師報告。

內部監控

本集團已設立內部監控制度，其主要要點如下：

- 具備正式政策及程序，包括有關授權之主要過程、程序及規則的文件。上述措施令本集團得以監控及防止未經授權而挪用本集團資產；
- 由具備經驗及合適資格之員工擔任重要業務職責。本集團已設立每年評審程序，以維持表現水準；
- 編製每月業務及財務報告，提供相關、適時、可靠及最新財務及其他資料，並於適當時調查預算偏差；及
- 設立內部核數職能並直接向審核委員會匯報，以確定上述程序已適當地予以執行。

C. ACCOUNTABILITY AND AUDIT (continued)

Internal controls (continued)

The Board has conducted a review on the effectiveness of the above internal control system of the Group including financial, operational and compliance controls and risk management and will conduct such review at least once a year, so as to ensure the shareholders' investment and the Group's assets are properly safeguarded. The Board is satisfied that, based on the information supplied, coupled with its own observations and with the assistance of the Audit Committee, the present internal controls and risk management processes are satisfactory for the nature and size of the Group's operations and business.

In addition to the internal control system, the Board has established an internal audit team that reports directly to the Audit Committee. The internal audit team will independently audit various functions, operations and systems existed in the Company according to their weight of significance to the Company as well as the priority list recommended by the Audit Committee. The internal audit team will prepare an internal audit report highlighting the deficiencies and weaknesses in existing audit functions, operations and systems for discussion by the Audit Committee and the Board, and based on these findings the Board will instruct senior management to take appropriate corrective and improvement actions.

C. 問責及核數(續)

內部監控(續)

董事會已檢討上述本集團內部監控制度之效能，包括財務、營運及合規監控及風險管理效能，並將每年至少進行一次該等檢討，以確保妥善保障股東的投資及本集團資產。董事會根據所獲資料，連同其本身觀察，在審核委員會協助下，信納就本集團營運及業務之性質及規模而言，現行內部監控及風險管理程序達滿意水平。

除內部監控制度外，董事會已設立內部核數隊伍，直接向審核委員會匯報。內部核數隊伍將會按照本公司現存各項職能、運作及系統之重要性，以及審核委員會建議之優先次序，獨立審核該等職能、運作及系統。內部核數隊伍將會編製內部核數報告，指出現時審核職能、運作及系統之漏洞及缺點，以供審核委員會及董事會討論，而董事會將根據該等核數結果指示高級管理層採取適當糾正及改善措施。

C. ACCOUNTABILITY AND AUDIT (continued)

Audit Committee

The Board has established the Audit Committee with specific written terms of reference setting out duties, responsibilities and authorities delegated to them by the Board. The major duties and responsibilities of the Audit Committee include the following:

- review with the external auditor, the audit plan;
- review with the external auditor, their evaluation of the system of internal accounting controls;
- review the scope and results of the internal audit procedures;
- review the statement of financial position and statement of profit or loss of the Company and the consolidated statement of financial position and statement of profit or loss of the Group and submit them to the Board;
- nominate persons as auditor;
- review with the internal and external auditors their findings on their evaluation of the Company's system of internal controls for the purpose of assisting the Board in developing policies that would enhance the controls and operating systems of the Company; and
- review connected transactions and examine the adequacy of internal controls of the Group as part of the standard procedures.

C. 問責及核數(續)

審核委員會

董事會已設立審核委員會，並已書面訂明其具體職權範圍，載列董事會所委派職務及責任及所授權力。審核委員會之主要職務及責任包括下列各項：

- 與外聘核數師審閱核數計劃；
- 與外聘核數師檢討彼等對內部會計監控制度之評審；
- 檢討內部核數程序之範圍及成效；
- 審閱本公司之財務狀況表及損益表以及本集團之綜合財務狀況表及損益表，並呈交董事會；
- 提名核數師；
- 與內部及外聘核數師檢討彼等對本公司內部監控制度之評審結果，以協助董事會制訂有助提升本公司監控及運作制度之政策；及
- 作為標準程序之一部分，審閱關連交易及審查本集團內部監控是否足夠。

審核委員會已檢討本公司核數師所提供之全部非核數服務，並認為該等服務並不影響核數師之獨立性。董事會已委任一名會計師負責本集團會計及財務事宜，而審核委員會有權隨時接觸本集團會計師及高級管理人員，以及索取任何財務及相關資料，以便能夠有效地履行其作為審核委員會之職責。除獲得內部協助外，審核委員會亦可於彼等認為有需要時要求外聘核數師提供協助及建議，貼裁腊審核委員會亦可於彼等認為有ォ桎簣髖翳堪等ネ@

D. DELEGATION BY THE BOARD

Management function

The Company's articles of association set out matters which are specifically reserved to the Board for its decision. Executive Directors normally meet on an informal basis every two weeks and participate in senior management meetings on a regular basis to keep abreast of the latest operations and performance of the Group and to monitor and ensure the management carry out the directions and strategies set by the Board correctly and appropriately. Clear instructions are given to the management as to the matters which should bring to the attention and be determined by the Board on behalf of the Company.

Board committees

The Board has set up three Board committees, namely Audit Committee, Nomination Committee and Remuneration Committee, each chaired by a different independent non-executive Director, to assist the Board in discharging functions specific to each committee. Each Board committee has its own written terms of reference setting out the principles, procedures and arrangements which are substantially the same as those for the Board.

The Nomination Committee comprises three members who are independent non-executive Directors, namely Mr. Leung Tai Chiu (Chairman), Dr. Chong Kin Ki and Mr. Cheung Ming Man as at the date of this report. According to the written terms of reference of the Nomination Committee, the major responsibilities of the Nomination Committee include:

- regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- review whether or not an independent non-executive Director is independent for the purpose of the Listing Rules on annual basis;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- assess the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board; and
- be responsible for re-nomination having regard to the Director's contribution and performance, including, if applicable, as an independent Director.

D. 董事會權力的轉授

管理功能

本公司之組織章程細則載列指明須由董事會決定之事項。執行董事一般每兩星期舉行非正式會議，並定期參與高級管理層之會議，以便掌握本集團最近期之營運及表現，且監察及確保管理層正確及恰當地執行董事會制訂之指示及策略。管理層已獲清晰指示，得知須提呈董事會垂注並由董事會代表本公司作出決定之事宜。

董事委員會

董事會已設立三個董事委員會，分別為審核委員會、提名委員會及薪酬委員會，分別由不同獨立非執行董事出任主席，以協助董事會履行委派各委員會之特定職能。各董事委員會均書面訂明其特定的職權範圍，所載列之原則、程序及安排均與董事會之原則、程序及安排大致相同。

提名委員會由三名獨立非執行董事：梁體超先生(主席)、莊堅琪醫生及張明敏先生組成。根據提名委員會書面訂明的職權範圍，提名委員會之主要職責包括：

- 定期檢討董事會之架構、人數及組成，並就任何認為需作出的調整向董事會提供推薦建議；
- 就上市規則而言，每年檢討獨立非執行董事是否屬獨立人士；
- 在董事會出現空缺時負責物色及提名人選，以供董事會批准，藉以填補有關空缺；
- 評估董事會整體成效及各董事對董事會效能之貢獻；及
- 負責就董事之貢獻及表現重新提名其(包括)為獨立董事(如適用)。

D. DELEGATION BY THE BOARD (continued)

Board committees (continued)

During the year under review and up to the date of this report, the Nomination Committee had convened two meetings during which, among other things, considered the Directors who should retire by rotation pursuant to the Company's articles of association and the CG Code. The Nomination Committee had resolved that Mr. Cheung Kwong Kwan, Mr. Ho Yin Sang and Ms. Cheung Wai Lin, Stephanie, being executive Directors, and Mr. Cheng Wai Chee, Christopher, being an independent non-executive Director, shall be subject to retirement by rotation at the forthcoming annual general meeting of the Company. Mr. Cheung Kwong Kwan, Mr. Ho Yin Sang, Ms. Cheung Wai Lin, Stephanie will offer themselves for re-election while Dr. Chong Kin Ki and Mr. Leung Tai Chiu who were appointed as an independent non-executive Director on 1 July 2016 and 1 October 2016, respectively, will hold directorship only until the forthcoming annual general meeting of the Company according to Article 84 of the Company's Articles of Association and will be eligible for re-election. During the meetings of the Nomination Committee, it had considered the policy for the nomination of Directors, and the process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship.

It had also reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company and assessed the independence of all the independent non-executive Directors. All the above-named Directors were nominated by the Nomination Committee to stand for re-election at the forthcoming annual general meeting of the Company.

The Board has adopted a board diversity policy in accordance with the CG Code. The policy aims to achieve diversity on the members of the Board. In designing the Board's composition, a number of aspects would be considered, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

D. 董事會權力的轉授(續)

董事委員會(續)

於回顧年度及截至本報告日期為止，提名委員會召開兩次會議，(其中包括)考慮應根據本公司之組織章程細則及企業管治守則輪席退任之董事名單。提名委員會議決通過執行董事張廣軍先生、何燕生先生及張偉連女士以及獨立非執行董事鄭維志先生須於本公司應屆股東週年大會輪席退任。張廣軍先生、何燕生先生、張偉連女士將膺選連任。董事會分別於二零一六年七月一日及二零一六年十月一日委任莊堅琪醫生及梁體超先生為新任獨立非執行董事，根據本公司之組織章程細則第八十四條，莊堅琪醫生及梁體超先生之董事任期僅直至本公司應屆股東週年大會為止，惟其將符合資格膺選連任。在提名委員會會議期間，其已考慮董事提名之政策，及提名委員會就挑選及推薦董事職位人選所採納的過程及準則。

提名委員會亦已檢討董事會架構、規模及組成，確保其具備切合本公司業務所需之專業知識、技能及經驗並取得平衡，及評估所有獨立非執行董事之獨立性。上述全部董事均獲提名委員會提名於本公司應屆股東週年大會膺選連任。

董事會已根據企業管治守則採納董事會多元化政策。政策目的在於令董事會成員達致多元化。在制訂董事會的人事組成時，將考慮多項元素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及效力年期。

E. COMMUNICATION WITH SHAREHOLDERS

The Board endeavours to maintain an on-going dialogue with shareholders. All Directors are encouraged to attend the general meetings to have personal communication with shareholders. In annual general meeting, Chairman of the Board and the chairman of each committee are required to attend and answer questions from from Company's shareholders in respect of the matters that they are responsible and accountable for. The external auditor is also required to be present to assist the Directors in addressing any relevant queries by Company's shareholders. The Company has also set up a public relations website which enables the shareholders and public to post their questions, comments and opinions in relation to the Group to the Board.

The Company's annual general meeting ("AGM") and extraordinary general meeting ("EGM") provide good opportunities for shareholders to air their views and ask Directors and management questions regarding the Company. All shareholders of the Company receive the annual report, circulars and notices of AGM and EGM and other corporate communications. The notices are also published on the Company's website at www.kingboard.com. Separate resolutions are required at general meetings on each distinct issue. Each shareholder is permitted to appoint a proxy to attend and vote in his stead.

E. 與股東的溝通

董事會致力與股東保持持續對話。本集團鼓勵全體董事出席股東大會並親身與股東進行溝通。董事會主席及各委員會主席均須出席股東週年大會，並回應本公司股東就彼等負責之事宜所作出之提問。外聘核數師亦須出席股東週年大會以協助董事回應本公司股東任何有關提問。本公司亦已設立一公共關係網站，供股東及公眾向董事會發表有關本集團之問題、評論及意見。

藉本公司股東週年大會(「股東週年大會」)及股東特別大會(「股東特別大會」)，股東可表達彼等對本公司之意見及向董事及管理層提問。本公司全體股東均獲寄發年報、通函、股東週年大會及股東特別大會通告以及其他公司通訊。通告亦會於本公司網站www.kingboard.com刊登。本公司須就各項不同事項於股東大會上個別提呈決議案。每名股東可委派一名代表出席大會及代其投票。

F. SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. Besides, pursuant to the Company's Articles of Association, shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an EGM by sending a written requisition to the Board or the Company Secretary. The objects of the meeting must be stated in the written requisition.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board. Contact details are as follows:

Address: 23/F, Delta House
3 On Yiu Street
Shek Mun
Shatin, N.T.
Hong Kong
Fax: (852) 2691 0445/2691 5245
Email: enquiry@kingboard.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

During the year under review, the Company has not made any changes to its articles of association.

An up to date version of the Company's Articles of Association is available on the Company's website and The Stock Exchange of Hong Kong Limited's website. Shareholders may refer to the Company's articles of association for further details of their rights.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.kingboard.com) immediately after the relevant general meetings.

F. 股東權利

為了保障股東權益及權利，股東大會上會就各重大事項(包括選舉個別董事)提呈獨立決議案，供股東考慮及投票。此外，根據本公司組織章程細則，持有不少於十分之一本公司附有股東大會投票權的繳足股本的股東可透過向董事會或公司秘書發出書面要求，要求本公司召開股東特別大會。召開會議的目的必須載於書面要求內。

股東可向本公司寄發書面查詢或建議以向董事會作出任何查詢。聯絡詳情如下：

地址： 香港
新界
沙田
石門安耀街3號
匯達大廈23樓
傳真： (852) 2691 0445/2691 5245
電子郵件：enquiry@kingboard.com

為免生疑問，股東須將妥為簽署的書面要求、通知或聲明或查詢(視情況而定)的正本存放於及寄發至上述地址，並提供彼等的全名、聯絡詳情及身分，以使其生效。股東資料可能根據法律規定而予以披露。

在回顧年內，本公司並無對其組織章程細則作出任何變動。

本公司之組織章程細則的最新版本可在本公司網站及香港聯合交易所有限公司網站查閱。股東亦可參考本公司組織章程細則以取得有關其權利的更多詳情。

根據上市規則，所有在股東大會提呈的決議案均將以按股數投票方式表決，且投票表決結果將緊隨有關股東大會召開後於香港聯合交易所有限公司網站(www.hkexnews.hk)及本公司網站(www.kingboard.com)發佈。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF
KINGBOARD CHEMICAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

致建滔化工集團有限公司股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Kingboard Chemical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 66 to 209, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

意見

本核數師(以下簡稱「我們」)已審計列載於第66至209頁的建滔化工集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)的綜合財務報表，此財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

KEY AUDIT MATTERS

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

關鍵審計事項

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

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 我們的審計如何對關鍵審計事項進行處理

Assessment of net realisable values of properties held for development ("PUD")
評估開發中物業(「待發展物業」)的可變現淨值

We identified the assessment of net realisable values of PUD as a key audit matter due to the significance of the assets and significant judgements involved in the estimating their net realisable value and the future costs to complete the PUD.

The Group had PUD amounted to HK$15.8 billion as at 31 December 2016 which are situated in Hong Kong and the People's Republic of China (the "PRC").

As disclosed in notes 4 and 23 to the consolidated financial statements, the net realisable values of the PUD are determined by reference to the estimated future selling prices. The future selling prices are estimated by reference to the recent selling prices of similar properties in the same project or relevant locations. In addition, the management estimated the future costs to complete the PUD by reference to the actual development costs incurred and the completion status.

Our procedures in relation to the assessment of net realisable values of PUD include:

- Evaluating the reasonableness of the costs recognised in PUD, on a sample basis, by obtaining the direct confirmations from the independent qualified surveyors in respect of the cost incurred and the completion status;
- Assessing the appropriateness of the estimated future selling prices of the PUD, on a sample basis, by comparing them to recent transaction prices of similar properties in the same project or relevant locations, based on our knowledge of the property markets of the relevant locations; and
- Evaluating the reasonableness of the estimated future costs to completion of the PUD, on a sample basis, based on the actual development costs incurred and the completion status of the properties of the Group with the adjustments taking into account the current market data and the past history of the similar projects.

我們將評審待發展物業的可變現淨值識別為關鍵審計事項，此乃由於該等資產的重要性及估計其可變現淨值和完成待發展物業未來費用涉及重大判斷。

於二零一六年十二月三十一日， 貴集團擁有位於香港及中華人民共和國(「中國」)的待發展物業為158億港元。

如綜合財務報表附註4及23所載，待發展物業的可變現淨值參考估計日後售價所釐定。日後售價參考同一項目或相關地點類似物業的近期售價估計。此外，管理層參考實際發展成本及完成進度，以估計完成待發展物業的未來費用。

我們評審開發中物業的可變現淨值的程序包括：

- 透過獲取獨立合資格測量師有關所產生的成本及完成進度的直接確認，抽樣評估待發展物業中確認的成本合理性；
- 按照我們對有關地點物業市場的認識，透過將待發展物業與同一項目或相關地點類似物業的近期交易價作比較，抽樣評審待發展物業的估計日後售價的適當性；及
- 基於已產生的實際開發成本及 貴集團物業的完工進度(連同有關調整)，再計及現行市場數據及類似物業之歷史記錄，抽樣評估完成待發展物業的估計日後成本的合理性。

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 我們的審計如何對關鍵審計事項進行處理
Valuation of investment properties **投資物業的估值** We identified the valuation of investment properties as a key audit matter due to the inherent level of complex and subjective judgements and estimates required in determining the fair values. The Group's investment property portfolio comprises commercial, residential and industrial properties mainly located in Hong Kong, the PRC and the United Kingdom, which are stated at fair value of HK$15.4 billion, accounting for approximately 20% of the Group's total assets as at 31 December 2016 with a change in fair value of HK$21.3 million recognised in the consolidated statement of profit or loss for the year then ended. As further disclosed in notes 4 and 14 to the consolidated financial statements, in estimating the fair value of these investment properties, the Group engaged a professional independent valuer (the "Valuer"), to carry out the valuation. The valuation committee of the Group provided information to the Valuer and the Valuer established and determined the appropriate valuation technique and inputs to the valuation. The significant unobservable input of the investment approach is unit market value of comparable properties. Favourable comparable properties adopted would result in a significant increase in fair value, and vice versa. 我們將評估投資物業識別為關鍵審計事項，此乃由於釐定公平值所需的內在複雜性及主觀判斷及估計。 貴集團投資物業組合包括主要位於香港、中國及英國的商業、住宅及工業物業，公平值為154億港元，連同截至二零一六年十二月三十一日止年度於綜合損益表確認的公平值變動21.3百萬港元，於二零一六年十二月三十一日， 貴集團投資物業組合佔貴集團總資產約20%。 誠如綜合財務報表附註4及14的進一步披露，為估計該等投資物業的公平值， 貴集團委聘專業獨立估值師(「估值師」)進行估值。 貴集團的估值委員會向估值師提供資料，以及估值師確立及釐定合適估值技術及估值的輸入數據。投資法的重大不可觀察輸入數據乃可比較物業的單位市值。所採用的利好可比較物業將使公平值大幅上升，反之亦然。	Our procedures in relation to management's valuation of investment properties included: • Evaluating the competence, capabilities, and objectivity of the Valuer; • Understanding the key assumptions applied to the valuation based on available market data and evaluating their reasonableness; and • Assessing the reasonableness of the key inputs and information used by the Valuer and the valuation committee in the valuation model, including adjustment factors for location and other individual factors such as road frontage, size of property and facilities, on a sample basis, in order to assess the appropriateness, completeness and accuracy of these inputs and compare the comparable properties adopted with fair market unit price. 我們對於管理層評估投資物業的審計程序包括： • 評估估值師的資格、能力及客觀程度； • 基於可獲取的市場數據了解估值時應用之主要假設，並評估其合理性；及 • 抽樣評審估值師及估值委員會於估值模型所用的重大輸入數據及資料的合理性，包括位置的調整因素及其他個別因素(如臨街地、物業及設施的規模)，以評審該等輸入數據的合適性、完整性及準確性，並以公平市場單位價比較可資比較物業。

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，但不包括綜合財務報表及我們的核數師報告。

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

就我們對綜合財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督　貴集團的財務報告過程。

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們商定的業務約定條款僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或淩駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

核數師就審計綜合財務報表承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

The engagement partner on the audit resulting in the independent auditor's report is Mr. Chu, Johnny Chun Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 March 2017

核數師就審計綜合財務報表承擔的責任（續）

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

出具本獨立核數師報告的審計專案合夥人是朱俊賢先生。

德勤 • 關黃陳方會計師行
執業會計師
香港
二零一七年三月二十四日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
綜合損益表

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

		NOTES 附註	2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Revenue	營業額	5	**35,830,320**	32,788,186
Cost of sales and services rendered	銷售及提供服務成本		**(28,613,700)**	(27,992,732)
Gross profit	毛利		**7,216,620**	4,795,454
Other income, gains and losses	其他收入、收益及虧損	7	**619,069**	555,546
Distribution costs	分銷成本		**(1,035,873)**	(1,026,218)
Administrative costs	行政成本		**(1,727,765)**	(1,616,485)
Gain on fair value changes of investment properties	投資物業公平值變動之收益	14	**21,286**	267,085
Gain on disposal of available-for-sale investments	出售可供出售投資之收益		**465,247**	345,692
Gain on disposal of subsidiaries	出售附屬公司權益之收益	31	**2,121,238**	33,590
Share-based payments	以股份形式付款		**(20,910)**	(62,764)
Impairment loss recognised on available-for-sale investments	就可供出售投資確認之減值虧損	20	**(27,764)**	(314,293)
Finance costs	融資成本	8	**(403,074)**	(439,779)
Share of results of associates	應佔聯營公司業績	19	**9,152**	(15,269)
Profit before taxation	除稅前溢利		**7,237,226**	2,522,559
Income tax expense	所得稅開支	9	**(1,075,209)**	(569,464)
Profit for the year	本年度溢利	10	**6,162,017**	1,953,095
Profit for the year attributable to:	本年度溢利應佔份額：			
Owners of the Company	本公司持有人		**5,026,831**	1,650,323
Non-controlling interests	非控股股東權益		**1,135,186**	302,772
			6,162,017	1,953,095
Earnings per share	每股盈利	13		
– Basic	－基本		**HK$4.889港元**	HK$1.609港元
– Diluted	－攤薄		**HK$4.875港元**	HK$1.609港元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

AT 31 December 2016 於二零一六年十二月三十一日

		NOTES 附註	2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	14	**15,368,824**	10,876,251
Properties, plant and equipment	物業、廠房及設備	15	**13,545,102**	15,660,817
Prepaid lease payments	預付租賃款項	16	**874,668**	912,439
Other non-current assets	其他非流動資產	17	**–**	689,670
Goodwill	商譽	18	**2,288,149**	2,288,149
Interests in associates	於聯營公司之權益	19	**1,959,874**	2,086,039
Available-for-sale investments	可供出售投資	20	**6,537,266**	2,403,069
Entrusted loans	委托貸款	24(a)	**882,944**	1,193,072
Deposits paid for acquisition of properties, plant and equipment	購買物業、廠房及設備之訂金		**90,940**	311,866
Deferred tax assets	遞延稅項資產	21	**3,347**	3,420
			41,551,114	36,424,792
Current assets	流動資產			
Inventories	存貨	22	**1,779,065**	2,287,118
Properties held for development	待發展物業	23	**15,810,227**	19,228,370
Trade and other receivables and prepayments	貿易及其他應收賬款及預付款項	24(a)	**6,946,775**	7,849,134
Bills receivables	應收票據	24(b)	**3,182,724**	2,017,736
Other current assets	其他流動資產	17	**645,931**	–
Prepaid lease payments	預付租賃款項	16	**21,809**	25,086
Taxation recoverable	可收回稅項		**10,294**	24,890
Fixed deposits held at banks with original maturity over three months	原期限為三個月以上的銀行定期存款	24(c)	**–**	210,079
Bank balances and cash	銀行結餘及現金	24(c)	**6,472,614**	4,853,792
			34,869,439	36,496,205
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	25	**6,809,624**	5,927,617
Bills payables	應付票據	25	**170,224**	409,762
Deposits received from pre-sale of residential units	預售物業所收訂金		**7,334,955**	3,192,521
Taxation payable	應繳稅項		**528,938**	534,181
Bank borrowings – amount due within one year	銀行借貸－一年內到期之款項	26	**7,849,588**	6,241,379
			22,693,329	16,305,460
Net current assets	流動資產淨值		**12,176,110**	20,190,745
Total assets less current liabilities	資產總值減流動負債		**53,727,224**	56,615,537

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

AT 31 December 2016 於二零一六年十二月三十一日

		NOTES 附註	2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	21	**759,988**	805,518
Bank borrowings – amount due after one year	銀行借貸－一年後到期之款項	26	**9,014,564**	14,469,292
			9,774,552	15,274,810
			43,952,672	41,340,727
Capital and reserves	股本及儲備			
Share capital	股本	27	**103,840**	102,560
Reserves	儲備		**37,483,164**	35,143,608
Equity attributable to owners of the Company	本公司持有人應佔權益		**37,587,004**	35,246,168
Non-controlling interests	非控股股東權益	29	**6,365,668**	6,094,559
Total equity	資本總額		**43,952,672**	41,340,727

The consolidated financial statements on pages 66 to 209 were approved and authorised for issue by the Board of Directors on 24 March 2017 and are signed on its behalf by:

第66至第209頁之綜合財務報表已於二零一七年三月二十四日獲董事會批准及授權刊發，並由下列董事代表簽署：

Cheung Kwok Wing
張國榮
DIRECTOR
董事

Chang Wing Yiu
鄭永耀
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

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

	Attributable to owners of the Company 本公司持有人應佔權益													
	Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Share options reserve 優先購股權儲備 HK$'000 千港元	Special surplus account 特別盈餘賬目 HK$'000 千港元 (Note a) (附註a)	Statutory reserve 法定儲備 HK$'000 千港元 (Note b) (附註b)	Property revaluation reserve 物業重估儲備 HK$'000 千港元 (Note c) (附註c)	Goodwill reserve 商譽儲備 HK$'000 千港元 (Note d) (附註d)	Investment revaluation reserve 投資重估儲備 HK$'000 千港元 (Note e) (附註e)	Translation reserve 匯兌儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Sub-total 小計 HK$'000 千港元	Non-controlling interests 非控股股東權益 HK$'000 千港元	Total equity 資本總額 HK$'000 千港元
Balance at 1 January 2015 於二零一五年一月一日之結餘														

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

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

		Attributable to owners of the Company 本公司持有人應佔權益													
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Share options reserve 優先購股權儲備 HK$'000 千港元	Special surplus account 特別盈餘賬目 HK$'000 千港元 (Note a) (附註a)	Statutory reserve 法定儲備 HK$'000 千港元 (Note b) (附註b)	Property revaluation reserve 物業重估儲備 HK$'000 千港元 (Note c) (附註c)	Goodwill reserve 商譽儲備 HK$'000 千港元 (Note d) (附註d)	Investment revaluation reserve 投資重估儲備 HK$'000 千港元 (Note e) (附註e)	Translation reserve 匯兌儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Sub-total 小計 HK$'000 千港元	Non-controlling interests 非控股股東權益 HK$'000 千港元	Total equity 資本總額 HK$'000 千港元
Balance at 1 January 2016	於二零一六年一月一日之結餘	102,560	4,457,742	1,911	291,588	10,594	448,801	256,370	1,109,920	(13,131)	1,544,779	27,035,034	35,246,168	6,094,559	41,340,727
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	-	5,026,831	5,026,831	1,135,186	6,162,017
Net changes arising from of available-for-sale investments (Note e)	可供出售投資之變動淨額(附註e)	-	-	-	-	-	-	-	-	(264,659)	-	-	(264,659)	(4,312)	(268,971)
Share of change in reserve of associates	應佔聯營公司儲備變動	-	-	-	-	-	-	-	-	-	(135,317)	-	(135,317)	-	(135,317)
Exchange differences arising from translation to presentation currency	因折算至呈列貨幣而產生之匯兌差額	-	-	-	-	-	-	-	-	-	(1,855,594)	-	(1,855,594)	(305,802)	(2,161,396)
Exchange differences arising from translation of foreign operations	因折算外地經營而產生之匯兌差額	-	-	-	-	-	-	-	-	-	(4,624)	-	(4,624)	(1,655)	(6,279)
Total comprehensive income (expenses) for the year	本年度全面收益(支出)總額	-	-	-	-	-	-	-	-	(264,659)	(1,995,535)	5,026,831	2,766,637	823,417	3,590,054
Issue of new shares from exercise of share options	因行使優先購股權而發行新股份	1,280	194,786	-	(37,039)	-	-	-	-	-	-	-	159,027	-	159,027
Recognition of equity-settled share-based payments	確認以權益結算的股份形式付款	-	-	-	20,910	-	-	-	-	-	-	-	20,910	-	20,910
Final dividend for the year ended 31 December 2015	截至二零一五年十二月三十一日止年度之末期股息	-	-	-	-	-	-	-	-	-	-	(307,680)	(307,680)	-	(307,680)
Interim dividend for the year ended 31 December 2016	截至二零一六年十二月三十一日止年度之中期股息	-	-	-	-	-	-	-	-	-	-	(307,680)	(307,680)	-	(307,680)
Disposal of partial interests in a subsidiary	出售附屬公司部分權益	-	-	-	-	-	-	-	9,622	-	-	-	9,622	47,002	56,624
Reserve released upon disposal of a subsidiary	出售一間附屬公司之儲備回撥	-	-	-	-	-	-	-	-	-	1,569	(1,569)	-	-	-
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東出資額	-	-	-	-	-	-	-	-	-	-	-	-	26,400	26,400
Dividends paid to non-controlling shareholders of subsidiaries	支付予附屬公司之非控股股東之股息	-	-	-	-	-	-	-	-	-	-	-	-	(625,710)	(625,710)
Transfers to reserve	轉撥至儲備	-	-	-	-	-	63,851	-	-	-	-	(63,851)	-	-	-
		1,280	194,786	-	(16,129)	-	63,851	-	9,622	-	1,569	(680,780)	(425,801)	(552,308)	(978,109)
Balance at 31 December 2016	於二零一六年十二月三十一日結餘														

CONSOLIDATED STATEMENT OF CASH FLOWS
綜合現金流量表

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

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
OPERATING ACTIVITIES	**經營業務**		
Profit before taxation	除稅前溢利	**7,237,226**	2,522,559
Adjustments for:	調整：		
Share of results of associates	應佔聯營公司業績	**(9,152)**	15,269
Depreciation of properties, plant and equipment	物業、廠房及設備折舊	**1,955,026**	2,216,479
Dividends from available-for-sale investments	可供出售投資之股息收入	**(168,382)**	(171,236)
Impairment loss recognised on trade receivables	就貿易應收賬款確認之減值虧損	**86,682**	44,052
Impairment loss recognised on properties, plant and equipment	就物業、廠房及設備確認之減值虧損	**39,000**	–
Impairment loss recognised on available-for-sale investments	就可供出售投資確認之減值虧損	**27,764**	314,293
Interest expenses and other finance charges	利息支出及其他融資費用	**403,074**	439,779
Interest income	利息收入	**(226,134)**	(358,001)
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	**(465,247)**	(345,692)
Gain on fair value changes of investment properties	投資物業公平值變動之收益	**(21,286)**	(267,085)
Gain on disposal of subsidiaries	出售附屬公司權益之收益	**(2,121,238)**	(33,590)
Release of prepaid lease payments	預付租賃款項撥回	**21,218**	24,292
(Reversal of) write down of inventories	(撥回)撇銷存貨	**(37,997)**	16,822
Loss on disposal and write off of properties, plant and equipment	出售及撇銷物業、廠房及設備之虧損	**32,656**	13,132
Loss on disposal of an associate	出售一間聯營公司權益之虧損	**–**	8,977
Loss on disposal of prepaid lease payments	出售預付租賃款項之虧損	**–**	325
Share-based payments	以股份形式付款	**20,910**	62,764
Fair value changes of foreign exchange forward contracts	外匯遠期合約之公平值變動	**–**	453
Operating cash flows before movements in working capital	未計營運資金變動前之經營現金流量	**6,774,120**	4,503,592
Decrease in inventories	存貨減少	**401,001**	333,540
Increase in properties held for development	待發展物業增加	**(161,558)**	(1,311,233)
Decrease in trade and other receivables and prepayments	貿易及其他應收賬款及預付款項減少	**699,094**	409,910
Increase in bills receivables	應收票據增加	**(1,292,953)**	(28,440)
Increase in trade and other payables	貿易及其他應付賬款增加	**1,626,479**	691,310
Decrease in bills payables	應付票據減少	**(213,551)**	(316,567)
Increase (decrease) in deposits received from pre-sale of residential units	預售物業所收之訂金增加(減少)	**4,344,904**	(1,148,721)
Decrease in derivative financial instruments	衍生金融工具減少	**–**	(7,232)
Cash generated from operations	經營業務所得現金	**12,177,536**	3,126,159
Hong Kong Profits Tax paid	已繳香港利得稅	**(6,464)**	(53,675)
PRC Land Appreciation Tax ("LAT") paid	已繳中國土地增值稅(「土地增值稅」)	**(176,745)**	(101,283)
Other income taxes paid	其他已繳所得稅	**(881,250)**	(416,807)
NET CASH FROM OPERATING ACTIVITIES	**經營業務所得現金淨額**	**11,113,077**	2,554,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

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

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 40.

The principal activities of its subsidiaries are the manufacture and sale of laminates, printed circuit boards ("PCBs"), chemicals, liquid crystal displays ("LCDs"), magnetic products and property development and investments ("Properties").

The functional currency of the Group is Renminbi ("RMB") while the consolidated financial statements are presented in Hong Kong dollars ("HK$"), which the directors of the Company (the "Directors") considered it is more relevant for the users of the consolidated financial statements.

1. 一般資料

本公司在開曼群島註冊成立為上市有限公司，其股份在香港聯合交易所有限公司(「聯交所」)之主板上市。本公司註冊辦事處之地址及主要營業地點於本年報「公司資料」一節中披露。

本公司為投資控股公司，其附屬公司之主要業務載於附註40。

其附屬公司主要從事覆銅面板、印刷線路板(「印刷線路板」)、化工產品、液晶體顯示屏(「液晶體顯示屏」)、磁電產品製造及銷售業務和物業發展及投資(「物業」)。

本集團的功能貨幣為人民幣(「人民幣」)，而本公司董事(「董事」)認為以港元(「港元」)呈列綜合財務報表對使用者更為相關，故綜合財務報表以港元呈列。

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to Hong Kong Accounting Standard ("HKAS")1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的香港財務報告準則的修訂

本集團於本年度首次應用以下由香港會計師公會頒佈的香港財務報告準則的修訂本：

香港財務報告準則第11號的修訂	收購合營業務權益之會計處理
香港會計準則(「香港會計準則」)第1號(「香港會計準則第1號」)的修訂	披露計劃
香港會計準則第16號及香港會計準則第38號的修訂	澄清折舊及攤銷之可接受方法
香港會計準則第16號及香港會計準則第41號的修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號的修訂	投資實體：應用綜合入賬之例外情況
香港財務報告準則的修訂	香港財務報告準則二零一二年至二零一四年週期年度改進

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

HKFRS 9 Financial instruments (continued)

Based on the Group's financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured at fair value through profit or loss or be designated at fair value through other comprehensive income (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost.

HKFRS 15 Revenue from contracts with customers

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

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

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號 金融工具(續)

根據本集團於二零一六年十二月三十一日的金融工具及風險管理政策，日後應用香港財務報告準則第9號可能會對本集團金融資產的分類及計量構成重大影響。本集團之可供出售投資(包括該等現時按成本減去減值列賬之可供出售投資)將按公平值計入損益賬或被指定為按公平值計入其他全面收益，惟需符合指定準則。此外，預期信貸虧損模式可能導致對本集團按攤銷成本計量的金融資產尚未產生的信貸虧損作出提早撥備。

香港財務報告準則第15號 客戶合約收入

香港財務報告準則第15號已頒佈並制定一項單一全面模式供實體用作將自客戶合約所產生之收益入賬。香港財務報告準則第15號生效後將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋之收益確認指引。

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益款項，應為能反映該實體預期就交換貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

第一步： 識別與客戶訂立之合約

第二步： 識別合約中之履約責任

第三步： 釐定交易價

第四步： 將交易價分配至合約中之履約責任

第五步： 於實體完成履約責任時確認收益

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

Amendments to HKAS 7 Disclosure Initiative

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

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

The Directors anticipate that the application of amendments to HKAS 7 in the future may result in more disclosures, however, the Directors do not anticipate that the application of HKAS 7 will have a material impact on the consolidated financial statements.

Except as describe above, the Directors do not anticipate that the application of other new and amendments to HKFRSs will have a material effect on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as explained

2. 應用新增及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第7號的修訂　披露計劃

該等修訂要求實體提供披露資料，以便財務報表的使用者能夠評估融資活動引起的負債變動，包括現金流量引致之變動及非現金變動。尤其是，該等修訂要求披露以下來自融資活動的負債變動：(i)來自融資現金流量的變動；(ii)來自取得或失去附屬公司或其他業務的控制權的變動；(iii)外幣匯率變動的影響；(iv)公平值變動；及(v)其他變動。

該等修訂於二零一七年一月一日或之後開始的年度期間應用，並許可提前應用。應用該等修訂將會導致有關本集團融資活動的額外披露，尤其是融資活動產生的負債的綜合財務狀況表的期初及期末結餘的對賬，將於應用該等修訂時提供。

董事預期，於日後應用香港會計準則第7號可能需要作更多披露，然而，董事預期應用香港會計準則第7號將不會對綜合財務報表構成重大影響

除上文所述，董事預期，應用香港財務報告準則之其他新訂及修訂準則將不會能對本集團之綜合財務報表構成重大影響。

3. 主要會計政策

綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露規定。

綜合財務報表乃按歷史成本基準編製，惟如下列會計政策所闡述，投資物業及若干金融工具則按公平值計量。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income taxes and HKAS 19 Employee benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based payment at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current assets held for sale and discontinued operations are measured in accordance with that standard.

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

Non-controlling interests that are present ownership interests

3. 主要會計政策(續)

業務合併(續)

於收購日期，已收購之可識別資產及已承擔負債按其公平值予以確認，惟下列各項除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份形式支付安排有關之負債或權益工具或以本集團訂立之以股份形式支付安排取代被收購方以股份形式支付安排於收購日期根據香港財務報告準則第2號「以股份形式支付」計量(請參考下文會計政策)；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」劃分為持作出售之資產(或出售組合)會根據該項準則計量。

所轉撥代價、與被收購方之任何非控股股東權益之金額及收購方先前持有被收購方股權(如有)之公平值合計，倘超出於收購日期所收購可識別資產及所承擔負債於收購日期之淨額，超出之部分確認為商譽。倘(經重新評估後)已收購之可識別資產及承擔之負債於收購日之淨額超出所轉撥代價、於被收購方任何非控股股東權益之金額及收購方先前持有被收購方權益(如有)之公平值總和，超出部分即時於損益中確認為議價收購收益。

屬現時擁有權權益且於清盤時賦予其持有人按比例分佔相關附屬公司資產淨值之非控股股東權益可初步按公平值或非控股股東權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準之選擇乃按每次交易為基礎。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as

3. 主要會計政策(續)

收購一間附屬公司但不構成一項業務

當本集團收購一組資產及負債但不構成一項業務時，本集團首先透過按金融資產及金融負債各自的公平值分配購買價格以識別及確認取得的個別可識別資產及承擔的負債，餘下購買價結餘其後按各自於購買日期的相對公平值分配予其他個別可識別資產及負債。該等交易並不會產生商譽或議價購買收益。

商譽

收購業務所產生之商譽按收購業務當日所錄得成本(見上文所述會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽分配到預期從合併之協同效應中受益之本集團各有關現金產生單位(「現金產生單位」)，或現金產生單位之組別，而該單位或單位組合指就內部管理目的監控商譽的最低水平且不超過經營分類

已獲分配商譽之現金產生單位(或現金產生單位組合)每年或凡該單位有跡象顯示出現減值時進行較頻繁之減值測試。就於報告期間之收購所產生之商譽而言，已獲分配商譽之現金產生單位於該報告期間完結前進行減值測試。倘現金產生單位(或現金產生單位組合)之可收回金額少於該單位之賬面值，則減值虧損被分配，以首先削減分配到該單位之任何商譽之賬面值，及其後以單位各資產之賬面值為基準，按比例分配到該單位(或現金產生單位組合)之其他資產。商譽之任何減值虧損直接確認在損益。商譽之減值虧損於其後期間不予撥回。

出售有關現金產生單位時，則商譽應佔金額於出售時計入釐定損益之金額。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

The Group policy for goodwill arising on the acquisition of an associate is described below.

Investments in associates

An associate is an entity over which the Group has significant influence. 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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策(續)

商譽(續)

本集團有關收購一間聯營公司所產生之商譽的政策概述如下。

於聯營公司之投資

聯營公司指本集團對其有重大影響力之實體。重大影響力指參與投資對象之財務及經營政策決策之權力，但並無控制或共同控制該等政策。

聯營公司之業績及資產與負債乃按權益會計法納入綜合財務報表內作會計權益法用途的聯營公司及合營企業之財務報表乃按與本集團就同類交易及同類事項的統一會計政策編製。根據權益法，於聯營公司或合營企業之投資，乃初步按成本於綜合財務狀況表列賬，並隨後作出調整以確認本集團應佔該等聯營公司或合營企業之損益及其他全面收益。當本集團應佔一間聯營公司或合營企業之虧損超出其於該聯營公司或合營企業之權益(包括實質上構成本集團於聯營公司或合營企業之淨投資的一部分的任何長期權益)，則本集團不再確認其應佔之進一步虧損。額外虧損會作出確認，惟僅以本集團已產生之法定或推定責任或代表該聯營公司支付之款項為限。

於被投資方成為一家聯營公司當日，對聯營公司的投資採用權益法入賬。於收購一間聯營公司的投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平值淨額的任何部分乃確認為商譽，並計入投資之賬面值。本集團應佔可識別資產及負債的公平值淨額超出投資成本的任何差額，於重新評估後即時於投資被收購之期間於損益確認。

香港會計準則第39號規定，如欲釐定是否需就本集團於聯營公司之投資確認任何減值虧損，應用該會計準則。如需要，投資全數賬面值(包括商譽)根據香港會計準則第36號資產減值作為單一資產作減值測試，方法為將可收回金額(使用價值與公平值減出售成本之較高者)與賬面值加以比較。任何已確認之減值虧損構成該投資賬面值的一部分。倘該投資之可收回金額其後增加，則根據香港會計準則第36號確認該減值虧損之撥回。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Specifically, revenue from sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities as 'deposits received from pre-sale of residential units'.

Service income for drilling services is recognised when services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income and licence fee income are recognised on a straight-line basis over the term of the relevant lease and licence agreement. The Group's accounting policy for recognition of revenue for operating leases is described in the accounting policy for leasing below.

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

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

Investment properties

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

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

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

3. 主要會計政策(續)

營業額確認(續)

具體而言，於一般業務過程中銷售物業的營業額在該等物業完成及交付予買家時確認。在達致上述營業額確認條件前自買方收取的訂金及分期付款計入綜合財務狀況表的流動負債「預售住宅單位所收訂金」一項。

鑽孔服務之服務收入於提供服務時確認。

當經濟利益可能流入本集團，且收入金額能可靠地計量時，會確認財務資產利息收入。利息收入乃根據未償還本金及適用實際利率按時間基準累計，有關利率乃將估計未來所收現金按財務資產估計可使用年期準確折現至於初步確認時資產賬面淨值之利率。

租金收入及授權使用費收入在相關租賃及授權使用協議年期內，以直線法確認。本集團就經營租賃確認營業額之會計政策於以下租賃會計政策中描述。

投資之股息收入於股東收取該等股息之權利獲確立時確認。

本集團就經營租賃確認營業額之會計政策於以下租賃會計政策中描述。

投資物業

投資物業乃持作賺取租金及／或資本增值之物業。

投資物業乃初步按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按公平值計量。投資物業公平值變動產生之盈虧計入其產生期間之損益內。

投資物業於出售後，或當永久停止使用該投資物業，及預期出售不會產生未來經濟利益時剔除確認。剔除確認該物業所產生之任何盈虧乃按出售所得款項淨額與該資產賬面值間之差額計算，並計入剔除確認項目期間之損益內。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Properties held for development

Properties held for development in the future are stated at the lower of cost and net realisable value.

Costs relating to the development of properties, comprising prepaid lease payments for lands and development costs, are included in properties held for development until such time when they are completed.

The Group transfers properties held for development to investment properties when there is a change of intention to hold the properties to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the commencement of an operating lease to another party. Any difference between the fair value at the date of transfer and its previous carrying amount of the properties is recognised in profit or loss.

The Group transfers properties held for development to properties, plant and equipment when there is a change of intention to hold the properties for the Group's own use rather than for sale in the ordinary course of business. Its previous carrying amount of the properties becomes the deemed cost upon transfers to properties, plant and equipment.

Properties, plant and equipment

Properties, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties, plant and equipment under construction as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties, plant and equipment in the course of construction for production, supply or administrative purposes, are carried at cost less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate category of properties, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

3. 主要會計政策(續)

待發展物業

未來待發展物業按成本及可變現淨值兩者之較低者列賬。

發展物業相關之成本(包括土地之預付租賃款項及發展成本)將計入待發展物業，直至完成發展為止。

當本集團意向有變，由日常業務過程中出售改為持有物業以賺取租金或／及資本增值時，本集團將待發展物業轉撥至投資物業，意向變動以向另一方訂立的經營租賃開始為憑。於轉撥日期公平值與物業以往賬面值之間的差額，在損益確認。

當本集團意向有變，由日常業務過程中出售改為持有物業自用時，本集團將待發展物業轉撥至物業、廠房及設備。物業以往賬面值成為視作轉撥至物業、廠房及設備後的成本。

物業、廠房及設備

物業、廠房及設備(如下文所述，包括持作用於生產或供應貨品或服務或作行政用途的樓宇，但不包括在建物業、廠房及設備)，乃按成本減其後累計折舊及其後累計減值虧損(如有)在綜合財務狀況表列賬。

為生產、供應或行政用途在建之物業、廠房及設備按成本減任何已確認減值虧損列賬。成本包括專業費用，就合資格資產而言，包括根據本集團會計政策資本化的借貸成本。該等物業在竣工及可作擬定用途時分類為物業、廠房及設備之適當類別。該等資產在可作擬定用途時按其他物業資產之相同基準開始計提折舊。

資產(不包括在建物業、廠房及設備)之折舊乃減去剩餘價值後，根據其估計可使用年期，以直線法撇銷其成本予以確認。估計可使用年期、剩餘價值及折舊方法於各報告期間結束當日予以檢討，估計如有任何變動，其影響在日後入賬。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Properties, plant and equipment (continued)

If an item of properties, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant prepaid lease payments) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

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

Licenced properties, plant and equipment

Licenced properties, plant and equipment (included in properties, plant and equipment) held to earn licence fee income are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and any accumulated impairment losses, if any.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Licenced inventories

Licenced inventories shown as either other non-current assets or other current assets in the consolidated statement of financial position are stated at cost less impairment, if any.

3. 主要會計政策(續)

物業、廠房及設備(續)

在擁有人佔用完結時，以此證明物業、廠房及設備項目用途改變，成為投資物業，該項目賬面值與於該轉撥日公平值(包括相關預付租賃款項)之間的差額在其他全面收益確認，並在物業重估儲備累計。其後出售或報廢資產時，相關重估儲備直接轉撥至保留溢利。

物業、廠房及設備項目於出售或預期持續使用該資產不會產生未來經濟利益時剔除確認。出售或報廢物業、廠房及設備項目所產生的任何盈虧為該資產出售所得款項與賬面值之間的差額，該差額在損益中確認。

授權使用物業、廠房及設備

持作賺取授權使用費的授權使用物業、廠房及設備(計入物業、廠房及設備)，乃按成本減其後累計折舊及任何累計減值虧損(如有)在綜合財務狀況表列賬。

授權使用物業、廠房及設備項目之折舊乃根據其估計可使用年期，於扣減其剩餘價值後，以直線法撇銷其成本予以確認。估計可使用年期、剩餘價值及折舊方法於各報告期間結束當日予以檢討，估計如有任何變動，其影響在日後入賬。

存貨

存貨按成本或可變現淨值兩者中之較低者入賬。存貨成本按加權平均法計算。可變現淨值指存貨估計售價減估計完成所需之全部成本以及銷售所需之成本。

授權使用存貨

授權使用存貨在綜合財務狀況表列為其他非流動資產或其他流動資產(如有)。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policies in respect of goodwill)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

有形及無形資產之減值虧損(商譽除外(請參閱有關商譽之會計政策))

於報告期間結束當日，本集團須審閱其具有有限可使用年期之有形及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計資產可收回金額，以釐定減值虧損的幅度(如有)。倘不能估計單一資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。於可識別合理和一貫分配基準的情況下，企業資產亦會被分配到個別的現金產生單位，否則或會被分配到可合理地及按一貫分配基準而識別的最小的現金產生單位組別中。

可收回金額為公平值減出售成本或使用價值之較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率折現至其現值，該貼現率反映目前市場對資金時間值之評估以及估計未來現金流量未經調整之資產的獨有風險。

倘某項資產(或現金產生單位)之可收回金額估計低於其賬面值，則該項資產(或現金產生單位)之賬面值須削減至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損即時在損益中確認。

倘日後撥回減值虧損，有關資產(或現金產生單位)之賬面值須增至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產(或現金產生單位)並無於以往年度確認任何減值虧損所應釐定之賬面值。撥回之減值虧損即時於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

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

The Group as lessor

Rental income from operating leases and licence fee income are recognised on a straight-line basis over the term of the relevant lease and licence agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as properties, plant and equipment.

3. 主要會計政策(續)

租約

當租約條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租約乃分類為融資租約。所有其他租約均分類為經營租約。

由本集團出租

經營租約之租金收入及授權使用費收入乃按相關租約及授權使用協議年期以直線法確認。於磋商及安排一項經營租約引起之初期直接成本乃加於租約資產之賬面值上。除投資物業根據公平值模式測量外，該等成本按租約年期以直線法確認作開支。

由本集團承租

經營租約付款(包括收購於經營租約項下收購土地的成本)於租約年期以直線法確認為開支，惟另一系統基準更能代表消耗租賃資產帶來經濟利益之時間模式除外。

租約土地和樓宇

當租賃包括土地及樓宇部分，本集團需要評估各部分擁有權的風險與回報是否絕大部分轉移至本集團，以把各部分劃分為融資租約或經營租約，如該等部分明顯為經營租約，整項資產分類為經營租約。尤其是，最低應付租賃款項(包括任何一次性預付款)在租賃期開始時，按租約權益於土地及樓宇項目之間的公平值比例在兩者間予以分配。

租賃款項能夠可靠地分配時，入賬列為經營租約的租約土地權益應在綜合財務狀況表中列為「預付租賃款項」，按直線法在租賃期間攤銷，惟分類為並以公平值模式列作投資物業者除外。當租賃款項不能夠在土地和樓宇部分之間可靠地分配時，整項租約一般視為融資租約，並作為物業、廠房及設備列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value though profit and loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for financial asset. The net gain or loss for available-for-sale investments excludes any dividend income or interest income earned.

3. 主要會計政策(續)

稅項(續)

即期及遞延稅項於損益確認，惟當與於其他全面收益確認或直接於權益確認之項目有關時，在此情況下，即期及遞延稅項亦會分別於其他全面收益確認或直接於權益確認。當業務合併初始會計處理時產生即期稅項或遞延稅項，稅項影響計入該業務合併的會計處理中。

金融工具

當集團實體成為工具訂約條文之訂約方時，會確認財務資產及財務負債。

財務資產及財務負債初步按公平值計算。因收購或發行財務資產及財務負債而直接應佔之交易成本於初步確認時，按適用情況加入或扣自該項財務資產或財務負債之公平值。因收購按公平值計入損益之財務資產及財務負債而直接應佔之交易成本，會即時於損益確認。

財務資產

本集團之財務資產分類為貸款及應收賬款以及可供出售財務資產。分類視乎財務資產性質及目的而定，在初始確認時釐定。所有日常買賣之財務資產於交易日確認及剔除確認。日常買賣之財務資產指須根據市場規則或慣例訂立之時間內交收資產之買賣。

實際利率法

實際利率法是一種計算財務資產攤銷成本與分派利息收入到相關期間之方法。實際利率是於財務資產的估計可使用年期或(如適用)更短期間將估計未來現金收入(包括所有已付或已收並構成實際利率一部分之費用、交易成本及其他溢價或折價)精確折現至初步確認時之賬面淨值之比率。

財務資產的利息收入乃按實際利率基準確認。可供出售投資之收益或虧損淨額不包括賺取之任何股息收入或利息收入。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, entrusted loans, amount due from non-controlling shareholders of subsidiaries, bills receivables, fixed deposits held at banks with original maturity over three months and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short term receivables where the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Equity and debt securities held by the Group that are classified as available-for-sale and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and changes in exchange rate, if applicable, are recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

貸款及應收賬款

貸款及應收賬款為在活躍市場上並無報價而具有固定或待定付款之非衍生財務資產。初始確認後，貸款及應收賬款(包括貿易及其他應收賬款、委托貸款、應收附屬公司非控股股東之款項、應收票據、原到期日為三個月以上的銀行定期存款及銀行結餘及現金)以實際利率法按攤銷成本減任何減值虧損列賬(請參閱下文有關財務資產減值虧損之會計政策)。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項除外。

可供出售財務資產

可供出售財務資產為非衍生工具，其須指定或非分類為貸款及應收賬款、持至到期投資或透過損益按公平值入賬之金融資產。

本集團持有之權益及債務證券，如分類為可供出售，並於活躍市場交易，於報告期間結束當日按公平值計量。與利息收入有關之可供出售貨幣性財務資產之賬面值變動按實際利率法計算，而可供匯率變動(如適用)於損益確認。可供出售投資權益工具之股息於本集團收取股息之權利確立時在損益中確認。可供出售財務資產賬面值之其他變動於其他全面收益確認，並於投資重估儲備項下累計。當投資出售或釐定為減值時，先前於投資重估儲備累計之累計收益或虧損重新分類至損益(請參閱下文有關財務資產減值虧損之會計政策)。

在活躍市場上並無報價而其公平值未能可靠計量之可供出售股本投資，以及與無報價股本投資掛鈎，並必須以交付無報價股本投資結算之衍生工具按成本減任何於報告期間結束當日已識別減值虧損計算(請參閱下文有關財務資產減值虧損之會計政策)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Deferred taxation on investment properties (notes 14 and 21)

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that certain of the investment properties located in PRC of carrying amount with approximately HK$8,742,449,000 at 31 December 2016 (2015: HK$6,635,467,000) are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Directors have determined that the presumption that the carrying amounts of such investment properties are recovered entirely through sale is rebutted. As a result, the Group has not recognised deferred taxes on LAT in respect of changes in fair value of such investment properties but has recognised deferred tax on Enterprise Income Tax on the assumption that these investment properties will be recovered through use.

4. 重大會計判斷及估計不明朗因素之主要來源

在應用本集團之會計政策(於附註3載述)過程中，董事須就未能即時自其他來源取得資產及負債賬面值，作出判斷、估計及假設。該等估計及相關假設按照過往經驗及其他被視為相關的因素釐定。實際結果可能有別於該等估計。

估計及相關假設會持續審閱。如會計估計的修改僅影響修改的期間，則在該期間確認。如修改影響現時及未來期間，則在修改期間及未來期間均會確認。

應用實體會計政策之重大判斷

除涉及估計(見下文)外，以下為董事應用實體會計政策過程中作出，並對綜合財務報表內確認之款額造成最重大影響的重大判斷。

投資物業之遞延稅項(附註14及附註21)

就計量利用公平值模式的投資物業所產生的遞延稅項負債或遞延稅項資產而言，董事已檢討本集團的投資物業組合並斷定於二零一六年十二月三十一日本集團賬面值約為8,742,449,000港元(二零一五年：6,635,467,000港元)位於中國的投資物業乃按業務模式持有該等物業，其目的是隨時間耗用投資物業所包含的絕大部分經濟利益，而非透過出售，故董事決定駁回有關投資物業的賬面值可全數透過出售而收回的假定。因此，本集團並無就有關投資物業的公平值變動確認土地增值稅的遞延稅項，惟因假設該等投資物業將透過使用而收回確認企業所得稅的遞延稅項。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying the entity's accounting policies (continued)

Deferred taxation on investment properties (notes 14 and 21) (continued)

The investment properties located in Hong Kong and United Kingdom of carrying amount of HK$2,909,041,000 and HK$3,717,334,000 at 31 December 2016 respectively (2015: located in Hong Kong and United Kingdom of approximately HK$2,893,330,000 and HK$1,347,454,000 respectively) are not held under a business model whose objective is to recover the economic benefits of the investment properties entirely through use. No deferred tax is recognised in respect of the fair value change in such investment properties as the Group is not subject to any income taxes on disposal of investment properties in Hong Kong and United Kingdom because no capital gain tax arising from property sales in Hong Kong and no capital gain tax arising from non-resident properties in United Kingdom.

Legal claim (note 35(b))

The Group is involved in legal proceeding as disclosed in note 35(b) to the consolidated financial statements. Management has evaluated and assessed the claims made against the Group based on legal advice from the Company's lawyer and is of the view that the judgement handed down on 24 March 2017 is in favour of KBCF and the Company. Accordingly, no provision nor accrual are made in the consolidated financial statements.

4. 重大會計判斷及估計不明朗因素之主要來源(續)

應用實體會計政策之重大判斷(續)

投資物業之遞延稅項(附註14及附註21)(續)

位於香港及英國的投資物業於二零一六年十二月三十一日的賬面值各自為2,909,041,000港元及3,717,334,000港元(二零一五年：位於香港及英國分別約為2,893,330,000港元及1,347,454,000港元)並非按透過使用而收回投資物業全部經濟利益的業務模式持有，由於本集團無須就出售香港及英國的投資物業而繳付所得稅，概無就有關投資物業的公平值變動確認遞延稅項，因為香港物業銷售並無產生資本利得稅，英國非居民物業亦無產生資本利得稅。

法律申索(附註35(b))

如綜合財務報表附註35(b)披露，本集團涉及法律訴訟。管理層根據所收取本公司律師的法律意見，評價及評估針對本集團提呈的申索。管理層認為，二零一七年三月二十四日所作出的裁決對KBCF及本公司有利。因此，本集團並無在綜合財務報表計提撥備及預提款項。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill (note 18)

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU to which goodwill has been allocated which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise. At 31 December 2016, the carrying amount of goodwill is HK$2,288,149,000 (2015: HK$2,288,149,000). Details of the recoverable amount calculation are disclosed in note 18.

Deferred tax assets (Note 21)

At 31 December 2016, deferred tax assets of (i) approximately HK$12,522,000 (2015: HK$12,522,000) in relation to unused tax losses for certain operating subsidiaries and (ii) approximately HK$4,204,000 (2015: HK$15,686,000) in relation to write-down of inventories have been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of HK$1,322,194,000 (2015: HK$1,354,126,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future assessable profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profit estimation, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

4. 重大會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源

下文詳述有關日後主要假設及於報告期間結束當日估計不明朗因素之其他主要來源，而該等假設及不確定估計或會造成須對資產及負債於下個財務年度之賬面值作出重大調整之重大風險。

商譽之估計減值(附註18)

釐定商譽是否出現減值時，須估計商譽所獲分配之現金產生單位可收回金額。本集團計算使用價值時須就預期源自該現金產生單位之日後現金流量及合適之折現率作出估計，以計算現值。倘實際未來現金流量少於預期數額，或事實及情況變動導致下調未來現金金額，則可能會產生重大減值虧損。於二零一六年十二月三十一日，商譽之賬面值為2,288,149,000港元(二零一五年：2,288,149,000港元)。可收回款項計算詳情於附註18披露。

遞延稅項資產(附註21)

於二零一六年十二月三十一日，(i)有關若干經營附屬公司未動用稅項虧損之遞延稅項資產約12,522,000港元(二零一五年：12,522,000港元)；及(ii)有關撇減存貨之遞延稅項資產約4,204,000港元(二零一五年：15,686,000港元)，已於本集團綜合財務狀況表中確認。由於不能確定未來溢利，故未就1,322,194,000港元(二零一五年：1,354,126,000港元)之稅務虧損確認遞延稅項資產。變現遞延稅項資產主要視乎是否有足夠未來可評估溢利或將來可供利用之應課稅臨時差額而定。倘產生之未來實際溢利少於或多於預期應課稅溢利，或事實及情況變動導致修改日後課稅溢利估計，則遞延稅項資產可能須作重大撥回，並於該撥回或日後確認期間於損益中確認。

4. 重大會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

存貨撥備(附註22)

在釐定本集團存貨的可變現淨值時，管理層按作出估計時已有的最可靠資料估計存貨的可收回金額。該等估計已計及價格波動、與銷售前景相關的手頭結餘及存貨狀況。截至二零一六年十二月三十一日止年度，存貨的撥回撇減37,997,000港元(二零一五年：Z gê ,!õ 8

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The Directors have a designated team to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the Group's investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the Group's investment properties. At the end of each reporting period, the management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to Directors. Any changes in the price per square metre in reference with recent transactions will affect the fair value of the investment properties of the Group. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in note 14.

In estimating the fair value of the Group's available-for-sale investments, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Group will assess the valuation of financial instruments based on quoted bid prices of the previous trading day in the markets at the end of each reporting period. The fair value of the Group's bond securities listed in the Stock Exchange, the Singapore Exchange Securities Trading ("SGX"), SIX Swiss Exchange ("SIX") and Deutscher Aktienindex ("DAX") is determined with reference to the pricing vendors' estimation, who will assess its fair value taking into account primarily the fair value quoted by the brokers which is adjusted for the lack of marketability of the bond securities at the end of the reporting period. Pricing vendors will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets/liabilities, the causes of the fluctuations will be reported to the board of directors of the Company. Any changes in the marketability of the listed bonds will affect the fair value of the investments. Notes 33(c) and 20 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the Group's available-for-sale investments.

4. 重大會計判斷及估計不明朗因素之主要來源(續)

估計不明朗因素之主要來源(續)

公平值計量及估值程序

本集團部分資產就財務申報目的按公平值予以計量。董事備有指定團隊，以就公平值計量釐定適當的估值方法及輸入數據。

估計本集團投資物業的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第一級輸入數據，本集團委聘第三方合資格估值師對本集團投資物業進行估值。於各報告期末，本集團管理層與合資格外部估值師密切合作，以建立及釐定第二級及第三級公平值計量的適當估值技術及輸入數據。如可從活躍市場可觀察報價得出輸入數據，則本集團會先考慮及採用第二級輸入數據。如無第二級輸入數據，則本集團會採用包含第三級輸入數據的估值方法。倘資產公平值發生重大變動，會向董事報告波動原因。本集團投資物業的公平值乃受最近市場交易每平方米售價之變動影響。有關釐定本集團投資物業公平值所用估值方法及輸入數據的資料於附註14披露。

估計本集團可供出售投資的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第一級輸入數據，本集團管理層將在各報告期末，以市場上一個交易日所報買入價評估金融工具的價值。定價賣方參考於各報告期末評估其公平值，並主要考慮由經紀商報價並就股本證券缺乏市場流通性而予以調整後的公平值，以釐定本集團於聯交所，新加坡證券交易所(「新加坡證券交易所」)，瑞士證券交易所(「SIX」)及Deutscher Aktienindex(「DAX」)上市的債券證券之公平值。定價賣方將根據自己的經驗，建立和釐定適當的估值方法和於估值模式的輸入數據而作出判斷。倘資產／負債公平值發生重大變動，會向本公司董事會報告波動原因。有關該等上市債券之市場流通性的任何變化將影響該等投資之公平值。附註33(c)及20提供了有關本集團用以釐定可供出售投資的公平值所採用的估值方法、輸入數據和主要假設的詳細資料。

5. REVENUE

Revenue represents the net amounts received and receivable by the Group from the sale of goods and services rendered to outside customers, net of discounts, returns and sales related taxes, and rental income received and receivable, analysis of revenue for the year is as follows:

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Sales of laminates	銷售覆銅面板	**12,230,171**	11,284,105
Sales of chemicals	銷售化工產品	**10,229,696**	9,809,217
Sales of PCBs	銷售印刷線路板	**7,478,095**	7,103,780
Sales of properties	銷售物業	**4,860,247**	3,505,459
Rental income	租金收入	**625,902**	552,090
Others (Note)	其他(附註)	**406,209**	533,535
		35,830,320	32,788,186

6. SEGMENT INFORMATION

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to segments and to assess their performance. Specifically, the Group's operating and reportable segments under HKFRS 8 were organised into five

6. SEGMENT INFORMATION (continued)

6. 分部資料(續)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and result by reportable segments:

(a) 分部營業額及業績

以下為按申報分部劃分之本集團營業額及業績之分析：

		Laminates 覆銅面板 HK$'000 千港元	PCBs 印刷線路板 HK$'000 千港元	Chemicals 化工產品 HK$'000 千港元	Properties 物業 HK$'000 千港元	Others 其他 HK$'000 千港元	Eliminations 對銷 HK$'000 千港元	Consolidated 綜合 HK$'000 千港元
Year ended 31 December 2016	**截至二零一六年十二月三十一日止年度**							
Segment revenue	分部營業額							
External sales	對外銷售額	12,230,171	7,478,095	10,229,696	5,486,149	406,209	–	35,830,320
Inter-segment sales	分部間之銷售額	1,692,941	–	508,952	–	2,781	(2,204,674)	–
Total	合計	13,923,112	7,478,095	10,738,648	5,486,149	408,990	(2,204,674)	35,830,320
Result	業績							
Segment result	分部業績	2,465,136	378,298	312,823	1,701,060	8,567		4,865,884
Gain on disposal of available-for-sale investments	出售可供出售投資之收益							465,247
Gain on disposal of a subsidiary	出售一間附屬公司權益之收益							2,121,238
Impairment loss recognised on available-for-sale investments	就可供出售投資確認之減值虧損							(27,764)
Share-based payments	以股份形式付款							(20,910)
Unallocated corporate income	未分配之公司收入							590,125
Unallocated corporate expenses	未分配之公司支出							(362,672)
Finance costs	融資成本							(403,074)
Share of results of associates	應佔聯營公司業績							9,152
Profit before taxation	除稅前溢利							7,237,226

6. SEGMENT INFORMATION (continued)

6. 分部資料(續)

(a) Segment revenues and results (continued)

(a) 分部營業額及業績(續)

		Laminates 覆銅面板 HK$'000 千港元	PCBs 印刷線路板 HK$'000 千港元	Chemicals 化工產品 HK$'000 千港元	Properties 物業 HK$'000 千港元	Others 其他 HK$'000 千港元	Eliminations 對銷 HK$'000 千港元	Consolidated 綜合 HK$'000 千港元
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度							
Segment revenue	分部營業額							
External sales	對外銷售額	11,284,105	7,103,780	9,809,217	4,057,549	533,535	–	32,788,186
Inter-segment sales	分部間之銷售額	1,598,342	–	577,768	–	2,052	(2,178,162)	–
Total	合計	12,882,447	7,103,780	10,386,985	4,057,549	535,587	(2,178,162)	32,788,186
Result	業績							
Segment result	分部業績	1,603,961	183,836	26,739	1,252,617	(1,172)		3,065,981
Gain on disposal of available-for-sale investments	出售可供出售投資之收益							345,692
Gain on disposal of subsidiaries	出售附屬公司權益之收益							33,590
Impairment loss recognised on available-for-sale investments	就可供出售投資確認之減值虧損							(314,293)
Share-based payments	以股份形式付款							(62,764)
Unallocated corporate income	未分配之公司收入							157,316
Unallocated corporate expenses	未分配之公司支出							(247,915)
Finance costs	融資成本							(439,779)
Share of results of associates	應佔聯營公司業績							(15,269)
Profit before taxation	除稅前溢利							2,522,559

Inter-segment sales are charged at a price mutually agreed by both parties.

分部間之銷售價格經雙方同意後釐定。

6. SEGMENT INFORMATION (continued)

6. 分部資料(續)

(b) Segment assets and liabilities (continued)

(b) 分部資產及負債(續)

		Laminates 覆銅面板 HK$'000 千港元	PCBs 印刷線路板 HK$'000 千港元	Chemicals 化工產品 HK$'000 千港元	Properties 物業 HK$'000 千港元	Others 其他 HK$'000 千港元	Consolidated 綜合 HK$'000 千港元
At 31 December 2015	於二零一五年十二月三十一日						
Assets	資產						
Segment assets	分部資產	15,522,725	9,653,690	8,140,625	31,320,711	818,526	65,456,277
Available-for-sale investments	可供出售投資						2,403,069
Interests in associates	於聯營公司之權益						2,086,039
Unallocated corporate assets	未分配之公司資產						
– Bank balances and cash	–銀行結餘及現金						2,117,577
– Deferred tax assets	–遞延稅項資產						3,420
– Taxation recoverable	–可收回稅項						24,890
– Others	–其他						829,725
Consolidated total assets	綜合資產總值						72,920,997
Liabilities	負債						
Segment liabilities	分部負債	(1,726,929)	(1,687,207)	(1,106,963)	(4,821,067)	(49,269)	(9,391,435)
Unallocated corporate liabilities	未分配之公司負債						
– Bank borrowings	–銀行借貸						(20,710,671)
– Taxation payable	–應繳稅項						(534,181)
– Deferred tax liabilities	–遞延稅項負債						(805,518)
– Others	–其他						(138,465)
Consolidated total liabilities	綜合負債總額						(31,580,270)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets, taxation recoverable, bank balances and cash and others assets used jointly by operating segments; and
- all liabilities are allocated to operating segments other than bank borrowings, deferred tax liabilities, taxation payable and others liabilities for which operating segments are jointly liable.

為監察分部表現及分配分部資源：

- 除遞延稅項資產、可收回稅項、經營分部共同使用的銀行結餘及現金及其他資產外，所有資產分配至經營分部；及
- 除銀行借貸、遞延稅項負債、應繳稅項及經營分部共同承擔的其他負債外，所有負債分配至經營分部。

7. OTHER INCOME, GAINS AND LOSSES 7. 其他收入、收益及虧損

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Other income, gains and losses includes:	其他收入、收益及虧損包括：		
Income from relocation compensation	拆遷補償收入	**271,079**	–
Interest income from available-for-sale investments	可供出售投資之利息收入	**104,376**	182,840
Interest income from bank balances and cash	銀行結餘及現金之利息收入	**57,572**	79,508
Interest income from entrusted loans	委託貸款之利息收入	**64,186**	95,653
Dividends from available-for-sale investments	可供出售投資之股息收入	**168,382**	171,236
Impairment loss recognised on properties, plant and equipment	就物業、廠房及設備確認之減值虧損	**(39,000)**	–
Loss on disposal and write off of properties, plant and equipment	出售及撇銷物業、廠房及設備之虧損	**(32,656)**	(13,132)
Fair value changes of foreign exchange forward contracts	外匯遠期合約之公平值變動	**–**	(453)
Loss on disposal of prepaid lease payments	出售預付租賃款項之虧損	**–**	(325)
Loss on disposal of an associate	出售一間聯營公司權益之虧損	**–**	(8,977)
Others	其他	**25,130**	49,196
		619,069	555,546

8. FINANCE COSTS 8. 融資成本

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Interest on bank borrowings	銀行借貸之利息	**438,379**	473,439
Less: Amount capitalised in the cost of qualifying assets	減：合資格資產成本的資本化金額	**(35,305)**	(33,660)
		403,074	439,779

Bank borrowing costs capitalised during the year includes the bank borrowing costs of HK$30,796,000 (2015: HK$29,671,000) arose from a bank borrowing specific for the property development project and bank borrowing costs arose from the general borrowing pool which were calculated by applying a weighted average capitalisation rate of 2.49% (2015: 1.0%) per annum to expenditure on qualifying assets.

年內之資本化銀行借貸利息成本包括特定用於房地產發展項目之銀行借貸利息成本30,796,000港元(二零一五年：29,671,000港元)及一般借貸產生之銀行借貸利息成本，以合資格資產開支加權平均資本化年利率2.49%(二零一五年：1.0%)計算。

9. INCOME TAX EXPENSE

9. 所得稅開支

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
The amount comprises:	稅項包括：		
Hong Kong Profits Tax	香港利得稅		
Charge for the year	本年度之稅項支出	**30,339**	17,906
Overprovision in previous years	過往年度超額撥備	**(2,190)**	–
		28,149	17,906
PRC Enterprise Income Tax	中國企業所得稅		
Charge for the year	本年度之稅項支出	**850,571**	474,860
Under (over) provision in previous years	過往年度撥備不足（超額撥備）	**866**	(7,766)
		851,437	467,094
PRC LAT	中國土地增值稅	**188,893**	67,281
Taxation arising in other jurisdictions	其他司法權區之稅項	**5,333**	4,626
Deferred taxation (Note 21)	遞延稅項(附註21)	**1,397**	12,557
		1,075,209	569,464

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

香港利得稅乃按兩個年度之估計應課稅溢利以16.5%之稅率計算。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

按照中國企業所得稅法(「企業所得稅法」)及實施條例，由二零零八年一月一日開始，適用於中國附屬公司之企業所得稅稅率為25%。

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

計提土地增值稅撥備是按有關中國稅法及規則的要求估算。按土地增值金額(根據物業銷售收入扣去指定直接成本)以累進稅率30%至60%基準繳交土地增值稅。指定直接成本界定為土地成本，發展及建築成本，及其他關於房產發展的成本。按照國家稅務總局之官方公告，銷售樓宇時應暫繳土地增值稅，到房產發展完成後才確認所得收益。

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The emoluments paid or payable to each of the fourteen (2015: twelve) Directors, including the chief executive, were as follows:

11. 董事、行政總裁及僱員酬金(續)

(a) 董事酬金(續)

已付或應付十四名(二零一五年：十二名)董事(包括行政總裁)之酬金如下：

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度														
		Executive directors 執行董事							Independent non-executive directors 獨立非執行董事							
		Cheung Kwok Wing 張國榮 HK$'000 千港元	Chang Wing Yiu 鄭永耀 HK$'000 千港元	Cheung Kwong Kwan 張廣軍 HK$'000 千港元	Ho Yin Sang 何燕生 HK$'000 千港元	Cheung Wai Lin, Stephanie 張偉連 HK$'000 千港元	Cheng Maosheng 陳茂盛 HK$'000 千港元	Cheung Ka Shing 張家成 HK$'000 千港元	Cheung Ming Man 張明敏 HK$'000 千港元	Cheng Wai Chee, Christopher 鄭維志 HK$'000 千港元	Leung Tai Chiu 梁體超 HK$'000 千港元 (Note i) (附註 i)	Chong Kin Ki 莊堅琪 HK$'000 千港元 (Note i) (附註 i)	Lai Chung Wing, Robert 黎忠榮 HK$'000 千港元 (Note ii) (附註 ii)	Tang King Shing 鄧竟成 HK$'000 千港元 (Note ii) (附註 ii)	Tse Kam Hung 謝錦洪 HK$'000 千港元 (Note ii) (附註 ii)	Total 合計 HK$'000 千港元
Fees	袍金	-	-	-	-	-	-	-	190	480	27	150	85	300	90	1,322
Other emoluments:	其他酬金：															
Salaries and other benefits	薪金及其他福利	2,629	2,502	2,502	2,375	1,623	1,377	1,140	-	-	-	-	-	-	-	14,148
Contributions to retirement benefits scheme	退休福利計劃供款	131	125	125	119	81	69	57	-	-	-	-	-	-	-	707
Performance related incentive payment (Note iii)	工作表現相關獎勵款項(附註iii)	26,180	17,660	14,340	14,340	13,840	1,884	7,380	-	-	-	-	-	-	-	95,624
Share-based payments	以股份形式付款	4,133	3,282	2,432	1,824	3,039	-	3,890	-	-	-	-	-	-	-	18,600
Total emoluments	酬金總額	33,073	23,569	19,399	18,658	18,583	3,330	12,467	190	480	27	150	85	300	90	130,401

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

11. 董事、行政總裁及僱員酬金(續)

(a) Directors' emoluments (continued)

(a) 董事酬金(續)

		Year ended 31 December 2015 截至二零一五年十二月三十一日止年度												
		Executive directors 執行董事							Independent non-executive directors 獨立非執行董事					
		Cheung Kwok Wing 張國榮 HK$'000 千港元	Chang Wing Yiu 鄭永耀 HK$'000 千港元	Cheung Kwong Kwan 張廣軍 HK$'000 千港元	Ho Yin Sang 何燕生 HK$'000 千港元	Cheung Wai Lin, Stephanie 張偉連 HK$'000 千港元	Chen Maosheng 陳茂盛 HK$'000 千港元	Cheung Ka Shing 張家成 HK$'000 千港元	Cheung Ming Man 張明敏 HK$'000 千港元	Cheng Wai Chee, Christopher 鄭維志 HK$'000 千港元	Lai Chung Wing, Robert 黎忠榮 HK$'000 千港元 (Note ii) (附註ii)	Tang King Shing 鄧竟成 HK$'000 千港元 (Note ii) (附註ii)	Tse Kam Hung 謝錦洪 HK$'000 千港元 (Note ii) (附註ii)	Total 合計 HK$'000 千港元
Fees	袍金	–	–	–	–	–	–	–	20	480	204	360	360	1,424
Other emoluments:	其他酬金：													
Salaries and other benefits	薪金及其他福利	2,751	2,613	2,613	2,475	1,563	1,443	1,040	–	–	–	–	–	14,498
Contributions to retirement benefits scheme	退休福利計劃供款	127	121	121	114	72	66	48	–	–	–	–	–	669
Performance related incentive payment (Note iii)	工作表現相關獎勵款項(附註iii)	22,000	14,400	12,400	12,400	11,600	1,660	6,200	–	–	–	–	–	80,660
Share-based payments	以股份形式付款	12,552	10,460	8,369	8,369	8,369	–	8,369	–	–	–	–	–	56,488
Total emoluments	酬金總額	37,430	27,594	23,503	23,358	21,604	3,169	15,657	20	480	204	360	360	153,739

Notes:

(i) Dr. Chong Kin Ki and Mr. Leung Tai Chiu were appointed as an independent non-executive director of the Company on 1 July 2016 and 1 October 2016 respectively.

(ii) Mr. Tang King Shing and Mr. Tse Kam Hung resigned on 1 November 2016 and 1 July 2016 respectively. Mr. Lai Chung Wing, Robert retired on 23 May 2016.

(iii) The performance related incentive payment is determined with reference to the operating results, individual performance and comparable market statistics during both years.

(iv) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affair of the Company and the Group. Independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

附註：

(i) 莊堅琪醫生及梁體超先生分別於二零一六年七月一日及二零一六年十月一日獲委任為本公司獨立非執行董事。

(ii) 鄧竟成先生與謝錦洪先生分別於二零一六年十一月一日及二零一六年七月一日辭任。黎忠榮先生於二零一六年五月二十三日退任。

(iii) 工作表現相關獎勵款項乃參考該兩個年度之經營業績、個人表現及可資比較市場數據而釐定。

(iv) 上述之執行董事酬金主要就彼等管理本公司及本集團的事務而支付。上述之獨立非執行董事酬金主要就彼等擔任本公司董事而支付。

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS
(continued)

(b) Chief Executive's emoluments
Mr. Chang Wing Yiu is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

Neither the Chief Executive nor any of the Directors had waived or agreed to wavie any emoluments during the years ended 31 December 2016 and 2015.

(c) Employees' emoluments

11. 董事、行政總裁及僱員酬金(續)

(b) 行政總裁酬金
鄭永耀先生亦為本公司行政總裁，其酬金於上文披露，當中計及其身為行政總裁所提供之服務之報酬。

行政總裁或任何董事概無於截至二零一六年及二零一五年十二月三十一日止年度放棄或同意放棄任何酬金。

(c) 僱員酬金
截至二零一六年十二月三十一日止年度，四名(二零一五年：五名)最高薪人士全部均為董事及行政總裁。

截至二零一六年十二月三十一日止年度，餘下一名(二零一五年：無)人士的酬金載列如下：

截至二零一六年及二零一五年十二月三十一日止年度，董事或本集團五名最高薪人士(包括董事)概無已收或應收任何酬金，作為吸引彼等加盟或加盟時支付之獎勵或作為離職之補償。

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

(d) Directors' material interests in transactions, arrangements or contracts

As disclosed in note 39, the Group entered into sale and purchase transactions with the subsidiaries of a shareholder with significant influence on the Group. The price was determined and agreed between the parties with reference to the prevailing market price.

In addition, the Group purchased properties from subsidiaries of a shareholder with significant influence on the Group. The price was determined after arm's length negotiations between the parties with reference to the valuation reports prepared by Messrs. Roma Appraisals Limited.

Mr. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan and Ho Yin Sang, the executive directors of the Company, are interested in these transactions to the extent that they have beneficial interests in these companies.

Save for the aforementioned transaction, no other significant transactions, arrangements and contracts to which the Company or the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

11. 董事、行政總裁及僱員酬金(續)

(d) 董事於交易、安排或合約之重大權益

如附註39所述，本集團與一名對本集團有重大影響力的股東的附屬公司進行買賣交易。價格由各方參照當時之市場價格而釐定及議定。

此外，本集團向一名對本集團有重大影響力的股東的附屬公司購買物業。價格乃經各方公平磋商及參照羅馬國際評估有限公司的估值報告而釐定。

本公司執行董事張國榮先生、鄭永耀先生、張廣軍先生及何燕生先生於該等公司中擁有實益權益，因而於此等交易中擁有權益。

除上述交易外，於年末或年內任何時間本公司董事概無於本公司或本集團為其中一方之其他重要交易、安排及合約中擁有任何重大直接或間接權益。

13. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share attributable to the owners of the Company are based on the following data:

13. 每股盈利

本公司持有人應佔每股基本及攤薄盈利按下列數據計算：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Earnings for the purpose of calculating basic and diluted earnings per share	計算每股基本及攤薄盈利之盈利	**5,026,831**	1,650,323

		Number of shares 股份數目 2016 二零一六年	2015 二零一五年
Weighted average number of ordinary shares for the purpose of basic earnings per share	每股基本盈利之普通股加權平均數	**1,028,230,273**	1,025,600,236
Add: Effect of dilutive potential ordinary shares arising from share options	加上：因優先購股權導致的具潛在攤薄效應之普通股之影響	**3,016,559**	–
Weighted average number of ordinary shares for the purpose of diluted earning per share	每股攤薄盈利之普通股加權平均數	**1,031,246,832**	1,025,600,236

The calculation of diluted earnings per share for the year ended 31 December 2016 did not take into account the effects of share options of the Company granted on 21 March 2011 and Kingboard Laminates Holdings Limited ("KLHL"), the listed subsidiary of the Company, as the exercise prices of the outstanding share options were higher than the average market prices of the Company's and KLHL's shares during the year ended 31 December 2016.

於截至二零一六年十二月三十一日止年度內，計算每股攤薄盈利時並無考慮本公司於二零一一年三月二十一日及本公司之一間上市附屬公司建滔積層板控股有限公司(「建滔積層板」)發行而尚未行使之優先購股權，因截至二零一六年十二月三十一日止年度該等優先購股權之行使價，都較本公司及建滔積層板股份的市場平均價為高。

The calculation of diluted earnings per share for the year ended 31 December 2015 did not take into account the effects of share options of the Company and KLHL, as the exercise prices of the outstanding share options were higher than the average market prices of the Company's and KLHL's shares during the year ended 31 December 2015.

於截至二零一五年十二月三十一日止年度內，計算每股攤薄盈利時並無考慮本公司及建滔積層板之尚未行使之優先購股權，因截至二零一五年十二月三十一日止年度本公司及建滔積層板之尚未行使之優先購股權之行使價，都較其股份的市場平均價為高。

14. INVESTMENT PROPERTIES 14. 投資物業

		HK$'000 千港元
FAIR VALUE	**公平值**	
At 1 January 2015	於二零一五年一月一日	10,192,857
Exchange adjustments	匯兌調整	(460,976)
Additions	添置	4,561
Acquisitions of subsidiaries (Note 30(b))	收購附屬公司(附註30(b))	355,843
Transfer from properties held for development (Note (a))	轉撥自待發展物業(附註(a))	109,729
Transfer from properties, plant and equipment (Note (b))	轉撥自物業、廠房及設備(附註(b))	407,152
Increase in fair value	公平值增加	267,085
At 31 December 2015	於二零一五年十二月三十一日	10,876,251
Exchange adjustments	匯兌調整	(789,336)
Acquisition of a subsidiary (Note 30(a))	收購附屬公司(附註30(a))	2,638,294
Transfer from properties held for development (Note (a))	轉撥自待發展物業(附註(a))	2,622,329
Increase in fair value	公平值增加	21,286
At 31 December 2016	於二零一六年十二月三十一日	15,368,824

Notes:

(a) During the years ended 31 December 2015 and 2016, certain properties held for development were reclassified to investment properties upon change in use as evidenced by commencement of operating leases with independent third parties (see note 23).

(b) During the year ended 31 December 2015, the Group changed the use of certain of its leasehold properties and had leased them out to independent third parties for rental income. Upon the transfer from properties, plant and equipment to investment properties, these properties were revalued with a gain on revaluation of approximately HK$309,429,000.

During the year ended 31 December 2016, the Group recognised gain on fair value change of investment properties amounted to HK$21,286,000 (2015: HK$267,085,000). The fair value of the Group's investment properties at the date of transfer from properties, plant and equipment and properties held for development to investment properties during the years ended 31 December 2015 and 31 December 2016, and as at 31 December 2015 and 2016 had been arrived at on the basis of a valuation carried out on that date by Messrs. Roma Appraisals Limited, independent qualified valuers not connected with the Group. Messrs. Roma Appraisals Limited is a member of the Hong Kong Institute of Surveyors. The valuation was determined based on direct comparison method by reference to the market observable transactions of similar properties and adjusted to reflect conditions and locations of subject properties.

附註：

(a) 截至二零一五年及二零一六年十二月三十一日止年度，因與獨立第三方開始經營租賃物業之用途變動，若干待發展的物業重新分類至投資物業(見附註23)。

(b) 截至二零一五年十二月三十一日止年度，本集團改變若干租賃物業用途，並出租予獨立第三方，以獲得租金收入。在從物業、廠房及設備中轉撥至投資物業時，就該等物業進行重估，重估收益約為309,429,000港元。

截至二零一六年十二月三十一日止年度內，本集團確認投資物業公平值變動收益為21,286,000港元(二零一五年：267,085,000港元)。本集團之投資物業於截至二零一五年十二月三十一日及二零一六年十二月三十一日止年度由物業、廠房及設備以及待發展物業轉撥至投資物業的日期及於二零一五年及二零一六年十二月三十一日之公平值乃按與本集團並無關連之獨立合資格估值師羅馬國際評估有限公司，於該日進行估值之基準達致。羅馬國際評估有限公司為香港測量師學會會員。是次估值乃參考類似物業之可觀察市場交易以直接比較法釐定並調整以反映所涉物業的條件及位置。

14. INVESTMENT PROPERTIES (continued) 14. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表中本集團持有之投資物業	Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Sensitivity 敏感度
Commercial properties in the New Territories, Hong Kong	Direct comparison method with price per square metre	Price per square metre, using market direct comparable and taking into account of location and other individual factors such as road frontage, size of property etc., which is ranged from HK$54,197 to HK$55,026 (2015: HK$54,390 to HK$55,166) per square metre.	A significant increase in the price per square metre used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
於香港新界的商用物業	直接比較法及每平方米售價	採用市場直接可比較物業及考慮位置以及其他個別因素後(如臨街道路、物業大小等)的每平方米售價，介乎54,197港元至55,026港元(二零一五年：介乎54,390港元至55,166港元)。	每平方米價格大幅上升將導致投資物業的公平值計量大幅上升，反之亦然。
Commercial properties in Hong Kong Island, Hong Kong	Direct comparison method with price per square metre	Price per square metre, using market direct comparable and taking into account of location and other individual factors such as road frontage, size of property etc., which is ranged from HK$161,460 to HK$163,347 (2015: HK$161,255 to HK$162,430) per square metre.	A significant increase in the price per square metre used would result in a significant increase in the fair value measurement of the investment properties, and vice versa.
於香港香港島的商用物業	直接比較法及每平方米售價	採用市場直接可比較物業及考慮位置以及其他個別因素後(如臨街道路、物業大小等)的每平方米售價，介乎161,460港元至163,347港元(二零一五年：介乎161,255港元至162,430港元)。	每平方米價格大幅上升將導致投資物業的公平值計量大幅上升，反之亦然。

15. PROPERTIES, PLANT AND EQUIPMENT (continued)

15. 物業、廠房及設備(續)

Notes: (continued)

附註：(續)

(iii) Details of licenced assets:

(iii) 授權使用資產詳情：

		Buildings 樓宇 HK$'000 千港元	Plant and machinery 廠房及機器 HK$'000 千港元	Transportation equipment 運輸設備 HK$'000 千港元	Total 合計 HK$'000 千港元
COST	**成本**				
At 1 January 2015	於二零一五年一月一日	370,407	2,129,590	9,843	2,509,840
Exchange adjustments	匯兌調整	(21,625)	(123,343)	(566)	(145,534)
Additions	添置	–	15,072	–	15,072
Disposals and write off	出售及撇銷	–	(39,249)	–	(39,249)
At 31 December 2015	於二零一五年十二月三十一日	348,782	1,982,070	9,277	2,340,129
Exchange adjustments	匯兌調整	(22,160)	(125,436)	(588)	(148,184)
Additions	添置	890	32,499	–	33,389
Disposals and write off	出售及撇銷	–	(38,565)	–	(38,565)
At 31 December 2016	於二零一六年十二月三十一日	327,512	1,850,568	8,689	2,186,769
DEPRECIATION AND IMPAIRMENT	**折舊及減值**				
At 1 January 2015	於二零一五年一月一日	151,264	1,785,432	9,843	1,946,539
Exchange adjustments	匯兌調整	(9,105)	(107,686)	(566)	(117,357)
Provided for the year	本年度撥備	6,647	103,218	–	109,865
Eliminated on disposals and write off	出售時註銷及撇銷	–	(19,651)	–	(19,651)

15. PROPERTIES, PLANT AND EQUIPMENT (continued)

Notes: (continued)

(iii) Details of licenced assets: (continued)

On 3 August 2011 and 30 August 2013, a subsidiary of Kingboard Copper Foil Holdings Limited ("KBCF" or the "Licensor") (KBCF is a listed subsidiary of the Company), entered into a licence agreement and a letter of extension and amendments with Harvest Resource Management Limited (the "Licencee"), an independent third party, to licence KBCF's copper foil manufacturing facilities located at Fogang and Lianzhou to the Licencee for the period from 1 September 2011 to 31 August 2015. On 28 August 2015, the Licensor entered into a letter of extension and amendments with Licencee and extended the licence period for a further two years to 31 August 2017. The details of the licence arrangement which remained unchanged, are as follows:

(a) to use the leasehold properties, comprising factory buildings in Fogang and Lianzhou;

(b) to use, consume and dispose of the inventories which shall include consumables and stocks in trade; and

(c) to use the machinery, together with all other equipment and facilities as from time to time located at the properties in Fogang and Lianzhou.

The licenced properties, plant and equipment tabulated above and the licenced inventories in note 17 were licenced for licence income of HK$10,000,000 per month payable in advance on the first day of each and every calendar month, as a measure by KBCF to generate income from the manufacturing facilities, pending the resolution of the interested party transactions issue, relating to the manufacturing and trading of copper foil, with the non-controlling shareholder of KBCF (note 35(b)) and the approval of the interested party transactions mandate by the shareholders and/or when KBCF clinched new third parties customers for the sales of copper foil. Accordingly, the licenced properties, plant and equipment have been reclassified as licenced assets under properties, plant and equipment.

15. 物業、廠房及設備(續)

附註：(續)

(iii) 授權使用資產詳情：(續)

於二零一一年八月三日及二零一三年八月三十日，Kingboard Copper Foil Holdings Limited(「KBCF」或「授權人」)(KBCF為本集團一間上市附屬公司)的一間附屬公司與威擘投資有限公司(獨立第三方)(「獲授權人」)訂立授權使用協議及訂立一份延期及修訂函件，內容有關於二零一一年九月一日至二零一五年八月三十一日止期間，授權獲授權人使用KBCF位於佛岡及連州的銅箔製造設施。於二零一五年八月二十八日，授權人與獲授權人訂立一份延期及修訂函件，將授權使用延長兩年至二零一七年八月三十一日。授權使用協議詳情維持不變如下：

(a) 使用租約物業，包括位於佛岡及連州之廠房；

(b) 使用、耗用及出售存貨，包括易耗品及貿易存貨；及

(c) 使用機器，連同不時位於佛岡及連州物業之所有其他設備及設施。

上表所示授權使用物業、廠房及設備及附註17所述授權使用存貨的授權使用收入為每月10,000,000港元，須於授權使用期間各曆月首日預付，作為KBCF從製造設施產生收入的措施，以待解決與KBCF非控股股東進行製造及買賣銅箔的有利益關係方交易問題(附註35(b))，以及股東批准有利益關係方交易授權及／或KBCF另覓新第三方客戶銷售銅箔。因此，授權使用物業、廠房及設備重新分類為物業、廠房及設備項下授權使用資產。

16. PREPAID LEASE PAYMENTS

16. 預付租賃款項

Movements of prepaid lease payments are as follows:

預付租賃款項之變動如下：

		HK$'000 千港元
At 1 January 2015	於二零一五年一月一日	1,006,977
Exchange adjustments	匯兌調整	(45,715)
Additions	添置	7,826
Disposals	出售	(1,045)
Transfer to properties held for development (Note 23)	轉撥至待發展物業(附註23)	(6,226)
Charge for the year	本年度支出	(24,292)
At 31 December 2015	於二零一五年十二月三十一日	937,525
Exchange adjustments	匯兌調整	(47,014)
Additions	添置	27,184
Charge for the year	本年度支出	(21,218)
At 31 December 2016	於二零一六年十二月三十一日	896,477

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Analysed for reporting purposes as:	就報告分析如下：		
Current assets	流動資產	**21,809**	25,086
Non-current assets	非流動資產	**874,668**	912,439
		896,477	937,525

During the year ended 31 December 2015, the Group changed the use of a piece of land located in the PRC, with a net book value of HK$6,226,000, because the management's intention is changed from owner occupation to redevelopment.

截至二零一五年十二月三十一日止年度，本集團更改一塊位於中國賬面淨值為6,226,000港元的土地的用途，管理層的意向已由持作自用改為重建。

The lease term over which the prepaid lease payments are amortised ranged from 35 years to 50 years.

預付租賃款項按介乎35年至50年不等租期攤銷。

17. OTHER NON-CURRENT ASSETS/ OTHER CURRENT ASSETS

This represents inventories licenced to the Licencee (see note 15) for the period from 1 September 2011 to 31 August 2017. Under the licencing agreement, the licencee may use, consume and dispose of the licenced inventories which include consumables and stocks in trade. However, the Licencee is required to replace and return the quantities of the licenced inventories used, consumed or disposed of during the licence period to the Group at the end of the licence period.

The licenced inventory has been reclassified from other non-current assets to other current assets because the license period will expire on 31 August 2017.

The licenced inventories used, consumed or disposed during the licence period are secured by cash and bills receivables of a related party of the Licencee, with a total receivable value of not less than the value of the licenced inventories used, consumed or disposed of as at the end of the reporting period.

17. 其他非流動資產／其他流動資產

此乃指於二零一一年九月一日至二零一七年八月三十一日授權獲授權人(見附註15)使用的存貨。根據授權使用協議，獲授權人可使用、耗用及出售授權使用存貨，當中包括易耗品及貿易存貨。然而，於授權使用期結束時，獲授權人須向本集團重置及退還於授權使用期間已使用、耗用或出售的授權使用存貨數量。

授權存貨已從其他非流動資產被重新分類至其他流動資產，因授權期將於二零一七年八月三十一日到期。

於授權使用期使用、耗用或出售之授權使用存貨由獲授權人一名關連人士的現金及應收票據作抵押，應收總值不少於報告期間結束當日已使用、耗用或出售之授權使用存貨之價值。

18. GOODWILL

18. 商譽

	HK$'000 千港元
CARRYING VALUE At 1 January 2015, 31 December 2015 and 31 December 2016	**賬面值** 於二零一五年一月一日、二零一五年十二月三十一日及二零一六年十二月三十一日 2,288,149

Particulars regarding impairment testing on goodwill arising from acquisition of subsidiaries are disclosed as follows:

For the purposes of impairment testing, goodwill has been allocated to groups of CGU of laminates, PCBs and chemicals business segments. At 31 December 2016 and 2015, the carrying amounts of goodwill allocated to the CGUs of laminates, PCBs and chemicals business segments were approximately HK$390,781,000, HK$1,717,519,000 and HK$179,849,000, respectively.

有關收購附屬公司所產生之商譽之減值測試詳情披露如下：

就減值測試而言，商譽已分配予包括覆銅面板、印刷線路板及化工產品的業務分部之現金產生單位組別。於二零一六年及二零一五年十二月三十一日分配予覆銅面板、印刷線路板及化工產品業務分部之現金產生單位組別之商譽賬面值分別約為390,781,000港元、1,717,519,000 港 元 及 179,849,000 港元。

18. GOODWILL (continued)

The recoverable amounts of the laminates', PCBs' and chemicals' CGUs have been determined based on a value in use calculation. Goodwill is expected to generate cash flows for the next 50 years. Cash flow projections were extrapolated using zero growth rate based on a five-year period financial budgets approved by the Directors.

The key assumptions for the value in use calculations for the CGUs of laminates, PCBs and chemicals business segments are as follows:

18. 商譽(續)

覆銅面板、印刷線路板及化工產品之現金產生單位之可收回金額按使用價值計算法釐定。預期商譽將於未來50年產生現金流量。估計現金流量乃基於董事批准的五年期財政預算按零增長率而估算。

覆銅面板、印刷線路板及化工產品業務分部現金產生單位之使用價值計算法之主要假設如下：

		Laminates 覆銅面板		PCBs 印刷線路板		Chemicals 化工產品	
		2016 二零一六年	2015 二零一五年	**2016 二零一六年**	2015 二零一五年	**2016 二零一六年**	2015 二零一五年
Discount rate	折現率	**12%**	12%	**11%**	10%	**12%**	13%
Growth rate (for year 1 to 5)	增長率(1至5年)	**4%**	4%	**4%**	4%	**4%**	4%

The key assumptions are determined based on the unit's past performance and management's expectations for the market development and the growth rate used to extrapolate cash flow projections in the first five-year period do not exceed the long-term average growth rate for the relevant industries and no growth rate is used beyond the five-year period.

主要假設乃按該單位過往表現及管理層對市場發展之期望及用作估算首五年估計現金流量的增長率而釐定，且不超逾相關行業平均長期增長率，而且逾五年期概無增長率。

Since the recoverable amounts of the CGUs were higher than its carrying amounts, no impairment loss was recognised.

由於現金產生單位之可收回金額高於其賬面值，故並無確認減值虧損。

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of goodwill to exceed their aggregate recoverable amount.

管理層相信，該等假設如有任何合理潛在變動將不會使商譽之總賬面值超逾總可收回金額。

19. INTERESTS IN ASSOCIATES (continued)

During the year ended 31 December 2015, the Group disposed its interests in an associate, 山西金能建滔投資有限公司 , with cash consideration of approximately RMB28,846,000 (equivalent to HK$35,911,000), and resulted in a loss on disposal of an associate of HK$8,977,000.

The investments in CNOOC Kingboard Chemical Limited and 前海世茂發展(深圳)有限公司 are solely for share of results and no other strategic purpose is involved. The associates are accounted for using the equity method in these consolidated financial statements.

The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs.

19. 於聯營公司之權益(續)

截至二零一五年十二月三十一日止年度，本集團出售其於一聯營公司山西金能建滔投資有限公司的權益，現金代價約為人民幣28,846,000元(相等於35,911,000港元)，並導致錄得出售一家聯營公司虧損8,977,000港元。

於中海石油建滔化工有限公司及前海世茂發展(深圳)有限公司的投資僅為分佔業績而作出，並無涉及其他策略目的。於該等綜合財務報表，聯營公司採用權益會計法列賬。

下列財務資料摘要指聯營公司按香港財務報告準則編製的財務報表之金額。

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
The Group's share of profits (loss) for the year	本集團本年度應佔溢利(虧損)	**9,152**	(15,269)
The Group's share of other comprehensive expenses for the year	本集團本年度應佔其他全面開支	**(135,317)**	(125,553)
The Group's share of total comprehensive expenses for the year	本集團本年度應佔全面開支總額	**(126,165)**	(140,822)
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司之權益賬面總值	**1,959,874**	2,086,039

20. AVAILABLE-FOR-SALE INVESTMENTS 20. 可供出售投資

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Listed equity investments, at fair value:	上市股本投資，按公平值：		
– equity securities listed in Hong Kong	－於香港上市之股本證券	**4,201,919**	1,609,540
– equity securities listed in Singapore	－於新加坡上市之股本證券	**993**	1,434
– equity securities listed in Taiwan	－於台灣上市之股本證券	**4,325**	–
		4,207,237	1,610,974
Listed bond securities at fair value:	上市債券證券，按公平值：		
– listed on the Stock Exchange and issued by listed issuers in Hong Kong with a fixed coupon interests ranging from 8.625% to 11.25% (2015: 8.625% to 13.875%) per annum and maturity dates from 19 January 2017 to 5 February 2020 (2015: 19 January 2017 to 21 May 2020)	－香港上市發行人發行並於聯交所上市，具有年息介乎8.625厘至11.25厘(二零一五年：8.625厘至13.875厘)之固定票息，並於二零一七年一月十九日至二零二零年二月五日(二零一五年：二零一七年一月十九日至二零二零年五月二十一日)到期	**296,795**	389,655
– listed on SGX and issued by listed issuers in Hong Kong with a fixed coupon interests ranging from 4.75% to 9% (2015: 6.75% to 8.75%) per annum and maturity dates from 10 January 2019 to 28 September 2023 (2015: 10 January 2019 to 29 January 2023)	－香港上市發行人發行並於新交所上市，具有年息介乎4.75厘至9厘(二零一五年：6.75厘至8.75厘)之固定票息，並於二零一九年一月十日至二零二三年九月二十八日(二零一五年：二零一九年一月十日至二零二三年一月二十九日)到期	**1,529,615**	394,316
– listed on DAX and issued by a listed issuer in Hong Kong with a fixed coupon interest of 6.375% per annum and maturity date on 17 January 2024 and 30 March 2025	－香港上市發行人發行並於德交所上市，具有年息6.375厘，並於二零二四年一月十七日及二零二五年三月三十日到期	**386,327**	–
– listed on SIX and issued by a listed issuer in Switzerland and United States of America with a fixed coupon interest of 7.125% per annum and no maturity date	－瑞士及美國上市發行人發行並於瑞士交易所上市，具有年息7.125厘，並無到期日	**109,168**	–
		2,321,905	783,971
Unlisted equity investments, at cost	非上市股本投資，按成本：		
– private equity investment in Hong Kong (Note)	－在香港之私募股本投資(附註)	**8,124**	8,124
Total	合計	**6,537,266**	2,403,069

At the end of reporting period, all listed available-for-sale investments are stated at fair value. Fair values of the listed bond securities are determined by reference to the valuation provided by the pricing vendors based on their own valuation techniques because of lack of active market. The unlisted equity investments are stated at cost less impairment as their fair values cannot be measured reliably.

於報告期間結束當日，所有可供出售上市投資均按公平值列賬。由於缺乏活躍市場，故該等上市債券證券之公平值乃經參考定價賣方以彼等各自估值技術提供的估值釐定。由於非上市股本投資的公平值不能可靠計算，故按成本扣除減值列賬。

20. AVAILABLE-FOR-SALE INVESTMENTS (continued)

During the year ended 31 December 2016, impairment loss on available-for-sale investments amounting to HK$27,764,000 (2015: HK$314,293,000) was recognised in profit or loss as a result of significant and prolonged decline in the fair values of certain of the Group's listed equity investments below their cost.

Note: The amount represents the 19.67% (2015: 19.67%) interest in a private entity incorporated in the British Virgin Islands which is engaged in the property development business in Hong Kong. The Group together with other investment funds as investors currently holds a number of properties in a building situated in Hong Kong which are held for redevelopment (the "Redevelopment Project"). The Group's participation in the Redevelopment Project is 4.7% (2015: 4.7%) and the amount committed by the Group amounts to US$21,000,000 (equivalent to approximately HK$163,800,000).

During the year ended 31 December 2015, the investee returned part of the capital (2016: nil) amounting to approximately US$19,150,000 (equivalent to approximately HK$149,368,000), net of the capital injection made during the year of US$380,000 (equivalent to approximately HK$2,962,000). The refund was directly deducted from the carrying value of the investment cost. There is no change in the shareholding.

At 31 December 2016 and 31 December 2015, the investment is measured at cost less impairment because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that its fair value cannot be measured reliably.

Included in available-for-sale investments are the following amounts denominated in a currency other than the functional currency of the group entities to which they relate:

20. 可供出售投資(續)

截至二零一六年十二月三十一日止年度，可供出售投資的減值虧損為27,764,000港元(二零一五年：314,293,000)，已於損益內確認，乃由於本集團的若干上市股本投資的公平值重大及持續地減少至低於其成本。

附註： 該金額指一間於英屬處女群島註冊成立之私營實體之19.67%(二零一五年：19.67%)股權，該私營實體於香港從事物業發展業務。本集團與其他投資基金作為投資者，現時擁有一棟位於香港之樓宇多個物業單位，該大廈持有作重建(「重建計劃」)。本集團於此重建計劃之參與比率為4.7%(二零一五年：4.7%)，本集團承擔金額為21,000,000美元(相等於約163,800,000港元)。

截至二零一五年十二月三十一日止年度，被投資公司退回部份金額(二零一六年：無)約為19,150,000美元的資金(相等於約149,368,000港元)，已扣除年內的380,000美元(相等於約2,962,000港元)注資。退款已直接從投資成本的賬面值中扣除。持股狀況並無變動。

於二零一六年十二月三十一日及二零一五年十二月三十一日，由於公平值之合理估算幅度龐大，致使董事認為未能可靠計算其公平值，故投資按成本扣除減值計算。

可供出售投資包括下列以集團實體相關之功能貨幣以外貨幣計值之款額：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**2,255,143**	792,095
HK$	港元	**4,276,805**	1,689,540

22. INVENTORIES 22. 存貨

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Raw materials	原料	**948,628**	1,290,954
Work in progress	在製品	**511,716**	467,443
Finished goods	製成品	**318,721**	528,721
		1,779,065	2,287,118

During the year ended 31 December 2016, there was a significant increase in the net realisable value of certain finished goods due to market shortage. As a result, a reversal of write-down of HK$37,997,000 (2015: nil) has been recognised and included in cost of sales in the current year.

截至二零一六年十二月三十一日止年度，因市場短缺，若干製成品的可變現淨值大幅上升。因此，撥回撇減

23. PROPERTIES HELD FOR DEVELOPMENT

Movements of properties held for development are as follows:

		HK$'000 千港元
At 1 January 2015	於二零一五年一月一日	19,148,646
Exchange adjustments	匯兌調整	(1,006,116)
Additions	添置	4,220,324
Transfer from prepaid lease payments (Note 16)	轉撥自預付租賃款項(附註16)	6,226
Disposal of a subsidiary (Note 31(b))	出售一家附屬公司(附註31(b))	(92,218)
Transfer to investment properties (Note 14)	轉撥至投資物業(附註14)	(109,729)
Transfer to cost of sales	轉撥至銷售成本	(2,938,763)
At 31 December 2015	於二零一五年十二月三十一日	19,228,370
Exchange adjustments	匯兌調整	(922,067)
Additions	添置	3,478,031
Transfer to investment properties (Note 14)	轉撥至投資物業(附註14)	(2,622,329)
Transfer to cost of sales	轉撥至銷售成本	(3,351,778)
At 31 December 2016	於二零一六年十二月三十一日	15,810,227

24. OTHER FINANCIAL ASSETS (continued)

(b) Bills receivables

Bills receivables of the Group are aged within 90 days (2015: 90 days) at the end of the reporting period.

Included in bills receivables are the following amounts denominated in a currency other than the functional currency of the group entities to which they relate:

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**290,956**	290,467

(c) Bank balances and cash and fixed deposits

Bank balances and cash, except for the below mentioned pledged bank deposits, comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. At 31 December 2016, the bank balances and deposits carry interest at the prevailing market interest rate which range from 0.01% to 3.0% (2015: 0.01% to 3.8%) per annum. Fixed deposits carried fixed-rate interest ranging from 2.05% to 3.8% per annum for both years.

At 31 December 2016, the Group had bank balances and cash that were either not freely convertible or subject to exchange controls in the PRC, amounting to approximately HK$4,095,907,000 (2015: HK$3,187,942,000).

Included in the bank balances and cash are the following amounts denominated in currencies other than the functional currency of the group entities to which they relate:

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**926,368**	422,231
HK$	港元	**1,503,308**	1,076,604
Euro	歐元	**23,995**	7,176

24. 其他財務資產(續)

(b) 應收票據

本集團應收票據賬齡均為報告期間結束後的90日(二零一五年：90日)之內。

應收票據包括下列以集團實體相關功能貨幣以外貨幣計值之款額：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**290,956**	290,467

(c) 銀行結餘及現金及定期存款

除下述已質押銀行存款外，銀行結餘及現金包括本集團持有之現金及原到期日為三個月或以下之短期銀行存款。於二零一六年十二月三十一日，銀行結餘及存款按現行市場年利率介乎 Ð3À

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**926,368**	422,231
HK$	港元	**1,503,308**	1,076,604
Euro	歐元	**23,995**	7,176

25. TRADE AND OTHER PAYABLES AND BILLS PAYABLES (continued)

25. 貿易及其他應付賬款及應付票據(續)

The following is an aging analysis of the trade payables based on the invoice date at the end of the reporting period:

於報告期間結束為止，基於發票日期的貿易應付賬款之賬齡分析如下：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
0–90 days	0至90日	**1,995,590**	1,888,329
91–180 days	91至180日	**375,710**	358,478
Over 180 days	180日以上	**211,159**	159,562
		2,582,459	2,406,369

Bills payables of the Group are aged within 90 days (2015: 90 days) at the end of the reporting period.

本集團應付票據賬齡為報告期間結束後的90日(二零一五年：90日)之內。

Included in trade and other payables and bills payables are the following amounts denominated in currencies other than the functional currency of the group entities to which they relate:

貿易及其他應付賬款及應付票據包括下列以集團實體之相關功能貨幣以外貨幣計值之金額：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**641,970**	608,041
HK$	港元	**300,909**	348,043
Euro	歐元	**1,676**	34

26. BANK BORROWINGS (continued)

Included in the above bank borrowings are the fixed-rate borrowings of HK$12,520,000 (2015: HK$13,369,000) at 31 December 2016 which are repayable within five years from the end of the reporting period.

The rest of the bank borrowings are variable-rate borrowings which carry interest ranging from HIBOR + 0.8% to HIBOR + 2.42% (2015: HIBOR + 1.1% to HIBOR + 2.42%) per annum.

At 31 December 2016 and 2015, certain bank loans and trust receipt loans of the Group are covered by corporate guarantees given by Kingboard Investments Limited, a wholly-owned subsidiary of the Group.

The range of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

26. 銀行借貸(續)

於二零一六年十二月三十一日，上述銀行借貸包括須於報告期間結束當日起計五年內償還之定息借貸12,520,000港元(二零一五年：13,369,000港元)。

餘下銀行借貸為浮息借貸，年息率介乎銀行同業拆息加0.8厘至銀行同業拆息加2.42厘(二零一五年：銀行同業拆息加1.1厘至銀行同業折息加2.42厘)不等。

於二零一六年及二零一五年十二月三十一日，本集團若干銀行貸款及信託收據貸款獲本集團一家全資擁有附屬公司建滔投資有限公司提供公司擔保。

本集團銀行借貸之實際利率(相當於已訂約利率)範圍如下：

		2016 二零一六年	2015 二零一五年
Effective interest rates	實際利率		
		6%	6%
Fixed-rate borrowings	定息借貸	**6.00厘**	6.00厘
		1.55% to 3.17%	1.33% to 2.63%
Variable-rate borrowings	浮息借貸	**1.55厘至3.17厘**	1.33厘至2.63厘

Included in bank borrowings are the following amounts denominated in currencies other than the functional currency of the group entities to which they relate:

銀行借貸包括下列以集團實體之相關功能貨幣以外貨幣計值之金額：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**1,768,109**	3,188,289
HK$	港元	**14,587,940**	17,509,013

27. SHARE CAPITAL

27. 股本

		Authorised 法定		Issued and fully paid 已發行及繳足	
		Number of shares 股份數目	Amount 金額 HK$'000 千港元	Number of shares 股份數目	Amount 金額 HK$'000 千港元
Ordinary shares of HK$0.10 each:	每股0.10港元的普通股：				
At 1 January 2015 and 31 December 2015	於二零一五年一月一日及二零一五年十二月三十一日	2,000,000,000	200,000	1,025,600,236	102,560
Exercise of share options (Note 28)	行使優先購股權(附註28)	–	–	12,800,000	1,280
At 31 December 2016	於二零一六年十二月三十一日	2,000,000,000	200,000	1,038,400,236	103,840

28. SHARE OPTIONS

28. 優先購股權

(a) Employees' share option scheme of the Company

The Company's share option scheme (the "Scheme") was approved by shareholders of the Company at the extraordinary general meeting of the Company held on 23 March 2009.

The purpose of the Scheme is to provide incentive or reward to the eligible participants (the "Eligible Participants") for their contribution to, and continuing efforts to promote the interests of the Group.

(a) 本公司僱員優先購股權計劃

本公司股東已於二零零九年三月二十三日召開之本公司股東特別大會上批准本公司優先購股權計劃(「該計劃」)。

該計劃的設立目的在於激勵或獎勵合資格參與者(「合資格參與者」)對提高本集團利益的貢獻及持續努力。

28. 優先購股權(續)

(a) 本公司僱員優先購股權計劃(續)

本公司在所有根據該計劃及任何本集團其他計劃授出的優先購股權(不包括根據該計劃及任何本集團其他計劃條款而失效的購股權)獲行使時可發行的股份總數，不得超過本公司在採納該計劃當日已發行股份10%。根據該計劃可供發行的股份總數為84,473,904股股份，佔本公司於本報告日期的已發行股本總額約8.1%。因根據該計劃及本集團任何其他計劃所有已授出尚未行使及有待行使之優先購股權獲行使而可發行之本公司股份數目限額，不得超過本公司不時已發行股份30%。於截至授出日期止任何十二個月期間，因根據該計劃或本集團任何其他計劃授予各承授人之優先購股權(包括已行使

28. SHARE OPTIONS (continued)

(a) Employees' share option scheme of the Company (continued)

A summary of the movements of the number of share options under the Scheme for the year is as follows:

28. 優先購股權(續)

(a) 本公司僱員優先購股權計劃(續)

年內，該計劃項下之優先購股權變動概述如下：

Date of grant 授出日期	Balance at 1 January 2015 於二零一五年一月一日的結餘	Granted during the year 於年內授出	Balance at 31 December 2015 於二零一五年十二月三十一日的結餘	Exercised during the year 於年內行使 (Note iii) (附註iii)	Balance at 31 December 2016 於二零一六年十二月三十一日的結餘	Exercise price per share 每股行使價	Exercisable period 行使期
Under the Scheme **該計劃**							
Granted to Directors on: *授予董事：*							
21 March 2011 二零一一年三月二十一日	18,768,000	–	18,768,000	–	18,768,000	HK$33.92 33.92港元	21 March 2011 to 22 March 2019 (Note i) 二零一一年三月二十一日至二零一九年三月二十二日(附註i)
19 March 2015 二零一五年三月十九日	–	27,000,000	27,000,000	(11,700,000)	15,300,000	HK$12.424 12.424港元	19 March 2015 to 22 March 2019 (Note ii) 二零一五年三月十九日至二零一九年三月二十二日(附註ii)
Granted to employees on: *授予僱員：*							
21 March 2011 二零一一年三月二十一日	8,784,000	–	8,784,000	–	8,784,000	HK$33.92 33.92港元	21 March 2011 to 22 March 2019 (Note i) 二零一一年三月二十一日至二零一九年三月二十二日(附註i)
19 March 2015 二零一五年三月十九日	–	3,000,000	3,000,000	(1,100,000)	1,900,000	HK$12.424 12.424港元	19 March 2015 to 22 March 2019 (Note ii) 二零一五年三月十九日至二零一九年三月二十二日(附註ii)
	27,552,000	30,000,000	57,552,000	(12,800,000)	44,752,000		
Exercisable at 於以下日期可予行使							
1 January 2015 二零一五年一月一日	27,552,000						
31 December 2015 二零一五年十二月三十一日	37,552,000						
31 December 2016 二零一六年十二月三十一日	34,752,000						

28. SHARE OPTIONS (continued)

(a) Employees' share option scheme of the Company (continued)

Notes:

(i) The share options under the Scheme were granted on 21 March 2011 at an adjusted exercise price of HK$33.92 per share. 25% of the total share options vested immediately on the date of grant. The remaining 75% were split evenly into three lots and vested on 21 March 2012, 2013 and 2014. The total estimated fair value at the date of grant of the share options was HK$279,054,000.

(ii) The total estimated fair value at the date of grant of the share options on 19 March 2015 was HK$86,809,000. 33.33% of the total share options granted vested immediately on the date of grant, 19 March 2015. 33.33% of the total number of share options were vested on 19 March 2016 and the remaining 33.34% were vested on 19 March 2017. The closing price of the Company's share immediately before the date of grant was HK$12.34.

(iii) During the year ended 31 December 2016, options of 12,800,000 shares in the Company at HK$12.424 per share were exercised. The weighted average closing price of the Company's share granted on the Stock Exchange on the five trading days immediately before the exercise date was HK$23.87. The amount of approximately HK$37,039,000 was reclassified from share options reserve to share premium.

28. 優先購股權(續)

(a) 本公司僱員優先購股權計劃(續)

附註：

(i) 該計劃項下優先購股權於二零一一年三月二十一日授出，經調整行使價為33.92港元。優先購股權總額之25%於授出日期即時歸屬。餘下75%平均分為三組，分別於二零一二年、二零一三年及二零一四年三月二十一日歸屬。優先購股權於授出日期的估計公平值總額為279,054,000港元。

(ii) 優先購股權於二零一五年三月十九日於授出日期的估計公平值總額為86,809,000港元。已授出優先購股權總額中的33.33%已即時於授出日期(二零一五年三月十九日)歸屬。33.33%於二零一六年三月十九日歸屬，餘下之33.34%於二零一七年三月十九日歸屬。緊接授出日期前，本公司股份的收市價為12.34港元。

(iii) 截至二零一六年十二月三十一日止年度，於本公司的12,800,000股每股12.424港元的優先購股權獲行使。本公司於聯交所緊接行使日期前五個交易日授出的股份的加權平均收市價為23.87港元。約為37,039,000港元的金額從優先購股權儲備被重新分類至股份溢價。

28. 優先購股權(續)

(b) EEIC僱員優先購股權計劃

二零零八年依利安達集團有限公司(「依利安達」)僱員優先購股權計劃(「二零零八年EEIC計劃」)於二零零八年四月二十一日經

EEIC於 二 零 八 y白%兮É准 8涯 鑰 ㄣ氣

28. SHARE OPTIONS (continued)

(b) Employees' share option scheme of EEIC (continued)

Options granted at the Exercise Price or at a discount to the Exercise Price may be exercisable after the first or second anniversary respectively of the date of grant and expiring on the fifth anniversary of the date of grant.

The duration of the 2008 EEIC Scheme is ten years with a remaining life of approximately 13 months as at the date of this report. The total number of shares in EEIC that may be issued shall not exceed 17,963,506 shares (which represents 10% of the total number of EEIC shares in issue as at the adoption date or 10% of the total numbers of shares in issue of EEIC as at the respective dates of EEIC annual report for the year ended 31 December 2016). Subject to certain conditions being satisfied, the 2008 EEIC Scheme's limit may be increased to 15% of the total issued shares of EEIC excluding treasury shares from time to time. The total number of shares available for issue under the EEIC Scheme is 17,963,506 shares, which represents approximately 10% of the total issued share capital of EEIC as at the date of this report. The total number of EEIC shares issued and to be issued upon the exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of EEIC shares in issue from time to time.

Share options may be accepted within 30 days after the relevant date of grant accompanied by payment of S$1.00 (or its equivalent) as consideration by the participants, but the grant of share options do not confer rights on the option holders to any dividend entitlement or to vote at any shareholders' meeting.

There were no share options granted under the 2008 EEIC Scheme since its adoption.

28. 優先購股權(續)

(b) EEIC僱員優先購股權計劃(續)

按行使價或按折讓後行使價授出之優先購股權，可分別於授出日期滿一週年或兩週年當日起行使，並於授出日期滿五個週年屆滿。

二零零八年EEIC計劃之年期為十年(於本報告日起，餘下年期約為13個月)，可發行之EEIC股份總數不得超過17,963,506股股份(即於採納日期EEIC已發行股份總數之10%，或於EEIC截至二零一六年十二月三十一日止年度的年度報告日期之EEIC已發行股份總數之10%)。倘符合若干條件，二零零八年EEIC計劃的發行上限可提高至EEIC不時已發行股份總數(不包括庫存股份)之15%。根據EEIC計劃可供發行的股份總數為17,963,506股股份，佔EEIC於本報告日期的已發行股本總額約10%。每名參與者於任何十二個月期間獲授之優先購股權(包括已經及尚未行使之優先購股權)獲行使時已經及將予發行之EEIC股份總數，不得超過EEIC不時已發行股份總數之1%。

優先購股權可於相關授出日期起計30日內由參與者支付1.00新加坡幣(或其等值)作為代價予以接納，惟所授出之優先購股權不會賦予購股權持有人收取任何股息或於任何股東大會表決之權利。

自二零零八年EEIC計劃採納以來，概無優先購股權根據二零零八年EEIC計劃授出。

28. SHARE OPTIONS (continued)

(c) Employees' share option scheme of KLHL (continued)

A summary of movements of the number of share options under the KLHL Scheme for the year is as follows:

28. 優先購股權(續)

(c) 建滔積層板僱員優先購股權計劃(續)

年內，建滔積層板計劃項下之優先購股權數目變動概要如下：

Date of grant 授出日期	Balance at 1 January 2015, 31 December 2015 and 31 December 2016 於二零一五年一月一日、二零一五年十二月三十一日及二零一六年十二月三十一日的結餘	Exercise price per share 每股行使價	Exercisable period 行使期
Granted to directors of KLHL *授予建滔積層板董事*			
21 March 2011 二零一一年三月二十一日	54,000,000	HK$6.54 6.54港元	21 March 2011 to 17 May 2017 (Note i) 二零一一年三月二十一日至二零一七年五月十七日(附註i)
Granted to employees *授予僱員*			
21 March 2011 二零一一年三月二十一日	27,000,000	HK$6.54 6.54港元	21 March 2011 to 17 May 2017 (Note i) 二零一一年三月二十一日至二零一七年五月十七日(附註i)
	81,000,000		
Exercisable at 於以下日期可予行使 1 January 2015, 31 December 2015 and 31 December 2016 二零一五年一月一日、二零一五年十二月三十一日及二零一六年十二月三十一日	81,000,000		

Notes:

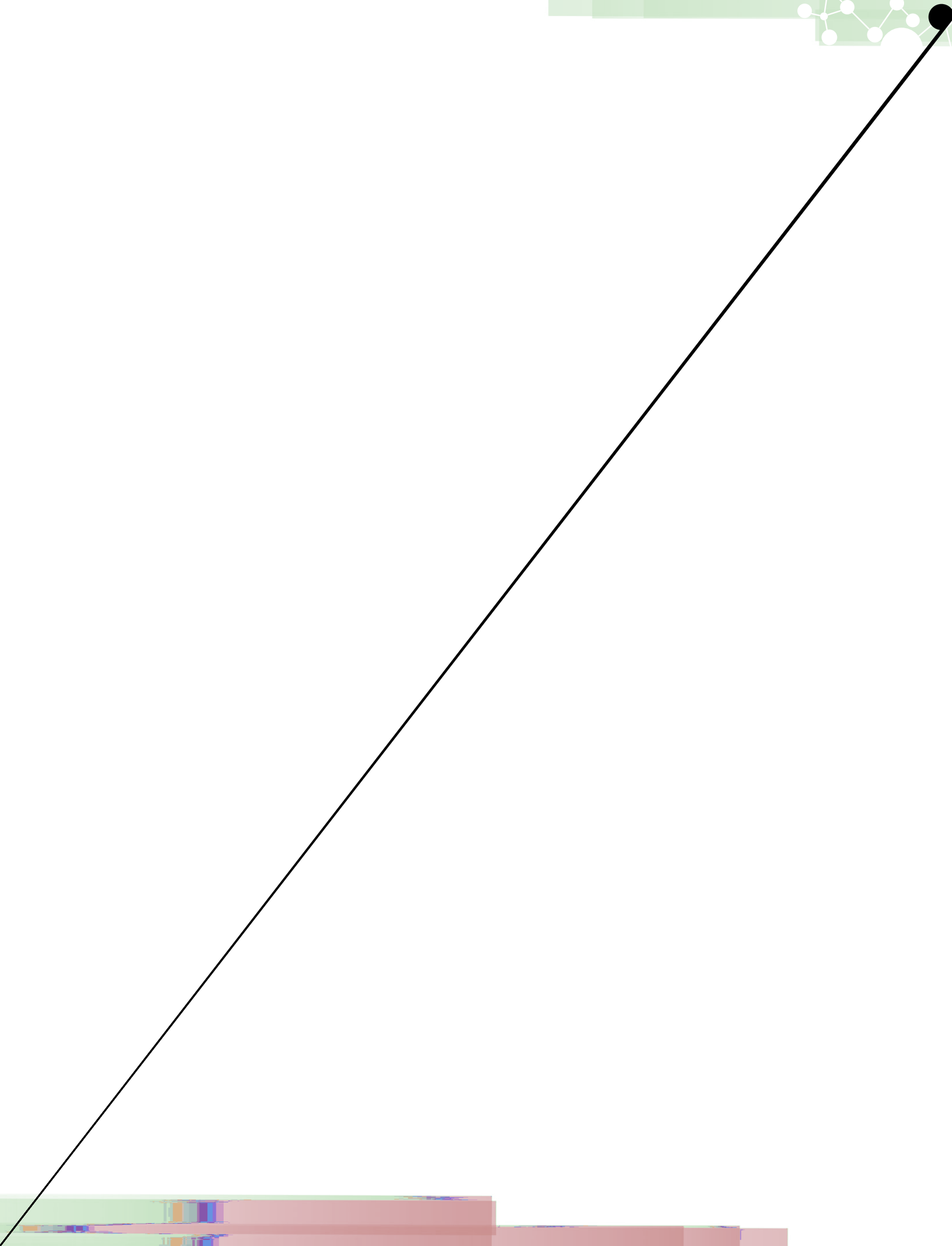
(i) 25% of the total share options vested immediately at the date of grant. The fair value of the share options was HK$93,105,000 at the date of grant. The remaining 75% were split evenly into three lots and vested on 21 March 2012, 2013 and 2014.

(ii) After the reporting period on 11 January 2017, an aggregate of 60,000,000 options were exercised.

附註：

(i) 優先購股權總額之25%於授出日期即時歸屬。優先購股權於授出日期的公平值為93,105,000港元。餘下75%平均分為三組，分別於二零一二年、二零一三年及二零一四年三月二十一日歸屬。

(ii) 報告期後，於二零一七年一月十一日共有60,000,000份優先購股權獲行使。



30. ACQUISITIONS ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (continued)

(c) In July 2015, the Group acquired 100% equity interests together with shareholder loan in Million Victory International Investment Limited, the company is principally engaged in holding a property in PRC, at a cash consideration of approximately HK$272,854,000.

30. 收購附屬公司以收購資產（續）

(c) 於二零一五年七月，本集團以現金代價約272,854,000港元收購萬勝國際投資有限公司的100%股權連同股東貸款，該公司的主要業務為於中國持有物業。

		2015 二零一五年 HK$'000 千港元
Consideration transferred:	已轉讓代價：	
Cash paid	已付現金	272,854
Assets acquired and liabilities recognised at the date of acquisition:	於收購日期的已收購資產及已確認負債：	
Properties, plant and equipment	物業、廠房及設備	277,908
Other receivables	其他應收賬款	3,420
Bank balances and cash	銀行結餘及現金	1,118
Other payables	其他應付賬款	(9,592)
Shareholder's loan	股東貸款	(15,574)
		257,280
Assignment of shareholder's loan to the Group	分配予本集團的股東貸款	15,574
		272,854
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary:	就收購附屬公司而淨流出之現金及現金等值項目：	
Cash consideration paid	已付現金代價	(272,854)
Bank balances and cash acquired	已收購之銀行結餘及現金	1,118
		(271,736)

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits as disclosed in the consolidated statement of changes in equity.

The Directors review the capital structure on a semi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. In the opinion of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

32. 資本風險管理

本集團管理其資本以確保通過優化債務與股本結存為股東爭取最高回報，使集團實體能夠持續經營。本集團之整體策略與過往年度相同。

本集團之資本結構包括銀行借貸、現金及現金等值項目淨額及本公司持有人應佔權益(包括已發行股本、儲備及保留溢利)，在綜合權益變動表內披露。

董事每半年審閱資本結構。作為審閱一部分，董事將考慮資本成本，及與各類別資本相關之風險。董事認為本集團將通過支付股息、發行新股、購回股份、發行新債或者贖回現有債項，以平衡整體資本結構。

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

33. 金融工具

(a) 金融工具類別

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Financial assets	**財務資產**		
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款(包括現金及現金等值項目)		
– trade and other receivables	－貿易及其他應收賬款	**6,389,713**	7,090,533
– bills receivables	－應收票據	**3,182,724**	2,017,736
– fixed deposits held at banks with original maturity over three months	－原期限為三個月以上的銀行定期存款	**–**	210,079
– bank balances and cash	－銀行結餘及現金	**6,472,614**	4,853,792
		16,045,051	14,172,140
Available-for-sale investments	可供出售投資	**6,537,266**	2,403,069
Financial liabilities	**財務負債**		
Amortised cost	攤銷成本		
– trade and other payables	－貿易及其他應付賬款	**4,172,041**	4,456,074
– bills payables	－應付票據	**170,224**	409,762
– bank borrowings	－ 銀行借貸	**16,864,152**	20,710,671
		21,206,417	25,576,507

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

Details of the Group's financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which exposes the Group to foreign currency risk. Approximately 16.8% (2015: 24.3%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst almost 9.8% (2015: 13.0%) of purchases are denominated in currencies other than the functional currency of the relevant group entities.

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are disclosed in respective notes. The management continuously monitors the foreign exchange exposure and will consider hedging foreign currency risk should the need arise.

33. 金融工具(續)

(b) 財務風險管理目標及政策

本集團之金融工具詳情於相關附註中披露。該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及股本價格風險)、信貸風險及流動資金風險。下文載列與如何降低該等風險相關之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

市場風險

貨幣風險

本公司若干附屬公司以外幣進行銷售及採購，令本集團承擔外幣風險。本集團約16.8%(二零一五年：24.3%)的銷售並非以集團實體之功能貨幣列值，而約9.8%(二零一五年：13.0%)的採購並非以相關集團實體的功能貨幣列值。

本集團以外幣列值的貨幣資產及負債於報告期結束時之賬面值於相關附註披露。管理層持續監控外匯風險，並將於有需要時考慮對沖外匯風險。

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Sensitivity analysis

The Group is mainly exposed to fluctuation against foreign currencies of United States dollars ("US$"), Euro, and HK$. The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in functional currency of each group entity against the relevant foreign currencies. 5% (2015: 5%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only the outstanding monetary items denominated in foreign currency and adjusts their translation at the end of the reporting period for a 5% (2015: 5%) changes in foreign currency rates. The sensitivity analysis includes trade and other receivables, bills receivables, available-for-sale investments, bank balances and cash, trade and other payables, bills payables as well as bank borrowings. A positive number below indicates an increase in post-tax profit for the year which functional currency of each group entity strengthens 5% (2015: 5%) against the relevant foreign currency. For a 5% (2015: 5%) weakening of functional currency of each group entity against the relevant foreign currency, there would be an equal and opposite impact on the post-tax profit for the year.

33. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

敏感度分析

本集團主要面對美元(「美元」)、歐元及港元的外幣波動風險。下表詳述本集團對各集團實體的功能貨幣兌相關外幣升跌5%(二零一五年：5%)的敏感度。5%(二零一五年：5%)乃管理層對外匯匯率可能出現之合理變動的評估。敏感度分析僅包括尚未到期以外幣列值的貨幣項目，對報告期間結束日之外匯匯率5%(二零一五年：5%)變動作兌換調整。敏感度分析包括貿易及其他應收賬款、應收票據、可供出售投資、銀行結餘及現金、貿易及其他應付賬款、應付票據及銀行借貸。正數指各集團實體的功能貨幣兌相關外幣升值5%(二零一五年：5%)時，本年度除稅後溢利有所增加。當各集團實體的功能貨幣兌相關外幣跌5%(二零一五年：5%)時，可能對本年度除稅後溢利有同等相反的影響。

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
US$	美元	**(72,166)**	46,944
HK$	港元	**351,162**	558,762
Euro	歐元	**(2,868)**	(1,898)

In the opinion of the Directors, the sensitivity analysis is unrepresentative of inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

董事認為，由於年末風險不反映年內風險，故敏感度分析未能代表內在的外匯風險。

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (see note 26 for details of these borrowings), fixed rate fixed deposits (see note 24(c) for details of these deposits) and listed bond securities with fixed coupon interest (see note 20 for details of these listed bond securities). The management monitors interest rate exposure and will consider repayment of the fixed-rate bank borrowings when significant interest rate exposure is anticipated.

The Group's bank balances, entrusted loans and variable-rate borrowings have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") (2015: HIBOR) arising from the Group's bank borrowings.

Sensitivity analysis

33. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險

本集團承擔由定息銀行借貸(該等借貸詳情見附註26)、固定息率定期存款(該等存款詳情見附註24(c))及附帶固定息券的上市債券證券(該等上市債券證券詳情見附註20)所產生之公平值利率風險。管理層監控利率風險,如預期出現重大利率風險,將考慮償還定息銀行借貸。

由於現行市場利率波動,本集團之銀行結餘、委托貸款及浮息借貸具現金流量利率風險。

本集團承受財務負債之利率風險之詳情,見本附註流動資金風險管理一節。本集團的現金流量利率風險主要與本集團的銀行借貸受到香港銀行同業拆息(「香港銀行同業拆息」)(二零一五年:香港銀行同業拆息)波動的影響有關。

敏感度分析

以下敏感度分析根據報告期間結束當日附息銀行結餘、委托貸款及銀行借貸的利率風險釐定。編製該等分析時,假設於報告期間結束當日未到期之金融工具於整年度仍未到期。50個點子(二零一五年:50個點子)增加或10個點子(二零一五年:10個點子)減少為管理層對利率合理潛在變動的評估。

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Equity price risk

The Group's exposure to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk profiles and the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If the prices of the respective available-for-sale equity listed securities, which have been impaired at the end of the reporting period, had been 10% (2015: 10%) higher:

- the post-tax profit for the year ended 31 December 2016 would increase by approximately HK$300,000 (2015: increase by approximately HK$5,926,000) as a result of the change in fair value of these available-for-sale investments.

- the debit side investment revaluation reserve for the year ended 31 December 2016 would decrease by approximately HK$38,164,000 (2015: HK$33,095,000) as a result of the change in fair value of these available-for-sale investments.

If the prices of the respective available-for-sale equity listed securities, which have been impaired at the end of the reporting period, had been 10% (2015: 10%) lower:

- post-tax profit for the year ended 31 December 2016 would decrease by approximately HK$38,159,000 (2015: HK$39,021,000) as a result of the change in fair value of these available-for-sale investments.

33. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

股本價格風險

本集團因投資於上市股本證券而承擔股本價格風險。管理層藉持有不同風險之投資組合管理此類風險。本集團委任一支特別團隊監控價格風險，有需要時將考慮對沖風險。

敏感度分析

下文的敏感度分析，乃根據報告期間結束當日所承擔的股本價格風險而釐定。

倘於報告期間結束當日各已減值之可供出售股本上市證券之價格增加10%(二零一五年：增加10%)：

- 於截至二零一六年十二月三十一日止年度之除稅後溢利將增加約300,000港元(二零一五年：增加約5,926,000港元)，乃由於可供出售投資公平值變動所致。

- 截至二零一六年十二月三十一日止年度借方投資重估儲備將減少約38,164,000港元(二零一五年：33,095,000港元)，理由是該等可供出售投資公平值變動。

倘於報告期間結束當日各已減值之可供出售股本上市證券之價格減少10%(二零一五年：10%)：

- 截至二零一六年十二月三十一日止年度之除稅後溢利將減少約38,159,000港元(二零一五年：39,021,000港元)，原因為該等可供出售投資公平值變動。

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Equity price risk (continued)

Sensitivity analysis (continued)

If the prices of the respective available-for-sale equity listed securities, which have not been impaired at the end of the reporting period, had been 10% (2015: 10%) higher:

- the debit side investment revaluation reserve would decrease by approximately HK$382,564,000 (2015: HK$122,076,000) as a result of the change in fair value of these available-for-sale investments.

If the prices of the respective available-for-sale equity listed securities, which have not been impaired at the end of the reporting period, had been 10% (2015: 10%) lower:

- no effect for post-tax profit for the year ended 31 December 2016 (2015: no effect for post-tax profit) as a result of the change in fair value of these available-for-sale investments.
- the debit side investment revaluation reserve for the year ended 31 December 2016 would increase by approximately HK$382,564,000 (2015: HK$122,076,000) as a result of the change in fair value of these available-for-sale investments.

At 31 December 2016, the Group has concentration of equity price risk on its available-for-sale investments as 51% (2015: 51%) of the total available-for-sale investments is concentrated in three (2015: three) equity securities listed in Hong Kong. The Group's available-for-sale investments are exposed to equity price risk due to the fluctuation of price on the respective stock market.

33. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

股本價格風險(續)

敏感度分析(續)

倘於報告期間結束當日並無減值之可供出售股本上市證券之價格增加10%(二零一五年：10%)：

- 借方投資重估儲備將減少約382,564,000港元(二零一五年：122,076,000港元)，理由是該等可供出售投資公平值變動。

倘於報告期間結束當日各並無減值之可供出售股本上市證券之價格減少10%(二零一五年：減少10%)：

- 由於可供出售投資公平值變動，截至二零一六年十二月三十一日止年度並無除稅後溢利之影響(二零一五年：並無除稅後溢利之影響)。
- 截至二零一六年十二月三十一日止年度借方投資重估儲備將增加約382,564,000港元(二零一五年：122,076,000港元)，原因為該等可供出售投資公平值變動。

於二零一六年十二月三十一日，本集團的可供出售投資有集中股本價格風險，在可供出售投資總額中，51%(二零一五年：51%)集中在三款(二零一五年：三款)在香港上市的股本證券。本集團的可供出售投資承受股本價格風險，原因是證券市場價格波動。

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at 31 December 2016 and 2015 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the Directors have delegated the management responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and entrusted loans at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In addition, the entrusted loan are pledged by the properties held by the borrowers. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk for bank deposits and bank balances exposed is considered minimal as such amounts are placed with various banks with good credit ratings and there is no significant concentration of credit risk.

The Group has no significant concentration of credit risk on trade and other receivables and entrusted loans with exposure spread over a number of counterparties and customers. However, the Group is exposed to concentration on geographic segment in PRC. At 31 December 2016, approximately 95% (2015: 91%) and 100% (2015: 100%) of the Group's trade and other receivables and entrusted loans respectively are arising from counterparties whose principal place of operation is the PRC.

At 31 December 2016, the Group is exposed to concentration of credit risk on its available-for-sale debt investments as 26% (2015: 25%) of the total available-for-sale investments are concentrated in four (2015: four) listed bond securities issued by four (2015: three) listed issuers in Hong Kong. The Group's available-for-sale debt investments are exposed to credit risk due to the default of repayment by the bond issuers. However, the Directors consider the credit risk on these investments is limited as the listed bonds are secured by certain assets of the issuers and the issuers are listed companies in Hong Kong.

33. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險

倘交易方於二零一六年及二零一五年十二月三十一日未能履行彼等就各類已確認財務資產之承擔，則本集團須承受之最高信貸風險為於綜合財務狀況表所載該等資產賬面值。為將信貸風險降至最低，董事已委派管理層負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期未付之債項。此外，於各報告期間結束日，本集團審閱每項個別貿易債項及委托貸款之可收回金額，以確保就不可收回金額作出足夠減值虧損。另外，委托貸款乃由借方持有物業作抵押。就此而言，本公司董事認為，本集團之信貸風險已大幅降低。

由於銀行存款及銀行結餘乃存放於信譽評級良好之多間銀行，故該等款項之信貸風險屬微不足道，且概無重大集中信貸風險。

本集團貿易及其他應收賬款及委托貸款並無高度集中之信貸風險，有關風險由多個交易方及客戶分攤。然而，本集團承受地區分部集中在中國之風險。於二零一六年十二月三十一日，本集團約95%(二零一五年：91%)及100%(二零一五年：100%)之貿易及其他應收賬款及委托貸款由主要營業地點位於中國之交易方產生。

於二零一六年十二月三十一日，本集團的可供出售債務投資有集中信貸風險，在可供出售投資總額中，26%(二零一五年：25%)集中在四間(二零一五年：三間)在香港上市的發行人的四款(二零一五年：四款)上市債券證券。本集團的可供出售債務投資承受信貸風險，原因是債券發行人可能拖欠還款。然而，董事認為，該等投資的信貸風險有限，原因在於上市債券發行人以若干資產作抵押，而且，發行人為香港上市公司。

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants during the year.

The Group relies on bank borrowings as a significant source of liquidity. At 31 December 2016, the Group has available unutilised bank borrowings facilities of approximately HK$10,213,525,000 (2015: HK$7,549,475,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

33. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

本集團為管理流動資金風險，監控現金及現金等值項目的水平，將其維持於管理層認為充足的水平，以撥支本集團的業務，亦減低現金流量波動的影響。於年內，管理層監控銀行借貸的使用情況，確保符合貸款契諾。

本集團依賴銀行借貸作為流動資金的主要來源。於二零一六年十二月三十一日，本集團未動用的銀行信貸額度約為10,213,525,000港元(二零一五年：7,549,475,000港元)。

下表詳述本集團餘下非衍生財務負債的合約到期情況。根據本集團須付財務負債最早之日期的非折現現金流量以制定表格。具體而言，附帶按要求還款條款之銀行貸款，不論銀行是否可能選擇行使有關權利，一律計入最早到期日時間範圍。其他非衍生財務負債按經協定之還款日期釐定到期日。

表格包括利息及本金現金流量。倘利息流為浮息，非折現金額按報告期間結束當日之利率曲線釐定。

33. FINANCIAL INSTRUMENTS (continued)

33. 金融工具(續)

(b) Financial risk management objectives and policies (continued)

(b) 財務風險管理目標及政策(續)

Liquidity risk (continued)

流動資金風險(續)

Liquidity and interest risk tables

流動資金及利率風險表

		Weighted average effective interest rate 加權平均實際利率 %	On demand or less than 3 months 按要求或三個月內 HK$'000 千港元	Over 3 months but not more than 1 year 三個月以上但不超過一年 HK$'000 千港元	Over 1 year but not more than 2 years 一年以上但不超過兩年 HK$'000 千港元	Over 2 years but not more than 5 years 兩年以上但不超過五年 HK$'000 千港元	Total undiscounted cash flows 非折現現金流量總額 HK$'000 千港元	Carrying amount 賬面值 HK$'000 千港元
At 31 December 2016	於二零一六年十二月三十一日							
Non-derivative financial liabilities	**非衍生財務負債**							
Trade and other payables	貿易及其他應付賬款	-	4,172,041	-	-	-	4,172,041	4,172,041
Bills payables	應付票據	-	170,224	-	-	-	170,224	170,224
Bank borrowings	銀行借貸							
– fixed rate	–定息	6.0	12,709	-	-	-	12,709	12,520
– variable rate	–浮息	2.4	4,541,077	3,843,061	4,931,879	4,748,572	18,064,589	16,851,632
			8,896,051	3,843,061	4,931,879	4,748,572	22,419,563	21,206,417
At 31 December 2015	於二零一五年十二月三十一日							
Non-derivative financial liabilities	**非衍生財務負債**							
Trade and other payables	貿易及其他應付賬款	-	4,456,074	-	-	-	4,456,074	4,456,074
Bills payables	應付票據	-	409,762	-	-	-	409,762	409,762
Bank borrowings	銀行借貸							
– fixed rate	–定息	6.0	13,569	-	-	-	13,569	13,369
– variable rate	–浮息	2.0	2,616,895	4,312,920	4,323,002	10,981,665	22,234,482	20,697,302
			7,496,300	4,312,920	4,323,002	10,981,665	27,113,887	25,576,507

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity and interest risk tables (continued)

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 3 months" time band in the above maturity analysis. At 31 December 2016, the aggregate undiscounted principal amounts of these bank borrowings amounted to HK$518,247,000 (2015: HK$777,200,000). Taking into account the Group's financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that such bank borrowings will be fully repaid after the end of the reporting period in accordance with the scheduled repayment dates ranging from two to sixteen (2015: two to seventeen) years as set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK$634,042,000 (2015: HK$881,423,000).

33. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表(續)

附帶按要求還款條款之銀行借貸按上述到期分析計入「按要求或三個月內」之期間。於二零一六年十二月三十一日，該等銀行借貸之非折現本金總額為518,247,000港元(二零一五年：777,200,000港元)。考慮到本集團之財務狀況，董事相信，銀行不大可能行使酌情權，要求本集團即時還款。董事相信，該等銀行借貸將於報告期間結束後根據貸款協議所載之既定還款日期(介乎兩至十六年(二零一五年：兩至十七年)不等)，全數償還。屆時，本金總額及利息現金流出將為634,042,000港元(二零一五年：881,423,000港元)。

33. FINANCIAL INSTRUMENTS (continued)

33. 金融工具(續)

(c) Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

(c) 金融工具公平值計量

根據經常性基準按公平值計量之本集團財務資產之公平值

本集團部分財務資產於各報告期末按公平值計量。下表闡述有關釐定該等財務資產公平值之方法(尤其是所用之估值技術及輸入數據)以及按公平值計量輸入數據之可觀察程度將公平值計量分類之公平值等級類別(第一至三類)之資料。

Financial assets 財務資產	Fair value as at 31 December 於十二月三十一日之公平值 2016 二零一六年 HK$'000 千港元	 2015 二零一五年 HK$'000 千港元	Fair value hierarchy 公平值等級	Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Sensitivity 敏感度
(i) Listed equity securities classified as available-for-sale financial assets in the consolidated statement of financial position (i) 於綜合財務狀況表中分類為可供出售財務資產之上市股本證券	**4,207,237**	1,610,974	1	Quoted bid prices in active market. 活躍市場買入報價。	N/A 不適用	N/A 不適用
(ii) Listed bond securities classified as available-for-sale financial assets in the consolidated statement of financial position (ii) 於綜合財務狀況表中分類為可供出售財務資產之上市債券證券	**2,321,905**	783,791	3	Reference to the fair value quoted in the over-the-counter market with the adjustments for the lack of marketability. 參照場外市場報價之公平值，並就缺乏市場流通性而予以調整。	The lack of marketability discount 缺乏市場流通性	The higher the lack of marketability discount, the lower the fair value. 缺乏市場流通性越高，公平值則越低。

There were no transfer between level 1 and 3 during the years ended 31 December 2016 and 2015.

截至二零一六年及二零一五年十二月三十一日止年度，概無第一至第三類之間的轉移。

33. FINANCIAL INSTRUMENTS (continued)

33. 金融工具(續)

(c) Fair value measurements of financial instruments (continued)

(c) 金融工具公平值計量(續)

Reconciliation of Level 3 fair value measurement of financial assets

第三類財務資產之公平值計量之對賬

		Listed bond securities 上市債券證券 HK$'000 千港元
At 1 January 2015	於二零一五年一月一日	1,721,382
Additions	添置	798,416
Disposals	出售	(1,821,575)
Fair value gain recognised in other comprehensive income	於其他全面收益確認之公平值收益	85,748
At 31 December 2015	於二零一五年十二月三十一日	783,971
Additions	添置	2,832,838
Disposals	出售	(1,314,709)
Fair value gain recognised in other comprehensive income	於其他全面收益確認之公平值收益	19,805
At 31 December 2016	於二零一六年十二月三十一日	2,321,905

Included in other comprehensive income is a gain of HK$19,805,000 (2015: a gain of HK$85,748,000) relating to listed bond securities held at the end of the reporting period and is reported as changes of investment revaluation reserve for the year ended 31 December 2016.

有關於本報告期間結束當日所持有的上市債券證券之19,805,000港元收益(二零一五年：收益為85,748,000港元)已計入其他全面收益，並呈報於截至二零一六年十二月三十一日止年度之投資重估儲備之變動。

34. CAPITAL AND OTHER COMMITMENTS 34. 資本及其他承擔

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	就已訂約但未於綜合財務報表作出撥備之資本支出：		
– acquisition of properties, plant and equipment	－購買物業、廠房及設備	**116,110**	94,275
– capital injection in an unlisted investment	－非上市投資之注資額	**3,346**	3,346
		119,456	97,621
Other expenditure contracted for but not provided in the consolidated financial statements in respect of:	就已訂約但未於綜合財務報表作出撥備之其他支出：		
– acquisition and other expenditures relating to properties held for development	－有關待發展物業之收購及其他支出	**2,124,227**	2,987,531
		2,243,683	3,085,152

35. CONTINGENT LIABILITIES

(a) The Group provided guarantees amounting to approximately HK$6,376,798,000 (2015: HK$3,376,048,000) as at 31 December 2016 to facilitate mortgage bank loans applications of purchasers of the properties that were developed by the Group.

The guarantees are given to banks with respect to loans procured by the purchasers of properties that were developed by the Group. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of registration of the relevant mortgage properties. In the opinion of the Directors, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition, hence no value has been recognised at the inception of the guarantee contracts and at the end of the reporting period as at 31 December 2016.

(b) During the year ended 31 December 2011, the Company and certain subsidiaries of the Company (the "Respondents") were named as a defendant in the Supreme Court of Bermuda in respect of an allegation of the affairs of KBCF had been and or were being conducted in a manner which was oppressive or unfairly prejudicial to the non-controlling shareholders of KBCF. The petitioner was seeking an order to the Respondents to repurchase all of the KBCF's shares held by petitioner at the price to be fixed by a valuer or Supreme Court of Bermuda. The trial of the petition took place in September 2015. The Supreme Court of Bermuda handed down its judgement in 2015. The Supreme Court of Bermuda found that the allegation, that the terms of the previous interested person purchase transactions constituted preferential transfer pricing which was prejudicial to minority shareholders, were not proved and the allegation, that the terms of the license agreement were wholly uncommercial and the licencee was a sham, were also not proved. However, the Supreme Court of Bermuda also ruled that KBCF's management should promptly initiate bona fide open negotiations in which commercially reasonable proposals were openly tabled with a view to persuading the non-controlling shareholders of KBCF to approve the interested person transactions mandate on even marginally more favourable terms. Subsequently, the Company filed a notice of appeal relating to the unfavourable ruling of the judgement. The appeal hearing was taken place on 6 and 7 March 2017 and the judgement was handed down on 24 March 2017 which is in favour of KBCF and the Company. Accordingly, no provision for liability has been made in connection with this claim by the Group.

35. 或然負債

(a) 於二零一六年十二月三十一日，本集團為本集團所發展物業之買家之按揭銀行貸款申請提供約6,376,798,000港元(二零一五年：3,376,048,000港元)擔保。

本集團就本集團所發展物業之買家取得之貸款向銀行提供擔保。該等擔保將於物業交收予買家及相關按揭物業登記完成時由銀行解除。董事認為，本集團該等財務擔保合約的公平值於初步確認時並不重大，因此，於二零一六年十二月三十一日，於擔保合約開始及報告期間結束時並無確認任何價值。

(b) 截至二零一一年十二月三十一日止年度，本公司及本公司若干附屬公司(「被告」)在百慕達高級法院被控在KBCF事務已經或現正進行的方式乃壓搾或不合理地不利於KBCF少數股東。呈請人尋求法院判被告按估值師或百慕達高級法院釐定的價格購回所有呈請人所持KBCF股份。審訊已於二零一五年九月進行。百慕達高級法院於二零一五年十一月十日進行裁決。百慕達高級法院裁定有關過往利益人士購買交易之條款構成優惠轉讓定價而損害少數股東之權益之指控並不成立，而有關授權使用協議之條款完全不符合商業原則及獲授權人屬虛假之指控亦不成立。然而，百慕達高級法院亦裁定KBCF的管理層須立即進行真誠公開之磋商，公開提出商業上合理的建議，以期說服KBCF的少數股東按稍為有利的條款批准涉及利益人士交易授權。其後，本公司因不利之裁決結果而遞交上訴通知書。上訴已於二零一七年三月六日及七日聆訊，及於二零一七年三月二十四日已作出對KBCF及本公司有利之裁決。因此，本集團概無就該申索計提責任撥備。

36. OPERATING LEASES 36. 經營租約

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
The Group as lessee:	**本集團作為承租人：**		
Lease payments charged to the consolidated statement of profit or loss during the year	年內自綜合損益表扣除之租賃款項		
– for premises	－物業	**25,903**	24,673
– for plant and machinery	－廠房及機器	**1,421**	1,351
		27,324	26,024

Under the leases entered into by the Group, all lease payments are fixed and predetermined.

根據本集團訂立之租約，所有租賃款項之金額均為固定及預早釐定。

At the end of the reporting period, the Group's future lease payments under non-cancellable operating leases are payable as follows:

於報告期間結束當日，本集團根據不可撤銷之經營租約於日後支付之租賃款項須於下列期間支付：

		Premises 物業		Plant and machinery 廠房及機器	
		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Within one year	於一年內	**10,920**	9,608	**947**	280
After one year but not later than five years	於一年後但於五年內	**14,909**	16,802	**–**	–
After five years	於五年後	**12,089**	16,509	**–**	–
		37,918	42,919	**947**	280

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
The Group as lessor/licensor:	**本集團作為出租人／授權人：**		
Rental income credited to the consolidated statement of profit or loss during the year	於年內計入綜合損益表之租金收入	**625,902**	552,090
Licence income credited to the consolidated statement of profit or loss during the year	於年內計入綜合損益表之授權使用收入	**120,000**	120,000

36. OPERATING LEASES (continued)

The Group's investment properties are rented to outside parties for periods up to fifteen years (2015: seven years) at fixed predetermined amounts.

At the end of the reporting period, the Group had contracted with tenants and Licencee for the following future minimum payments under non-cancellable operating leases in respect of leasing of investment properties (see note 14) and licence assets (see note 15) which fall due as follow:

36. 經營租約(續)

本集團之投資物業均按預早釐定之定額租金租予外界人士，租期最長為15年(二零一五年：七年)。

於報告期間結束當日，根據租賃投資物業(見附註14)及授權使用資產(見附註15)之不可撤銷經營租約，本集團與租客及獲授權人訂有下列未來最低租賃款項，於以下期間到期：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Within one year	於一年內	**447,579**	474,413
After one year but not later than five years	於一年後但於五年內	**1,600,855**	620,497
After five years	於五年後	**2,507,831**	382,044
		4,556,265	1,476,954

The Group licences its licenced assets to a committed Licencee under the licence agreement as follows:

- Within the first twelve months of the licence, either the Group or the Licencee may terminate the licence agreement at its sole discretion, by serving on the other party not less than one month prior notice in writing and paying the other party HK$1,000,000 or such other amount as may be mutually agreed in writing between both parties.

- After the first twelve months of the licence, the Group may terminate the licence agreement at its sole discretion, by serving on the Licencee not less than one month prior notice in writing.

根據授權使用協議，本集團授權已承諾之獲授權人使用的授權使用資產如下：

- 在授權使用首十二個月，本集團或獲授權人可行使全權酌情權，向另一方發出不少於一個月事先書面通知，並向另一方支付1,000,000港元或雙方書面協議的其他金額，終止授權使用協議。

- 在授權使用首十二個月後，本集團可向獲授權人發出不少於一個月事先書面通知，全權酌情終止授權使用協議。

37. PLEDGE OF ASSETS

At the end of the reporting period, the Group has the following assets pledged to banks to secure the banking facilities of the Group:

37. 資產質押

於報告期間結束當日，本集團下列資產已質押予銀行，作為本集團銀行融資的抵押品：

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Investment properties	投資物業	**1,780,000**	1,780,000
Properties held for development	待發展物業	**2,993,794**	2,871,667
		4,773,794	4,651,667

38. RETIREMENT BENEFITS SCHEME

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme established under the Mandatory Provident Fund Ordinance in December 2000 (the "MPF Scheme"). The assets of the schemes are held separately from those of the Group and are invested in the funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme are members of both the ORSO Scheme and the MPF Scheme, whereas all new employees joining the Group on or after December 2000 are required to join the MPF Scheme. Under the MPF Scheme, the employer and its employees and each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (2015: HK$30,000).

Employees of subsidiaries in the PRC are members of the state-sponsored pension scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions.

Payments to the ORSO Scheme, the MPF Scheme and the state-sponsored pension schemes of approximately HK$171,090,000 (2015: HK$150,280,000) had been charged to profit or loss. As at 31 December 2016, contributions of HK$11,411,000 (2015: HK$11,439,000) due in respect of the reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of reporting period.

38. 退休福利計劃

本集團同時參加一項根據職業退休計劃條例註冊之定額供款計劃(「職業退休計劃」)及根據強制性公積金條例於二零零零年十二月成立之強制性公積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開持有，並投資於由信託人控制之基金。於成立強積金計劃之前已參加職業退休計劃之僱員，同時成為職業退休計劃及強積金計劃之成員，而所有於二零零零年十二月或之後加入本集團之新僱員必須參加強積金計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入5%向計劃作出供款，每月相關收入上限為30,000港元(二零一五年：30,000港元)。

於中國附屬公司之僱員為中國政府運作之國家資助退休計劃成員。該等附屬公司須將薪金支出之某一百分比投入退休福利計劃，以支付有關福利。本集團就退休福利計劃履行之唯一責任為支付所需供款。

向職業退休計劃、強積金計劃及國家資助退休計劃支付之供款約為171,090,000港元(二零一五年：150,280,000港元)，並自損益中扣除。於二零一六年十二月三十一日，於報告期間到期之供款11,411,000港元(二零一五年：11,439,000港元)並未付予該等計劃。該等款項於報告期間結束後已經支付。

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司主要附屬公司詳情(續)

(a) General information of subsidiaries (continued)

(a) 附屬公司的一般資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立／登記及營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本／註冊資本	Effective equity interest held by the Group 本集團持有之實際股權 2016 二零一六年 %	 2015 二零一五年 %	Principal activities 主要業務
Kingboard (Lian Zhou) Fibre Glass Co. Limited 建滔(連州)玻璃纖維有限公司	PRC[1] 中國[1]	US$13,700,000 13,700,000美元	**74.19**	74.52	Manufacture and distribution of glass fabric 製造及分銷玻璃纖維布
Kingboard Copper Foil Holdings Limited[@]	Bermuda[#] 百慕達[#]	US$72,250,000 72,250,000美元	**48.93**	49.15	Investment holding 投資控股
Kingboard Investments Limited 建滔投資有限公司	Hong Kong[#] 香港[#]	HK$8,000 8,000港元	**100**	100	Investment holding 投資控股
KLHL[Δ] 建滔積層板控股有限公司[Δ]	Cayman Islands[#] 開曼群島[#]	HK$300,000,000 300,000,000港元	**74.19**	74.52	Investment holding 投資控股
Kingboard Laminates (Jiangmen) Co., Ltd. 江門建滔積層板有限公司	PRC[1] 中國[1]	HK$242,800,000 242,800,000港元	**74.19**	74.52	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kingboard (Jiangsu) Chemical Co., Ltd. 建滔(江蘇)化工有限公司	PRC[1] 中國[1]	US$32,000,000 32,000,000美元	**74.19**	74.52	Manufacture and distribution of chemicals 製造及分銷化工產品
Kingboard Laminates (Kunshan) Co., Ltd 建滔積層板(昆山)有限公司	PRC[1] 中國[1]	US$32,010,000 32,010,000美元	**74.19**	74.52	Manufacture and distribution of laminates 製造及分銷覆銅面板
Elec & Eltek International Holdings Limited 依利安達國際集團有限公司	Bermuda/Hong Kong[#] 百慕達／香港[#]	HK$122,467,240 122,467,240港元	**100**	100	Investment holding 投資控股
EEIC[@Δ] 依利安達集團有限公司[@Δ]	Singapore[#] 新加坡[#]	US$113,880,000 113,880,000美元	**73.65**	73.65	Investment holding 投資控股

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司主要附屬公司詳情(續)

(a) General information of subsidiaries (continued)

(a) 附屬公司的一般資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立／登記及營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本／註冊資本	Effective equity interest held by the Group 本集團持有之實際股權 2016 二零一六年 %	 2015 二零一五年 %	Principal activities 主要業務
Kaiping Elec & Eltek Company Limited 開平依利安達電子有限公司	PRC[2] 中國[2]	US$49,520,000 49,520,000美元	**69.97**	69.97	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Kaiping Elec & Eltek No. 3 Company Limited 開平依利安達電子第三有限公司	PRC[2] 中國[2]	US$87,800,000 87,800,000美元	**69.97**	69.97	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Kaiping Elec & Eltek No. 5 Company Limited 開平依利安達電子第五有限公司	PRC[2] 中國[2]	US$30,075,100 30,075,100美元	**69.97**	69.97	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Elec & Eltek (Guangzhou) Electronic Company Limited 依利安達(廣州)電子有限公司	PRC[2] 中國[2]	US$95,596,000 95,596,000美元	**72.18**	72.18	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Guangzhou Elec & Eltek Microvia Technology Limited 廣州依利安達微通科技有限公司	PRC[2] 中國[2]	US$24,800,000 24,800,000美元	**72.18**	72.18	Manufacture and distribution of PCBs 製造及分銷印刷線路板
Huizhou Chung Shun Chemical Company Limited 惠州忠信化工有限公司	PRC[1] 中國[1]	US$40,290,000 40,290,000美元	**100**	100	Manufacture and distribution of phenol/acetone 製造及分銷苯酚／丙酮
Shi You Chemical (Yangzhou) Co., Ltd 實友化工(揚州)有限公司	PRC[1] 中國[1]	US$144,237,000 144,237,000美元	**100**	100	Refining and distribution of chemicals 製造及分銷化工產品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
綜合財務報表附註

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

* 本公司直接持有Jamplan (BVI) Limited之股權。本公司於所有其他附屬公司之股權均透過Jamplan (BVI) Limited間接持有。

此等為投資控股公司，並無特定之主要經營地點。

@ 此等公司於新加坡證券交易所有限公司上市。

Δ 此等公司於香港聯合交易所有限公司主板上市。

1 此等公司乃以外商獨資企業形式在中國成立。

2 此等公司乃以中外合資合營企業形式在中國成立。

上表所列為董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為列出其他附屬公司之詳情會過於冗長。

各附屬公司於年結時概無發行任何債務證券。沪穗筑恬覶饘螭姊岈テ蠽鮦

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司主要附屬公司詳情(續)

(a) General information of subsidiaries (continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

(a) 附屬公司的一般資料(續)

於報告期間結束當日，本公司擁有對本集團不重大的其他附屬公司。該等附屬公司之主要業務摘要如下：

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目 2016 二零一六年	 2015 二零一五年
Manufacture and sale of laminates 製造及銷售覆銅面板	PRC 中國	**26**	26
	Macau 澳門	**2**	2
	Thailand 泰國	**1**	1
		29	29
Manufacture and sale of PCBs 製造及銷售印刷線路板	Hong Kong 香港	**2**	2
	PRC 中國	**12**	12
	Macau 澳門	**3**	3
	Thailand 泰國	**1**	1
		18	18
Manufacture and sale of chemicals 製造及銷售化工產品	PRC 中國	**20**	20
Properties 物業	Hong Kong 香港	**11**	11
	PRC 中國	**51**	48
	United Kingdom 英國	**4**	3
		66	62

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) During the year ended 31 December 2016, the Group partially disposed its interests in a subsidiary without losing the control over this subsidiary for the consideration of HK$56,624,000 (2015: HK$7,305,000). The difference of 9,622,000 (2015: HK$1,298,000) between the increase in the non-controlling interests and the consideration received has been recognised in the goodwill reserve.

During the year ended 31 December 2015, the Group acquired additional interests in certain subsidiaries for a consideration of HK$90,936,000. As a result, the difference of HK$67,695,000 between the consideration paid of HK$90,936,000 and the amount of non-controlling interests acquired of HK$158,631,000 was directly recognised in goodwill reserve.

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有擁有權權益及投票權比例		Profit (loss) allocated to non-controlling interests 分配到非控股權益之溢利(虧損)		Accumulated non-controlling interests 累計非控股股東權益	
		2016 **二零一六年**	2015 二零一五年	**2016** **二零一六年** **HK$'000** **千港元**	2015 二零一五年 HK$'000 千港元	**2016** **二零一六年** **HK$'000** **千港元**	2015 二零一五年 HK$'000 千港元
KLHL[#] 建滔積層板[#]	Cayman Islands 開曼群島	**25.81%**	25.48%	**1,121,978**	322,425	**3,718,976**	3,355,056
EEIC[#] EEIC[#]	Singapore 新加坡	**26.35%**	26.35%	**23,405**	(9,942)	**752,184**	741,959
KBCF[#] KBCF[#]	Bermuda 百慕達	**51.07%**	50.85%	**181**	477	**457,197**	474,068
Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之獨立不重大附屬公司						**1,437,311**	1,523,476
						6,365,668	6,094,559

[#] excluding non-controlling interests of KLHL, EEIC and KBCF 's subsidiaries.

40. 本公司主要附屬公司詳情(續)

(b) 截至二零一六年十二月三十一日止年度，本集團以現金代價56,624,000港元(二零一五年：7,305,000港元)出售其於一家附屬公司的部分權益而不失去對該附屬公司之控制權。非控股權益增加及已收代價之間之9,622,000港元差額(二零一五年：1,298,000港元)已於商譽儲備確認。

截至二零一五年十二月三十一日止年度，本集團收購若干附屬公司的額外權益，代價為90,936,000港元。導致已付代價90,936,000港元與已收購非控股權益158,631,000港元之間的差額67,695,000港元直接於商譽儲備確認。

(c) 擁有重大非控股股東權益之非全資擁有附屬公司詳情

下表載列本集團擁有重大非控股權益之非全資擁有附屬公司：

[#] 不包括建滔積層板、EEIC及KBCF的附屬公司的非控股權益。

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司主要附屬公司詳情(續)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

(c) 擁有重大非控股權益之非全資擁有附屬公司詳情(續)

KLHL and subsidiaries

建滔積層板及附屬公司

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Current assets	流動資產	**17,613,809**	14,947,344
Non-current assets	非流動資產	**8,050,396**	8,083,653
Current liabilities	流動負債	**9,029,579**	5,068,422
Non-current liabilities	非流動負債	**1,287,494**	3,809,414
Equity attributable to owners of KLHL	建滔積層板持有人應佔權益	**14,407,373**	13,167,408
Non-controlling interests of KLHL's subsidiaries	建滔積層板的附屬公司的非控股權益	**939,759**	985,753
Revenue	營業額	**15,531,721**	12,769,720
Expenses, other gains and losses	開支、其他收益及虧損	**11,179,813**	11,498,720
Profit for the year	本年度溢利	**4,351,908**	1,271,000

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司主要附屬公司詳情(續)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

KLHL and subsidiaries (continued)

(c) 擁有重大非控股權益之非全資擁有附屬公司詳情(續)

建滔積層板及附屬公司(續)

		2016 二零一六年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元
Profit attributable to owners of the Company	本公司持有人應佔溢利	**3,224,583**	942,978
Profit attributable to the non-controlling interests of KLHL	建滔積層板非控股權益應佔溢利	**1,121,978**	322,425
Profit attributable to the non-controlling interests of KLHL's subsidiaries	建滔積層板的附屬公司非控股權益應佔溢利	**5,347**	5,597
Profit for the year	本年度溢利	**4,351,908**	1,271,000
Other comprehensive expenses attributable to owners of the Company	本公司持有人應佔其他全面開支	**(639,934)**	(694,759)
Other comprehensive expenses attributable to the non-controlling interests of KLHL	建滔積層板非控股權益應佔其他全面開支	**(222,662)**	(237,553)
Other comprehensive expenses attributable to the non-controlling interests of KLHL's subsidiaries	建滔積層板的附屬公司非控股權益應佔其他全面開支	**(40,981)**	(45,007)
Other comprehensive expenses for the year	本年度其他全面開支	**(903,577)**	(977,319)
Total comprehensive income attributable to owners of the Company	本公司持有人應佔全面收益總額	**2,584,649**	248,219
Total comprehensive income attributable to the non-controlling interests of KLHL	建滔積層板非控股權益應佔全面收益總額	**899,316**	84,872
Total comprehensive expense attributable to the non-controlling interests of KLHL's subsidiaries	建滔積層板的附屬公司非控股權益應佔全面開支收益總額	**(35,634)**	(39,410)
Total comprehensive income for the year	本年度全面收益總額	**3,448,331**	293,681
Dividends paid to non-controlling interests of a KLHL's subsidiary	支付予建滔積層板一間附屬公司非控股權益之股息	**1,000**	–
Net cash inflow from operating activities	經營活動現金流入淨額	**5,855,913**	643,508
Net cash inflow from investing activities	投資活動現金流入淨額	**511,128**	646,203
Net cash outflow from financing activities	融資活動現金流出淨額	**(4,478,193)**	(787,247)
Net cash inflow	現金流入淨額	**1,888,848**	502,464

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(c) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

KBCF and subsidiaries

40. 本公司主要附屬公司詳情(續)

(c) 擁有重大非控股權益之非全資擁有附屬公司詳情(續)

KBCF及附屬公司

41. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group announced that they intended to make a voluntary unconditional cash offer (the "Offer") for all the issued and paid-up ordinary shares in the capital of KBCF, other than those which were owned by the Group, or by parties acting in concert or deemed to be acting in concert with the Group in relation to the Offer, with a view to delist KBCF from the Main Board of Singapore Exchange Securities Trading Limited. The Offer will be made at S$0.40 in cash for each Offer Share. Details of which were disclosed in the Company's announcement dated on 3 March 2017, 6 March 2017, 20 March 2017 and 22 March 2017.

41. 報告期間後事項

報告期間後，本集團宣佈有意就KBCF股本中所有已發行及繳足之普通股，本集團原本擁有者、就要約而言本集團的一致行動人士或被視為本集團的一致行動人士擁有者除外，作出自願性無條件現金要約(「要約」)，旨在將KBCF從新加坡證券交易所有限公司主板除牌。要約按每股發售股份0.40新加坡元現金作出。有關詳情於本公司日期為二零一七年三月三日、二零一七年三月六日、二零一七年三月二十日及二零一七年三月二十二日。

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

42. 本公司之財務狀況及儲備報表(續)

Note: 附註：

		Share premium 股份溢價 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Share options reserve 優先購股權儲備 HK$'000 千港元	Investment revaluation reserve 投資重估儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Total 總額 HK$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日之結餘	4,457,742	1,911	228,824	(77,032)	389,538	5,000,983
Profit for the year	本年度溢利	–	–	–	–	479,486	479,486
Net changes arising from available-for-sale investments (note a)	可供出售投資產生之變動淨值（附註a）	–	–	–	74,814	–	74,814
Total comprehensive income for the year	本年度全面收益總額	–	–	–	74,814	479,486	554,300
Recognition of equity-settled share-based payments	確認以權益結算的股份形式付款	–	–	62,764	–	–	62,764
Final dividend for the year ended 31 December 2014	截至二零一四年十二月三十一日止年度之末期股息	–	–	–	–	(307,680)	(307,680)
Interim dividend for the year ended 31 December 2015	截至二零一五年十二月三十一日止年度之中期股息	–	–	–	–	(205,120)	(205,120)
		–	–	62,764	–	(512,800)	(450,036)
Balance at 31 December 2015	於二零一五年十二月三十一日之結餘	4,457,742	1,911	291,588	(2,218)	356,224	5,105,247
Profit for the year	本年度溢利	–	–	–	–	855,695	855,695
Net changes arising from available-for-sale investments (note a)	可供出售投資產生之變動淨值（附註a）	–	–	–	(29,469)	–	(29,469)
Total comprehensive (expenses) income for the year	本年度全面（開支）收益總額	–	–	–	(29,469)	855,695	826,226
Issue of new shares from exercise of share options	行使優先購股權而發行的新股份	194,786	–	(37,039)	–	–	157,747
Recognition of equity-settled share-based payments	確認以權益結算的股份形式付款	–	–	20,910	–	–	20,910
Final dividend for the year ended 31 December 2015	截至二零一五年十二月三十一日止年度之末期股息	–	–	–	–	(307,680)	(307,680)
Interim dividend for the year ended 31 December 2016	截至二零一六年十二月三十一日止年度之中期股息	–	–	–	–	(307,680)	(307,680)
		194,786	–	(16,129)	–	(615,360)	(436,703)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	4,652,528	1,911	275,459	(31,687)	596,559	5,494,770

Note a: Net changes arising from available-for-sale investments consist of gain on fair value changes amounting to HK$120,421,000 (2015: loss on fair value changes amounting to HK$2,906,000), gain on disposal amounting to HK$165,271,000 (2015: HK$99,602,000) and impairment loss amounting to HK$15,381,000 (2015: HK$177,322,000).

附註a： 可供出售投資產生的變動淨值包括120,421,000港元（二零一五年：公平值變動虧損2,906,000港元）公平值變動收益、165,271,000港元（二零一五年：99,602,000港元）出售所得收益及15,381,000港元（二零一五年：177,322,000港元）減值虧損。

FINANCIAL SUMMARY
財務概要

RESULTS

		Year ended 31 December 截至十二月三十一日止年度				
		2012 二零一二年 HK$'000 千港元	2013 二零一三年 HK$'000 千港元	2014 二零一四年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元	**2016 二零一六年 HK$'000 千港元**
Revenue	營業額	37,290,319	35,689,457	35,905,766	32,788,186	**35,830,320**
Profit before taxation	除稅前溢利	2,926,993	3,899,973	3,513,621	2,522,559	**7,237,226**
Income tax expense	所得稅開支	(420,028)	(608,350)	(692,615)	(569,464)	**(1,075,209)**
Profit for the year	本年度溢利	2,506,965	3,291,623	2,821,006	1,953,095	**6,162,017**
Attributable to:	應佔份額：					
Owners of the Company	本公司持有人	2,097,031	2,961,409	2,536,800	1,650,323	**5,026,831**
Non-controlling interests	非控股股東權益	409,934	330,214	284,206	302,772	**1,135,186**
		2,506,965	3,291,623	2,821,006	1,953,095	**6,162,017**

ASSETS AND LIABILITIES 資產及負債

		At 31 December 於十二月三十一日				
		2012 二零一二年 HK$'000 千港元	2013 二零一三年 HK$'000 千港元	2014 二零一四年 HK$'000 千港元	2015 二零一五年 HK$'000 千港元	**2016 二零一六年 HK$'000 千港元**
Total assets	資產總值	(illegible)	74,860,241	75,632,742	72,922	7,237351Total assets va24

KB 建滔化工集團有限公司
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