



KINGBOARD

Stock Code 股份代號 : 148

ANNUAL REPORT

2017

年報





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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*)





FINANCIAL HIGHLIGHTS
財務摘要**Revenue**
營業額HK\$ Million
百萬港元

43,160

20,00020,000

10,000

0 146

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



CHAIRMAN'S STATEMENT 主席報告

BUSINESS REVIEW (continued)

Revenue of the Group increased by 20% to HK\$43,159.5 million in 2017, posting an underlying net profit (excluding non-recurring items) of HK\$5,589.1 million, representing a significant growth of 70%. Basic earnings per share were HK\$5.358. The Group maintained a robust financial position and the Board has therefore proposed a final dividend of HK100 cents per share, subject to shareholders' approval. Together with the interim dividend of HK60 cents per share, this will constitute a full-year dividend of HK160 cents per share.

PERFORMANCE

Being the world's largest laminates producer, the Group enjoys unrivalled economies of scale. The Group's sophisticated and comprehensive vertically integrated business model enables it to continuously expand its competitive advantage. During the year, shortages in the supply of copper foil, glass yarn and epoxy resin have brought price hikes for these materials, leading to several price increases for laminates. The laminates division's profit margin increased accordingly. Segment turnover (including inter-segment sales) increased by 20% to HK\$16,655.2 million, while earnings before interest, tax, depreciation and amortisation ("EBITDA") went up substantially by 45% to HK\$4,489.2 million.

The PCB division recorded notable growth in orders for use in the telecommunications equipment, automobile and home appliances sectors. The product portfolio continued to evolve towards the higher-grade and the high-value-added end. Efforts to control costs and raise production efficiency have yielded an expanded profit margin, which is among the highest in the industry. The PCB division reported a segment turnover of HK\$8,194.1 million, up 10%, and delivered an EBITDA of HK\$1,179.8 million, an increase of 35%.

With the tightening up of China's environmental policy and efforts to control overcapacity, excess and backward chemical capacities have gradually exited from the market. The Group's major chemical products, including methanol, coke, caustic soda and phenol acetone, have recorded significant price increases. This has driven the segment's turnover (including inter-segment sales) to increase 30% to HK\$13,996.2 million, with EBITDA growing 47% to HK\$1,625.8 million.

業務回顧(續)

集團二零一七年營業額較去年上升20%至四百三十一億五千九百五十萬港元，基本純利(不包括非經常性項目)則大幅增加70%至五十五億八千九百一十萬港元，每股基本盈利5.358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100港仙。此派息建議須待股東決議通過。連同已派發之中期股息每股60港仙，全年派息總額為每股160港仙。

業務表現

集團為全球最大的覆銅面板生產商，具備無可比擬的規模優勢，並有成熟且完善的垂直整合生產模式，業務優勢不斷擴大。年內，銅箔、玻璃絲及環氧樹脂等覆銅面板上游物料均由於供應短缺而出現價格上揚，推動覆銅面板單價多次提升，覆銅面板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20%至一百六十六億五千五百二十萬港元，未扣除利息、稅項、折舊及攤銷之盈利則大幅上升45%至四十四億八千九百二十萬港元。

印刷線路板業務方面，通訊網絡設備、汽車及家電訂單數目均有顯著增長，產品組合向高階及高附加值方向升級。部門亦嚴控成本，致力提升生產效益，利潤率隨之擴大，處於行業領先水平。印刷線路板部門營業額上升10%至八十一億九千四百一十萬港元，未扣除利息、稅項、折舊及攤銷之盈利上升35%至十一億七千九百八十萬港元。

隨著國內環保政策收緊，加上「去產能」政策落實，過剩及落後的化工產能逐步退出市場。化工部門各主要產品，包括甲醇、焦炭、燒鹼及苯酚丙酮等，售價同比增幅顯著，帶動化工部門營業額(包括分部間之銷售)上升30%至一百三十九億九千六百二十萬港元，未扣除利息、稅項、折舊及攤銷之盈利上升47%至十六億二千五百八十萬港元。





CHAIRMAN'S STATEMENT 主席報告

PROSPECTS

Management has full confidence in the prospects for the Group's ongoing development. The Group has boosted its profitability and unlocked the synergies among its core divisions, resulting in strong growth momentum ahead. Upon continuous input to upgrade its operations, the Group has raised its production efficiency, marketing strength, research and development and environmental standards to the top of the industry. Against a backdrop of positive global economic activity and demand growth, the Group will actively expand its market share with an aim of generating long-term and steady returns.

Demand in the electronics sector continues to be rampant, with growth

前景

管理層對集團未來的發展充滿信心，現時集團綜合盈利能力全面提升，各核心部門協同效應充分釋放，展現強勁增長動力。集團業務經過多年不斷優化升級，無論在生產效率、市場銷售，或在研發拓展、環保標準等方面均屬行業頂尖行列。環球經濟向好，需求增長動力充足，集團將積極擴大市場佔有率，寄望獲取長期而穩健的回報。

電子市場整體需求熾熱，增長亦趨多元化，預期覆銅面板及其上游物料供應緊絀的狀況將會延續，覆銅面板部門將會適時提升價格。同時，部門已進入產能擴張的新週期，新產能將為部門帶來長遠及持續的增長動力。去年年底落成的玻璃絲與玻璃布廠已分階段投入生產，並將有全年產出貢獻。在建中的新增覆銅面板及銅箔產能亦將分階段陸續投產，以配合現時旺盛的下游需求和未來市場之發展。

預期汽車市場將有可觀增長，汽車電子將更進一步普及提升。家電市場亦將隨大量新建住宅單位落成而穩步擴張。連同即將到來的5G通訊時代帶來的強勁需求，印刷線路板業務增長潛力巨大。印刷線路板部門將以市場發展為導向，逐步增加通訊、汽車等具競爭優勢板塊之產能，優化生產設備，以滿足市場殷切的需求。

進入二零一八年，整體化工產品，尤其是燒鹼及苯酚丙酮等產品價格不斷攀升。隨著國內收緊環保審查和工業升級，落後產能將繼續退出市場，利潤空間可望穩步增加。化工部門將續以高效低碳模式，善用現有設備，致力創造更大利潤。

CHAIRMAN'S STATEMENT 主席報告

PROSPECTS (continued)

Control measures on housing in Kunshan and other parts of China are gradually coming to an end. Latent housing demand is expected to be unleashed. The property division plans to expand the sales of residential units with a view to expediting cash inflow. The factory land in Hengyang, Hunan province could be redeveloped in residential use and the Group increase two pieces of land bank in Kunshan. Thus, the residential sales income will likely show a growing contribution. Rental income will also increase significantly, benefitting from the newly acquired commercial property, 15 Canada Square in London, as well as the leasing out of Shanghai Kingboard Plaza Phases 1-3. Newly-bought land in the Qianhai free-trade zone of Shenzhen is under planning and will be used as the headquarter of Southern China of the Group and for leasing.

The floor heating product using graphene was launched last year with highly positive market response. The Group will continue to enhance the product's functionalities and to add smart control modules to improve user experience. The Group will increase capacity for this product, which is expected to contribute new growth drivers.

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, 23 March 2018

前景(續)

房地產方面，昆山等地的樓市調控政策影響週期逐漸屆滿，積累多時的購買力湧現。部門已有計劃地加大住宅項目推售，加速現金回收。位於湖南省衡陽市的工廠用地將進行重建開發，可用作住宅用途。集團亦在昆山有兩幅新增土儲，相信住宅銷售收入將錄得持續貢獻。同時，受惠於新購入之倫敦商用物業15 Canada Square的租金貢獻及上海建滔廣場一至三期項目陸續出租，租金收入亦將顯著地增加。新購入的深圳市前海自貿區用地亦正在設計之中，未來將用於集團華南地區總部辦公及對外出租之用。

此外，集團的石墨烯地暖產品自去年起推出市場，已深受市場歡迎。期間集團亦不斷優化該產品之性能，增添智能控制模塊，提升以人為本的使用體驗。集團將重點加大該產品生產，寄望其能為集團帶來新的增長亮點。

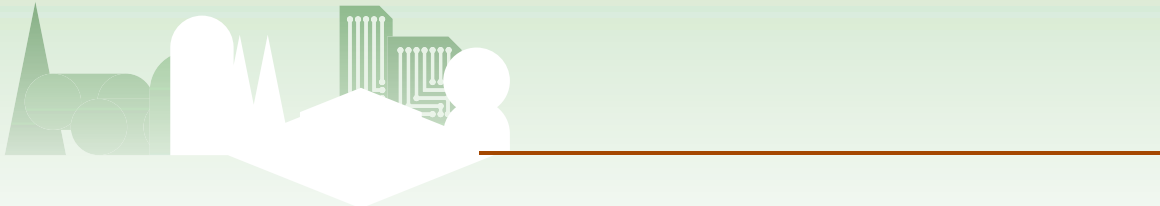
致謝

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以衷心感謝。

主席

張國榮

香港，二零一八年三月二十三日



DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES 董事及高級管理人員之履歷 - 董事及高級管理人員



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 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in Notes 42 and 19 respectively to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2017 can be found in the section headed "Chairman's Statement" of this annual report, which forms part of this Directors' Report.

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:

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.

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.

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.

本公司之董事（「董事」）提呈本集團截至二零一七年十二月三十一日止年度之年報及經審核綜合財務報表。

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42及19。

業務回顧

本集團截至二零一七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。

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：

產品缺憾

本集團產品可能帶有缺憾，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制在不同生產階段中監察產品，概不保證本集團的產品毫無缺憾。如有重大責任索償，可對本集團的營運業績及聲譽帶來不利影響。

客戶合約

本集團一般與客戶訂立一次性的購買訂單。因此，購買訂單的金額不時會有大額差異，難以預測本集團未來會收到的訂單金額。概不保證本集團客戶在未來會繼續下達金額與先前期間相若的購買訂單，甚至可能完全不下達訂單。因此，本集團的營運業績在日後或會有重大差異。

行業競爭激烈

本集團營運的業務分部競爭非常激烈。概不保證將來本集團能夠與目前的競爭對手或新晉的公司成功競爭。倘若本集團無力有效地競爭，則本集團的營運業績、財務狀況及業務前景或會受重大不利影響。

DIRECTORS' REPORT 董事會報告

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 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 on a regular basis.

So far as the Directors and senior management are aware, for the year ended 31 December 2017, the Group has obtained the approvals, permits, consents, licences and registrations required 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性。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，截至二零一七年十二月三十一日止年度，本集團已領取其業務及營運所需批准、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。

DIRECTORS' REPORT
董事會報告**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

本集團截至二零一七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60港仙，合計639,872,000港元予股東。董事已建議向於二零一八年六月六日(星期三)(即釐定股東獲發建議末期股息資格的記錄日期)名列本公司股東名冊之股東派付末期股息每股普通股100港仙，金額合計為港幣17,020,000,000元(即港幣17.02億元)。

DIRECTORS' REPORT 董事會報告

AVAILABLE-FOR-SALE INVESTMENTS

During the year ended 31 December 2017, the Company has in aggregate approximately HK\$6,526 million available-for-sale investments, representing approximately 7% of the total asset of the Group as at 31 December 2017, which consist of mostly securities listed on Main Board of the Stock Exchange of Hong Kong Limited and bonds issued mainly by companies also listed on the Main Board of the Stock Exchange of Hong Kong Limited. The Company acquired its available-for-sale investments through a market purchase. As disclosed in the Company's announcement dated 5 November 2017 ("Disposal Announcement"), the vendors (namely the Company (in respect of 44,657,000 the ordinary shares ("Cathay Pacific Shares") of Cathay Pacific Airways Limited (stock code: 293) ("Cathay Pacific")), Kingboard Investments Limited, a wholly-owned subsidiary of the Company (in respect of 311,632,000 Cathay Pacific Shares), and Kingboard Laminates Limited, a non-wholly owned subsidiary of the Company (in respect of 21,899,000 Cathay Pacific Shares)), entered into the agreement with Qatar Airways Q.C.S.C., pursuant to which the vendors agreed to sell, and Qatar Airways Q.C.S.C. agreed to acquire an aggregate of 378,188,000 shares in the share capital of Cathay Pacific Airways Limited (stock code: 293), representing approximately 9.61% of the total issued share capital of Cathay Pacific, at a total consideration of HK\$5,162,266,000. The completion of the disposal took place on 6 November 2017. Please refer to the Disposal Announcement for information.

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.

The following table sets out the Group's major available-for-sale investments as at 31 December 2017:

可供出售投資

截至二零一七年十二月三十一日止年度，本公司擁有可供出售投資總共約6,526百萬港元，佔本公司於二零一七年十二月三十一日總資產約7%，主要包括於香港聯合交易所有限公司主板上市之證券及主要由在香港聯合交易所有限公司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。如本公司日期為二零一七年十一月五日的公告（「出售公告」）所披露，該等賣方（即本公司（涉及44,657,000股國泰航空有限公司（股份代號：293）（「國泰航空公司」）的普通股（「國泰航空公司股份」））、建滔投資有限公司（本公司全資附屬公司，涉及311,632,000股國泰航空公司股份）及建滔積層板有限公司（本公司非全資附屬公司，涉及21,899,000股國泰航空公司股份）與Qatar Airways Q.C.S.C.訂立該協議，據此，該等賣方同意出售，而Qatar Airways Q.C.S.C.同意購買國泰航空有限公司（股份代號：293）股本中合共378,188,000股股份，相當於國泰航空公司已發行股本總額約9.61%，總代價為5,162,266,000港元。出售事項已於二零一七年十一月六日完成。詳情請參閱出售公告。

本集團不時監察證券及債券價格的走勢，並適時調整其投資組合。

下表披露本集團於二零一七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 2017 於二零一七年 十二月三十一日 之公平值 HK\$'000 千港元	Bond interest for the year 年內債券利息 HK\$'000 千港元
Bond listed on SGX by Country Garden Holdings Limited (HK 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 (香港股份代號：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	1,077,743	51,481
Bond listed on SGX by Guangzhou R&F Properties Co., Ltd. (HK stock code: 2777) with fixed interest rate of 5.875% per annum and maturity date in February 2023	廣州富力地產股份有限公司 (香港股份代號：2777)於新交所 上市之債券，具有年息5.875厘之 固定票息，將於二零二三年二月到期	1,548,417	11,202
		2,626,160	62,683

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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 2017 do not exceed 5% of the consolidated total assets of the Group as at 31 December 2017.

Based on the announcement of Country Garden Holdings Company Limited (stock code: 2007) ("CGH") dated 21 September 2016, the senior notes ("CGH Senior Notes") were issued by CGH in September 2016, and due in 2023. The CGH Senior Notes are listed on Singapore Exchange Securities Trading Limited and carries an interest of 4.75% per annum and interests are payable semi-annually. The proceeds from the CGH Senior Notes was intended to be used for refinancing certain of CGH's existing indebtedness and for its general working capital purposes. According to the annual results announcement dated 20 March 2018 for the year ended 31 December 2017 of CGH, as at 31 December 2017, its group's net gearing ratio increased slightly from approximately 48.7% as at 31 December 2016 to approximately 56.9% as at 31 December 2017.

Based on the announcement of Guangzhou R&F Properties Co., Ltd. (stock code: 2777) ("GRFP") dated 13 November 2017, the senior notes ("GRFP Senior Notes") were issued by GRFP in November 2017, and due in February 2023. The GRFP Senior Notes are listed on Singapore Exchange Securities Trading Limited and carries an interest of 5.875% per annum and interests are payable semi-annually. The proceeds from the Senior Notes was intended to be used for refinancing of debt and for general corporate purposes of GRFP. According to the 2017 annual report of GRFP, the net debt to total equity ratio of GRFP as at 31 December 2017 was 169.6%, and the maturity profile of the GRFP group's total borrowings was well balanced between short, medium and long term debt.

For further information of the business and financial performance of the above companies, please refer to the reports and announcement referred in the above paragraphs for details. Please also refer to the respective publications of the above companies from time to time for updates on prospects and performances of the respective companies. The reports and announcement referred above do not form part of this annual report and do not constitute any publication issued by, or any opinion, advice or view of, the Company or any of its directors.

可供出售投資(續)

除上表所載的可供出售投資外，於二零一七年十二月三十一日本集團持有的其他可供出售投資的公平值總額並無超過本集團於二零一七年十二月三十一日綜合資產總值的5%。

根據碧桂園控股有限公司(股份代號：2007) (「碧桂園控股」)日期為二零一六年九月二十一日公告，該等優先票據(「碧桂園控股優先票據」)由碧桂園控股於二零一六年九月發行，於二零二三年到期。碧桂園控股優先票據於新加坡證券交易所有限公司上市，按年利率4.75%計息，按半年期分期支付。碧桂園控股優先票據所得款項擬用於碧桂園控股若干現有債務再融資及一般營運資金用途。根據碧桂園控股於二零一八年三月二十日刊發截至二零一七年十二月三十一日止年度之全年業績公告，於二零一七年十二月三十一日，其集團淨借貸比率由二零一六年十二月三十一日的約48.7%小幅上升至二零一七年十二月三十一日的約56.9%。

根據廣州富力地產股份有限公司(股份代號：2777) (「廣州富力地產」)日期為二零一七年十一月十三日的公告，該等優先票據(「廣州富力地產優先票據」)由廣州富力地產於二零一七年十一月發行，於二零二三年二月到期。廣州富力地產優先票據於新加坡證券交易所有限公司上市，按年利率5.875%計息，按半年期分期支付。優先票據所得款項擬用於廣州富力地產債務再融資及一般公司用途。根據廣州富力地產二零一七年年報，於二零一七年十二月三十一日，廣州富力地產的總資本淨借貸比率為169.6%，廣州富力地產集團總借貸的到期情況穩定，短中長期負債均衡。

有關上述公司的業務及財務表現的更多資料，請參閱上段所述之報告及公告。亦謹請參閱上述公司不時公佈的資料以了解各公司的前景及表現的最新資料。上述各報告及公告並不構成本年報一部分，亦不構成本公司或其任何董事的任何公佈或任何意見、建議或觀點。

DIRECTORS' REPORT 董事會報告

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.

SHARE CAPITAL

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。

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28。

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。

購買、出售或贖回股份

年內，除本集團的董事及部分員工行使優先購股權而發行股份外，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。

本公司可分派之儲備

於二零一七年十二月三十一日，本公司可向股東分派之儲備包括保留溢利144,918,000港元（二零一六年：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。

於二零一七年十二月三十一日，本公司之保留溢利及股份溢價之總額約為6,011,451,000港元（二零一六年：5,249,087,000港元）。

DIRECTORS' REPORT 董事會報告

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:

Mr. Cheung Ming Man
Dr. Chong Kin Ki
Mr. Leung Tai Chiu
Mr. Chan Wing Kee (appointed on 1 July 2017)
Dr. Cheng Wai Chee, Christopher (retired on 29 May 2017)

At the forthcoming annual general meeting of the Company, each of Mr. Chang Wing Yiu, Mr. Chen Maosheng and Mr. Cheung Ka Shing, being executive Directors and Mr. Cheung Ming Man, being an independent non-executive Director, 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. Chang Wing Yiu, Mr. Chen Maosheng and Mr. Cheung Ka Shing, being executive Directors, and Mr. Cheung Ming Man, being an independent non-executive Director, will offer themselves for re-election.

In addition, Mr. Chan Wing Kee was appointed by the Board as an independent non-executive Directors with effect on 1 July 2017. In accordance with Article 84 of the Company's Articles of Association. Mr. Chan Wing Kee will hold directorship only until the next general meeting of the Company following his appointment and will be eligible for re-election. Accordingly, Mr. Chan Wing Kee will retire at the forthcoming annual general meeting of the Company and will be eligible for re-election as an independent non-executive Directors.

Biographical details of the above Directors are set out in the section "Directors' and Senior Management's Biographies".

No Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

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：

張明敏先生
莊堅琪醫生
梁體超先生
陳永棋先生(於二零一七年七月一日獲委任)
鄭維志博士(於二零一七年五月二十九日退任)

根據本公司組織章程細則第92條，執行董事鄭永耀先生、陳茂盛先生及張家成先生以及獨立非執行董事張明敏先生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。執行董事鄭永耀先生、陳茂盛先生及張家成先生以及獨立非執行董事張明敏先生將膺選連任。

另外，董事會委任陳永棋先生為獨立非執行董事，並於二零一七年七月一日起生效。根據本公司組織章程細則第84條，陳永棋先生之董事任期僅直至其獲委任後之下一次本公司股東大會為止，惟其將符合資格膺選連任。因此，陳永棋先生將於本公司應屆股東週年大會退任，並願意膺選連任獨立非執行董事。

上述董事之履歷詳情載於「董事及高級管理人員之資歷」一節。

擬在本公司應屆股東週年大會重選連任之董事概無與本集團訂有任何不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES

At 31 December 2017, the interests of the Directors and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long position

(a) Ordinary shares of HK\$0.1 each of the Company ("Shares")

Name of Director 董事姓名	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
Mr. Cheung Kwok Wing (Note 1) 張國榮先生(附註1)	Beneficial owner/interest of spouse 實益擁有人／配偶權益	2,880,470	0.2701%
Mr. Chang Wing Yiu (Note 2) 鄭永耀先生(附註2)	Beneficial owner/Interest of spouse 實益擁有人／配偶權益	7,787,228	0.7302%
Mr. Cheung Kwong Kwan 張廣軍先生	Beneficial owner 實益擁有人	464,500	0.044%
Mr. Ho Yin Sang (Note 3) 何燕生先生(附註3)	Beneficial owner/Interest of spouse 實益擁有人／配偶權益	1,583,200	0.148%
Ms. Cheung Wai Lin, Stephanie (Note 4) 張偉連女士(附註4)	Beneficial owner/Interest of spouse 實益擁有人／配偶權益	1,499,000	0.141%
Mr. Cheung Ka Shing 張家成先生	Beneficial owner 實益擁有人	1,231,000	0.115%
Mr. Cheung Ming Man 張明敏先生	Beneficial owner 實益擁有人	10,000	0.001%
Dr. Chong Kin Ki 莊堅琪醫生	Beneficial owner 實益擁有人	60,000	0.006%

Notes:

- (1) Out of the 2,880,470 Shares, 1,142,405 Shares were held by Mr. Cheung Kwok Wing and 1,738,065 Shares were held by his spouse.
- (2) Out of the 7,787,228 Shares, 6,216,488 Shares were held by Mr. Chang Wing Yiu and 1,570,740 Shares were held by his spouse.
- (3) Out of the 1,583,200 Shares, 812,500 Shares were held by Mr. Ho Yin Sang and 770,700 Shares were held by his spouse.
- (4) Out of the 1,499,000 Shares, 1,479,000 Shares were held by Ms. Cheung Wai Lin, Stephanie and 20,000 Shares were held by her spouse.

董事之股份權益

於二零一七年十二月三十一日，董事及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中，擁有本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益，或根據上市發行人董事進行證券交易的標準守則已知會本公司及聯交所之權益如下：

長倉

(a) 本公司每股面值0.1港元之普通股(「股份」)

附註：

- (1) 於該 2,880,470 股股份當中，其中 1,142,405 股股份乃由張國榮先生本人持有，而 1,738,065 股股份則由其配偶持有。
- (2) 於該 7,787,228 股股份當中，其中 6,216,488 股股份乃由鄭永耀先生本人持有，而 1,570,740 股股份則由其配偶持有。
- (3) 於該 1,583,200 股股份當中，其中 812,500 股股份乃由何燕生先生本人持有，而 770,700 股股份則由其配偶持有。
- (4) 於該 1,499,000 股股份當中，其中 1,479,000 股股份由張偉連女士本人持有，而 20,000 股股份則由其配偶持有。



DIRECTORS' REPORT
董事會報告

DIRECTORS' INTERESTS IN SHARES (continued)

Long position (continued)

- (c) Ordinary shares of HK\$0.1 each ("KLHL Shares") in KLHL, a non-wholly owned subsidiary of the Company

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	0.034%
Mr. Chang Wing Yiu (Note) 鄭永耀先生(附註)	Beneficial owner/Interest of spouse 實益擁有人／配偶權益	9,200,000	0.299%
Mr. Ho Yin Sang 何燕生先生	Interest of spouse 配偶權益	543,000	0.018%
Mr. Cheung Ka Shing 張家成先生	Beneficial owner 實益擁有人	379,000	0.012%
Ms. Cheung Wai Lin, Stephanie 張偉連女士	Beneficial owner 實益擁有人	200,000	0.006%

Note: Out of the 9,200,000 KLHL Shares, 7,500,000 KLHL Shares were held by Mr. Chang Wing Yiu and 1,700,000 KLHL Shares were held by his spouse.

附註：於該9,200,000股建滔積層板股份當中，其中7,500,000股建滔積層板股份乃由鄭永耀先生本人持有，而1,700,000股建滔積層板股份則由其配偶持有。

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

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	—
Mr. Cheung Ka Shing 張家成先生	Beneficial owner 實益擁有人	—

董事之股份權益(續)

長倉(續)

- (c) 本公司非全資擁有附屬公司建滔積層板每股面值0.1港元之普通股(「建滔積層板股份」)

- (d) 建滔積層板優先購股權(「建滔積層板優先購股權」)





DIRECTORS' REPORT 董事會報告

SHARE OPTIONS

The new share option scheme of KLHL (the "2017 KLHL Scheme") was approved by the shareholders of the Company and the shareholders of KLHL on 29 May 2017 and the 2017 KLHL Scheme took effect upon receiving approval from the Listing Committee of the Stock Exchange on 2 November 2017. The share option scheme of KLHL which took effect in July 2007 has expired at the end of term of the scheme on 5 July 2017 and before the 2017 KLHL Scheme becoming effective. The purpose of the 2017 KLHL Scheme is to provide incentive or reward to the eligible participants of the 2017 KLHL Scheme for their contribution to, and continuing efforts to promote the interests of KLHL and its subsidiaries.

Particulars of the share option schemes of the Company, and EEIC and the 2017 KLHL Scheme (including their vesting and exercise period) are set out in Note 29 to the consolidated financial statements.

On 10 July 2017 and 26 September 2017, an aggregate of 500,000 and 27,552,000 share options were exercised at the exercise price of HK\$12.424 and HK\$33.92 per share respectively with a closing market price per share of HK\$32.65 and HK\$40.1 on the immediately preceding business day when the options were exercised for ordinary share of the Company of HK\$0.1 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

本公司股東及建滔積層板股東已於二零一七年五月二十九日批准採納建滔積層板新優先購股權計劃(「二零一七年建滔積層板優先購股權計劃」)，二零一七年建滔積層板優先購股權計劃於二零一七年十一月二日獲得聯交所上市委員會批准後生效。二零零七年七月生效的建滔積層板之優先購股權計劃已於二零一七年七月五日(即該計劃年期最後一日)到期及在二零一七年建滔積層板優先購股權計劃生效前終止。二零一七年建滔積層板優先購股權計劃之目的是向二零一七年建滔積層板優先購股權計劃合資格參與者就彼等對建滔積層板及其附屬公司作出之貢獻及對促進建滔積層板集團之利益而持續作出之努力提供鼓勵或報酬。

本公司及EEIC之優先購股權計劃及二零一七年建滔積層板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29。

於二零一七年七月十日及二零一七年九月二十六日，共有500,000及27,552,000份優先購股權獲行使，行使價分別為每股12.424及33.92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0.1港元的普通股之收市價為每股32.65及40.1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 1.1.2017 於二零一七年 一月一日 尚未行使	Exercised during the year 於年內行使	Outstanding as at 31.12.2017 於二零一七年 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	6,760,000	(3,400,000)	3,360,000
Mr. Chang Wing Yiu	鄭永耀先生	5,820,000	(3,160,000)	2,660,000
Mr. Cheung Kwong Kwan	張廣軍先生	5,120,000	(3,160,000)	1,960,000
Mr. Ho Yin Sang (Note 1)	何燕生先生(附註1)	4,620,000	(3,180,000)	1,440,000
Ms. Cheung Wai Lin, Stephanie	張偉連女士	5,620,000	(3,160,000)	2,460,000
Mr. Cheung Ka Shing	張家成先生	6,128,000	(2,968,000)	3,160,000
		34,068,000	(19,028,000)	15,040,000
Category 2: Employees (Note 1)	第2類：僱員(附註1)	10,684,000	(9,024,000)	1,660,000
Total all categories	所有類別合計	44,752,000	(28,052,000)	16,700,000

Note 1: In addition to 1,440,000 Share Options held by Mr. Ho Yin Sang, the spouse of Mr. Ho Yin Sang held 1,660,000 Share Options.

附註1：除何燕生先生持有的1,440,000份優先購股權外，何燕生先生之配偶亦持有1,660,000份優先購股權。



DIRECTORS' REPORT
董事會報告**DIRECTORS' INTEREST IN
TRANSACTIONS, ARRANGEMENT OR
CONTRACTS OF SIGNIFICANCE**

DIRECTORS' REPORT
董事會報告**CONNECTED TRANSACTIONS** (continued)**(a) KBC/Hallgain Purchase Framework Agreement** (continued)

The annual cap and the actual transaction amount of the transactions contemplated under the KBC/Hallgain Purchase Framework Agreement for the year ended 31 December 2017 are set out in the table below. Details of the KBC/Hallgain Purchase Framework Agreement were disclosed in the Company's joint announcement dated 26 October 2016.

(b) KLHL/Hallgain Supply Framework Agreement

On 26 October 2016, KLHL and Hallgain entered into a supply framework agreement (the "KLHL/Hallgain Supply Framework Agreement") pursuant to which the KLHL Group agreed to supply copper and laminates to the Hallgain Group from 1 January 2017 to 31 December 2019. Under the KLHL/Hallgain Supply Framework Agreement the amount to be supplied 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 products under the KLHL/Hallgain Supply Framework Agreement will be subject to the individual orders placed by the Hallgain Group with the KLHL Group.

The transactions contemplated under the KLHL/Hallgain Supply 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, and KLHL is a subsidiary of the Company.

The annual cap and the actual transaction amount of the transactions contemplated under the KLHL/Hallgain Supply Framework Agreement for the year ended 31 December 2017 are set out in the table below. Details of the KLHL/Hallgain Supply Framework Agreement were disclosed in the Company's joint announcement dated 26 October 2016, and KLHL's circular dated 21 November 2016 for information.

關連交易 (續)**(a) 建滔化工／Hallgain購買框架協議** (續)

建滔化工／Hallgain購買框架協議項下之交易截至二零一七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。建滔化工／Hallgain購買框架協議之詳情已於本公司日期為二零一六年十月二十六日之聯合公告中披露。

(b) 建滔積層板／Hallgain供應框架協議

於二零一六年十月二十六日，建滔積層板與Hallgain訂立供應框架協議（「建滔積層板／Hallgain供應框架協議」），據此，建滔積層板集團同意於二零一七年一月一日至二零一九年十二月三十一日向Hallgain集團供應銅及覆銅面板。根據建滔積層板／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。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，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。

建滔積層板／Hallgain供應框架協議項下之交易截至二零一七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。建滔積層板／Hallgain供應框架協議之詳情已於本公司日期為二零一六年十月二十六日之聯合公告中，以及建滔積層板於二零一六年十一月二十一日之通函中披露。

DIRECTORS' REPORT
董事會報告**CONNECTED TRANSACTIONS** (continued)**(c) KLHL/Hallgain Purchase Framework Agreement**

On 26 October 2016, KLHL and Hallgain entered into a purchase framework agreement (the "KLHL/Hallgain Purchase Framework Agreement") pursuant to which the KLHL Group agreed to purchase materials for production of laminates such as drill bits and machineries from the Hallgain Group from 1 January 2017 to 31 December 2019. Under the KLHL/Hallgain Purchase Framework Agreement, the amount 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 materials under the KLHL/Hallgain Purchase Framework Agreement will be subject to the individual orders placed by the KLHL Group with the Hallgain Group.

The transactions contemplated under the KLHL/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, and KLHL is a subsidiary of the Company.

The annual cap and the actual transaction amount of the transactions contemplated under the KLHL/Hallgain Purchase Framework Agreement for the year ended 31 December 2017 are set out in the table below. Details of the KLHL/Hallgain Purchase Framework Agreement were disclosed in the circular of the Company's joint announcement dated 26 October 2016 and KLHL's circular dated 21 November 2016 for information.

關連交易 (續)**(c) 建滔積層板／Hallgain購買框架協議**

於二零一六年十月二十六日，建滔積層板與Hallgain訂立購買框架協議（「建滔積層板／Hallgain購買框架協議」），據此，建滔積層板集團同意於二零一七年一月一日至二零一九年十二月三十一日向Hallgain集團購買鑽咀及機器等生產覆銅面板的材料。根據建滔積層板／Hallgain購買框架協議，將購買之數量並非固定，而是由訂約方不時釐定及同意。建滔積層板／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）將視乎建滔積層板集團向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，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，建滔積層板／Hallgain購買框架協議項下之交易構成本公司之持續關連交易。

建滔積層板／Hallgain購買框架協議項下之交易截至二零一七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。建滔積層板／Hallgain購買框架協議之詳情已於本公司日期為二零一六年十月二十六日之聯合公告及建滔積層板於二零一六年十一月二十一日之通函中披露。

DIRECTORS' REPORT 董事會報告

CONNECTED TRANSACTIONS (continued)

The annual caps and actual transaction amounts of the continuing connected transactions disclosed above for the year ended 31 December 2017 are set out in the table below.

DIRECTORS' REPORT
董事會報告**CONNECTED TRANSACTIONS** (continued)

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 2017 disclosed by the Group from pages 31 to 34 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 2017:

- (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 2017.

關連交易 (續)

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作出報告。核數師已根據上市規則第14A.56條發出載有其有關截至二零一七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31至34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二零一七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。

董事確認於截至二零一七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。



DIRECTORS' REPORT 董事會報告

PERMITTED INDEMNITY PROVISION

According to the articles of association of the Company, every Director, agent, auditor, secretary or other officer for the time being and from time to time of the Company (and the personal representatives of those persons, as the case may be) shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges,

獲准許的彌償條文

根據本公司組織章程細則，本公司當時及不時之各董事、代理、核數師、秘書或其他高級人員（及該等人士之遺產管理人，視情況而定）就各於或有關執行本公司業務或事務或於執行或履行其職務、權力、授權或酌情權時所產生或承受之所有行動、訴訟、成本、支出、開支、損失、傷害或負債，包括但無損上文所述各項，任何彼就本公司或其事務不論於開曼群島或其他地點之法院抗辯（不論成功與否）而產生之成本、開支、損失或負債，均可從本公司之資產及資金中獲得彌償並確保免就此遭受任何損害。

本公司已安排合適的保險保障董事及高級管理層在本集團活動引起的責任。

主要客戶及供應商

年內，本集團五名最大客戶合計或供應商合計之銷售額或購貨額分別少於本集團之銷售額或購貨額之30%。

股權掛鉤協議

回顧年度內，本集團並無訂立股權掛鉤協議，或並無相關協議存續。

DIRECTORS' REPORT 董事會報告

EVENT AFTER THE REPORTING PERIOD

Please refer to Note 43 to the Group's consolidated financial statements for event after the reporting period.

AUDITOR

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

On behalf of the Board
Cheung Kwok Wing
CHAIRMAN

23 March 2018

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43。

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。

承董事會命
主席
張國榮

二零一八年三月二十三日



CORPORATE GOVERNANCE REPORT 企業管治報告

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 2017.

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10所載之上市發行人董事進行證券交易之標準守則（「標準守則」）規定標準之操守守則。經對所有董事作出特定查詢後，各董事確認，截至二零一七年十二月三十一日止年度，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。

A. DIRECTORS

The Board

The Board is responsible for the leadership and control of the Group and is entrusted with the responsibility to supervise the management of the business and the affairs of the Group. The Group has adopted internal guidelines in setting forth matters that require the Board's approval. Apart from its statutory responsibilities, the Board approves the Group's strategic plan, annual budget, key operational initiatives, major investments and funding decisions. It also reviews the Group's financial performance, identifies principal risks of the Group's business and ensures implementation of appropriate systems to manage these risks. Daily business operations and administrative functions of the Group are delegated to the management.

The Board meets regularly and as warranted by particular circumstances. Notices and agendas are prepared by the Company Secretary as delegated by the Chairman of the Board and distributed to the Board members within reasonable time before the meetings. Relevant meeting papers are also sent to Directors well before the meetings, informing them of the background and giving explanation on matters to be brought before the Board. All Directors are given the opportunity to include matters in the agendas for Board meetings. To ensure the Directors make decisions objectively and in the interests of the Company, the Company's articles of association provide that any Director shall abstain from voting on any resolutions in which he or his associates is/are materially interested nor be counted in the quorum of the meeting. Draft and final versions of the minutes of Board meetings are sent to all Directors for their comment and records respectively within a reasonable time after the Board meetings and are kept by the Company Secretary.

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。



CORPORATE GOVERNANCE REPORT 企業管治報告

A. DIRECTORS (continued)

The Board (continued)

The Directors have observed the importance of directing and

A. 董事(續)

董事會(續)

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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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

Cheung Ming Man
Chong Kin Ki
Leung Tai Chiu
Chan Wing Kee (appointed on 1 July 2017)
Cheng Wai Chee, Christopher (retired on 29 May 2017)

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

張明敏
莊堅琪
梁體超
陳永棋(於二零一七年七月一日獲委任)
鄭維志(於二零一七年五月二十九日退任)

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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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，三分之一之董事(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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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，在有需要的情况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	
Cheung Ming Man	張明敏	✓
Chong Kin Ki	莊堅琪	✓
Leung Tai Chiu	梁體超	✓
Chan Wing Kee (appointed on 1 July 2017)	陳永棋(於二零一七年七月一日獲委任)	✓

The Directors confirmed that they have complied with A.6.5 of the CG Code on Directors' training for the year ended 31 December 2017.

董事確認，截至二零一七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。

CORPORATE GOVERNANCE REPORT 企業管治報告

A. DIRECTORS (continued)

Supply of and access to information

The management of the Company has an obligation to furnish the Board with complete, adequate and appropriate information in such form and such quality in a timely manner so as to enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company. All the Directors are given separate and independent access to the Company's senior management.

All the Directors are given separate and independent access to the Company Secretary, whose role includes ensuring that Board procedures are observed and followed, and that applicable rules and regulations are complied with. The Company Secretary attends all the meetings of the Board and Board committees and is responsible for drafting minutes and keeping minutes records which can be accessed by any Director for inspection.

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The level and make-up of remuneration and disclosure

The Board has set up a remuneration committee (the "Remuneration Committee") which comprises three independent non-executive Directors, namely Dr. Chong Kin Ki (Chairman), Mr. Leung Tai Chiu and Mr. Cheung Ming Man as at the date of the report. The role of the Remuneration Committee is to formulate policies and procedures for determining the remuneration of Directors and senior management and other remuneration related matters. The Remuneration Committee is set up with written terms of reference which set out clearly its duties and authorities delegated by the Board, including the following duties:

- formulate the framework or Board policy for determining the remuneration of the Company's Board and senior management. The objective of such policy should ensure that members of the senior management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company;

A. 董事 (續)

提供及獲取資料

本公司管理層有責任及時向董事會提供完整、充足及適當形式和質量的資料，以便董事會作出知情決定及履行作為本公司董事之職務及責任。全體董事均可個別地及獨立地接觸本公司高級管理人員。

全體董事均可個別及獨立地接觸公司秘書。公司秘書之職責包括確保貫徹遵循董事會程序，同時遵守適用規則及規例。公司秘書出席董事會及董事委員會所有會議，負責編寫及存檔會議記錄，以供董事查閱。

B. 董事及高級管理人員薪酬

薪酬及披露的水平及組成

董事會已成立薪酬委員會（「薪酬委員會」），於本報告日期由三名獨立非執行董事：莊堅琪醫生（主席）、梁體超先生及張明敏先生組成。薪酬委員會之角色為負責制定董事及高級管理人員薪酬之政策及程序以及其他薪酬相關事宜。薪酬委員會已書面訂明其職權範圍，明確列示董事會委派予其之職責及權力，包括下列職務：

- 制定薪酬架構或董事會政策以釐定本公司董事會及高級管理人員之薪酬。該等政策旨在確保本公司高級管理人員獲提供適當獎勵，以鼓勵彼等提升表現，並保證本公司以公平合理方式獎勵高級管理人員對本公司成就所作之個人貢獻；







CORPORATE GOVERNANCE REPORT 企業管治報告

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。



CORPORATE GOVERNANCE REPORT
企業管治報告

C. ACCOUNTABILITY AND AUDIT (continued)

Audit Committee (continued)

The duties of the Audit Committee include reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the Company's auditor, Deloitte Touche Tohmatsu. The Audit Committee will review the independence of the Company's auditor, the resources and adequacy of the internal audit function, at least once a year. Where the auditor also supplies non-audit services to the Company, the Committee will keep the nature and extent of such services under review, seeking to balance between the maintenance of objectivity and value for money. During the year under review, the fees paid/payable to the Company's auditor in respect of audit and non-audit services provided by the Company's auditor to the Group were as follows:

Nature of services	服務性質	Amount (HK\$) 金額(港元)
Audit services	核數服務	13,050,000
Non-audit services	非核數服務	
(i) Tax services	(i) 稅務服務	352,000
(ii) Other services	(ii) 其他服務	610,000

The Audit Committee has undertaken a review of all the non-audited services provided by the Company's auditor and concluded that in their opinion such services did not affect the independence of the auditor. The Board has appointed an accountant to be responsible for the accounting and financial matters of the Group and the Audit Committee has free access to the accountant and senior management of the Group and to any financial and relevant information which enable them to discharge their audit committee function effectively and efficiently. Besides internal assistance being available, the Audit Committee may request for assistance and advice from external auditor as and when they think necessary at the expenses of the Company. The Audit Committee shall meet with external auditor without the presence of executive Directors to discuss the Group's financial reporting and any major and financial matters arising during the year under review at least once a year.

C. 問責及核數(續)

審核委員會(續)

審核委員會之職責包括檢討核數之範疇、結果及其成本效益，以及本公司核數師德勤•關黃陳方會計師行之獨立性及客觀性。審核委員會每年至少一次檢討本公司核數師之獨立性、內部核數職能的資源及充份性。倘若核數師向本公司提供非核數服務，委員會亦會持續檢討該等服務之性質及所涉範圍，務求在保持客觀性及成本之間取得平衡。於回顧年度內，就本公司核數師向本集團提供之核數及非核數服務而已付／應付本公司核數師費用如下：

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，費用由本公司承擔。審核委員會每年至少一次在執行董事不在場之情況下與外聘核數師會面，以討論本集團之財務申報及回顧年度內出現之任何重大及財務事宜。

CORPORATE GOVERNANCE REPORT 企業管治報告

C. ACCOUNTABILITY AND AUDIT (continued)

Audit Committee (continued)

In addition, the Audit Committee is authorised:

- to investigate any matter within its written terms of reference;
- to have full access to and co-operation by the management;
- to have full discretion to invite any Director or executive officer to attend its meetings; and
- to have reasonable resources to enable it to discharge its functions properly.

The Board will ensure that the members of the Audit Committee are appropriately qualified to discharge their responsibilities and at least one member has accounting and related financial management expertise or experience. The Audit Committee comprises three independent non-executive Directors as at the date of this report, namely Mr. Cheung Ming Man (Chairman), Dr. Chong Kin Ki and Mr. Leung Tai Chiu.

During the year under review, the Audit Committee had performed the following works:

- review of the scope of audit work;
- review and discussion of the annual financial results and report in respect of the year ended 31 December 2016 and interim financial results and report for the six months ended 30 June 2017 and discussion with the management of the accounting principles and practices adopted by the Group;
- discussion and recommendation of the re-appointment of the external auditors; and
- review of the internal control, financial reporting and risk management systems of the Group.

During the year under review, the Audit Committee had convened three meetings.

C. 問責及核數(續)

審核委員會(續)

此外，審核委員會獲授權：

- 在其書面訂明職權範圍內調查任何事宜；
- 與管理層全面接觸及獲其衷誠合作；
- 全權酌情邀請任何董事或高級行政人員出席其會議；及
- 獲得合理資源讓其能夠適當地履行職責。

董事會將確保審核委員會成員具備合適資格履行職務，及至少一名成員具備會計及相關財務管理專業知識或經驗。審核委員會於本報告日期由三名獨立非執行董事：張明敏先生(主席)、莊堅琪醫生及梁體超先生組成。

於回顧年度，審核委員會進行了以下工作：

- 審閱審核工作範圍；
- 審閱及討論截至二零一六年十二月三十一日止年度之全年財務業績及報告及截至二零一七年六月三十日止六個月之中期財務業績及報告，與管理層討論本集團所採納之會計原則及常規；
- 討論及推薦續聘外聘核數師；及
- 審閱本集團內部監控、財務申報及風險管理系統。

於回顧年度內，審核委員會舉行了三次會議。





CORPORATE GOVERNANCE REPORT 企業管治報告

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 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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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。

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INDEPENDENT AUDITOR'S REPORT

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Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 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 ("PHD") 評估待發展物業(「待發展物業」)的可變現淨值

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

The carrying value of the Group's PHD amounting to HK\$15.6 billion as at 31 December 2017 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 PHD 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 estimates the future costs to complete the PHD by reference to the actual development costs incurred and the completion status.

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，此乃由於估計其可變現淨值和完成待發展物業未來費用涉及重大金額及判斷。

於二零一七年十二月三十一日，貴集團擁有位於香港及中華人民共和國(「中國」)的待發展物業賬面值為156億港元。

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。

Our procedures in relation to the assessment of net realisable values of PHD included:

- Evaluating the reasonableness of the costs recognised in PHD, on a sample basis, by obtaining the direct confirmations from independent qualified surveyors in respect of the costs incurred and the completion status;
- Assessing the appropriateness of the estimated future selling prices of the PHD, 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 PHD, 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.

我們評審待發展物業的可變現淨值的程序包括：

- 一間鯨濃鮑舫期售價和襪醚 髒犧玲珣 歡畧書稷售凜悌銘迎侂鄧述挪城

INDEPENDENT AUDITOR'S REPORT

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Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 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 subjective judgements and complex estimates required in determining the fair values.

The Group's investment property portfolio comprises commercial, residential and industrial properties located in Hong Kong, the PRC and the United Kingdom, which was stated at fair value of HK\$17.2 billion, accounting for approximately 19% of the Group's total assets as at 31 December 2017 with a change in fair value of HK\$54.3 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 values 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 technique and inputs to the valuation model. The significant unobservable input of the approach is the price per square metre of comparable properties. Changes in the comparable properties adopted may result in a significant increase or decrease in fair values.

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主觀判斷及複雜估計。

貴集團投資物業組合包括位於香港、中國及英國的商業、住宅及工業物業，公平值為172億港元，連同截至二零一七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54.3百萬港元，於二零一七年十二月三十一日，貴集團投資物業組合佔貴集團總資產約19%。

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模型的輸入數據。模型的重大不可觀察輸入數據乃可比較物業的每平方米價格。所採用的可比較物業變動將使公平值大幅上升或下降。

Our procedures in relation to the 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 comparing 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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter 關鍵審計事項

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

Impairment assessment of goodwill relating to the printed circuit boards ("PCB") business 印刷線路板(「印刷線路板」)業務產生的商譽減值評估

We identified the impairment assessment of the goodwill arising from the PCB business as a key audit matter as the amount is quantitatively significant to the Group and the valuation involves significant judgements and assumptions.

As set out in Notes 4 and 18 to the consolidated financial statements, determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to determine the present value. The key assumptions made by management relates to the gross margin, discount rate and growth rate.

The carrying amount of goodwill as at 31 December 2017 was HK\$2.3 billion. Included in the balance is the goodwill relating to the PCB business of HK\$1.7 billion. The key inputs adopted by the management of the Group are made with reference to relevant industry data and the management has determined that there is no significant impairment loss on its goodwill.

我們將印刷線路板業務產生的商譽減值評估識別為關鍵審計事項，此乃由於金額於數量上對 貴集團屬重大，而估值須涉及重大判斷及假設。

誠如綜合財務報表附註4及18所載，釐定商譽有否減值需要估算獲分配商譽的現金產生單位(「現金產生單位」)的使用價值。計算使用價值要求 貴集團估算現金產生單位預期日後產生的現金流量及適用的折現率，以釐定現值。管理層作出之重大假設與毛利率、折現率及增長率有關。

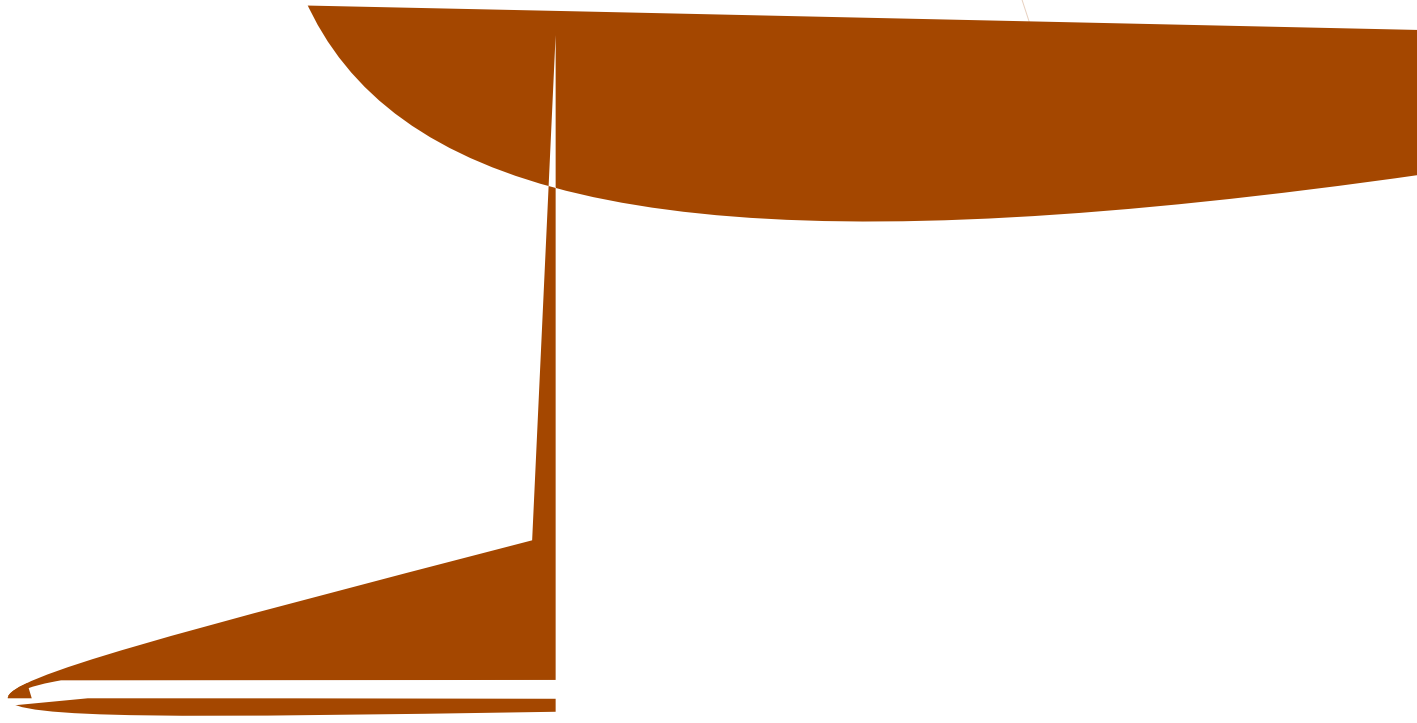
截至二零一七年十二月三十一日的商譽賬面值為23億港元。印刷線路板業務產生的商譽賬面值結餘為17億港元。貴集團管理層所採用的重大輸入數據乃參考相關行業數據，而彼等釐定商譽並無重大減值虧損。

Our procedures in relation to the impairment assessment of goodwill relating to the PCB business included:

- Obtaining the audited financial results of PCB business for the year and understanding the basis adopted in the value in use calculations prepared by management;
- Assessing the reasonableness of the assumptions made by the management, including growth rates, gross profit margin and expected changes in capital expenditure with reference to current market circumstances;
- Testing the appropriateness of key inputs applied by the management in preparing the cash flow forecasts against historical performance, including revenues, cost of sales and operating expenses, with reference to the future strategic plans of the Group in respect of the CGU;
- Assessing the key factors in determining the discount rate, including the Group's debt and equity ratio, return on investments and other risk factors, and comparing to discount rates adopted in the industry for reasonableness; and
- Testing the sensitivity analysis performed by the management in respect of the growth rates and discount rates and evaluating the extent of impact on the calculations of the value in use.

我們評審印刷線路板業務的減值評估的程序包括：

- 獲取印刷線路板業務的年內經審核財務業績及了解管理層編製使用價值計算所採用的基準；
- 評審管理層參考現時市況作出的假設的合理性，包括增長率、毛利率及資本支出的預期變動；
- 參考 貴集團有關現金產生單位的日後策略計劃，測試管理層就過往表現(包括營業額、銷售成本及經營開支)而編製現金流量預測所應用的重大輸入數據的合適性；
- 評審釐定折現率的關鍵因素(包括 貴集團的債項與股權比率、投資回報及其他風險因素)，並就合理性與行業所採用的折現率作出比較；及
- 測試管理層就增長率及折現率所進行的敏感度分析，以評估計算使用價值的影響範圍。



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 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。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，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。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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 Chu, Johnny Chun Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23 March 2018

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。

德勤•關黃陳方會計師行
執業會計師
香港
二零一八年三月二十三日

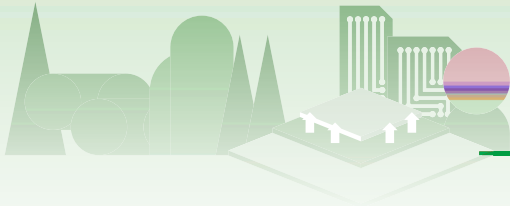
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

		NOTES	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		附註		
Revenue	營業額	5	43,159,473	35,830,320
	5			





CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
	NOTES 附註			
Non-current liabilities		非流動負債		
Deferred tax liabilities	21	遞延稅項負債	783,418	759,988
Bank borrowings – amount due after one year	27	銀行借貸—一年後 到期之款項	13,797,597	9,014,564
			14,581,015	9,774,552
			53,723,720	43,952,672
Capital and reserves		股本及儲備		
Share capital	28	股本	106,645	103,840
Reserves		儲備	45,932,874	37,483,164
Equity attributable to owners of the Company		本公司持有人應佔權益	46,039,519	37,587,004
Non-controlling interests	30	非控股股東權益	7,684,201	6,365,668
Total equity		資本總額	53,723,720	43,952,672

The consolidated financial statements on pages 66 to 209 were approved and authorised for issue by the Board of Directors on 23 March 2018 and are signed on its behalf by:

第66至第209頁之綜合財務報表已於二零一八年三月二十三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 2017 截至二零一七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													
													Non-controlling interests 非控股	Total equity	
		Share capital	Share premium	Capital redemption reserve	Share options reserve	Special surplus account	Statutory reserve	Property revaluation reserve	Goodwill reserve	Investment revaluation reserve	Translation reserve	Retained profits			
		股本	股份溢價	贖回儲備	優先購股權儲備	特別盈餘賬目	法定儲備	物業重估儲備	商譽儲備	投資重估儲備	匯兌儲備	保留溢利			
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(附註a) (附註b) (附註c) (附註d) (附註e)													
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 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 (expenses) income for the year	本年度全面(支出)收益總額	-	-	-	-	-	-	-	-	(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 (Note 12)	截至二零一五年十二月三十一日止年度之末期股息(附註12)	-	-	-	-	-	-	-	-	-	-	(307,680)	(307,680)	-	(307,680)
Interim dividend for the year ended 31 December 2016 (Note 12)	截至二零一六年十二月三十一日止年度之中期股息(附註12)	-	-	-	-	-	-	-	-	-	-	(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	103,840	4,652,528	1,911	275,459	10,594	512,652	256,370	1,119,542	(277,790)	(449,187)	31,381,085	37,587,004	6,365,668	43,952,672

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司持有人應佔權益													
														Non-controlling interests 非控股股東權益	Total equity 資本總額
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 贖回儲備 資本 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 (附註a)	Statutory reserve 法定儲備 HK\$'000 千港元 (附註b)	Property revaluation reserve 物業重估儲備 HK\$'000 千港元 (附註c)	Goodwill reserve 商譽儲備 HK\$'000 千港元 (附註d)	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元 (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		
Balance at 1 January 2017	於二零一七年一月一日之結餘	103,840	4,652,528	1,911	275,459	10,594	512,652	256,370	1,119,542	(277,790)	(449,187)	31,381,085	37,587,004	6,365,668	43,952,672
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	-	5,593,434	5,593,434	1,240,750	6,834,184
Net changes arising from available-for-sale investments (Note e)	可供出售投資之變動淨額 (附註e)	-	-	-	-	-	-	-	-	386,935	-	-	386,935	16,200	403,135
Share of change in reserve of associates	應佔聯營公司儲備變動	-	-	-	-	-	-	-	-	-	141,108	-	141,108	-	141,108
Exchange differences arising from translation to presentation currency	因折算至呈列貨幣而產生之匯兌差額	-	-	-	-	-	-	-	-	-	2,379,134	-	2,379,134	398,424	2,777,558
Exchange differences arising from translation of foreign operations	因折算外地經營而產生之匯兌差額	-	-	-	-	-	-	-	-	-	(5,033)	-	(5,033)	(1,792)	(6,825)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	-	-	386,935	2,515,209	5,593,434	8,495,578	1,653,582	10,149,160
Issue of new shares from exercise of share options	因行使優先購股權而發行新股份	2,805	1,214,004	-	(276,035)	-	-	-	-	-	-	-	940,774	-	940,774
Recognition of equity-settled share-based payments	確認以權益結算的股份形式付款	-	-	-	3,136	-	-	-	-	-	-	-	3,136	-	3,136
Final dividend for the year ended 31 December 2016 (Note 12)	截至二零一六年十二月三十一日止年度之末期股息(附註12)	-	-	-	-	-	-	-	-	-	-	(726,880)	(726,880)	-	(726,880)
Special final dividend for the year ended 31 December 2016 (Note 12)	截至二零一六年十二月三十一日止年度之特別末期股息(附註12)	-	-	-	-	-	-	-	-	-	-	(311,520)	(311,520)	-	(311,520)
Interim dividend for the year ended 31 December 2017 (Note 12)	截至二零一七年十二月三十一日止年度之中期股息(附註12)	-	-	-	-	-	-	-	-	-	-	(639,872)	(639,872)	-	(639,872)
Deemed disposal of partial interests in a subsidiary	視作出售附屬公司部分權益	-	-	-	-	-	-	-	199,559	-	-	-	199,559	423,286	622,845
Acquisitions of additional interests in subsidiaries	收購附屬公司額外權益	-	-	-	-	-	-	-	171,604	-	-	-	171,604	(437,096)	(265,492)
Disposal of partial interests in a subsidiary	出售附屬公司部分權益	-	-	-	-	-	-	-	320,136	-	-	-	320,136	364,226	684,362
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東出資額	-	-	-	-	-	-	-	-	-	-	-	-	130,341	130,341
Dividends paid to non-controlling shareholders of subsidiaries	支付予附屬公司之非控股股東之股息	-	-	-	-	-	-	-	-	-	-	-	-	(815,806)	(815,806)
Transfers to reserve	轉撥至儲備	-	-	-	-	-	192,496	-	-	-	-	(192,496)	-	-	-
		2,805	1,214,004	-	(272,899)	-	192,496	-	691,299	-	-	(1,870,768)	(43,063)	(335,049)	(378,112)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	106,645	5,866,532	1,911	2,560	10,594	705,148	256,370	1,810,841	109,145	2,066,022	35,103,751	46,039,519	7,684,201	53,723,720

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Notes:

- (a) Special surplus account represents the difference between the nominal amount of the shares issued by the Company and the nominal amount of the issued share capitals of the subsidiaries which were acquired by the Company under the Group reorganisation in 1993.
- (b) Statutory reserve comprises statutory fund, which is non-distributable, represents capitalisation of retained profits of certain subsidiaries established in the People's Republic of China ("PRC") for capital re-investment in these subsidiaries and funds shall be used to (i) make up prior year losses or (ii) expand production operations.
- (c) The property revaluation reserve of the Group represents the gain on revaluation of certain properties of the Group for own use as a result of transfer of those properties from properties, plant and equipment to investment properties.
- (d) Goodwill reserve represents the effects of changes in ownership in certain subsidiaries when there is no change in control.
- (e) Net changes arising from available-for-sale investments consist of gain on fair value changes amounting to HK\$1,521,998,000 (2016: HK\$168,512,000), gain on disposal amounting to HK\$1,153,015,000 (2016: HK\$465,247,000) and impairment loss amounting to HK\$34,152,000 (2016: HK\$27,764,000).

附註：

- (a) 特別盈餘賬目指本公司發行的股份面值與本公司於一九九三年根據集團重組收購之附屬公司已發行股本面值之差額。
- (b) 法定儲備包括不可分派之法定基金，指把若干於中華人民共和國（「中國」）成立的附屬公司之保留溢利資本化作為於該等附屬公司之再投資資本，基金應用作(i)彌補以前年度虧損或(ii)擴充生產營運。
- (c) 本集團物業重估儲備指由於將本集團若干自用之物業由物業、廠房及設備轉撥至投資物業所產生之重估收益。
- (d) 商譽儲備指若干附屬公司在控制權沒有變動的情況下之擁有權變動影響。
- (e) 可供出售投資之變動淨額包括公平值變動之收益1,521,998,000港元（二零一六年：168,512,000港元），出售所得之收益1,153,015,000港元（二零一六年：465,247,000港元）及減值虧損34,152,000港元（二零一六年：27,764,000港元）。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	8,365,361	7,237,226
Adjustments for:	調整：		
Share of results of associates	應佔聯營公司業績	(103,267)	(9,152)
Depreciation of properties, plant and equipment	物業、廠房及設備折舊	1,757,861	1,955,026
Dividends from available-for-sale investments	可供出售投資之股息收入	(34,650)	(168,382)
Impairment loss recognised on trade receivables	就貿易應收賬款確認 之減值虧損	166,793	86,682
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	34,152	27,764
Interest expenses and other finance charges	利息支出及其他融資費用	311,919	403,074
Interest income	利息收入	(304,540)	(226,134)
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	(1,153,015)	(465,247)
Gain on fair value changes of investment properties	投資物業公平值變動之收益	(54,284)	(21,286)
Gain on disposal of subsidiaries	出售附屬公司權益之收益	-	(2,121,238)
Release of prepaid lease payments	預付租賃款項撥回	24,304	21,218
Write down (reversal of write down) of inventories	撇銷(撥回)存貨	20,607	(37,997)
Loss on disposal and written off of properties, plant and equipment	出售及撇銷物業、廠房及 設備之虧損	40,519	32,656
Share-based payments	以股份形式付款	3,136	20,910
Operating cash flows before movements in working capital	未計營運資金變動前之 經營現金流量	9,074,896	6,774,120
(Increase) decrease in inventories	存貨(增加)減少	(232,381)	401,001
Decrease (increase) in properties held for development	待發展物業減少(增加)	76,182	(161,558)
(Increase) decrease in trade and other receivables and prepayments	貿易及其他應收賬款及 預付款項(增加)減少	(4,486,957)	699,094
Increase in bills receivables	應收票據增加	(1,630,276)	(1,292,953)
Increase in trade and other payables	貿易及其他應付賬款增加	2,314,746	1,626,479
Increase (decrease) in bills payables	應付票據增加(減少)	509,677	(213,551)
(Decrease) increase in deposits received from pre-sale of residential units	預售物業所收之 訂金(減少)增加	(4,297,597)	4,344,904
Cash generated from operations	經營業務所得現金	1,328,290	12,177,536
Hong Kong Profits Tax paid	已繳香港利得稅	(30,044)	(6,464)
PRC Land Appreciation Tax ("LAT") refund (paid)	(已繳)中國土地增值稅 (「土地增值稅」)返還	299,714	(176,745)
Other income taxes paid	其他已繳所得稅	(1,452,569)	(881,250)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	145,391	11,113,077

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		NOTES 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
INVESTING ACTIVITIES	投資業務			
Purchase of available-for-sale investments	購買可供出售投資		(10,081,401)	(12,579,920)
Purchase of properties, plant and equipment	購買物業、廠房及設備		(1,937,943)	(524,495)
Deposits paid for acquisition of properties, plant and equipment and investment properties	購買物業、廠房及設備及 投資物業所付訂金		(485,451)	(90,940)
Prepaid lease payments made	已付預付租賃款項		(38,533)	(27,184)
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項		11,615,095	8,614,235
Proceeds from disposal of subsidiary	出售一間附屬公司權益所得款項	32	–	2,133,849
Interest received	已收利息		288,428	203,828
Proceeds from disposal of properties, plant and equipment	出售物業、廠房及設備 所得款項		168,328	126,948
Net decrease in entrusted loans	委托貸款減少淨額		162,995	246,473
Dividends received from available-for-sale investments	已收可供出售投資股息收入		34,650	168,382
Dividend received from an associate	已收一間聯營公司股息		3,966	–
Acquisitions of subsidiaries	購買附屬公司	31	–	(2,582,315)
Withdrawal of fixed deposits held at banks with original maturity over three months	提取原期限為三個月以上 的銀行定期存款		–	196,756
NET CASH USED IN INVESTING ACTIVITIES	投資業務所用現金淨額		(269,866)	(4,114,383)
FINANCING ACTIVITIES	融資活動			
New bank borrowings raised	新增銀行借貸		16,220,081	9,400,545
Repayment of bank borrowings	償還銀行借貸		(13,997,363)	(13,246,598)
Dividend paid on ordinary shares	已派付普通股股息		(1,678,272)	(615,360)
Dividends paid to non-controlling shareholders of subsidiaries	支付予附屬公司之非控股股東 之股息		(815,806)	(625,710)
Interest and other finance charges paid	已付利息及其他融資費用		(310,974)	(375,810)
Consideration paid for acquisition of additional interests in subsidiaries	收購附屬公司額外權益所付代價		(265,492)	–
Proceeds from the partial disposal of a subsidiary	出售附屬公司部分權益 所得款項		1,307,207	56,624
Proceeds from exercise of share options	行使隱蔽認購權			
				shareholders of subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加淨額	1,406,021	1,777,812
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初之現金及現金等值項目	6,472,614	4,853,792
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動影響	235,121	(158,990)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	年末之現金及現金等值項目， 即銀行結餘及現金	8,113,756	6,472,614

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

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

1. GENERAL

Kingboard Chemical Holdings Limited (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 42.

The principal activities of its subsidiaries are the manufacture and sales of laminates, printed circuit boards (“PCBs”), chemicals, magnetic products and property development and investments (“Properties”).

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

Amendments to Hong Kong Accounting Standards (“HKAS”) 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

1. 一般資料

建滔化工集團有限公司(「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42。

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、磁電產品製造及銷售業務和物業發展及投資(「物業」)。

本公司的功能貨幣為人民幣(「人民幣」)，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. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)

於本年度強制生效的香港財務申報準則的修訂

本公司及其附屬公司(「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申報準則的修訂本：

香港會計準則 (「香港會計準則」)	披露計劃
第7號的修訂本	
香港會計準則第12號 的修訂本	就未變現虧損作出 遞延稅項資產之確認
香港財務申報準則 第12號的修訂本	作為香港財務申報準則 二零一四年至 二零一六年週期 的年度改進的一部分

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

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

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

Amendments to HKFRSs that are mandatorily effective for the current year (continued)

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

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. 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 cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following 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.

A reconciliation between the opening and closing balances of these items is provided in Note 40. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in Note 40, the application of these amendments has had no impact on the Group's consolidated financial statements.

2. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)(續)

於本年度強制生效的香港財務申報準則的修訂(續)

本年度應用的香港財務申報準則的修訂對本集團本年度及過往年度的財務表現及財務狀況以及／或於該等綜合財務報表所載的披露並無重大影響。

香港會計準則第7號的修訂本 披露計劃

本集團於本年度首次採納該等修訂本。該等修訂本要求實體提供披露資料，以便財務報表的使用者評估融資活動引起的負債變動，包括現金及非現金變動。此外，該等修訂本亦規定在金融資產的現金流量已經、或未來現金流量將會計入融資活動所得現金流量時，須披露該等金融資產的變動。

具體而言，該等修訂本要求披露以下資料：(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。

該等項目的期初與期末結餘的對賬載於附註40。為了與該等修訂本的過渡性條文一致，本集團尚未披露過往年度的比較數字。除了附註40所載的額外披露外，應用該等修訂本對本集團的綜合財務報表並無影響。

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

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

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts” ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

2. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)(續)

已頒佈但尚未生效的新增及經修訂香港財務申報準則

本集團並無提早應用以下已頒佈但尚未生效的新增及經修訂香港財務申報準則：

香港財務申報準則第9號	金融工具 ¹
香港財務申報準則第15號	客戶合約收益及相關修訂 ¹
香港財務申報準則第16號	租賃 ²
香港財務申報準則第17號	保險合約 ⁴
香港(國際財務報告理事會) – 詮釋22	外幣交易及預收代價 ¹
香港(國際財務報告理事會) – 詮釋23	所得稅處理的不確定性 ²
香港財務申報準則第2號的修訂本	股份形式付款的分類及計量 ¹
香港財務申報準則第4號的修訂本	採用香港財務申報準則第4號「保險合約」時一併應用香港財務申報準則第9號「金融工具」 ¹
香港財務申報準則第9號的修訂本	預付款項特徵及負補償 ²
香港財務申報準則第10號及香港會計準則第28號的修訂本	投資者與其聯營公司或合營公司的資產出售或貢獻 ³
香港會計準則第28號的修訂本	於聯營公司或合營公司的長期權益 ²
香港會計準則第28號的修訂本	作為香港財務申報準則二零一四年至二零一六年週期的年度改進的一部分 ¹
香港會計準則第40號的修訂本	轉讓投資物業 ¹
香港財務申報準則的修訂本	作為香港財務申報準則二零一五年至二零一七年週期的年度改進的一部分 ²

¹ 於二零一八年一月一日或其後開始之年度期間生效。

² 於二零一九年一月一日或其後開始之年度期間生效。

³ 於稍後釐定之日期或其後開始之年度期間生效。

⁴ 於二零二一年一月一日或其後開始之年度期間生效。

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

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

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

New and revised HKFRSs in issue but not yet effective (continued)

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 9 Financial instruments

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

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

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

2. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)(續)

已頒佈但尚未生效的新增及經修訂香港財務申報準則(續)

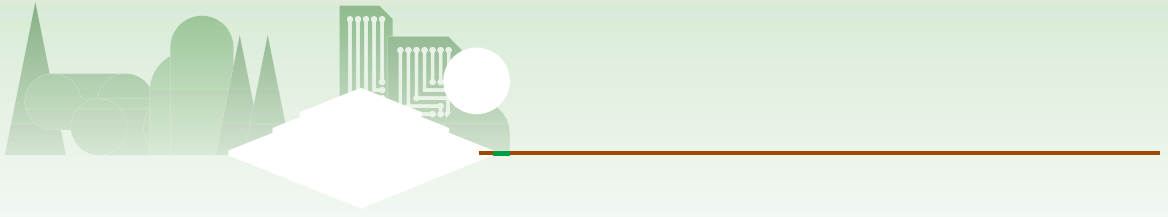
除以下新增及經修訂香港財務申報準則及詮釋外，董事預計應用所有其他新增及經修訂香港財務申報準則及詮釋對本集團於可見將來的綜合財務報表並無重大影響。

香港財務申報準則第9號 金融工具

香港財務申報準則第9號引入有關金融資產、金融負債、一般對沖會計法的分類及計量新規定及金融資產的減值規定。

與本集團有關的香港財務申報準則第9號的主要規定概述如下：

- 香港財務申報準則第9號範疇內的所有已確認金融資產於其後按攤銷成本或公平值計量。具體而言，以旨在收取約定現金流的業務模式持有的債務投資，及具有純粹為支付本金及尚未償還本金的利息的約定現金流的債務投資，一般按於其後的會計期間結束時的攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產之業務模式中持有，以及合約條款令於特定日期產生之現金流量純粹為支付本金及未償還本金之利息的債務工具，一般以按公平值計入其他全面收益列賬之方式計量。所有其他金融資產於其後的報告期間按公平值計量。此外，根據香港財務申報準則第9號，實體可作出不可撤回的選擇，於其他全面收益中呈列股本投資(並非持作交易)公平值的其後變動，惟僅股息收入通常於損益賬確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

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

HKFRS 9 Financial instruments (continued)

Classification and measurement: (continued)

Equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in Note 20: these securities qualified for designation as measured at FVTOCI under HKFRS 9

2. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)(續)

香港財務申報準則第9號 金融工具(續)

分類及計量：(續)

正如附註20所披露，分類為可供出售投資並按成本扣除減值列賬的股本證券：根據香港財務申報準則第9號，該等證券符合資格指定為按公平值計入其他全面收益，而本集團將按其後報告期末的公平值計量該等證券，公平值盈虧確認為其他全面收益並在投資重估儲備累計。初步應用香港財務申報準則第9號後，預期不會對財務報表產生重大影響。

所有其他金融資產及負債將繼續按現時根據香港會計準則第39號計量的相同基準計量。

減值

一般情況下，董事預計，就與本集團按攤銷成本計量的金融資產及在本集團應用香港財務申報準則第9號後須計提減值撥備的其他項目而言，應用香港財務申報準則第9號的預期信貸虧損模型將導致提早計提尚未產生的信貸虧損撥備。

根據董事評估所得，倘本集團應用預期信貸虧損模型，則本集團於二零一八年一月一日確認減值虧損的累計金額與根據香港會計準則第39號確認的累計金額沒有重大差異，主要由於貿易及其他應收款項及分類為可供出售金融資產的上市債券證券的預期信貸虧損撥備所致。

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

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

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

HKFRS 15 Revenue from contracts with customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction 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

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

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

2. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)(續)

香港財務申報準則第15號 客戶合約收益

香港財務申報準則第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。香港財務申報準則第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。

香港財務申報準則第15號之核心原則為實體應確認收益以描述向客戶轉讓承諾貨品或服務之款項，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

根據香港財務申報準則第15號，實體於完成履約責任時確認收益，即於特定履約責任相關之商品或服務之「控制權」轉讓予客戶時確認。香港財務申報準則第15號已就特別情況之處理方法加入更明確指引。此外，香港財務申報準則第15號規定作出更詳盡之披露。

於二零一六年，香港會計師公會頒佈有關香港財務申報準則第15號識別履約責任、委託人與代理的考量及許可證申請指引之澄清。

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

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

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

HKFRS 15 Revenue from contracts with customers (continued)

The Directors have assessed the impact on the application of HKFRS 15 and do not anticipate the application of HKFRS 15 will have a material impact on major sources of revenue, except for the service income from drilling services that will be affected as follows:

Timing of revenue recognition

Service income from drilling services may meet the HKFRS 15 criteria for recognising revenue over time since the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Currently under HKAS 18, the Group recognizes the service income when the services are provided. The change in accounting policy regarding drilling services would expect to result in recognition of a contract asset or liability and related deferred tax assets or liabilities as at 1 January 2018, and opening retained profits would increase.

In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

The Directors intend to apply the limited retrospective method with cumulative effect of initial application recognised in opening balance of equity 1 January 2018.

HKFRS 16 Leases

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

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

2. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)(續)

香港財務申報準則第15號 客戶合約收益(續)

董事已評估應用香港財務申報準則第15號的影響，預計香港財務申報準則第15號不會對主要收益來源造成重大影響，除來自鑽孔服務的服務收益有以下影響：

收益確認的時機

來自鑽孔服務的服務收益可能符合香港財務申報準則第15號就在時限內確認收益的要求，因為實體於履行合約時創造或改良了客戶所控制的資產。

現時根據香港財務申報準則第18號，本集團於提供服務時確認服務收益。預期就鑽孔服務的會計政策變動將導致確認於二零一八年一月一日的合約資產或負債及相關的遞延稅項資產或負債，而期初的保留盈利亦會有所增加。

此外，日後應用香港財務申報準則第15號可能導致綜合財務報表中的更多披露。

董事擬應用有限追溯法並於二零一八年一月一日的權益期初結餘確認首次應用的累計影響。

香港財務申報準則第16號 租賃

香港財務申報準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務申報準則第16號生效時，將取代香港會計準則第17號「租賃」及相關的詮釋。

香港財務申報準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

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

HKFRS 16 Leases (continued)

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

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

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

As at 31 December 2017, the Group has non-cancellable operating lease commitments of HK\$28,302,000, as disclosed in Note 37. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16.

2. 應用新增及經修訂之香港財務申報準則(「香港財務申報準則」)(續)

香港財務申報準則第16號 租賃 (續)

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。本集團應用香港財務申報準則第16號時，有關租賃負債的租賃款項將分配至本金及利息部分，並分別以融資及經營現金流量呈列。

根據香港會計準則第17號，本集團已就融資租賃安排及租賃土地(本集團為承租人)的預付租賃付款確認資產及相關融資租賃負債。應用香港財務申報準則第16號將視乎本集團單獨或於倘擁有資產時將呈列的相應有關資產的同一項目內呈列使用權資產而可能導致該等資產的分類發生潛在變動。

與承租人會計處理方法相反，香港財務申報準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。此外，香港財務申報準則第16號規定作出更詳盡之披露。

於二零一七年十二月三十一日，誠如附註37所披露，本集團不可撤銷之經營租約承擔分別為28,302,000港元。初步評估表明，該等安排符合香港財務申報準則第16號下的租賃定義，因此，本集團將就所有該等租賃確認使用權資產及相應負債，除非在應用香港財務申報準則第16號後其符合低價值或短期租賃。





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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

The principal accounting policies are set out below:

Basis of consolidation

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

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

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

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

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

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

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

3. 主要會計政策(續)

主要會計政策載列如下：

綜合賬目基準

綜合財務報表將本公司及本公司與其附屬公司所控制實體的財務報表綜合入賬。當本公司出現以下情況時則視為取得控制權：

- 可對被投資公司行使權力；
- 就來自參與被投資公司的可變回報中承受風險或享有權利；及
- 有能力行使權力以影響其回報。

倘事實及情況顯示以上所列三種控制情況任何一種或以上出現變動，本集團會就其是否取得被投資公司的控制權作重新評估。

本集團獲得附屬公司控制權時便開始將附屬公司綜合入賬，於喪失控制權時則終止入賬。具體而言，年內所收購或出售附屬公司之收入及開支於本集團獲得控制權日期計入綜合損益表，直至本集團不再控制該附屬公司為止。

損益及其他全面收益各個項目乃分配至本公司持有人及非控股股東權益。附屬公司的全面收益總額乃分配至本公司持有人及非控股股東權益，即使此舉導致非控股股東權益出現虧絀結餘。

如需要，將會就附屬公司之財務報表作出調整，致使其會計政策與本集團之會計政策貫徹一致。

有關本集團成員公司間交易之所有集團內公司間資產和負債、股權、收入、開支及現金流量於綜合賬目時全數對銷。





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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see accounting policy above) less accumulated impairment losses, if any.

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

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU (or group of CGU) is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis on the carrying amount of each asset in the unit (or group of CGU). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the CGU within group of CGUs in which the Group monitors goodwill).

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

3. 主要會計政策(續)

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(或現金產生單位組合)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。就商譽確認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(或本集團監控商譽的現金產生單位組合內的任何現金產生單位)。

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。



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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates (continued)

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.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 主要會計政策(續)

於聯營公司之投資(續)

香港會計準則第39號規定，於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時應用該會計準則。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。

倘本集團對聯營公司失去重大影響力，其入賬列作出售被投資方的全部權益，所產生的盈虧於損益確認。倘根據香港會計準則第39號之範圍，本集團保留於聯營公司之權益且該保留權益為金融資產，則本集團會於該日按公平值計量保留權益，而公平值則被視為於初步確認時之公平值。於聯營公司之賬面值與任何保留權益及出售聯營公司之相關權益之所得款項公平值間之差額。此外，本集團會將先前在其他全面收入就該聯營公司確認之所有額入賬，基準與該聯營公司直接出售相關資產或負債所需基準相同。因此，倘聯營公司以往於其他全面收益確認的盈虧重新分類為出售相關資產或負債的損益，則本集團將於出售／部分出售相關聯營公司時將權益盈虧重新分類至損益(列作重新分類調整)。

當某集團實體與本集團之聯營公司交易(如出售或注入資產)時，與該聯營公司交易所產生的損益只會在有關聯營公司的權益與本集團無關的情況下，方會於本集團的綜合財務報表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Non-current assets held for sale

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

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

When the Group is committed to a sale plan involving disposal of an investment, in an associate, the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method when the investment is classified as held for sale.

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

Revenue from the sale of goods other than sales of properties is recognised when the goods are delivered and title has passed.

3. 主要會計政策(續)

待售非流動資產

非流動資產及出售組合在主要透過出售交易而非透過持續使用來收回賬面值時分類為待售。只有在資產(或出售組合)可按現況並僅須遵照一般平常出售條款即時出售，而有關出售大有可能落實的情況下，這項條件才告達成。管理層必須致力參與有關出售，預期應自分類日期起計一年內符合確認為出售完成。

當本集團致力參與涉及附屬公司控制權的出售計劃時，該附屬公司的全部資產及負債即在達成上述要求時分類為待售，無論本集團有否在出售後保留其前附屬公司的非控股股東權益亦然。

當本集團致力參與涉及出售聯營公司投資的出售計劃時，該投資將在達成上述要求時予以出售並分類為待售，而本集團在投資分類為待售後不再使用權益法。

分類為待售的非流動資產(及出售組合)按其先前賬面值與公平值減出售成本之較低者計量。

營業額確認

營業額乃按已收或應收代價之公平值計算，並扣除估計客戶退貨、回贈及其他類似津貼。

營業額可可靠地計量；倘未來經濟利益流入本集團且當本集團各業務達成特定標準時，方會確認營業額，概述如下。

除銷售物業外，銷售貨品所得營業額在貨品交付及所有權轉移時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Revenue from sale of properties in the ordinary course of business is recognised when the respective properties have been completed and the Group has transferred to the buyer the significant risks and rewards of ownership of the properties. 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 from drilling services is recognised when services are provided.

Interest income is accrued on a time apportionment 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.

Licence fee income is recognised on a straight-line basis over the term of the relevant licence agreement.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, provided that it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably.

The Group's accounting policy for recognition of revenue for 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 year in which the item is derecognised.

3. 主要會計政策(續)

營業額確認(續)

於一般業務過程中銷售物業的營業額在該等物業完成及本集團將物業擁有權的重大風險及回報轉移予買家時確認。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。

利息收入乃根據未償還本金及適用實際利率按時間分攤基準累計，有關利率乃將估計未來所收現金按金融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。

授權使用費收入在相關授權使用協議年期內，以直線法確認。

倘經濟利益很可能流入本集團，而收入金額能可靠計量，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。

投資物業於出售后，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年度之損益內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Properties held for development

Properties held for development for sale 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 for sale 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 for sale 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.

3. 主要會計政策(續)

待發展物業

未來待售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,本集團將待售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,本集團將待售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。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Properties, plant and equipment (continued)

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.

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.

Licensed properties, plant and equipment

Licensed 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 licensed 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.

3. 主要會計政策(續)

物業、廠房及設備(續)

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，以直線法攤銷其成本予以確認。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。

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，以直線法攤銷其成本予以確認。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。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

Impairment losses on 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 assets 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 asset individually, the Group estimates the recoverable amount of the cash-generating unit 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 (or a CGU) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)

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)。

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, 本集團須審閱其有形資產之賬面值, 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(或現金產生單位)的獨有風險。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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.

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. 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.

3. 主要會計政策(續)

資產之減值虧損(商譽除外(請參閱有關商譽之會計政策))(續)

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。

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以直線法確認。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為開支。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasing (continued)

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold 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 property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) is allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant 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 leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

The Group transfers prepaid lease payments to properties held for development when there is a change of intention to hold the properties for the Group's redevelopment rather than owner occupation. The previous carrying amount of the prepaid lease payments becomes the cost of properties held for development upon the date of transfer.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策(續)

租約(續)

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或經營租約，如該等部分明顯為經營租約，整項物業分類為經營租約。尤其是，全部代價(包括任何一次性預付款)在初步確認時，按租約權益於租賃土地項目及樓宇項目之間的相關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租賃土地和樓宇部分之間可靠地分配時，整項物業一般視為融資租約，並作為租賃土地列賬。

當意向轉變為持有該等物業作本集團重建而非業主自用，本集團轉撥預付租賃款項至待發展物業。預付租賃款項的過往賬面值於轉撥日期後成為待發展物業的成本。

外幣

編製各個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易乃按交易日期當時之匯率確認。於報告期間結束當日，以外幣列值之貨幣項目以該日之匯率重新匯兌。按公平值列賬且按外幣列值之非貨幣項目乃按釐定公平值當日匯率重新匯兌。以外幣按歷史成本計量之非貨幣項目不予重新匯兌。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

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

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation before 1 January 2005 is treated as non-monetary foreign currency items of the acquirer and reported using the historical cost prevailing at the date of acquisition.

3. 主要會計政策(續)

外幣(續)

因結算貨幣項目及重新換算貨幣項目所產生之匯兌差額會於產生期間在損益中確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按報告期間結束當日匯率匯兌為本集團之呈報貨幣(即港元)。收入及開支項目乃按年內平均匯率匯兌。所產生匯兌差額(如有)於其他全面收益確認，並於權益以匯兌儲備名目(歸入非控股股東權益(如適用))累計。

出售海外業務時(即出售本集團海外業務之全部權益，或出售涉及喪失擁有海外業務之附屬公司之控制權、出售涉及喪失擁有海外業務之合營安排之共同控制權、或出售涉及喪失對擁有海外業務之聯營公司之重大影響力)，本公司持有人應佔該業務之所有累計於權益中之匯兌差額，則重新分類至損益。

另外，部分出售但未導致本集團失去控制權的附屬公司(包含海外業務)，其累計匯兌差額按相應比例再次計入非控股股東權益，不會於損益確認。至於所有其他部分出售(即部分出售聯營公司或合營安排，而不會導致本集團喪失重大影響力或共同控制權)，累計匯兌差額按比例重新分類至損益。

於二零零五年一月一日前因收購海外業務而產生之商譽及就收購可識別資產作出公平值調整被視為收購方之非貨幣外幣項目，以收購當日之歷史成本呈報。



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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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 or loss are recognised immediately in profit or loss.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於各報告期間結束當日作檢討，並在沒可能會有足夠應課稅溢利收回全部或部分資產時加以遞減。

根據報告期間結束當日已頒佈或實際已頒佈之稅率(及稅法)，遞延稅項資產及負債按負債清償或資產變現期間預期適用之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期間結束當日將出現的稅務後果，以收回資產或清償負債之賬面值。

就計量以公平值模式計量投資物業之遞延稅項負債或遞延稅項資產而言，假定該等物業之賬面值可從出售中全數收回，除非假定被駁回則另作別論。當投資物業折舊，並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(而並非透過出售)，該假定被駁回。

即期及遞延稅項於損益確認，惟當與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，會確認金融資產及金融負債。

金融資產及金融負債初步按公平值計算。因收購或發行金融資產及金融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金融資產或金融負債之公平值。因收購按公平值計入損益之金融資產及金融負債而直接應佔之交易成本，會即時於損益確認。



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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

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 are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of available-for-sale debt instruments relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments 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 investment 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 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).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產為非衍生工具，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。

除公平值無法可靠計量的無報價股本投資外，本集團持有之權益及債務證券，如分類為可供出售，於報告期間結束當日按公平值計量。與利息收入有關按實際利率法計算之可供出售債務工具之賬面值變動，及可供出售股本投資之股息於損益確認。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。可供出售金融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（請參閱下文有關金融資產減值虧損之會計政策）。

可供出售股本投資在活躍市場上並無市場報價而其公平值未能可靠計量，必須以交付無報價股本投資結算按成本減任何於報告期間結束當日已識別減值虧損計算（請參閱下文有關金融資產減值虧損之會計政策）。

金融資產減值

金融資產於報告期間結束當日獲評估是否存有減值跡象。倘出現客觀證據，即因金融資產初步確認後產生之一項或多項事件，金融資產估計未來現金流量受到影響，則金融資產被視為減值。

就可供出售股本投資而言，該項投資的公平值大幅或長期跌至低於其成本則被視為減值的客觀證據。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty; or breach of contract, such as default or delinquency in interest and principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就所有其他金融資產而言，減值的客觀證據可能包括發行人或交易對手出現重大財政困難；或違約，如不能履行或拖欠利息及本金款項，或借貸人有可能面臨破產或財務重組；或因財政困難，導致該金融資產於活躍市場消失。

就若干類別的金融資產(如貿易應收賬款)而言，倘資產經評估不會單獨作出減值，將會彙集一併評估減值。應收賬款組合出現減值的客觀證據包括本集團過往收款經驗、組合內逾期超過平均信貸期之還款數目上升、國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

就按攤銷成本計值的金融資產而言，減值虧損金額確認為資產的賬面值與估計未來現金流量的現值(以金融資產的原始實際利率折現)間的差額。

就按成本計值的金融資產而言，減值虧損的金額以資產的賬面值與估計未來現金流量的現值(以類似金融資產的當前市場回報率折現)間的差額計量。該等減值虧損不會於其後期間撥回。

所有金融資產的減值虧損會直接於金融資產的賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內的賬面值變動會於損益中確認。當貿易應收賬款被視為不可收回時，其將於撥備賬內撇銷。於其後重新收回的先前撇銷的款項將計入損益。





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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derecognition (continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to the Directors and employees of the Group
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in share options reserve.

At end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve. For share options that are vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3. 主要會計政策(續)

金融工具(續)

剔除確認(續)

倘本集團之責任獲解除、註銷或到期，本集團方會剔除確認金融負債。剔除確認之金融負債賬面值與已付及應付代價之差額於損益中確認。

以股份形式付款交易

以權益結算的股份形式付款交易

授予本集團董事及僱員之購股權

以權益結算的股份形式付款予員工的款項及其他提供的類似服務按授出日期權益工具之公平值計量。

於授出日期不計及所有非市場歸屬條件而釐定的以股份形式付款的公平值於歸屬期內根據本集團對最終將會歸屬之股權工具之估計，按直線法支銷，且於優先購股權儲備中作相應增加。

於報告期間結束時，本集團修訂對預期按所有相關的非市場歸屬條件評估而可歸屬之優先購股權數目的估計，並將修訂歸屬期內原先估計的影響(如有)於損益內確認，使累計開支反映經修訂估計，優先購股權儲備亦作相應之調整。就於授出日期即時歸屬的優先購股權而言，已獲授優先購股權即時於損益支銷。

優先購股權獲行使時，過往於優先購股權儲備中確認之數額將轉移至股份溢價。當優先購股權於歸屬日後被沒收或於屆滿日仍未獲行使，則過往於優先購股權儲備中確認之數額將轉撥至保留溢利。



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

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

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 the United Kingdom with carrying amounts of approximately HK\$2,943,432,000 and HK\$4,096,898,000 at 31 December 2017 respectively (2016: located in Hong Kong and the United Kingdom with carrying amounts of approximately HK\$2,909,041,000 and HK\$3,717,334,000 respectively) are not held under a business model which 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 the United Kingdom, assuming that the Group is considered as a non-resident in the United Kingdom.

Legal claim (Note 36(b))

The Group is involved in legal proceeding as disclosed in Note 36(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 liability of this legal case cannot be quantified at this point because the hearing date for Privy Council appeal has not been fixed. 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21)(續)

位於香港及英國的投資物業於二零一七年十二月三十一日的賬面值各自約為2,943,432,000港元及4,096,898,000港元(二零一六年：位於香港及英國賬面值分別約為2,909,041,000港元及3,717,334,000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，此乃假設本集團於英國被視為非居民。

法律申索(附註36(b))

如綜合財務報表附註36(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，現階段無法計算此案件的責任，因為樞密院上訴聆訊日期未定。因此，本集團並無在綜合財務報表計提撥備及預提款項。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

Key sources of estimation uncertainty (continued)

Allowances for inventories (Note 22)

In determining the net realisable value of the Group's inventories, the management estimated the net realisable value of inventories based on the most reliable information available at the time the estimates are made. These estimates take into consideration the fluctuations in price, the balance on hand relative to sales prospects and the condition of the inventories. A write down of HK\$20,607,000 (2016: reversal of write down of HK\$37,997,000) on inventories has recognised during the year ended 31 December 2017. As at 31 December 2017, the carrying amount of inventories was HK\$2,115,557,000 (2016: HK\$1,779,065,000).

Estimated net realisable value on properties held for development (Note 23)

In determining whether write down should be made to the Group's properties held for development, the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses) less estimated costs to completion of the properties. Write down is made if the estimated market value less estimated cost to completion of the properties is less than the carrying amount. If the actual net realisable value on properties held for development for sales is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material write down may result. As at 31 December 2017, the carrying amount of properties held for development was approximately HK\$15,637,824,000 (2016: HK\$15,810,227,000).

Estimated impairment of trade receivables (Note 24)

When there is an objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition, where applicable). Where the actual future cash flows are less than expected or being revised downward due to changes in facts and circumstances, a material impairment loss may arise. As at 31 December 2017, the carrying amount of trade receivables was approximately HK\$6,276,643,000 (2016: HK\$5,237,066,000), net of allowance for doubtful debts of approximately HK\$934,179,000 (2016: HK\$770,209,000).

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變現淨值。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。截至二零一七年十二月三十一日止年度，存貨撇減20,607,000港元(二零一六年：撥回撇減37,997,000港元)獲確認。截至二零一七年十二月三十一日止年度，存貨的賬面值為2,115,557,000港元(二零一六年：1,779,065,000港元)。

待發展物業之估計可變現淨值(附註23)

釐定本集團待發展物業是否需要撇減，本集團考慮此等物業之最近市場狀況及估計此物業之市值(即估計銷售價減估計銷售費用成本)減估計完成此物業之成本。若物業之估計市值減完成該等物業之成本後低於其賬面值，則須作出撇減。由於市場狀況之改變及／或預期發展成本有重大變動，待售待發展物業之實際可變現淨值若少於預期，則導致重大撇減。於二零一七年十二月三十一日，待發展物業的賬面值約為15,637,824,000港元(二零一六年：15,810,227,000港元)。

貿易應收賬款之估計減值(附註24)

倘有客觀證據顯示出現減值虧損，本集團考慮估計未來現金流量。減值虧損金額為資產賬面值與按金融資產原實際利率(即初始確認時的實際利率)(如適用)折現的估計未來現金流量現值(不包括未產生的未來信貸虧損)之差額。如實際未來現金流量較預期少，或因事實及情況變動修改下調，可能出現重大減值虧損。於二零一七年十二月三十一日，貿易應收賬款的賬面值約為6,276,643,000港元(二零一六年：5,237,066,000港元)(扣除呆壞賬撥備約934,179,000港元(二零一六年：770,209,000港元))。

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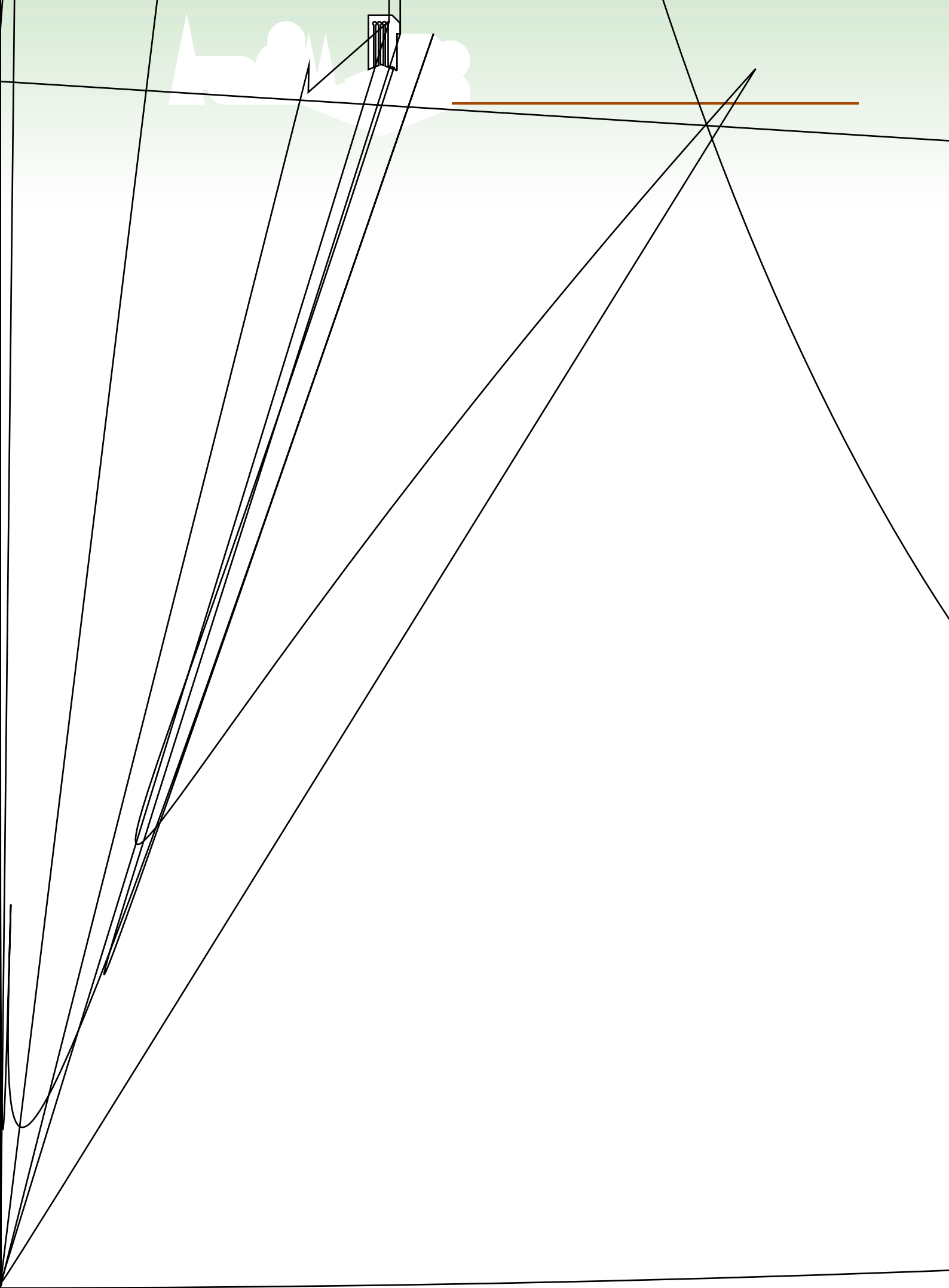
For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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



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6. SEGMENT INFORMATION (continued)

Under HKFRS 8, segment information is based on internal management reporting information that is regularly reviewed by the executive directors, being the CODM of the Group. The measurement policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS consolidated financial statements. The CODM assesses segment profit or loss using a measure of operating profit whereby certain items are not included in arriving at the segment results of the operating segments (share of results of associates, gain on disposal of available-for-sale investments, impairment loss recognised on available-for-sale investments, gain on disposal of subsidiaries, finance costs, share-based payments and unallocated corporate income and expenses).

(a) Segment revenue and results

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

		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
For the year ended 31 December 2017	截至二零一七年 十二月三十一日止年度							
Segment revenue	分部營業額							
External sales	對外銷售額	14,714,174	8,194,104	13,351,870	6,467,607	431,718	-	43,159,473
Inter-segment sales	分部間之銷售額	1,941,068	-	644,303	-	274	(2,585,645)	-
Total	合計	16,655,242	8,194,104	13,996,173	6,467,607	431,992	(2,585,645)	43,159,473
Result	業績							
Segment results	分部業績	3,953,106	693,051	966,366	1,974,715	18,854		7,606,092
Gain on disposal of available-for-sale investments	出售可供出售投資之收益							1,153,015
Impairment loss recognised on available-for-sale investments	就可供出售投資確認之減值虧損							(34,152)
Share-based payments	以股份形式付款							(3,136)
Unallocated corporate income	未分配之公司收入							256,185
Unallocated corporate expenses	未分配之公司支出							(403,991)
Finance costs	融資成本							(311,919)
Share of results of associates	應佔聯營公司業績							103,267
Profit before taxation	除稅前溢利							8,365,361

6. 分部資料(續)

根據香港財務申報準則第8號，呈報分部資料乃根據內部管理呈報資料。該等資料由本集團之執行董事，即主要營運決策者定期審閱。本集團根據香港財務申報準則第8號用作分部呈報之計量政策，與其用於香港財務申報準則之綜合財務報表一致。主要營運決策者以經營溢利之計量來評估分部之溢利或虧損。當中若干項目並未有包括在達致經營分部之分部業績內(應佔聯營公司業績、出售可供出售投資之收益、就可供出售投資確認之減值虧損、出售附屬公司之收益、融資成本、以股份形式付款、未分配之公司收入及支出)。

(a) 分部營業額及業績

以下為按經營及申報分部劃分之本集團營業額及業績之分析：

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6. SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

		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
For the 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 results	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

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. 分部資料 (續)

(a) 分部營業額及業績 (續)

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6. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

6. 分部資料(續)

(b) 分部資產及負債

以下為按經營及申報分部劃分之本集團資產及負債之分析：

		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	Consolidated 綜合 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日						
Assets	資產						
Segment assets	分部資產	18,467,294	10,965,041	7,793,988	37,321,452	958,057	75,505,832
Available-for-sale investments	可供出售投資						6,525,570
Interests in associates	於聯營公司之權益						504,090
Assets classified as held for sale	分類為待售資產						1,696,193
Unallocated corporate assets	未分配之公司資產						
– Bank balances and cash	– 銀行結餘及現金						3,421,152
– Deferred tax assets	– 遞延稅項資產						3,768
– Taxation recoverable	– 可收回稅項						7,964
– Others	– 其他						629,814
Consolidated total assets	綜合資產總值						88,294,383
Liabilities	負債						
Segment liabilities	分部負債	(2,921,893)	(2,107,749)	(1,690,573)	(4,236,209)	(86,135)	(11,042,559)
Unallocated corporate liabilities	未分配之公司負債						
– Bank borrowings	– 銀行借貸						(19,088,342)
– Taxation payable	– 應繳稅項						(886,418)
– Deferred tax liabilities	– 遞延稅項負債						(783,418)
– Others	– 其他						(2,769,926)
Consolidated total liabilities	綜合負債總額						(34,570,663)

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6. SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities (continued)

	Laminates	PCBs	Chemicals	Properties	Others	Consolidated
	覆銅面板	印刷線路板	化工產品	物業	其他	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元

At 31 December 2016

於二零一六年十二月三十一日

Assets

資產

Segment assets	分部資產	16,565,429	10,199,552	6,476,958	31,270,896	723,194	65,236,029
Available-for-sale investments	可供出售投資						6,537,266
Interests in associates	於聯營公司之權益						1,959,874
Unallocated corporate assets	未分配之公司資產						
– Bank balances and cash	– 銀行結餘及現金						1,841,366
– Deferred tax assets	– 遞延稅項資產						3,347
– Taxation recoverable	– 可收回稅項						

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。

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6. SEGMENT INFORMATION (continued)

(c) Other information

		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	Unallocated amount 未分配金額 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
For the year ended 31 December 2017	截至二零一七年 十二月三十一日止年度							
Amounts included in the measure of segment profit or loss or segment assets:	計算分部損益或 分部資產時計入 的金額：							
Capital additions	資本增添	871,791	833,165	308,910	4,039,884	36,162	-	6,089,912
Depreciation	折舊	560,253	496,003	650,033	6,103	45,469	-	1,757,861
Release of prepaid lease payments	預付租賃款項撥回	5,392	4,485	9,388	-	5,039	-	24,304
Impairment loss recognised on trade receivables	就貿易應收賬款 確認之減值虧損	81,211	73,408	12,174	-	-	-	166,793
Write down (reversal of write down) of inventories	撇減(撥回撇減)存貨	6,259	(2,738)	17,086	-	-	-	20,607
Interest income	利息收入	112,115	24,897	18,006	20,814	71	128,637	304,540
Loss (gain) on disposal and written off of properties, plant and equipment	出售及撇銷物業、 廠房及設備之 虧損(收益)	38,751	(1,800)	1,841	-	279	1,448	40,519
Gain on fair value changes of investment properties	投資物業公平值變動 之收益	-	-	-	54,284	-	-	54,284

6. 分部資料(續)

(c) 其他資料

		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	Unallocated amount 未分配金額 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度							
Amounts included in the measure of segment profit or loss or segment assets:	計算分部損益或 分部資產時計入 的金額：							
Capital additions	資本增添	149,755	376,413	241,630	3,565,730	8,048	-	4,341,576
Depreciation	折舊	625,359	499,454	786,433	5,746	38,034	-	1,955,026
Release of prepaid lease payments	預付租賃款項撥回	8,425	4,288	7,370	-	1,135	-	21,218
(Reversal of) impairment loss recognised on trade receivables	(撥回)就貿易應收賬款 確認之減值虧損	(2,408)	68,559	20,531	-	-	-	86,682
(Reversal of write down) write down of inventories	(撥回撇減)撇減存貨	(2,148)	22,957	(57,203)	-	(1,603)	-	(37,997)
Interest income	利息收入	47,737	12,890	43,005	44,289	36	78,177	226,134
Loss (gain) on disposal and written off of properties, plant and equipment	出售及撇銷物業、廠房及 設備之虧損(收益)	31,133	(303)	221	-	1,605	-	32,656
Gain on fair value changes of investment properties	投資物業公平值變動 之收益	-	-	-	21,286	-	-	21,286













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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 2016 截至二零一六年十二月三十一止年度																
Executive directors 執行董事										Independent non-executive directors 獨立非執行董事						
	Cheng Kwok Wing	Chang Wing Yiu	Chang Kwong Kwan	Chang Kwong Yin	Ho Yin Sang	Cheng Wai Lin, Stephanie	Chen Massheng 陳茂盛	Cheng Ka Shing 張家威	Cheng Ming 張明敏	Cheng Wai Chee, Christopher	Leung Kin Chiu	Chong Kin 莊建琪	La Chung Wing, Robert	Tang King Sing	Tse Kam Hung	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees	-	-	-	-	-	-	-	-	190	480	27	150	85	300	90	1,322
Other emoluments:																
Salaries and other benefits	2,629	2,502	2,502	2,375	1,623	1,377	1,140	-	-	-	-	-	-	-	-	14,148
Contributions to retirement benefits scheme	131	125	125	119	81	69	57	-	-	-	-	-	-	-	-	707
Performance related incentive payment (Note ii)	26,180	17,660	14,340	14,340	13,840	1,884	7,380	-	-	-	-	-	-	-	-	95,624
Share-based payments	4,133	3,282	2,432	1,824	3,039	-	3,880	-	-	-	-	-	-	-	-	18,600
Total emoluments	33,073	23,569	19,399	18,658	18,583	3,330	12,467	190	480	27	150	85	300	90	130,401	

Notes:

附註:

- (i) Mr. Chan Wing Kee, Dr. Chong Kin Ki and Mr. Leung Tai Chiu were appointed as an independent non-executive director of the Company on 1 July 2017, 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. Dr. Cheng Wai Chee, Christopher and Mr. Lai Chung Wing, Robert retired on 29 May 2017 and 23 May 2016 respectively.
- (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.

陳永基先生、莊榮基先生及梁耀庭先生分別於二零一七年七月一日、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。

鄧冠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。鄭維志博士及黎榮榮先生分別於二零一七年五月二十九日及二零一六年五月二十三日退任。

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。

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提供服務而支付。上述之獨立非執行董事酬金主要就彼等擔任董事而支付。

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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 waive any emoluments during the years ended 31 December 2017 and 2016.

(c) Employees' emoluments

For the year ended 31 December 2017, four (2016: four) of the highest paid employees are Directors and the Chief Executive.

For the year ended 31 December 2017, the emoluments of the remaining one (2016: one) individual were as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,112	2,566
Contributions to retirement benefits scheme	退休福利計劃供款	145	128
Performance related incentive payment	工作表現相關獎勵款項	20,360	18,760
Total emoluments	酬金總額	23,617	21,454

During the year ended 31 December 2017 and 2016, no emoluments were paid to or receivable by the Directors or the Group's five highest paid individuals, including Directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

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二零一七年及二零一六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

截至二零一七年十二月三十一日止年度，四名(二零一六年：四名)最高薪人士全部均為董事及行政總裁。

截至二零一七年十二月三十一日止年度，餘下一名(二零一六年：一名)人士的酬金載列如下：

截至二零一七年及二零一六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。

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(continued)

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

As disclosed in Note 41, the Group entered into sale and purchase transactions with the subsidiaries of a shareholder with significant influence on the Group. The price is to be determined and agreed between the parties from time to time with reference to the prevailing market price.

Mr. Cheung Kwok Wing, Mr. Chang Wing Yiu, Mr. Cheung Kwong Kwan and Mr. Ho Yin Sang, the executive Directors, 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41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。價格由各方不時參照當時之市場價格而釐定及議定。

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。

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12. DIVIDENDS

12. 股息

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Dividends declared and paid	已宣派及派發股息		
2017 Interim dividend of HK60 cents (2016: HK30 cents) per ordinary share	二零一七年中期股息 每股普通股60港仙 (二零一六年：30港仙)	639,872	307,680
2016 Final dividend of HK70 cents (2015: HK30 cents) per ordinary share	二零一六年末期股息 每股普通股70港仙 (二零一五年：30港仙)	726,880	307,680
2016 Special final dividend of HK30 cents (2015: Nil) per ordinary share	二零一六年特別末期股息 每股普通股30港仙 (二零一五年：無)	311,520	—
		1,678,272	615,360
Dividends proposed	建議股息		
Proposed 2017 Final dividend of HK100 cents (2016: HK70 cents) per ordinary share	建議二零一七年末期股息 每股普通股100港仙 (二零一六年：70港仙)	1,066,452	726,880
Proposed 2016 Special final dividend of HK30 cents (2017: Nil) per ordinary share	建議二零一六年特別末期 股息每股普通股30港仙 (二零一七年：無)	—	311,520
		1,066,452	1,038,400

The final dividend of HK100 cents per ordinary share amounted to HK\$1,066,452,000 in respect of the year ended 31 December 2017 (2016: final dividend of HK70 cents and special final dividend of HK30 cents per ordinary share amounted to HK\$726,880,000 and HK\$311,520,000, respectively in respect of the year ended 31 December 2016) have been proposed by the Directors and are subject to the approval by the shareholders of the Company in the forthcoming annual general meeting.

董事建議就截至二零一七年十二月三十一日止年度派發末期股息每股普通股100港仙，金額為1,066,452,000港元(二零一六年：就截至二零一六年十二月三十一日止年度末期股息及特別末期股息每股普通股分別70港仙及30港仙，金額分別為726,880,000港元及311,520,000港元)，惟須待本公司股東於應屆股東週年大會批准，方可作實。

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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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	5,593,434	5,026,831
		Number of shares 股份數目	
		2017 二零一七年	2016 二零一六年
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	1,043,040,213	1,028,230,273
Effect of dilutive potential ordinary shares arising from share options	因優先購股權導致的具潛在攤薄效應之普通股之影響	9,576,220	3,016,559

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：

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14. INVESTMENT PROPERTIES

14. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2016	於二零一六年一月一日	10,876,251
Exchange adjustments	匯兌調整	(789,336)
Acquisition of a subsidiary (Note 31)	收購附屬公司(附註31)	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
Unrealised gain on fair value changes	公平值變動的未變現收益	21,286
At 31 December 2016	於二零一六年十二月三十一日	15,368,824
Exchange adjustments	匯兌調整	1,005,427
Transfer from properties held for development (Note (a))	轉撥自待發展物業(附註(a))	723,380
Unrealised gain on fair value changes	公平值變動的未變現收益	54,284
At 31 December 2017	於二零一七年十二月三十一日	17,151,915

Notes:

- (a) During the year ended 31 December 2017 and 2016, certain properties held for development were reclassified to investment properties upon changing in use as evidenced by commencement of operating leases with independent third parties (see Note 23).

During the year ended 31 December 2017, the Group recognised gain on fair value changes of investment properties amounted to HK\$54,284,000 (2016: HK\$21,286,000). The fair value of the Group's investment properties at 31 December 2017 had been arrived at on the basis of a valuation carried out on that date by Ravia Global Appraisal Advisory Limited (2016: Roma Appraisals Limited), an independent qualified valuer not connected to the Group. Ravia Global Appraisal Advisory Limited and Roma Appraisals Limited are members 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. There has been no change from the valuation technique used in prior years.

附註：

- (a) 截至二零一七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，若干待發展物業重新分類至投資物業(附註23)。

截至二零一七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54,284,000港元(二零一六年：21,286,000港元)。本集團之投資物業於二零一七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瑞豐環球評估諮詢有限公司(二零一六年：羅馬國際評估有限公司)，於該日進行估值之基準達致。瑞豐環球評估諮詢有限公司及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。於過往年度所用之估值技術並無變動。

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14. INVESTMENT PROPERTIES (continued)

In determining the fair value of the relevant properties, the board of Directors has set up a valuation committee, which is headed up by the persons in charge of financial matters of the Group, to determine the appropriate valuation techniques and inputs for fair value measurements.

The Group engages an independent valuer to perform its valuations. The valuation committee works closely with the independent valuer to establish the appropriate valuation techniques and inputs to the model. The persons in charge of financial matters reports the valuation committee's findings to the board of Directors every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

The Group's investment properties were classified as Level 3 of the fair value hierarchy as at 31 December 2017 and 31 December 2016.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation technique and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

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	Fair value hierarchy 公平值 架構級別	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
Industrial properties in Hong Kong 於香港的工廠物業	Level 3 第三級	Direct comparison method with price per square metre 直接比較法及每平方米價格	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\$42,389 to HK\$42,862 (2016: HK\$41,129 to HK\$41,980) per square metre. 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)的每平方米價格, 介乎每平方米42,389港元至42,862港元(二零一六年: 41,129港元至41,980港元)。	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. 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。

14. 投資物業(續)

為釐定相關物業的公平值, 董事會已成立估值委員會, 由負責本集團財務事務的人士帶領, 以就公平值計量釐定適當的估值技術及輸入數據。

本集團聘請一名獨立估值師進行估值。估值委員會與獨立估值師緊密合作, 為估值模式建立適當的估值技術及輸入數據。負責財務事務的人士每季向董事會報告估值委員會的發現, 以解釋資產及負債公平值的波動原因。

於二零一七年十二月三十一日及二零一六年十二月三十一日, 本集團之投資物業分類為第三類公平值等級。

下表載列該等投資物業之公平值釐定方式(尤其是所用的估值技術及輸入數據)以及按公平值計量參數的可觀察程度將公平值計量分類之公平值架構級別(第一至三級)。

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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	Fair value hierarchy 公平值架構級別	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 於香港新界的商用物業	Level 3 第三級	Direct comparison method with price per square metre 直接比較法及每平方米價格	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\$54,692 to HK\$55,015 (2016: HK\$54,197 to HK\$55,026) per square metre. 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)的每平方米價格, 介乎每平方米54,692港元至55,015港元(二零一六年: 54,197港元至55,026港元)。	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. 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 於香港香港島的商用物業	Level 3 第三級	Direct comparison method with price per square metre 直接比較法及每平方米價格	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\$168,650 to HK\$170,071 (2016: HK\$161,460 to HK\$163,347) per square metre. 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)的每平方米價格, 介乎每平方米168,650港元至170,071港元(二零一六年: 161,460港元至163,347港元)。	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. 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。



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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	Fair value hierarchy 公平值 架構級別	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 London 於倫敦的商用物業	Level 3 第三級	Direct comparison method with price per square metre 直接比較法及每平方米價格	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 Great British Pound ("GBP") 5,277 to GBP13,754 (2016: GBP5,016 to GBP9,293) per square metre. 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)的每平方米價格, 介乎每平方米5,277英鎊至13,754英鎊(二零一六年: 5,016英鎊至9,293英鎊)。	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. 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。

There were no transfer into or out of Level 3 during the year.

年內, 並無於第三級別轉入或轉出。

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change from the valuation technique used in prior years.

本集團為賺取租金或資本增值並根據經營租約持有之所有物業權益, 均利用公平值模式計量, 並分類及列作投資物業。於估計物業之公平值時, 物業之最高及最佳用途為目前用途。於過往年度所用之估值技術並無變動。

Certain investment properties with a carrying value of HK\$1,780,000,000 (2016: HK\$1,780,000,000) have been pledged to secure banking facilities granted to the Group.

本集團質押若干賬面值為1,780,000,000港元之投資物業(二零一六年:

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15. PROPERTIES, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Freehold lands	Buildings	Leasehold improvements	Plant and machinery	Licenced assets	Furniture, fixtures and equipment	Transportation equipment	Properties, plant and equipment under construction	Total
		永久產權土地	樓宇	租約物業裝修	廠房及機器	使用資產 授權	傢俬、裝置 及設備	運輸設備	在建物業、 廠房及設備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						(Note ii) (附註ii)				
COST	成本									
At 1 January 2016	於二零一六年一月一日	53,722	3,352,434	955,176	24,966,971	2,340,129	1,553,884	151,896	892,564	34,266,776
Exchange adjustments	匯兌調整	(282)	(88,802)	(5,726)	(1,361,326)	(148,184)	(89,048)	(7,710)	(88,701)	(1,789,779)
Additions	添置	-	86,972	71,978	238,494	33,389	35,014	11,133	359,381	836,361
Disposals and write off	出售及撇銷	-	(3,351)	(1,018)	(620,608)	(38,565)	(16,536)	(16,083)	(16,955)	(713,116)
Disposal of a subsidiary (Note 32)	出售附屬公司(附註32)	-	-	-	-	-	(9)	-	-	(9)
Reclassifications	重新分類	-	80,026	4,482	235,271	-	48,539	379	(368,697)	-
At 31 December 2016	於二零一六年十二月三十一日	53,440	3,427,279	1,024,892	23,458,802	2,186,769	1,531,844	139,615	777,592	32,600,233
Exchange adjustments	匯兌調整	294	93,468	6,339	1,205,346	151,921	90,418	7,753	75,420	1,630,959
Additions	添置	-	5,072	33,301	1,040,064	27,747	302,950	14,464	605,285	2,028,883
Transfer from properties held for development (Note 23)	轉撥自待發展物業(附註23)	-	179,254	-	-	-	-	-	-	179,254
Disposals and write off	出售及撇銷	-	(14,493)	(57,211)	(521,500)	(65,056)	(24,379)	(12,022)	(35,510)	(730,171)
Reclassifications	重新分類	-	22,412	21,780	362,454	-	54,616	-	(461,262)	-
At 31 December 2017	於二零一七年十二月三十一日	53,734	3,712,992	1,029,101	25,545,166	2,301,381	1,955,449	149,810	961,525	35,709,158
DEPRECIATION AND IMPAIRMENT	折舊及減值									
At 1 January 2016	於二零一六年一月一日	-	708,178	475,144	14,535,267	1,919,396	865,501	102,473	-	18,605,959
Exchange adjustments	匯兌調整	-	(11,229)	(3,812)	(796,759)	(125,097)	(48,233)	(6,207)	-	(991,337)
Provided for the year	本年度撥備	-	26,548	81,608	1,626,073	92,084	119,074	9,639	-	1,955,026
Eliminated on disposals and write off	出售時註銷及撇銷	-	(330)	(896)	(508,852)	(15,482)	(16,494)	(11,458)	-	(553,512)
Disposal of a subsidiary (Note 32)	出售附屬公司(附註32)	-	-	-	-	-	(5)	-	-	(5)
Impairment loss recognised in profit or loss (Note (i))	於損益確認之減值虧損(附註(i))	-	-	-	39,000	-	-	-	-	39,000
At 31 December 2016	於二零一六年十二月三十一日	-	723,167	552,044	14,894,729	1,870,901	919,843	94,447	-	19,055,131
Exchange adjustments	匯兌調整	-	13,503	4,287	781,827	131,985	50,224	6,131	-	987,957
Provided for the year	本年度撥備	-	29,929	57,515	1,461,116	71,075	126,777	11,449	-	1,757,861
Eliminated on disposals and write off	出售時註銷及撇銷	-	(9,518)	(57,155)	(474,808)	(48,662)	(21,018)	(10,163)	-	(621,324)
At 31 December 2017	於二零一七年十二月三十一日	-	757,081	556,691	16,662,864	2,025,299	1,075,826	101,864	-	21,179,625
CARRYING VALUES	賬面值									
At 31 December 2017	於二零一七年十二月三十一日	53,734	2,955,911	472,410	8,882,302	276,082	879,623	47,946	961,525	14,529,533
At 31 December 2016	於二零一六年十二月三十一日	53,440	2,704,112	472,848	8,564,073	315,868	612,001	45,168	777,592	13,545,102

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15. PROPERTIES, PLANT AND EQUIPMENT (continued)

The above items of properties, plant and equipment (other than those under construction) are depreciated on a straight-line basis after taking into account of their residual values at the following rates per annum:

Freehold lands	Nil
Buildings*	Over the remaining unexpired terms of leases ranging from twenty to fifty years
Leasehold improvements	10–20%
Plant and machinery*	10–20%
Furniture, fixtures and equipment	10–33 $\frac{1}{3}$ %
Transportation equipment*	10–20%

* Including those grouped under licenced assets.

At 31 December 2017, the Group's freehold lands of HK\$53,734,000 (2016: HK\$53,440,000) are situated outside Hong Kong.

Notes:

- (i) During the year ended 31 December 2016, the Group recognised an impairment loss amounting to HK\$39,000,000 because the estimated future cash flows generated by these assets were less than their carrying amounts during the year ended 31 December 2016. No impairment loss was recognised during the year ended 31 December 2017.

15. 物業、廠房及設備(續)

除在建物業、廠房及設備外，上述物業、廠房及設備項目在計及其剩餘價值後以直線基準按下列年度比率計提折舊：

永久產權土地樓宇*	沒有按照租約內剩餘未完的年期由20年至50年不等
租約物業裝修	10–20%
廠房及機器*	10–20%
傢俬、裝置及設備	10–33 $\frac{1}{3}$ %
運輸設備*	10–20%

* 包括計入授權使用資產之項目。

於二零一七年十二月三十一日，本集團共有53,734,000港元(二零一六年：53,440,000港元)永久產權土地位於香港境外。

附註：

- (i) 截至二零一六年十二月三十一日止年度，本集團確認金額為39,000,000港元的減值虧損，因該等資產產生的估計未來現金流量少於截至二零一六年十二月三十一日止年度彼等的賬面值。截至二零一七年十二月三十一日止年度，沒有確認減值虧損。

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15. PROPERTIES, PLANT AND EQUIPMENT (continued)

Notes: (continued)

(ii) Details of licenced assets:

15. 物業、廠房及設備(續)

附註：(續)

(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 2016	於二零一六年一月一日	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
Exchange adjustments	匯兌調整	22,090	129,218	613	151,921
Additions	添置	4,617	22,175	955	27,747
Disposals and write off	出售及撇銷	(28,158)	(36,054)	(844)	(65,056)
At 31 December 2017	於二零一七年十二月三十一日	326,061	1,965,907	9,413	2,301,381
DEPRECIATION AND IMPAIRMENT	折舊及減值				
At 1 January 2016	於二零一六年一月一日	148,806	1,761,313	9,277	1,919,396
Exchange adjustments	匯兌調整	(9,699)	(114,810)	(588)	(125,097)
Provided for the year	本年度撥備	5,929	86,155	–	92,084
Eliminated on disposals and write off	出售時註銷及撇銷	–	(15,482)	–	(15,482)
At 31 December 2016	於二零一六年十二月三十一日	145,036	1,717,176	8,689	1,870,901
Exchange adjustments	匯兌調整	9,303	122,100	582	131,985
Provided for the year	本年度撥備	3,638	67,379	58	71,075
Eliminated on disposals and write off	出售時註銷及撇銷	(27,028)	(20,824)	(810)	(48,662)
At 31 December 2017	於二零一七年十二月三十一日	130,949	1,885,831	8,519	2,025,299
CARRYING VALUE	賬面值				
At 31 December 2017	於二零一七年十二月三十一日	195,112	80,076	894	276,082
At 31 December 2016	於二零一六年十二月三十一日	182,476	133,392	–	315,868

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15. PROPERTIES, PLANT AND EQUIPMENT (continued)

Notes: (continued)

(ii) Details of licenced assets: (continued)

On 3 August 2011, 30 August 2013 and 28 August 2015, 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"), a 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 2017. On 30 August 2017, the Licensor entered into a letter of extension and amendments with Licencee and extended the licence period for a further period of two years to 31 August 2019. 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

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、二零一三年八月三十日及二零一五年八月二十八日，建滔銅箔集團有限公司(「建滔銅箔」或「授權人」)(建滔銅箔為本集團一間上市附屬公司)的一間附屬公司與威寧投資有限公司(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二零一七年八月三十一日止期間，授權獲授權人使用建滔銅箔位於佛岡及連州的銅箔製造設施。於二零一七年八月三十日，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二零一九年八月三十一日。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，作為建滔銅箔從製造設施產生收入的措施，以待解決與建滔銅箔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36(b))，以及股東批准有利益關係方交易授權及／或建滔銅箔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。



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17. OTHER NON-CURRENT ASSETS/ OTHER CURRENT ASSETS

This represents inventories licenced to the Licencee (see Note 15). 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 Licensor at the end of the licence period.

The licenced inventories have been reclassified from other current assets to other non-current assets because the license period was extended for a further period of two years to 31 August 2019.

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,獲授權人須向授權人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。

授權存貨已從其他流動資產被重新分類至其他非流動資產,因授權期延長兩年,至二零一九年八月三十一日。

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 2016, 31 December 2016 and
31 December 2017

賬面值

於二零一六年一月一日、
二零一六年十二月三十一日及
二零一七年十二月三十一日

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 2017 and 2016, 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。於二零一七年及二零一六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。

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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:

		Laminates 覆銅面板		PCBs 印刷線路板		Chemicals 化工產品	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
Discount rate	折現率	12%	12%	11%	11%	12%	12%
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.

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

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

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：

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，且不超過相關行業平均長期增長率，而且逾五年期概無增長率。

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。

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過總可收回金額。





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20. AVAILABLE-FOR-SALE INVESTMENTS

(continued)

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.

During the year ended 31 December 2017, impairment loss on available-for-sale investments amounting to HK\$34,152,000 (2016: HK\$27,764,000) 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% (2016: 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 has been fixed for redevelopment (the "Redevelopment Project"). The Group's participation in the Redevelopment Project is 4.7% (2016: 4.7%) and the amount committed by the Group amounts to United States dollar ("US\$") 21,000,000 (equivalent to approximately HK\$163,800,000).

At 31 December 2017 and 31 December 2016, 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 are held:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	4,966,616	2,255,143
HK\$	港元	1,556,904	4,276,805

20. 可供出售投資(續)

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。

截至二零一七年十二月三十一日止年度，可供出售投資的減值虧損為34,152,000港元（二零一六年：27,764,000港元），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%（二零一六年：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，該大廈已計劃進行重建（「重建計劃」）。本集團於此重建計劃之參與比率為4.7%（二零一六年：4.7%），本集團承擔金額為21,000,000美元（相等於約163,800,000港元）。

於二零一七年十二月三十一日及二零一六年十二月三十一日，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：





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24. OTHER FINANCIAL ASSETS

(a) Trade and other receivables and prepayments and entrusted loans

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	貿易應收賬款	6,276,643	5,237,066
Advance to suppliers	預付供應商款項	492,792	447,831
Entrusted loans (Note i)	委托貸款(附註i)	845,616	942,536
Prepayment and deposits	預付款項及按金	728,573	662,346
Value added tax ("VAT") recoverables	可退回增值稅(「增值稅」)	247,852	184,569
LAT on pre-sale residential properties units (Note ii)	預售住宅物業之土地增值稅(附註ii)	96,763	145,260
Deposits for acquisition of land use rights for development of properties held for sale (Note iii)	收購土地使用權以用作發展供出售用途的物業而支付的按金(附註iii)	3,590,431	—
Other receivables	其他應收賬款	273,219	210,111
		12,551,889	7,829,719
Less: Non-current portion of entrusted loans (Note i)	減：委托貸款非流動部分(附註i)	(788,860)	(882,944)
		11,763,029	6,946,775

Notes:

- (i) The entrusted loans of HK\$845,616,000 (2016: HK\$942,536,000) are due from certain purchasers of properties developed by the Group in the PRC through four (2016: four) commercial banks in the PRC (the "Lending Agents"). The entrusted loans carry interest at variable rates ranging from 3.92% to 5.39% (2016: 3.92% to 5.39%) per annum payable on monthly basis and the principal will be payable on or before 2034 (2016: 2034). The purchasers of the Group's properties has pledged to the Lending Agents the respective properties purchased. These properties are located in Kunshan, PRC.

As at 31 December 2017, entrusted loans amounting to HK\$788,860,000 (2016: HK\$882,944,000) are in respect of repayments due after 12 months from the end of the reporting period and are classified as non-current assets.

- (ii) The amount represents the provisional LAT prepaid to the PRC tax authority based on the latest completion status of the development projects. The final assessment will be carried out upon sales of properties at the completion of development projects.
- (iii) The amount represents deposits paid for acquisition of land use right in the PRC for the purpose of development of properties held for sale. The acquisition was completed in January 2018.

附註：

- (i) 透過中國四家(二零一六年：四家)商業銀行(「放貸代理人」)應收若干本集團所發展物業的買家845,616,000港元(二零一六年：942,536,000港元)之委托貸款。委托貸款之浮動利息按介乎3.92厘至5.39厘(二零一六年：介乎3.92厘至5.39厘)之年利率計息，須按月繳交，本金須於二零三四年(二零一六年：二零三四年)或以前繳交。本集團物業買家已將所涉購買物業質押予放貸代理人。該等物業位於中國昆山。

於二零一七年十二月三十一日，於報告期間結束起計十二個月後到期還款之委托貸款788,860,000港元(二零一六年：882,944,000港元)分類為非流動資產。

- (ii) 該金額指根據發展項目的最新竣工情況向中國稅務機關預付之暫繳土地增值稅。最終評估將待發展項目竣工、出售物業後方進行。
- (iii) 該金額指就收購中國土地使用權以用作發展供出售用途的物業而支付的按金。收購已於二零一八年一月完成。

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24. OTHER FINANCIAL ASSETS (continued)

(a) Trade and other receivables and prepayments and entrusted loans (continued)

The Group allows credit periods of up to 120 days (2016: 120 days), depending on the products sold to its trade customers. The following is an aging analysis of trade receivables net of allowance for doubtful debts based on invoice date at the end of the reporting period:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-90 days	0至90日	4,873,171	4,069,593
91-120 days	91至120日	786,520	733,053
121-150 days	121至150日	399,032	260,167
151-180 days	151至180日	123,979	81,751
Over 180 days	180日以上	93,941	92,502
		6,276,643	5,237,066

Before accepting any new customers, the Group has an internal credit grading system to assess the potential customers' credit quality and the Directors have delegated the management to be responsible for determination of credit limits and credit approvals for any customers. Limits and scoring attributed to customers are reviewed every year. About 75% (2016: 74%) of the trade receivables, that are neither past due nor impaired, have the best credit scoring attributable under the credit grading system used by the Group.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$845,731,000 (2016: HK\$818,517,000) which are past due at the reporting date for which the Group has not provided for impairment loss as the Group considers that these debtors are financially stable. The Directors are of the opinion that these amounts are recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 129 days (2016: 129 days).

24. 其他金融資產(續)

(a) 貿易及其他應收賬款及預付款項及委托貸款(續)

本集團給予貿易客戶之信貸賬期最長為120日(二零一六年：120日)，視乎所銷售的產品而定。於報告期間結束當日，貿易應收賬款(扣除呆壞賬撥備)之賬齡基於發票日期分析如下：

在接納任何新客戶前，本集團內部信用評級制度會評估潛在客戶之信用質素，董事已任命管理層負責為任何客戶釐定信貸限額及信貸批准。客戶之限額及評分每年審閱。約75%(二零一六年：74%)之貿易應收賬款無逾期或減值，並獲本集團所採用之信用評級制度之最高信用評分。

本集團貿易應收賬款餘額包括的應收賬款，總賬面值為845,731,000港元(二零一六年：818,517,000港元)，於報告日已經逾期，本集團並無就該等款項作出減值虧損撥備，原因為本集團認為，該等債務人財政穩健。董事認為，該等款項仍然可以收回。本集團就該等餘額並無持有任何抵押品。該等應收賬款之平均賬齡為129日(二零一六年：129日)。

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24. OTHER FINANCIAL ASSETS (continued)

(a) Trade and other receivables and prepayments and entrusted loans (continued)

Aging analysis of trade receivables which are past due but not impaired are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Overdue:	逾期：		
0–30 days	0至30日	255,604	240,502
31–60 days	31至60日	331,983	326,584
61–90 days	61至90日	174,618	169,593
Over 90 days	90日以上	83,526	81,838
		845,731	818,517

The Group has fully provided for all receivables that are overdue over 240 days because historical experience is such that these receivables are generally not recoverable. Allowance on trade receivables which have been overdue for less than 240 days are made based on estimated irrecoverable amounts by reference to past default experience and objective evidence of impairment as determined by the management.

In determining the recoverability of the trade receivables, the Group monitors any changes in the credit quality of the trade receivables since the credit was granted and up to the end of the reporting period. The Directors considered that the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

24. 其他金融資產(續)

(a) 貿易及其他應收賬款及預付款項及委托貸款(續)

逾期但無減值之貿易應收賬款之賬齡分析如下：

過往經驗顯示逾期240日以上之應收賬款一般無法收回，故本集團對該等應收賬款全數作出撥備。賬齡少於240日之貿易應收賬款之撥備，乃參考過往欠賬經驗及管理層釐定的客觀減值證據後根據估計不可收回金額作出。

在釐定貿易應收賬款之可收回性時，自早前授出信貸起至報告期間結束為止，本集團監察貿易應收賬款信用質素之任何變動。董事認為，本集團並無重大集中信貸風險，風險由多個交易方及客戶分攤。

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24. OTHER FINANCIAL ASSETS (continued)

(a) Trade and other receivables and prepayments and entrusted loans (continued)

The following is a movement in the allowance for doubtful debts:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	770,209	689,923
Amount written off as uncollectible	撇銷不可收回之款項	(2,823)	(6,396)
Impairment loss recognised on trade receivables	就貿易應收賬款確認之減值虧損	166,793	86,682
Balance at end of the year	年末結餘	934,179	770,209

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$934,179,000 (2016: HK\$770,209,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	858,814	632,783
HK\$	港元	867,930	860,004
Euro dollar ("Euro")	歐元	49,246	45,052

24. 其他金融資產(續)

(a) 貿易及其他應收賬款及預付款項及委托貸款(續)

呆壞賬準備之變動如下：

呆壞賬準備包括個別已減值之貿易應收賬款，總結餘為934,179,000港元(二零一六年：770,209,000港元)，該等款項為清盤或嚴重財務困難項下之款項。本集團就該等結餘並無持有任何抵押品。

貿易及其他應收賬款包括下列以集團實體相關功能貨幣以外貨幣計值之款額：

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24. OTHER FINANCIAL ASSETS (continued)

(b) Bills receivables

Bills receivables of the Group are aged within 90 days (2016: 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:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$ 美元	158,590	290,956

(c) Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. At 31 December 2017, the Group's bank balances and deposits carry interest at the prevailing market interest rates which range from 0.01% to 1.5% (2016: 0.01% to 3.0%) per annum. Fixed deposits carried fixed-rate interest range from 2.05% to 3.80% per annum for both years.

At 31 December 2017, the Group had bank balances and cash that were not freely convertible or were subject to exchange controls in the PRC, amounting to approximately HK\$2,902,897,000 (2016: HK\$4,095,907,000).

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:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$ 美元	1,110,694	926,368
HK\$ 港元	3,125,318	1,503,308
Euro 歐元	10,330	23,995
GBP 英鎊	598,676	114,039

24. 其他金融資產(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(二零一六年：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：

(c) 銀行結餘及現金

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。於二零一七年十二月三十一日，本集團的銀行結餘及存款按現行市場年利率介乎0.01厘至1.5厘(二零一六年：介乎0.01厘至3.0厘)計息。兩年的定期存款之固定年息介乎2.05厘至3.80厘。

於二零一七年十二月三十一日，本集團不可自由兌換或須受中國外匯管制所規限之銀行結餘及現金約為2,902,897,000港元(二零一六年：4,095,907,000港元)。

銀行結餘及現金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：

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25. ASSETS CLASSIFIED AS HELD FOR SALE

On 18 December 2017, Shimao Property Holdings (BVI) Limited and the Group entered into a sale and purchase agreement in respect of the disposal of the entire interest of Win Real Group Limited and its subsidiary and the indirect equity interest of 49% in a company established in the PRC (the "Target Group").

The assets attributable to the Target Group have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The Target Group is included in the Group's others segment for segment reporting purposes (see note 6). The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised. The disposal was completed in January 2018.

The major classes of assets of the Target Group classified as held for sale are as follows:

25. 分類為待售資產

於二零一七年十二月十八日，Shimao Property Holdings (BVI) Limited與本集團訂立了一項買賣協議，內容有關出售Win Real Group Limited及其附屬公司的全部股權以及間接持有一間於中國成立的公司的49%間接股權（「目標集團」）。

目標集團應佔資產已分類為待售出售組合，並分別於綜合財務狀況表呈列（見下文）。目標集團為分部報告目的計入本集團的其他分部（見附註6）。出售所得款項淨額預期將超過相關資產及負債的賬面淨值，因此沒有確認減值虧損。出售已於二零一八年一月完成。

目標集團分類為待售資產的主要資產組別如下：

		2017 二零一七年 HK\$'000 千港元
Interest in an associate (Note 19)	於聯營公司的權益(附註19)	1,696,193



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

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0-90 days	0至90日	2,073,037	1,995,590
91-180 days	91至180日	432,894	375,710
Over 180 days	180日以上	192,514	211,159
		2,698,445	2,582,459

Bills payables of the Group are aged within 90 days (2016: 90 days) at the end of the reporting period.

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:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	856,496	641,970
HK\$	港元	328,700	300,909
Euro	歐元	61	1,676

The average credit period on purchase of goods is 90 days (2016: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

26. 貿易及其他應付賬款及應付票據(續)

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：

本集團應付票據賬齡為報告期間結束後的90日(二零一六年：90日)之內。

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：

採購商品的平均信貸期為90日(二零一六年：90日)。本集團現行財務風險管理政策確保所有應付賬款於信貸期內結清。

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27. BANK BORROWINGS (continued)

As at 31 December 2017, the bank borrowings are all variable-rate borrowings which carry interest ranging from Hong Kong Inter-Bank Offer Rate ("HIBOR") + 1% to HIBOR + 1.75% (2016: HIBOR + 1% to HIBOR + 2%) per annum and London Inter-Bank Offer Rate ("LIBOR") + 1.5% to LIBOR + 1.75% (2016: LIBOR + 1.5% to LIBOR + 1.75% per annum).

At 31 December 2017 and 2016, 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:

		2017 二零一七年	2016 二零一六年
Effective interest rates	實際利率		
Fixed-rate borrowings	定息借貸	—	6%
Variable-rate borrowings	浮息借貸	1.37% to 2.86%	1.75% to 2.75%

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	967,998	1,768,109
HK\$	港元	18,120,344	14,587,940

27. 銀行借貸(續)

於二零一七年十二月三十一日，銀行借貸全部為浮息借貸，年息率介乎香港銀行同業拆息加1厘至香港銀行同業拆息加1.75厘(二零一六年：香港銀行同業拆息加1厘至香港銀行同業拆息加2厘)不等，以及介乎倫敦銀行同業拆息加1.5厘至倫敦銀行同業拆息加1.75厘(二零一六年：倫敦銀行同業拆息加1.5厘至倫敦銀行同業拆息加1.75厘)不等。

於二零一七年及二零一六年十二月三十一日，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：

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：

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28. SHARE CAPITAL

28. 股本

Authorised	Issued and fully paid

29. 優先購股權

(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。



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29. SHARE OPTIONS (continued)

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

The total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group (excluding options lapsed in accordance with the terms of the Scheme and any other schemes of the Group) must not in aggregate exceed 10% of the Company's shares in issue as at the date of adoption of the Scheme. The total number of shares available for issue under the Scheme is 84,473,904 shares, which represents approximately 7.9% of the total issued share capital of the Company as at the date of this report. The limit on the number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Group must not exceed 30% of the Company's shares in issue from time to time. The total number of the Company's shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) under the Scheme or other schemes of the Group in

29. 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7.9%。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(包括已行使及尚未行使之優先購股權)獲行使而發行及將予發行之本公司股份總數,不得超過本公司於授出日期已發行股份1%,除非獲本公司股東於股東大會批准,則作別論。

於報告期間結束當日尚未行使的優先購股權的加權平均行使價為每股12.424港元(二零一六年:25.66港元)。

於二零一七年十二月三十一日,倘所有根據該計劃可予行使的優先購股權均獲轉換,則會發行16,700,000股(二零一六年:34,752,000股)股份,即本公司已發行股本的約1.57%(二零一六年:3.35%)。

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29. 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:

Date of grant 授出日期	Balance at 1 January 2016 於二零一六年 一月一日的結餘	Exercised during the year 於年內 行使	Balance at 31 December 2016 於二零一六年 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 2017 於二零一七年 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							
<i>Granted to Directors on:</i>							
<i>授予董事：</i>							
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 二零一十九年三月二十二日 (附註i)
19 March 2015 二零一五年三月十九日	27,000,000	(11,700,000)	15,300,000	(260,000)	15,040,000	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 二零一十九年三月二十二日 (附註ii)
<i>Granted to employees on:</i>							
<i>授予僱員：</i>							
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 二零一十九年三月二十二日 (附註i)
19 March 2015 二零一五年三月十九日	3,000,000	(1,100,000)	1,900,000	(240,000)	1,660,000	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 二零一十九年三月二十二日 (附註ii)
	57,552,000	(12,800,000)	44,752,000	(28,052,000)	16,700,000		
Exercisable at							
於以下日期可予行使							
1 January 2016 二零一六年一月一日	37,552,000						
31 December 2016 二零一六年十二月三十一日	34,752,000						
31 December 2017 二零一七年十二月三十一日	16,700,000						

29. 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數目變動概述如下：

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29. 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 2017, options of 27,552,000 shares in the Company at HK\$33.92 per share and options of 500,000 shares in the Company at HK\$12.424 per share were exercised respectively. The weighted average closing prices of the Company's share granted on the Stock Exchange on the five trading days immediately before the exercise date were HK\$31.76 and HK\$41.81 respectively. The amount of approximately HK\$276,035,000 was reclassified from share options reserve to share premium.

29. 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) 截至二零一七年十二月三十一日止年度，於本公司的27,552,000股每股33.92港元的優先購股權及於本公司的500,000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已授出的股份的加權平均收市價分別為31.76港元及41.81港元。約為276,035,000港元的金額從優先購股權儲備被重新分類至股份溢價。





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29. SHARE OPTIONS (continued)

(c) Employees' share option scheme of KLHL

The share option scheme of KLHL (the "KLHL Scheme") was approved by the shareholders of KLHL and the shareholders of the Company on 18 May 2007 and 25 June 2007 respectively. The KLHL Scheme took effect after obtaining the approval from the listing Committee of the Stock Exchange on 6 July 2007, and it was expired at its end of the term of the scheme on 5 July 2017 prior to the new share option scheme took effect. The new share option scheme of KLHL ("2017 KLHL Scheme") was approved by the shareholders of the Company and the shareholders of KLHL on 29 May 2017, and the 2017 KLHL Scheme took effect upon receiving approval from the Listing Committee of the Stock Exchange on 2 November 2017. The terms of the 2017 KLHL Scheme are largely similar to the KLHL Scheme, and that the purpose of the 2017 KLHL Scheme is to provide incentive or rewards to the eligible participants of the 2017 KLHL Scheme for their contribution to, and continuing efforts to promote the interests of the KLHL Group (as defined below).

The 2017 KLHL Scheme is valid for a period of ten years and it has a remaining life of around nine (9) years and six (6) months, and no share options had been granted or exercised as at the date of this report. The directors of KLHL may, at its discretion, grant options to subscribe for shares in KLHL to eligible participants who contribute to the long-term growth and profitability of KLHL and include (i) any employee or proposed employee (whether full-time or part-time and including any executive director), consultants or advisers of or to KLHL, any of its subsidiaries or any entity ("KLHL's Invested Entity") in which KLHL and its subsidiaries (collectively referred to as the "KLHL Group") hold an equity interest; (ii) any non-executive directors (including independent non-executive directors) of KLHL, any of its subsidiaries or any KLHL's Invested Entity; (iii) any supplier of goods or services to any member of the KLHL Group or any KLHL's Invested Entity; (iv) any customer of the KLHL Group or any KLHL's Invested Entity; (v) any person or entity that provides research, development or other technological support to the KLHL Group or any KLHL's Invested Entity; and (vi) any shareholder of any member of the KLHL Group or any KLHL's Invested Entity.

29. 優先購股權(續)

(c) 建滔積層板僱員優先購股權計劃

建滔積層板股東及本公司股東已分別於二零零七年五月十八日及二零零七年六月二十五日批准採納建滔積層板優先購股權計劃(「建滔積層板計劃」)。建滔積層板計劃於二零零七年七月六日獲得聯交所上市委員會批准後生效，並已在新優先購股權計劃生效前，於二零一七年七月五日(即該計劃年期的最後一日)屆滿。新建滔積層板優先購股權計劃(「二零一七年建滔積層板計劃」)已於二零一七年五月二十九日獲得本公司股東及建滔積層板股東批准，二零一七年建滔積層板計劃於二零一七年十一月二日獲得聯交所上市委員會批准後生效。二零一七年建滔積層板計劃與建滔積層板計劃的條款大致相同，二零一七年建滔積層板計劃的設立目的為在於激勵或獎勵二零一七年建滔積層板計劃合資格參與者對提高建滔積層板集團(定義見下文)的利益的貢獻及持續努力。

二零一七年建滔積層板計劃有效期為十年，餘下年期約為九年零六個月(於本報告日起，概無優先購股權已授出或獲行使)。建滔積層板董事可酌情向合資格參與者授出可認購建滔積層板股份之優先購股權。合資格參與者為對建滔積層板長遠增長及盈利有貢獻之人士，包括(i)建滔積層板、其任何附屬公司(統稱「建滔積層板集團」)或任何建滔積層板或其附屬公司持有股權之實體(「建滔積層板投資實體」)之任何僱員或擬聘用僱員(不論全職或兼職，且包括任何執行董事)、諮詢顧問或顧問；(ii)建滔積層板、其任何附屬公司或任何建滔積層板投資實體之任何非執行董事(包括獨立非執行董事)；(iii)任何向建滔積層板集團任何成員公司或任何建滔積層板投資實體提供貨品或服務之供應商；(iv)建滔積層板集團或任何建滔積層板投資實體之任何客戶；(v)任何向建滔積層板集團或任何建滔積層板投資實體提供研究、開發或其他技術支援之人士或實體；及(vi)建滔積層板集團任何成員公司或任何建滔積層板投資實體之任何股東。





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29. 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:

Date of grant	Balance at 1 January 2016 and 31 December 2016 於二零一六年一月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	Exercised during the year 於年內行使 (Note ii) (附註ii)	Balance at 31 December 2017 於二零一七年十二月三十一日的結餘	Exercisable period 行使期
授出日期					
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	(54,000,000)	-	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	(27,000,000)	-	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		(81,000,000)	-	
Exercisable at 於以下日期可予行使					
1 January 2016 二零一六年一月一日	81,000,000				
31 December 2016 二零一六年十二月三十一日	81,000,000				
31 December 2017 二零一七年十二月三十一日	-				

Notes:

- (i) 25% of the total share options were vested immediately at the date of grant, 21 March 2011. The remaining 75% were split evenly into three lots and vested on 21 March 2012, 2013 and 2014.
- (ii) During the year ended 31 December 2017, 81,000,000 options in the Company at an exercise price of HK\$6.54 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\$8.93. The amount of approximately HK\$93,105,000 was reclassified from share options reserve to share premium.

29. 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：

附註：

- (i) 優先購股權總額之25%於授出日期(二零一一年三月二十一日)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。
- (ii) 截至二零一七年十二月三十一日止年度，本公司的81,000,000股每股行使價6.54港元的優先購股權已獲行使。緊接行使日期前五個交易日，本公司股份獲批准於聯交所上市的加權平均收市價為8.93港元。約93,105,000港元款項由優先購股權儲備重新分類至股份溢價。









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34. 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 13.5% (2016: 16.8%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst almost 5.8% (2016: 9.8%) 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.

34. 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13.5%(二零一六年：16.8%)的銷售並非以集團實體之功能貨幣列值，而約5.8%(二零一六年：9.8%)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。

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34. 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 US\$, Euro, HK\$ and GBP. The following table details the Group's sensitivity to a 5% (2016: 5%) increase and decrease in functional currency of each group entity against the relevant foreign currencies. 5% (2016: 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% (2016: 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% (2016: 5%) against the relevant foreign currency. For a 5% (2016: 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.

34. 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、歐元、港元及英鎊的外幣波動風險。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%(二零一六年：5%)的敏感度。5%(二零一六年：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%(二零一六年：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%(二零一六年：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%(二零一六年：5%)時，可能對本年度除稅後溢利有同等相反的影響。

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

34. FINANCIAL INSTRUMENTS (continued)

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

Market risk (continued)

Sensitivity analysis (continued)

If interest rate had been 50 basis points (2016: 50 basis points) higher and all other variables were held constant, the Group's:

- post-tax profit for the year ended 31 December 2017 would decrease by approximately HK\$41,375,000 (2016: decrease by approximately HK\$40,176,000) as a result of the Group's exposure to interest rates on its interest bearing bank balances, entrusted loans and variable-rate borrowings.
- the investment valuation reserve for the year ended 31 December 2017 would decrease by approximately HK\$123,290,000 (2016: HK\$56,256,000) as a result of the change in the fair value of available-for-sale listed bond securities with fixed coupon interest.

If interest rate had been 10 basis points (2016: 10 basis points) lower and all other variables were held constant, the Group's:

- post-tax profit for the year ended 31 December 2017 would increase by approximately HK\$8,275,000 (2016: increase by approximately HK\$8,035,000) as a result of the Group's exposure to interest rates on its interest bearing bank balances, entrusted loans respectively and variable-rate borrowings.
- the investment valuation reserve for the year ended 31 December 2017 would increase by approximately HK\$20,761,000 (2016: HK\$11,613,000) as a result of the change in the fair value of available-for-sale listed bond securities with fixed coupon interest.

In the opinion of the Directors, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year ended exposure does not reflect the exposure during the year.

34. 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(續)

倘利率升50個點子(二零一六年：50個點子)，而所有其他因素不變，本集團：

- 由於本集團承受附息銀行結餘、委託貸款及浮息借貸之利率風險，截至二零一七年十二月三十一日止年度之除稅後溢利減少約41,375,000港元(二零一六年：減少約40,176,000港元)。
- 截至二零一七年十二月三十一日止年度投資重估儲備將減少約123,290,000港元(二零一六年：56,256,000港元)，理由是附帶固定息券的可供出售上市債券證券公平值變動。

倘利率跌10個點子(二零一六年：10個點子)，而所有其他因素不變，本集團：

- 由於本集團承受附息銀行結餘、委託貸款及浮息借貸之利率風險，截至二零一七年十二月三十一日止年度之除稅後溢利增加約8,275,000港元(二零一六年：增加約8,035,000港元)。
- 截至二零一七年十二月三十一日止年度投資重估儲備將增加約20,761,000港元(二零一六年：11,613,000港元)，理由是附帶固定息券的可供出售上市債券證券公平值變動。

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利率風險。

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34. 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% (2016: 10%) higher:

- the post-tax profit for the year ended 31 December 2017 would increase by approximately HK\$31,873,000 (2016: increase by approximately HK\$300,000) as a result of the change in fair value of these available-for-sale investments.
- the investment revaluation reserve for the year ended 31 December 2017 would increase by approximately HK\$4,318,000 (2016: approximately HK\$38,164,000) 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% (2016: 10%) lower:

- post-tax profit for the year ended 31 December 2017 would decrease by approximately HK\$36,191,000 (2016: HK\$38,159,000) as a result of the change in fair value of these available-for-sale investments.

34. 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%(二零一六年：增加10%)：

- 於截至二零一七年十二月三十一日止年度之除稅後溢利將增加約31,873,000港元(二零一六年：增加約300,000港元)，乃由於可供出售投資公平值變動所致。
- 截至二零一七年十二月三十一日止年度投資重估儲備將增加約4,318,000港元(二零一六年：減少約38,164,000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%(二零一六年：10%)：

- 截至二零一七年十二月三十一日止年度之除稅後溢利將減少約36,191,000港元(二零一六年：38,159,000港元)，原因為該等可供出售投資公平值變動。

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34. 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% (2016: 10%) higher:

- the investment revaluation reserve would increase by approximately HK\$118,892,000 (2016: HK\$382,564,000) 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% (2016: 10%) lower:

- No effect on post-tax profit is noted for the year ended 31 December 2017 and 2016 as a result of the change in fair value of these available-for-sale investments.
- the investment revaluation reserve for the year ended 31 December 2017 would decrease by approximately HK\$118,892,000 (2016: HK\$382,564,000) as a result of the change in fair value of these available-for-sale investments.

At 31 December 2017, the Group has concentration of equity price risk on its available-for-sale investments as 21% (2016: 51%) of the total available-for-sale investments is concentrated in five (2016: 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.

34. 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%(二零一六年：10%)：

- 投資重估儲備將增加約118,892,000港元(二零一六年：382,564,000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%(二零一六年：減少10%)：

- 由於可供出售投資公平值變動，截至二零一七年及二零一六年十二月三十一日止年度並無除稅後溢利之影響。
- 截至二零一七年十二月三十一日止年度投資重估儲備將減少約118,892,000港元(二零一六年：382,564,000港元)，原因為該等可供出售投資公平值變動。

於二零一七年十二月三十一日，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，21%(二零一六年：51%)集中在五款(二零一六年：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。

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34. 金融工具^(續)

(b) 財務風險管理目標及政策

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34. 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 2017, the Group has available unutilised bank borrowings facilities of approximately HK\$11,795,552,000 (2016: HK\$10,213,525,000).

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.

34. 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。於二零一七年十二月三十一日，本集團未動用的銀行信貸額度約為11,795,552,000港元(二零一六年：10,213,525,000港元)。

下表詳述本集團餘下非衍生金融負債的合約到期情況。根據本集團須付金融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。其他非衍生金融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。



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34. FINANCIAL INSTRUMENTS (continued)

(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.

Financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable inputs	Sensitivity
金融資產	於十二月三十一日之公平值		公平值等級		重大不可觀察輸入數據	敏感度
	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元				
(i) Listed equity securities classified as available-for-sale financial assets in the consolidated statement of financial position	1,550,830	4,207,237	1	Quoted bid prices in active market.	N/A	N/A
(i) 於綜合財務狀況表中分類為可供出售金融資產之上市股本證券				活躍市場買入報價。	不適用	不適用
(ii) Listed bond securities classified as available-for-sale financial assets in the consolidated statement of financial position	4,966,616	2,321,905	3	Reference to the fair value quoted in the over-the-counter market with the adjustments for the lack of marketability.	The lack of marketability discount	The higher the lack of marketability discount, the lower the fair value.
(ii) 於綜合財務狀況表中分類為可供出售金融資產之上市債券證券				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。	缺乏市場流通性折扣	缺乏市場流通性折扣越高，公平值則越低。

Note: For the listed bond securities classified as available-for-sale financial assets, the most significant unobservable input is the marketability discount. As at 31 December 2017, if the marketability discount to the valuation model was 0.5% higher/lower while the other variables were held constant, the total carrying amount of these investments would decrease/increase by HK\$123,290,000 and HK\$123,290,000 (31 December 2016: HK\$56,256,000 and HK\$56,256,000) respectively.

There were no transfer between level 1 and 3 during the years ended 31 December 2017 and 2016.

34. 金融工具 (續)

(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金融資產之公平值

本集團部分金融資產於各報告期末按公平值計量。下表闡述有關釐定該等金融資產公平值之方法（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。

附註：就分類為可供出售金融資產的上市債券證券而言，最重大的不可觀察輸入數據為市場流通性折扣。於二零一七年十二月三十一日，倘估值模式的市場流通性折扣上升／下降0.5%，而其他可變參數維持不變，則該等投資的賬面總值將分別減少／增加123,290,000港元及123,290,000港元（二零一六年十二月三十一日：56,256,000港元及56,256,000港元）。

截至二零一七年及二零一六年十二月三十一日止年度，概無第一至第三類之間的轉移。





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36. CONTINGENT LIABILITIES (continued)

- (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 requiring the Respondents to repurchase all of the KBCF’s shares held by petitioner at the price to be fixed by a valuer or the 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 proven and the allegation, that the terms of the license agreement were wholly uncommercial and the licensee was a sham, were also not proven. However, the Supreme Court of Bermuda ruled that the KBCF’s management should have promptly initiated bona fide open negotiations in which commercially reasonable proposals were openly tabled with a view to persuading the minority shareholders of KBCF to approve the interested person transactions mandate on even marginally more favourable terms. Subsequently, the Respondents 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 was in favour of the Respondents. Since the Respondents were successful in the appeal, the petitioner was not entitled to any relief in the proceedings. In addition, the Court of Appeal ordered the petitioner to pay the Respondents its costs in respect of the appeal proceedings and the proceedings. On 16 June 2017, the petitioner obtained leave to appeal to Privy Council, which is the final appellate court for proceedings in Bermuda. The hearing date for Privy Council appeal has not been fixed as yet and there is no timetable at present as to the steps leading up to the hearing. Accordingly, no provision for liability has been made in connection with this claim by the Group.

36. 或然負債(續)

- (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(「答辯人」)在百慕達高級法院被控在建滔銅箔事務已經或現正進行的方式乃壓榨或不合理地不利於建滔銅箔少數股東。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建滔銅箔股份。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建滔銅箔管理層理應立即進行真誠公開之磋商，公開提出商業上合理的建議，以期說服建滔銅箔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，答辯人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答辯人有利之裁決。鑑於答辯人上訴得直，呈請人在訴訟中不獲任何援助。此外，上訴法院命令呈請人向答辯人就上訴及訴訟支付訟費。於二零一七年六月十六日，呈請人取得樞密院上訴許可，樞密院是百慕達訴訟的終審法院。樞密院上訴聆訊日期未定，現階段沒有準備聆訊步驟的時間表。因此，本集團概無就該申索計提責任撥備。

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37. OPERATING LEASES

37. 經營租約

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	24,759	25,903
– for plant and machinery	– 廠房及機器	1,326	1,421
		26,085	27,324

Under the leases entered into by the Group, operating leases are negotiated for terms ranging from 1 year to 33 years.

根據本集團訂立之租約，磋商後，經營租約的年期介乎1年至33年。

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	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	於一年內	4,833	6,216	–	947
After one year but not later than five years	於一年後但於五年內	14,520	14,909	–	–
After five years	於五年後	8,949	12,089	–	–
		28,302	33,214	–	947

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 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	897,436	625,902
Licence fee 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費收入	120,000	120,000





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payableTotal 000 000,000 000Δw0r' Δw0r' Δw0r'

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41. RELATED PARTY TRANSACTIONS

(continued)

Included in trade and other receivables and prepayments at 31 December 2017 was an amount due from a non-controlling shareholder of a subsidiary of HK\$9,665,000 (2016: HK\$10,927,000) which was in trade nature. The Group allowed credit periods of up to 120 days (2016: 120 days), depending on the product sold to its related parties.

Include in trade and other payable at 31 December 2017 was an amount due to an associate of HK\$6,882,000 (2016: HK\$26,105,000).

Compensation of key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

41. 關聯人士交易(續)

於二零一七年十二月三十一日，貿易及其他應收賬款及預付款項包括屬於貿易性質之應收一間附屬公司之非控股股東款項9,665,000港元(二零一六年：10,927,000港元)。本集團向其關聯人士授出之信貸期最長為120日(二零一六年：120日)，視乎所銷售之產品而定。

於二零一七年十二月三十一日的貿易及其他應付款項包括應付聯營公司款項的6,882,000港元(二零一六年：26,105,000港元)。

主要管理人員酬金

年內，董事及其他主要管理人員之酬金如下：

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42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) General information of subsidiaries

Details of the Company's principal subsidiaries at 31 December 2017 and 2016 are as follows:

42. 本公司主要附屬公司詳情

(a) 附屬公司的一般資料

本公司主要附屬公司於二零一七年及二零一六年十二月三十一日之詳情如下：

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		Principal activities 主要業務
		2017	2016	2017	2016	
		二零一七年	二零一六年	二零一七年	二零一六年	
				%	%	
Jamplan (BVI) Limited	British Virgin Islands* 英屬處女群島*	US\$1,000 1,000美元	US\$1,000 1,000美元	100*	100*	Investment holding 投資控股
Kingboard (Fogang) Laminates Co. Limited 建滔(佛岡)積層板有限公司	PRC ¹ 中國 ¹	US\$29,466,000 29,466,000美元	US\$29,466,000 29,466,000美元	69.32	74.19	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kingboard (Fogang) Paper Laminates Co. Ltd. 建滔(佛岡)積層紙板有限公司	PRC ¹ 中國 ¹	US\$17,936,546 17,936,546美元	US\$17,936,546 17,936,546美元	69.32	74.19	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kingboard (Hebei) Cokechem Co. Limited 建滔(河北)焦化有限公司	PRC ¹ 中國 ¹	RMB903,672,940 人民幣903,672,940元	RMB96,000,000 人民幣96,000,000元	100	100	Manufacture and distribution of coke and chemicals 製造及分銷焦炭及化工產品
Kingboard Natural Gas Chemical (Chong Qing) Limited 建滔天然氣化工(重慶)有限公司	PRC ¹ 中國 ¹	US\$18,500,000 18,500,000美元	US\$18,500,000 18,500,000美元	100	100	Manufacture and distribution of methanol 製造及分銷甲醇
Kunshan Guo Rui Development Co. Ltd. 昆山國瑞置業有限公司	PRC ¹ 中國 ¹	US\$90,000,000 90,000,000美元	US\$90,000,000 90,000,000美元	100	100	Property developments 房地產發展
Heng Yang Kingboard Chemical Co., Ltd. 衡陽建滔化工有限公司	PRC ¹ 中國 ¹	HK\$30,000,000 30,000,000港元	HK\$30,000,000 30,000,000港元	100	100	Manufacture and distribution of caustic soda 製造及分銷燒碱

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42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(a) General information of subsidiaries (continued)

42. 本公司主要附屬公司詳情(續)

(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		Principal activities 主要業務
		2017	2016	2017	2016	
		二零一七年	二零一六年	二零一七年	二零一六年	
				%	%	
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	US\$13,700,000 13,700,000美元	69.32	74.19	Manufacture and distribution of glass fabric 製造及分銷玻璃纖維布
Kingboard Copper Foil Holdings Limited [®] 建滔銅箔集團有限公司 [®]	Bermuda [#] 百慕達 [#]	US\$72,250,000 72,250,000美元	US\$72,250,000 72,250,000美元	57.06	48.93	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	HK\$8,000 8,000港元	100	100	Investment holding 投資控股
KLHL [△] 建滔積層板控股有限公司 [△]	Cayman Islands [#] 開曼群島 [#]	HK\$308,100,000 308,100,000港元	HK\$300,000,000 300,000,000港元	69.32	74.19	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	HK\$242,800,000 242,800,000港元	69.32	74.19	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	US\$32,000,000 32,000,000美元	69.32	74.19	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	US\$32,010,000 32,010,000美元	69.32	74.19	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	HK\$122,467,240 122,467,240港元	100	100	Investment holding 投資控股
EEIC ^{®△} 依利安達集團有限公司 ^{®△}	Singapore [#] 新加坡 [#]	US\$113,800,000 113,800,000美元	US\$113,800,000 113,800,000美元	73.75	73.65	Investment holding 投資控股

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42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(a) General information of subsidiaries (continued)

42. 本公司主要附屬公司詳情(續)

(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		Principal activities 主要業務
		2017	2016	2017	2016	
		二零一七年	二零一六年	二零一七年	二零一六年	
				%	%	
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	US\$49,520,000 49,520,000美元	70.10	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	US\$87,800,000 87,800,000美元	70.10	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	US\$30,075,100 30,075,100美元	70.10	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	US\$95,596,000 95,596,000美元	72.28	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	US\$24,800,000 24,800,000美元	72.28	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	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	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

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

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

(a) General information of subsidiaries (continued)

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		Principal activities 主要業務
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
				%	%	
Kingboard Electronic Raw Material (Jiang Yin) Co., Ltd 建滔電子材料(江陰)有限公司	PRC ¹ 中國 ¹	US\$30,000,000 30,000,000美元	US\$30,000,000 30,000,000美元	69.32	74.19	Manufacture and distribution of laminates 製造及分銷覆銅面板
Kingboard (Panyu Nansha) Petrochemical Company Limited 建滔(番禺南沙)石化有限公司	PRC ¹ 中國 ¹	RMB250,000,000 人民幣250,000,000元	RMB250,000,000 人民幣250,000,000元	69.32	74.19	Manufacture and distribution of chemicals 製造及分銷化工產品

* The Company directly holds the equity interest in Jamplan (BVI) Limited. The Company's equity interest in all other subsidiaries is held indirectly through Jamplan (BVI) Limited.

These are investment holding companies which have no specific principal place of operations.

⊙ These companies are listed on The Singapore Exchange Securities Trading Limited.

△ These companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

¹ These companies were established in the PRC in the form of Wholly Foreign-owned Enterprises.

² These companies were established in the PRC in the form of Sino-Foreign Equity Joint Venture.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

42. 本公司主要附屬公司詳情(續)

(a) 附屬公司的一般資料(續)

* 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。

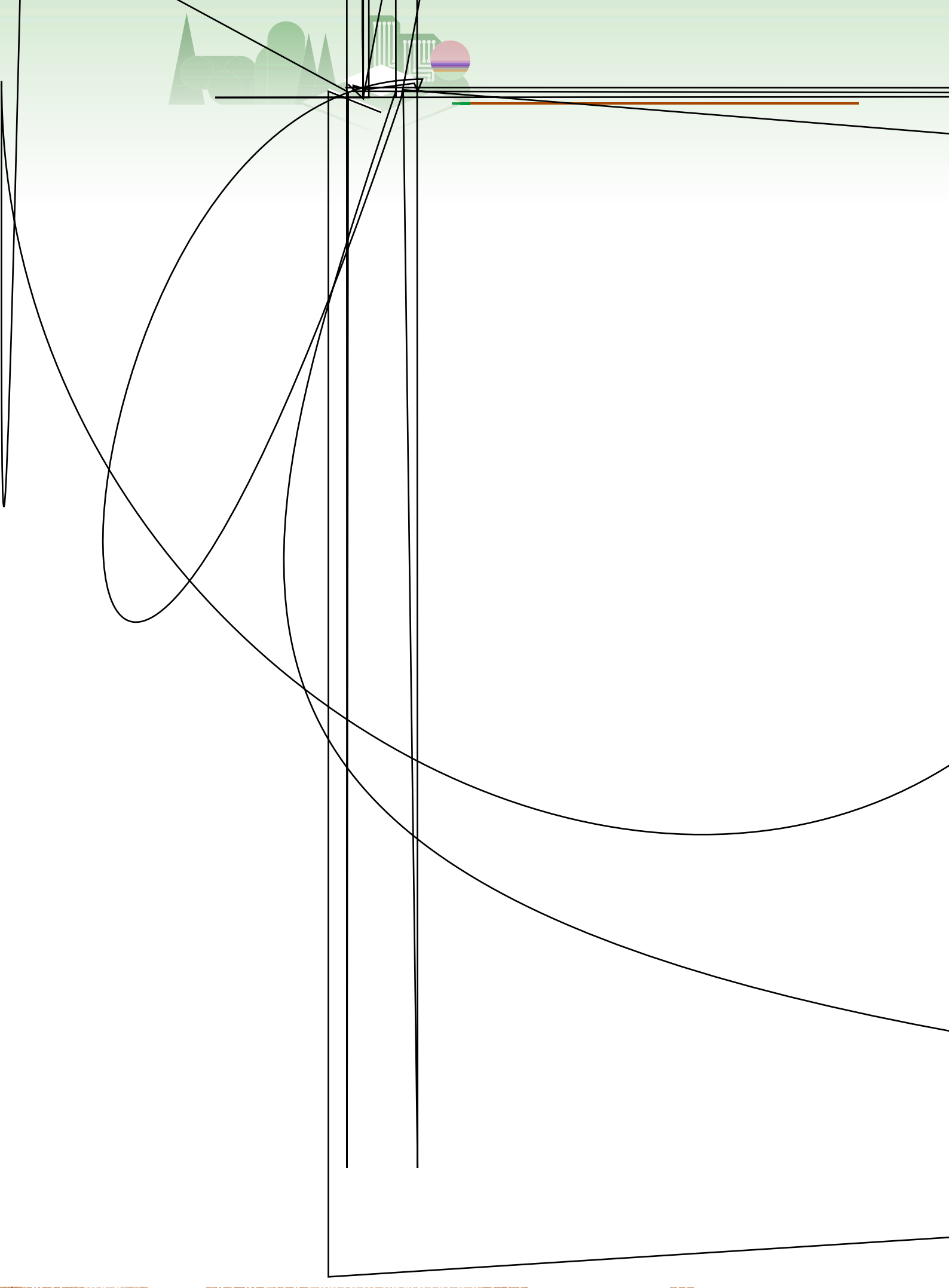
△ 此等公司於香港聯合交易所有限公司主板上市。

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。



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

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

42. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY

(continued)

(c) Details of non-wholly owned subsidiaries that
have material non-controlling interests (continued)

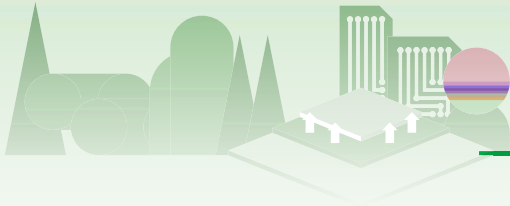
KLHL and subsidiaries

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current assets	流動資產	18,610,922	17,613,809
Non-current assets	非流動資產	9,940,301	8,050,396
Current liabilities	流動負債	7,475,453	9,029,579
Non-current liabilities	非流動負債	3,088,836	1,287,494
Equity attributable to owners of the Company	本公司持有人應佔權益	12,110,175	10,688,397
Non-controlling interests of KLHL	建滔積層板非控股權益	5,359,784	3,718,976
Non-controlling interests of KLHL's subsidiaries	建滔積層板的附屬公司的 非控股權益	516,975	939,759
Revenue	營業額	18,242,796	15,531,721
Expenses, other gains and losses	開支、其他收益及虧損	14,470,545	11,179,813
Profit for the year	本年度溢利	3,772,251	4,351,908











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綜合財務報表附註

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

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

44. 本公司之財務狀況及儲備報表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Properties, plant and equipment	物業、廠房及設備	–	1,752
Investments in subsidiaries	於附屬公司之投資	1,459,316	726,786
Available-for-sale investments	可供出售投資	1,059,222	727,244
		2,518,538	1,455,782
Current assets	流動資產		
Other receivables	其他應收賬款	197,130	170,443
Amounts due from subsidiaries	應收附屬公司款項	26,122,480	24,095,502
Bank balances	銀行結餘	305,008	22,721
		26,624,618	24,288,666
Current liabilities	流動負債		
Other payables	其他應付賬款	1,033,670	1,059,215
Amounts due to subsidiaries	應付附屬公司款項	12,922,040	10,949,259
Bank borrowings – amount due within one year	銀行借貸 — 一年內到期之款項	1,286,215	3,341,519
		15,241,925	15,349,993
Net current assets	流動資產淨值	11,382,693	8,938,673
Total asset less current liabilities	資產總值減流動負債	13,901,231	10,394,455
Non-current liability	非流動負債		
Bank borrowings – amount due after one year	銀行借貸 — 一年後到期之款項	7,766,675	4,795,845
		6,134,556	5,598,610
Capital and reserves	股本及儲備		
Share capital	股本	106,645	103,840
Reserves	儲備	6,027,911	5,494,770
		6,134,556	5,598,610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

44. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

Note:

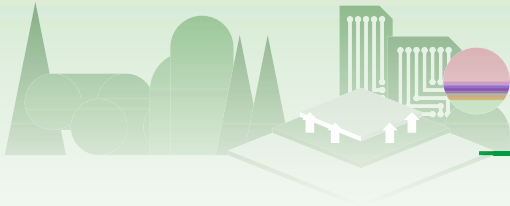
44. 本公司之財務狀況及儲備報表(續)

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 2016	於二零一六年一月一日之結餘	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
Profit for the year	本年度溢利	-	-	-	-	1,226,630	1,226,630
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)	-	-	-	43,676	-	43,676
Total comprehensive income for the year	本年度全面收益總額	-	-	-	43,676	1,226,630	1,270,306
Issue of new shares from exercise of share options	行使優先購股權而發行的新股份	1,214,005	-	(276,035)	-	-	937,970
Recognition of equity-settled share-based payments	確認以權益結算的股份形式付款	-	-	3,136	-	-	3,136
Final 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末期股息	-	-	-	-	(726,880)	(726,880)
Special final 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特別末期股息	-	-	-	-	(311,520)	(311,520)
Interim dividend for the year ended 31 December 2017	截至二零一七年十二月三十一日止年度之中期股息	-	-	-	-	(639,871)	(639,871)
		1,214,005	-	(272,899)	-	(1,678,271)	(737,165)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	5,866,533	1,911	2,560	11,989	144,918	6,027,911

Note a: Net changes arising from available-for-sale investments consist of gain on fair value changes amounting to HK\$159,427,000 (2016: HK\$120,421,000), gain on disposal amounting to HK\$130,007,000 (2016: HK\$165,271,000) and impairment loss amounting to HK\$14,256,000 (2016: HK\$15,381,000).

附註a：可供出售投資產生的變動淨值包括159,427,000港元(二零一六年：120,421,000港元)公平值變動收益130,007,000港元(二零一六年：165,271,000港元)出售所得收益及14,256,000港元(二零一六年：15,381,000港元)減值虧損。





FINANCIAL SUMMARY

財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		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	2017 二零一七年 HK\$'000 千港元
Revenue	營業額	35,689,457	35,905,766	32,788,186	35,830,320	43,159,473
Profit before taxation	除稅前溢利	3,899,973	3,513,621	2,522,559	7,237,226	8,365,361
Income tax expense	所得稅開支	(608,350)	(692,615)	(569,464)	(1,075,209)	(1,531,177)
Profit for the year	本年度溢利	3,291,623	2,821,006	1,953,095	6,162,017	6,834,184
Attributable to:	應佔份額：					
Owners of the Company	本公司持有人	2,961,409	2,536,800	1,650,323	5,026,831	5,593,434
Non-controlling interests	非控股權益	330,214	284,206	302,772	1,135,186	1,240,750
		3,291,623	2,821,006	1,953,095	6,162,017	6,834,184

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於十二月三十一日				
		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	2017 二零一七年 HK\$'000 千港元
Total assets	資產總值	74,860,241	75,632,742	72,920,997	76,420,553	88,294,383
Total liabilities	負債總額	(34,000,282)	(33,659,552)	(31,580,270)	(32,467,881)	(34,570,663)
		40,859,959	41,973,190	41,340,727	43,952,672	53,723,720
Equity attributable to owners of the Company	本公司持有人應佔權益	34,158,243	35,676,308	35,246,168	37,587,004	46,039,519
Non-controlling interests	非控股權益	6,701,716	6,296,882	6,094,559	6,365,668	7,684,201
		40,859,959	41,973,190	41,340,727	43,952,672	53,723,720

建滔地暖

10大優點 石墨烯智能地板領導者



