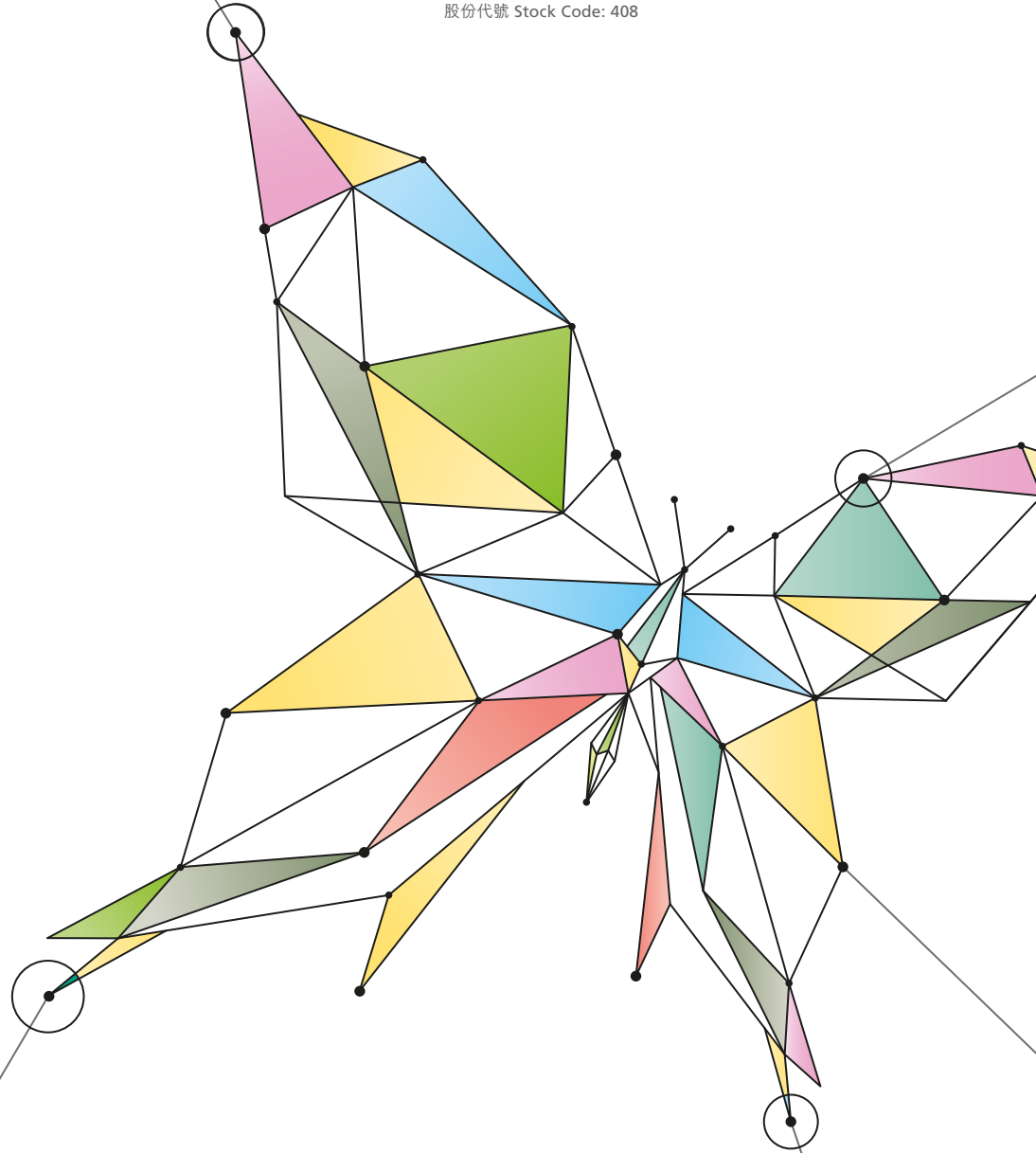




葉氏化工
YIP'S CHEMICAL

葉氏化工集團有限公司
Yip's Chemical Holdings Limited

於開曼群島註冊成立之有限公司
Incorporated in the Cayman Islands with limited liability
股份代號 Stock Code: 408



2016

Annual Report 年報

Master Change to
Scale New Heights

駕馭改變 攀越高峰



集團宏圖

CORPORATE VISION



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概要
Highlights



本公司股東應佔純利
Profit attributable to
owners of the Company
169,343,000 港元HK\$

營業額
Turnover
8,555,646,000 港元HK\$

截至2016年12月31日止年度（經審核）
For the year ended 31 December 2016 (audited)

每股盈利
Earnings per share
30港仙 HK CENTS

期末股息
Final dividend
10港仙 HK CENTS

全年股息
Dividend for the year
15港仙 HK CENTS

公司資料 Corporate Information

董事會

非執行董事

葉志成先生(集團主席)
唐滙棟先生
黃廣志先生*
古遠芬先生*
吳紹平先生*

*獨立非執行董事

執行董事

葉子軒先生
(副主席兼聯席行政總裁)
(由二零一六年一月一日起獲委任為聯席行政總裁)

黃金焯先生(行政總裁)
(由二零一六年一月一日起辭任)

王旭先生(聯席行政總裁)
(由二零一六年一月一日起辭任副行政總裁
並獲委任為聯席行政總裁及執行董事)

何世豪先生(財務總裁)
鄭國照先生

高層領導團隊

葉子軒先生
黃金焯先生
(由二零一六年一月一日起辭任)
王旭先生
何世豪先生
鄭國照先生
葉鈞先生
馮秉光先生
邱靜雯女士
(由二零一六年一月一日起獲委任)
謝憶珠女士
(由二零一七年一月一日起獲委任)

Board of Directors

Non-executive Directors

Mr. Ip Chi Shing (Chairman)
Mr. Tong Wui Tung
Mr. Wong Kong Chi *
Mr. Ku Yuen Fun *
Mr. Ng Siu Ping *

* Independent Non-executive Directors

Executive Directors

Mr. Yip Tsz Hin
(Deputy Chairman and a Co-Chief Executive Officer)
(appointed as Co-Chief Executive Officer
with effect from 1 January 2016)
Mr. Wong Kam Yim (Chief Executive Officer)
(resigned with effect from 1 January 2016)
Mr. Wong Yuk (Co-Chief Executive Officer)
(resigned as Deputy Chief Executive Officer and
appointed as Co-Chief Executive Officer and
Executive Director with effect from 1 January 2016)
Mr. Ho Sai Hou (Chief Financial Officer)
Mr. Kwong Kwok Chiu

Senior Leadership Team

Mr. Yip Tsz Hin
Mr. Wong Kam Yim
(resigned with effect from 1 January 2016)
Mr. Wong Yuk
Mr. Ho Sai Hou
Mr. Kwong Kwok Chiu
Mr. Ip Kwan
Mr. Fung Ping Kwong
Ms. Yau Ching Man
(appointed with effect from 1 January 2016)
Ms. Tse Yik Chu
(appointed with effect from 1 January 2017)

審核委員會

黃廣志先生(委員會主席)
唐滙棟先生
古遠芬先生
吳紹平先生

薪酬委員會

吳紹平先生(委員會主席)
唐滙棟先生
黃廣志先生
古遠芬先生

安全健康環保委員會

古遠芬先生(委員會主席)
黃廣志先生
吳紹平先生

公司秘書

何世豪先生

核數師

德勤•關黃陳方會計師行
(香港執業會計師)
香港金鐘道八十八號
太古廣場一座三十五樓

律師

香港：

張秀儀 唐滙棟 羅凱栢 律師行
香港灣道三十號新鴻基中心
五樓五零一室

開曼群島：

Maples and Calder
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Audit Committee

Mr. Wong Kong Chi (Chairman of the committee)
Mr. Tong Wui Tung
Mr. Ku Yuen Fun
Mr. Ng Siu Ping

Remuneration Committee

Mr. Ng Siu Ping (Chairman of the committee)
Mr. Tong Wui Tung
Mr. Wong Kong Chi
Mr. Ku Yuen Fun

Health, Safety and Environment Committee

Mr. Ku Yuen Fun (Chairman of the committee)
Mr. Wong Kong Chi
Mr. Ng Siu Ping

Company Secretary

Mr. Ho Sai Hou

Auditor

Deloitte Touche Tohmatsu
(Certified Public Accountants)
35/F., One Pacific Place
88 Queensway, Hong Kong

Solicitors

in Hong Kong:

Cheung Tong & Rosa Solicitors
Rooms 501, 5/F., Sun Hung Kai Centre
30 Harbour Road, Hong Kong

in the Cayman Islands:

Maples and Calder
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

公司資料
Corporate Information

主要往來銀行

香港上海滙豐銀行有限公司

中國銀行股份有限公司

瑞穗銀行

恒生銀行有限公司

中國建設銀行

富邦銀行(香港)有限公司

法國巴黎銀行

比利時聯合銀行香港分行

三菱東京UFJ銀行

主要股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

Cayman Islands

香港股份過戶登記處

卓佳秘書商務有限公司

香港

皇后大道東一八三號

合和中心二十二樓

註冊辦事處

PO Box 309GT, Uglad House

South Church Street

George Town, Grand Cayman

Cayman Islands

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China Limited

Mizuho Bank, Ltd.

Hang Seng Bank Limited

China Construction Bank

Fubon Bank (Hong Kong) Limited

BNP Paribas

KBC Bank N.V., Hong Kong Branch

The Bank of Tokyo-Mitsubishi UFJ, Limited

Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company
(Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

Cayman Islands

Hong Kong Share Registrar and Transfer Office

Tricor Secretaries Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

Registered Office

PO Box 309GT, Uglad House

South Church Street

George Town, Grand Cayman

Cayman Islands

總辦事處及主要營業地點(至二零一七年四月三十日止)

香港新界
粉嶺安樂村
業暢街十三號
葉氏化工大廈

總辦事處及主要營業地點(於二零一七年五月一日開始生效)

香港灣仔
告士打道77-79號
富通大廈27樓

電話：(852) 2675 2288
圖文傳真：(852) 2675 2345
國際互聯網網址：
<http://www.yipschemical.com>

股份代號

408

Head Office and Principal Place of Business (up to 30 April 2017)

Yip's Chemical Building
13 Yip Cheong Street, On Lok Tsuen
Fanling, New Territories
Hong Kong

Head Office and Principal Place of Business (with effect from 1 May 2017)

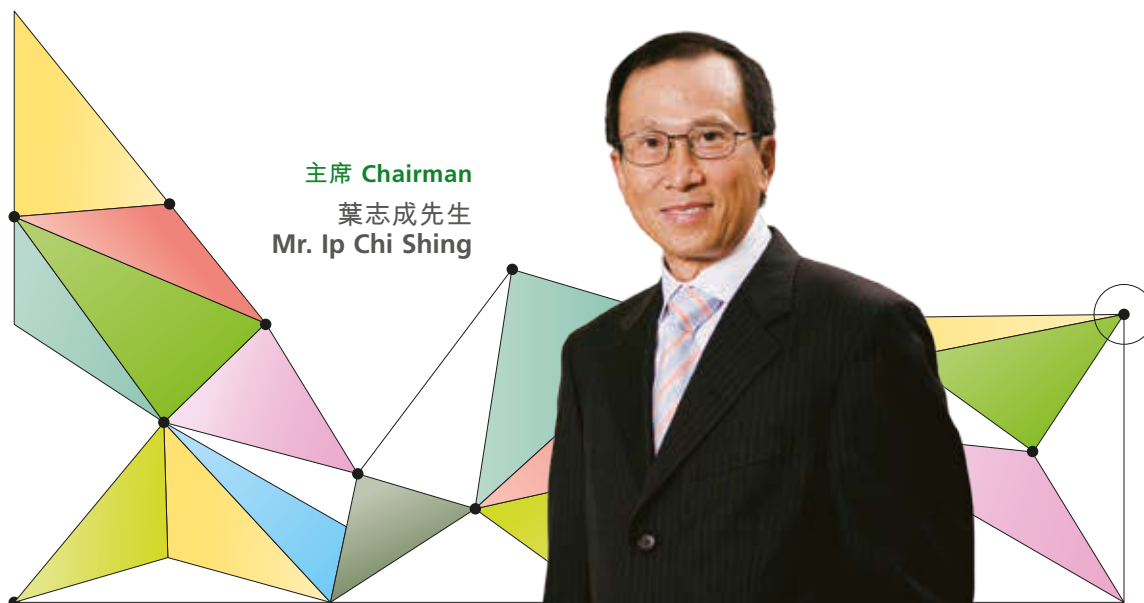
27/F., Fortis Tower
Nos. 77-79 Gloucester Road
Wanchai, Hong Kong

Tel: (852) 2675 2288
Fax: (852) 2675 2345
Internet homepage:
<http://www.yipschemical.com>

Stock Code

408

主席報告－回顧及展望 Chairman's Statement – Review & Prospects



本人欣然向全體股東們呈報二零一六年度的全年業績報告。國內經濟雖仍可保持預期增長，但期內人民幣全年貶值5.7%，整體市場需求疲弱、出口市場不振、資金鏈短缺、信貸風險增加等不利因素，可以說全面地節制和影響了集團的銷售目標。期內集團的銷售額錄得約86億港元，基本上與去年相若。但在撇除產品平均售價仍在低位徘徊的比較後，本年度集團的整體銷量較去年增加17%。在股東應佔純利方面，則主要受惠於在集團新的領導團隊帶領下，在聚焦核心業務和著力提昇業務盈利質素等方面，採取了各項積極的措施，從而有效地大幅減少人民幣貶值帶來的賬面損失，以及受惠期內原料價格相對較為穩定，為集團業務創造一個良好的經營基礎。其結果令集團的整體業績表現回復了一個較合理的水平，期內錄得股東應佔純利1.69億港元，較去年上升254%。另一方面，集團繼續秉承發展不忘穩健、審慎理財的方針，在嚴控信貸監管和不斷優化資產質素等方面作出不懈的努力，因而集團的借貸比率與去年比較下降3.6個百分點，維持在50.4%的健康和可控水平。在綜合慎重評估集團業務發展遠景和貫徹一向積極回饋股東的願景作出合理平衡後，本公司董事會（「董事會」）建議向全

I am pleased to report to all shareholders the Group's performance for the year 2016. Though Mainland China was still able to achieve the predicted GDP growth, the 5.7% depreciation in the Renminbi ("RMB") as well as unfavourable factors in the overall market such as sluggish demand, feeble exports, capital shortages and growing credit risks all worked against the Group in attaining its sales targets. During the period, the Group's turnover was around HK\$8.6 billion, which was basically the same as in the preceding year. Yet, after discounting the fact that product average selling prices were still hovering at low levels, the Group's overall sales volume was up by 17% from last year. As to the profit attributable to owners of the Company, thanks to the leadership of our new management team, who implemented a host of proactive measures in focusing on the Group's core businesses and raising its earning quality, effectively minimised book loss brought about by RMB depreciation. This, coupled with the relatively stable raw material prices during the period, had provided the Group with a sound operating foundation. Consequently, the Group's overall performance returned to a more reasonable level, resulting in HK\$169 million in profit attributable to owners of the Company, an increase of 254% from a year before. As the Group continued to uphold the principle of stable development and prudent financial management, customer credits were under tight control and asset quality was continuously optimized. Consequently, the Group's gearing ratio was maintained at a healthy and manageable level of 50.4%, which was a decrease of 3.6 percentage points compared to last year.

體股東們派發期末股息每股10港仙，連同已派發的中期股息每股5港仙，全年合共派發股息每股15港仙。集團能夠在嚴峻的經營環境下維持一向的派息政策，本人至感欣慰！

回顧

誠如本人在中期業務回顧所述，去年對集團業務構成不利影響的兩大成因(一)原材料價格波幅大，市場競爭愈趨激烈，導致邊際利潤是近年偏低的水平；(二)人民幣匯率持續性下調，雖不影響現金流，但卻對集團呈報利潤方面構成直接的負面影響。此兩大因素在本年度內得到舒緩，為集團期內的經營環境帶來正面的影響。然而在外部而言，整體的經營大環境依然是充滿挑戰的。當中包括(一)人民幣持續貶值，外來投資放緩；(二)環球經濟疲弱，需求減少，從而制約了出口業務；(三)房地產和金融市場的波動不斷，造成資金緊絀，致內部需求的增長未如理想；(四)國家對化工行業在安全環保各方面的規管日趨嚴謹，企業經營成本必然大幅增加。面對經營劣境，集團整體業務在新領導團隊的帶領下，上下一心，迎難而上，按既定的經營策略和目標，扎實地做好了各項堅穩基礎的工作。期內除個別業務在重整過程中遭遇一些短暫的困難，表現遜於預期待外，其餘的各項業務均取得較預期好的佳績，包括大幅改善、平穩健康增長以及更加突顯競爭優勢等。從而令集團的整體業務無論在銷售和經營溢利方面，都扭轉了去年的劣勢，順利完成預設的各項指標，更為集團日後的中長期目標—專注專業；做大做強；不斷為股東們增值奠下良好的基石。

After carefully balancing the long-term development needs of the Group and the long-held dividend policy of actively rewarding shareholders, the Board of Directors (the "Board") has resolved to recommend a final dividend of HK10 cents per share. Together with the interim dividend of HK5 cents per share, the dividend for the full year is HK15 cents per share. I am glad that the Group is able to maintain its established dividend policy despite the brutal operating environment.

Review

Just as I mentioned in reviewing the interim results of our business, two factors had a crippling effect on the Group's business in the year of 2015. The first was the large fluctuations in raw material prices and the increasing ferocity of competition in the market that had led to low profit margin levels in recent years. The second was the sustained downward revision of the RMB exchange rate which, though not affecting our cash flow, was having a direct negative impact on the reported profit of the Group. The alleviation of these two factors in the year of 2016 had brought positive influence to the Group's operating environment during the period. Yet externally, the macro operating environment was still littered with challenges. These included (1) the sustained depreciation of the RMB and the associated slowdown in inbound investment; (2) lower demand from a lethargic global economy which had been curbing exports; (3) incessant volatility in the real estate and financial markets which led to shortages in funds and thus unsatisfactory growth in domestic demand; (4) increasingly strict state regulations on the safety and environmental aspects of the chemical industry which inevitably led to substantial increases in operating costs. Confronted with these dire operating circumstances, the Group, under the leadership of a new management team, was able to carry out all foundation fortifying works in accordance with predetermined operating strategies and targets. In the period under report, though individual business segments might have encountered temporary difficulties during re-organisation and fell short of expectation in their performance, others were able to achieve better-than-expected results, including significant improvements, steady and sound growth and more distinctive competitive advantages. Consequently, the Group's business as a whole had turned the table from last year in terms of both sales and operating profits. Not only had we achieved all our targets, we had also laid a robust cornerstone for the Group's medium- to long-term objectives of focusing on core businesses, building up the businesses and generating value for shareholders sustainably.

展望

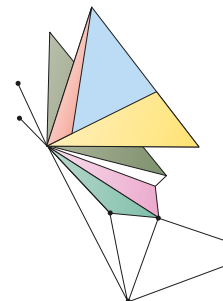
嚴峻與充滿挑戰性的二零一六年已過，展望二零一七年，將受多項極不明朗的因素影響。例如美國新政府上台，貿易保護主義升溫，中美貿易磨擦風險增加。同時隨著英國脫歐已成定局，對整個歐盟的經濟前景帶來一定的不明朗因素，也將是無可避免的。儘管年內世界的經營大環境不容樂觀，然而本集團對中國的經濟持續取得平穩增長有信心，集團各項業務亦將受惠，故仍然持審慎樂觀的看法。其建基（一）人民幣或將持續輕微貶值，外來投資減少，同時出口業務方面變數更多，因此擴大內部需求，及一帶一路的外拓工程勢將加快步伐，必然是中國政府的實務之重；（二）集團業務發展策略追隨國策的同時，堅持專注本業，加強研發，特別是創新的環保性新產品，並遵守國家對化學工業的各項規範，持續自我完善和提昇，從而進一步鞏固集團在業界的競爭能力和壯大機會；（三）集團一直以來以人為本，非常注重良好的企業管治和積極回饋社會，均為集團的健康平穩發展奠下良好的基石。同時在去年開始實施新的領導架構和團隊，端視未來的挑戰為新常態，團結一心，各司其職，發揮創意，所開展的各項務實改革舉措逐步落實和看到成效。總括而言，集團將一如既往，不斷致力為股東們創造更佳的回報。藉此向集團全體員工的辛勞貢獻、對眾多持份者對集團的支持和指導、對集團高層領導團隊和各位董事的決心、勇氣、執行力和正確領導致以衷心的感謝。

葉志成
主席

Outlook

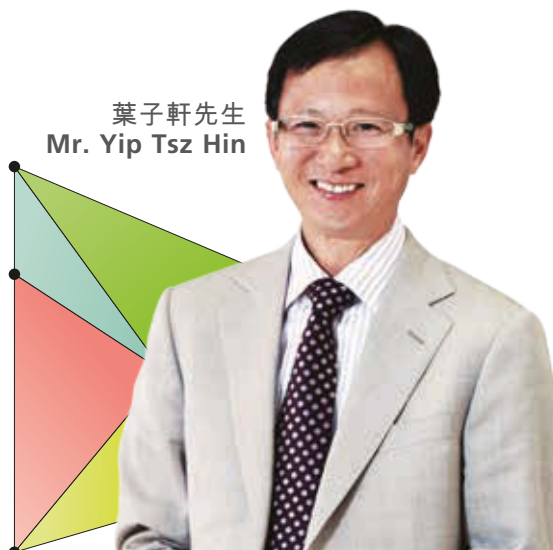
The bleak and challenging 2016 has already passed. Looking ahead to 2017, a number of uncertainties lie ahead. For instance, the new US administration leads to the potential advance of protectionism and the increasing risk of Sino-American conflicts. Meanwhile, the fait accompli of Brexit will unavoidably create uncertainties to the economic prospects of the EU. Though there is no cause for optimism in the macro global operating environment in the coming year, we are still confident that China's economy will continue to grow at a steady pace. Hence we are still cautiously optimistic that the Group's various business segments will be benefited as a result. This view is based on several observations. First, as RMB may continue to depreciate slightly, external investment will decrease while there will be more variables to export business. Hence expanding domestic demand and stepping up the pace of implementing Belt and Road outward expansion projects will become priorities for the government of Mainland China. Second, while the Group's business strategies will track national policies, we will adhere to focusing on our profession and strengthen our efforts in R&D, in particular in the area of innovative environmentally friendly products. At the same time, we will abide by all the standards set by the government on the chemical industry and unceasingly improve and upgrade ourselves so as to consolidate our competitiveness and maximise the chance of getting stronger. Third, the Group has been people-oriented and is very mindful of sound corporate governance and giving back to society actively, laying a sound cornerstone for a healthy and steady development. Furthermore, the new management team along with a new leadership structure we put in place last year is viewing future challenges as the new normal. They are united as one while performing their individual duties and letting their creative juices flow. As a result, the various practical reform measures they proposed have been implemented step by step and are achieving initial successes. In summary, the Group will as always strive to create better returns to its shareholders. I would like to take this opportunity to convey my heartfelt thanks to all our employees for their hard work and dedication, to our various stakeholders for their support and guidance, and to the Group's Senior Leadership Team and every director for their determination, courage, execution prowess and correct leadership.

IP CHI SHING
CHAIRMAN



聯席行政總裁報告 Report of the Co-Chief Executive Officers

葉子軒先生
Mr. Yip Tsz Hin



王旭先生
Mr. Wong Yuk



業務回顧

截至二零一六年十二月三十一日止年度，集團的銷售總量再創新高，接近120萬噸。各材料價格在前三季都在低位徘徊，只在第四季度見明顯回升。產品平均售價比去年有所下降，加上人民幣持續貶值，導致銷量升，銷售額持平的結果。

年度集團的銷售總額約86億港元，比對去年同期輕微下跌0.3%；純利錄得1.69億港元，同比增加254%；借貸比率再度明顯下降至50.4%，同比下跌3.6個百分點。

本年度獲利較佳，影響利潤的主要因素包括：

1. 溶劑業務經營溢利增長逾倍，油墨業務增近46%，潤滑油業務轉虧為盈，只塗料業務下跌56%；由於塗料業務進行產品線重整，以期增加更環保但毛利較低的乳膠漆銷售佔比，另業務整合導致一次性較大的相關費用，導致盈利倒退。

Business Review

The total product sales tonnage of the Group again hit a new high of close to 1.2 million metric tons in the year ended 31 December 2016. The prices of various raw materials hovered at low levels for the first three quarters and only picked up notably in the fourth one. Average selling prices of products were lower than in the previous year, coupled with the impact of RMB depreciation, leading to a rise in sales volume while sales turnover remained flat.

In the year, the Group's total sales turnover at around HK\$8.6 billion was mildly down 0.3% year-on-year; net profit was up by 254% year-on-year to HK\$169 million; gearing ratio once again fell markedly by 3.6 percentage points year-on-year to 50.4%.

This year recorded a better profit and the major factors affecting the profitability included:

1. While operating profit of solvents more than doubled and that of the inks business grew by almost 46%, the lubricants business succeeded in turning profitable. It was only in the coatings business that operating profit dropped by 56% in the year. The reason was that the coatings business re-organised product lines to increase sales proportion of emulsion paint, which is more eco-friendly yet with lower margin; in addition to a one-off substantial cost due to business consolidation incurred, leading to a decline in profits.

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- 二. 應對人民幣持續下跌，管理層採取了積極而有效的措施，令本年度的匯兌虧損減少66%至1,700萬港元。而同期主要因將國內盈餘資金以利潤分配匯出產生的股息稅項則相應增加，其增幅達3,000萬港元。但此措施可以大幅減低集團未來受人民幣匯率波幅的影響。
- 三. 積極優化營運，改善客戶信貸、精簡產品組合的措施有效，因而本年度壞賬及呆貨撥備較去年下跌五成；
- 四. 葉氏化工大廈公允值變動比二零一五年增加510萬港元，去年則為1,940萬港元，增幅同比減少74%。

各業務的年度回顧及展望如下：

溶劑

總銷量錄得理想增長，接近95萬噸，同比增加兩成。主要原因是：泰興新廠投產後，運行暢順，提供充裕產能滿足華東及華南市場，促使市場份額進一步擴大。出口銷量大增兩倍，接近10萬噸大關。銷售金額達52億港元，同比僅增加4%，主要受制於平均售價仍有下調及人民幣匯率下跌。經營溢利則受惠於「規模效應」而進一步體現。第四季度的材料價格回升，也有利於毛利提升，令本年度經營溢利達3.4億港元，同比增加150.7%。

管理層研判形勢：企業的綜合競爭力要優於同業，不斷進步才是持續增長的要素。因此已從幾大操作上更下功夫，包括：

2. In response to the sustained depreciation of RMB, the management adopted proactive and effective measures that narrowed down exchange loss this year by 66% to HK\$17 million. Owing to the fact that surplus funds in the Mainland China were remitted out for profit distribution, a corresponding increase of HK\$30 million in dividend tax was incurred. This measure alleviates largely the impact to be brought by the future fluctuation of RMB exchange rate.
3. As measures in actively optimizing operations, improving customer credits and rectifying product mix were effective, bad debts and obsolete stocks in the year were therefore reduced by 50% over the same period last year.
4. The fair value of Yip's Chemical Building increased by HK\$5.1 million from the year 2015, which was HK\$19.4 million last year, representing a 74% less in the amount increased year-on-year.

The annual review and outlook of individual business segments were given as follows:

Solvents

Total product sales tonnage grew satisfactorily and was up 20% year-on-year to almost 950,000 metric tons. The main reason for this was that the new production line of the Taixing plant has been running smoothly since it commenced operation, providing sufficient capacity to meet the market demands of the Eastern China and Southern China, thus further expanding the Group's shares in these two markets. Export volume grew strongly by two-folds to nearly 100,000 metric tons. Sales turnover, however, was up only 4% year-on-year to HK\$5.2 billion mainly because it was hampered by the continuing downward revision in average selling prices and the depreciation of RMB. Thanks to economies of scale effects, operating profit saw further growth. Rise in raw material prices in the fourth quarter was also favourable to gross profit increase. Subsequently this business segment boasted an operating profit of HK\$340 million in the year, up by 150.7% from the same period last year.

In assessing the situation, the management believes that the keys to sustainable growth lie in having a strong competitiveness over industry counterparts and also in making constant progress on the Group. For this, the management has already started working in the following directions:

- | | |
|--------------------------|--|
| 一. 優化產能，拓展市場，勇闖年銷百萬噸的大關； | 1. Optimize production capacity and develop market with the aim to surpass the milestone of one million metric tons. |
| 二. 進一步技術改進，節能節耗； | 2. Further improve technology to reduce energy consumption and wastage. |
| 三. 檢討供應鏈運作，持續提高效率，降低成本； | 3. Review operation of supply chain to continuously elevate efficiency and reduce costs. |
| 四. 檢視企業架構，提升營運效益。 | 4. Examine the corporate structure with the view of enhancing operational efficiency. |

管理層訂下目標，在保持業績持續增長的基礎上，擴展產品線及進一步豐富品種供應的種類，帶動溶劑業務更上一個新台階。

塗料

對塗料集團來說，二零一六年是艱辛的一年。業務繼續備受各種挑戰，包括經營環境複雜多變、競爭更形激烈、更嚴謹的塗料行業經營規範、年底原材料價格的大幅飆升等。

面對結構性的挑戰，塗料集團管理層迎难而上，專心致力於推行原定的業務策略：包括加快環保水性乳膠漆的銷售增長；重建經銷商網絡來強化業務發展；犧牲少部分信貸風險高的業務以提升總體銷售質量；進一步整合產品結構，果斷退出利潤偏低及業務前景不樂觀的電子產品類塗料市場；及精簡組織架構等降本措施等。

上述策略的切實執行，致二零一六年全年業績緊貼中期業績報告所揭示的趨勢：相對二零一五年全年，整體銷售量錄得12%的上升，但銷售額由去年約19億港元下跌至約17億港元，而經營溢利則減至約2,700萬港元，比去年同期下跌56.2%。

The management has set the objective of taking the solvents business to new heights by expanding product lines and further enriching the Group's product mix while maintaining sustained growth in business performance.

Coatings

2016 has proven to be a difficult year for the coatings group. The business continued to be challenged by an ever changing and stiffer competitive environment, more stringent measures to the operations of coatings sector and not least soaring raw material costs by end of the year.

Management of the coatings group confidently confronted the structural challenges with undivided attention in executing predetermined business strategies. These include stepping up the sales growth of environmentally friendly water-based emulsion paints, rebuilding our channel muscle to strengthen business development, giving up a few businesses with high credit risks to upgrade overall sales quality, further consolidating our products portfolio including exiting from the electronic products paint segment which is with low profit margin and unpromising prospect, and taking cost reduction measures such as streamlining corporate structure.

As a result, the overall performance of the business has tracked the trend as outlined in 2016 interim report – where compared to full year 2015, the business has recorded a growth of 12% in overall product sales tonnage, yet the turnover was around HK\$1.7 billion, lower than the turnover of around HK\$1.9 billion last year, and the operating profit was approximately HK\$27 million, down by 56.2% from the same period last year.

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為應對經營環境的日趨嚴峻，實現必須的轉型改革，塗料集團二零一七年年初設立了聯席總裁制，其中一位總裁將專注建築塗料及傢俱塗料業務發展，銷售渠道建設，並致力於開發高端的環保新產品，如第二代的水性木器漆，多功能的建築乳膠漆等；另一位則集中供應鏈的營運優化，引入顧問專家，建構持續改善的組織能力，達結構性降本的目的。二人將會協力領導各項計劃的執行，分工合作，為塗料業務的長久發展努力。

我們堅信，塗料集團堅持聚焦細分市場，努力降低營運成本，加速研發新產品，業績表現將不斷提高，為集團及股東提供持續進步的回報。

油墨

二零一六年度內，油墨業務已切實執行專注細分市場、優化經營及提升利潤的策略，並取得可喜的業績。其銷售量增加至近7萬噸，毛利率及費用均控制得宜而有所改善，經營溢利則增加至1億港元，較去年同期上升45.8%。

研發新產品繼續成為業務增長的主要動力。環保油墨的市場化工作在下半年進展順利，部分客戶已開始訂購。雖然新產品的銷情取決於客戶的接受程度，但集團相信隨著相關條例的日益嚴謹，這類環保產品將在未來一至兩年內加速發展。

未來一年，油墨業務將繼續利用其市場領導地位加強在食品包裝業務的盈利能力；進一步透過架構改革削減成本；並研發以紫外線油墨、植物油膠印油墨（不含礦物油）等其他綠色產品來提升產品組合。

To deal with the increasingly acute operating environment and implement necessary transformation and reforms, the coatings group has installed a "co-president" structure in early 2017. One president will focus on the business development of architectural coatings and furniture coatings, on building up sales and distribution channels and on the R&D of higher tier environmentally-friendly products, such as second-generation water-based wood paints and multi-functional architectural emulsion paints. The other president will concentrate on optimizing the operation of supply chain and on bringing in consultants and experts in a bid to structurally reduce costs through the sustainable improvement on organisational capability. Concertedly, they will lead the execution of various initiatives and work towards the long-term development of the coatings business.

We firmly believe that, the coatings group, which strives for segment focus, operating cost reduction and new product development, will continuously improve its performance and provide sustainably improving returns to the Group and its shareholders.

Inks

Throughout the year, the inks business has successfully executed its strategies of segment focus, operation excellence and margin improvement, leading to a promising performance. Its product sales tonnage increased to close to 70,000 metric tons, both gross margin and cost control were improved, operating profit amounting to HK\$100 million, an increase of 45.8% compared to last year.

New product development continued to be the major drive of the business. Commercialization of eco-friendly inks went on quite well in the second half of the year whereby a few customers have started ordering. Though sales of the products depends on the acceptance of customers, the group believes that eco-friendly products would be gaining more grounds over the next couple of years as government is stressing more stringent regulations in the sector.

In the year to come, the inks business would leverage its leadership position to strengthen the profitability of the food packaging segment, further drive costs down structurally and build the product pipeline by looking into other environmentally friendly products including UV inks and plant oil offset inks (no mineral oils).

潤滑油

潤滑油業務年內轉虧為盈，錄得168萬港元的經營溢利，相較去年的2,600萬港元虧損，進展實令人鼓舞。

由於致力發展細分市場，並在價值鏈的各個環節，包括銷售流程、原材料、生產、物流等削減結構成本，毛利率得到顯著改善。整體銷售量則輕微下跌1%，而營業額同比下降6%至3.28億港元。

業務已重上軌道，管理團隊積極開拓高端汽車發動機潤滑油業務，現已初見成效。管理團隊將會乘勢為產品組合重新定位、加強分銷商網絡、重塑「力士」潤滑油的品牌形象，以達到在選定的目標細分市場內持續提高盈利的目的。

香港集團總部

集團於二零一六年底斥資1.3億港元，在港島灣仔購入物業作新辦公地點，預計待裝修完竣，總部會在二零一七年第二季自粉嶺遷入新址。新總部裝修走清新風格，更會設置嶄新資訊科技設施以改善通訊。粉嶺現址的四層半辦公樓及貨倉已自二零一六年十二月起出租予第三方，二零一七年集團遷出後，整幢物業將會由該租戶使用，進一步達到善用資產的目的。

展望

展望新的一年，我們將繼續秉承穩健經營，持續改善的方針；提升人員能力，尤其在產品研發的力量；對可能帶來新業務、市場及客戶的併購做更深入的探討。提高並宣導「團結、正直、決心、卓越」為我們的「工作新浪潮」。為集團業務健康成長，業績進一步提高而努力。

葉子軒
聯席行政總裁

王旭
聯席行政總裁

Lubricants

It has been encouraging to note that our lubricants business has managed to turn back to black in the year, recording an operating profit of HK\$1.68 million compared to a loss of HK\$26 million in previous year.

With the discipline in driving segment focus and structurally squeezing costs out throughout the value chain, from sales process to raw materials to production and logistics, overall sales product tonnage recorded a mild drop of 1%, sales turnover was down by 6% to HK\$328 million and gross margin saw a marked improvement.

While the business has been back to a better shape, the management has ventured into the higher tier automobile engine oil with early success. The team will build on the momentum to reposition the product offering, strengthen the distributor network, facelift the brand of Hercules lubricants with an objective to sustain a profitable business in the selected target segments year on year.

Hong Kong Headquarters

The Group has purchased an office at HK\$130 million in Wanchai by late 2016 and will move its headquarters from Fanling in the second quarter of 2017 after the renovation is completed. The new office will be in refreshing style and equipped with new IT facilities for better communication. Four and a half floors of office and godown of the existing Fanling building have been rented out to a third party since December 2016 and the entire building will be occupied by the tenant after the Group moves out in 2017, to meet the objective of better utilization of assets.

Outlook

In the new year to come, we will continue to uphold our policy of sound operation and continuous improvement; we will further enhance our staff capability, not least in the area of product R&D; we will carry out in-depth studies of possible mergers and acquisitions that may bring in new businesses, markets and customers; we will further emphasize our "TIDE" core values of Teamwork, Integrity, Determination and Excellence in achieving the healthy growth of the Group's businesses and in further improving business performance.

YIP TSZ HIN
CO-CHIEF EXECUTIVE OFFICER

WONG YUK
CO-CHIEF EXECUTIVE OFFICER

集團總部及廠房 Group's Headquarters and Plants




位於香港灣仔的集團總部(二零一七年五月一日開始生效)
The Group's headquarters in Wan Chai,
Hong Kong (with effect from 1 May 2017)




位於上海張江的集團研發中心
The Group's R&D Centre in Zhangjiang,
Shanghai




位於江蘇泰興的溶劑廠房
The solvents plant in Taixing,
Jiangsu




位於廣東江門的溶劑廠房
The solvents plant in Jiangmen,
Guangdong




位於上海金山的塗料廠房
The coatings plant in Jinshan,
Shanghai




位於四川成都的塗料廠房
The coatings plant in Chengdu,
Sichuan




位於廣東惠州的塗料廠房
The coatings plant in Huizhou,
Guangdong




位於廣東中山的油墨廠房
The inks plant in Zhongshan,
Guangdong

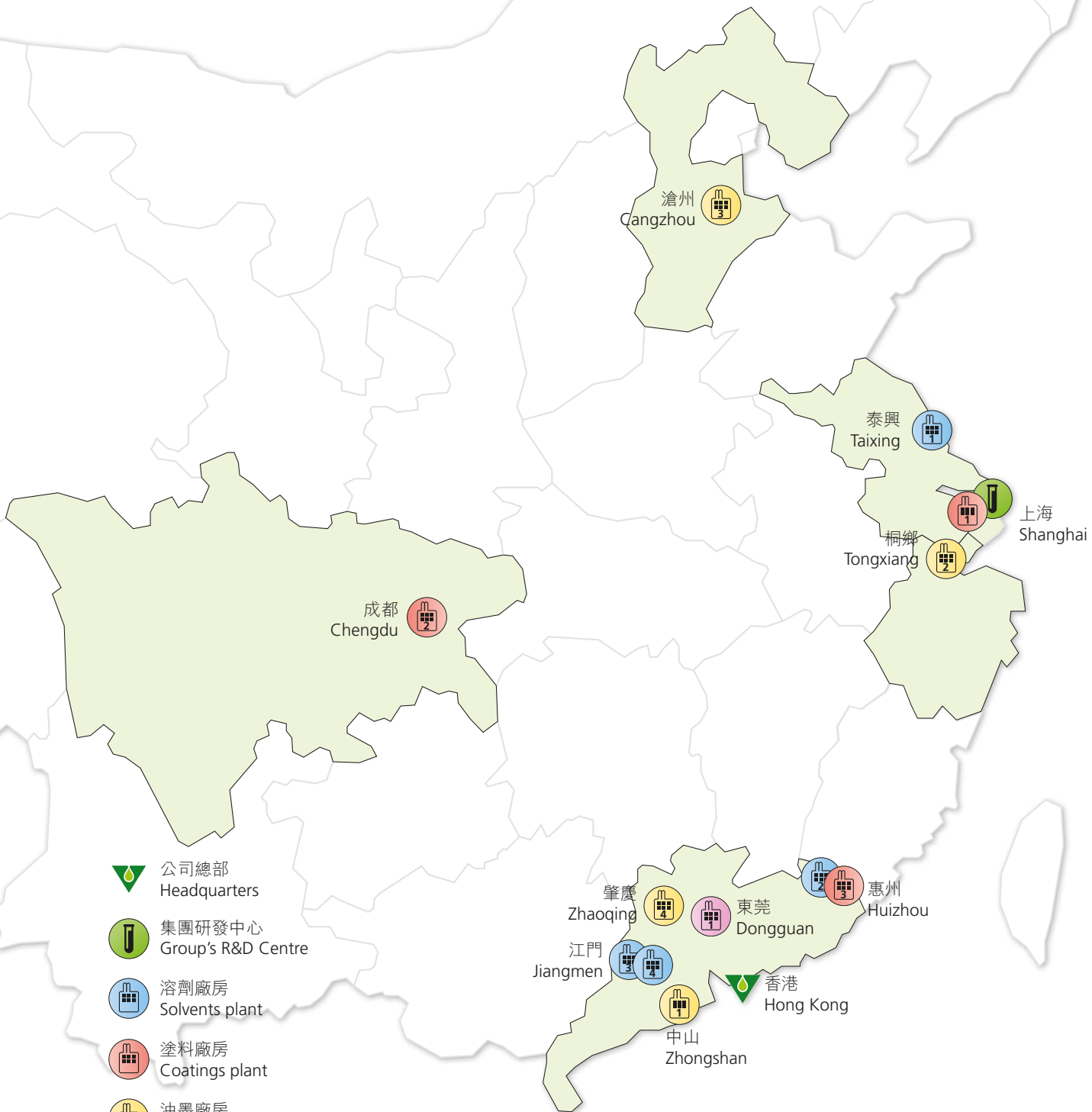



位於浙江桐鄉的油墨廠房
The inks plant in Tongxiang,
Zhejiang




位於河北滄州的油墨廠房
The inks plant in Cangzhou,
Hebei

集團總部及廠房
Group's Headquarters and Plants



-  公司總部
Headquarters
-  集團研發中心
Group's R&D Centre
-  溶劑廠房
Solvents plant
-  塗料廠房
Coatings plant
-  油墨廠房
Inks plant
-  潤滑油廠房
Lubricants plant

產品分銷網絡覆蓋全國各省
Distribution network covers all provinces in China

業務簡介 Business Profiles

溶劑
Solvents



塗料
Coatings



潤滑油
Lubricants



油墨
Inks



業務簡介 – 溶劑 Business Profiles – Solvents

溶劑是集團最大的核心業務，集團為全球最大的醋酸酯類溶劑生產商。瞄準中國改革開放的發展機會，集團旗下子公司謙信化工發展有限公司於一九九三年與江門市啟盛化工發展有限公司成為合作夥伴，憑藉中外合資的優勢，互相取長補短，聯手打造了超過二十載的輝煌成績。

溶劑業務主要生產工業用的環保型有機溶劑，包括醋酸乙酯、醋酸正丁酯、醋酸混丁酯、乙醇及丙烯酸丁酯，廣泛應用於塗料、製革、醫藥、黏合劑等行業。集團溶劑業務於華南及華東均設有生產基地，位於江蘇泰興的新醋酸酯生產線於二零一五年投產後運行暢順。溶劑業務擁有強大的營銷隊伍和覆蓋全國以至世界各地的銷售網絡，並採用直銷主導的經營模式，除了可確保服務貼心到位外，亦可讓銷售團隊更了解客戶的需要，為業務重要優勢之一。

集團一向注重客戶，溶劑業務以客為本的售前及售後服務贏得客戶多年來的信賴及支持。我們與世界級的化工企業合作，採購質量優越穩定的原材料，保障產品質量。

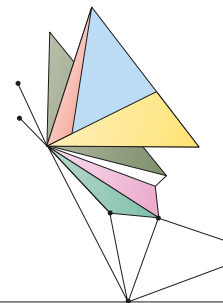
面對中國龐大的市場需求，葉氏化工把握機遇，除了不斷擴大醋酸酯產能，在同業中確保領先優勢外，更致力開拓具有協同效應的相關新產品，以擴大產品組合。

Solvents form the largest part of the Group's core businesses and the Group is the world's largest acetate solvents producer. A major turn of event took place in 1993 when Handsome Chemical Development Limited, a Group subsidiary, set sight on the opportunities made available from the reform and liberalization in China and formed a joint venture with Jiangmen Qisheng Chemical Development Company Limited. By capitalizing on the advantages of a sino-foreign joint venture and by complementing each other, the two partners were able to achieve over 20 years of dazzling performance.

The Group produces mainly eco-friendly industrial organic solvents. These include ethyl acetate, normal butyl acetate, mixed butyl acetate, ethanol and butyl acrylate which are extensively used in industries in coatings, tannery, medicine and adhesives. The solvents division has established production bases in Southern and Eastern China. The production line of acetate solvents in Taixing, Jiangsu has been running smoothly since its commencement of operation in 2015. The business maintains a huge sales force and operates a sales network that covers the whole of China and reaches overseas. By operating mainly on a direct-sales basis, it manages not only in ensuring thorough and satisfactory services, but also in affording its sales team a better understanding of customer needs — a vital edge of the business.

Customers have always been the Group's main concern and the pre- and post-sales customer-oriented services of the solvents business have, over the years, won the trust and support of customers. We cooperate with world-class chemical companies in sourcing for raw materials of superior and stable quality as a way to guarantee product quality.

Presented with China's huge market demand, Yip's Chemical grasps full advantage of the opportunity not only by expanding its acetate solvents capacity to ensure its competitive edge in the industry, but also by developing new related products that offer synergic effects in order to expand product portfolio.



業務簡介－塗料 Business Profiles – Coatings

二零一五年一月一日紫荊花塗料集團(「塗料集團」)正式營運，管理葉氏化工旗下建築塗料、工業塗料及樹脂的業務。

建築塗料

建築塗料業務包含家裝民用漆(水性乳膠漆及木器漆)及專業工程漆(內外牆塗料)。塗料集團銳意成為中國家裝民用漆市場的領導者，銷售點覆蓋全國大中城市和大部分鄉鎮，深受廣大用戶的好評和信賴。在工程漆市場，通過提供專業的產品以及優質的服務，贏得了眾多知名房企的信賴，並結成長期戰略合作夥伴關係，令塗料集團的專業工程項目覆蓋全國各地。

隨著消費者對環保及健康的日益關注，塗料集團不斷創新，推出環保型的新產品，並研發一系列先進的環保技術，致力為消費者提供一個安全健康清新的家居環境。為了滿足塗料業務未來的高速發展需要，塗料集團於上海市金山區精細化工產業園區設有一所年產能接近二十萬噸的塗料產品、配套溶劑及輔料產品生產基地。

The Bauhinia Coatings Group (“the coatings group”) officially commenced operation on 1 January 2015 and its business scope covers architectural coatings, industrial coatings and resins.

Architectural Coatings

The architectural coatings business includes household paints (water-based emulsion paints and wood paints) and construction paints (inner and outer wall paints). The coatings group strives to be the leader in China’s household paints market. With sales outlets covering China’s large and medium-sized cities as well as the majority of townships, the coatings group has won favourable comments and goodwill from innumerable users. In the construction paints market, the professional products and exceptional services of the coatings group have gained the confidence of many well-known property developers. With long term strategic partnership forged with many of these developers, projects using the coatings group’s construction paints can now be found across the country.

With the growing environmental awareness and health consciousness of consumers, the coatings group has been staying innovative in order to provide consumers with a safe, healthy and refreshing home environment. To this end, it has rolled out a number of new eco-friendly products and developed a range of advanced environmental technologies. In order that it can meet the needs of rapid business development in future, the coatings group has set up a production base in Jinshan Fine Chemical Industrial Park in Shanghai. This production base has an annual capacity to produce around 200,000 metric tons of coatings, complementary solvents and associated products.



業務簡介－塗料

Business Profiles – Coatings

工業塗料

工業塗料的產品系列廣泛，包括應用在傢俱、塑料及機械的塗料。在工業漆市場，塗料集團的工業漆多年來一直保持快速增長，通過專業的產品品質及服務，贏得了新老客戶的口碑和高度信賴。

工業塗料旗下實驗室為中國合格評定國家認可委員會認可實驗室，可因應客戶要求提供相應檢測服務，為客戶之產品提供等同由中國商檢局發出的各類型驗證報告書，除了為產品品質提供強力保證外，同時亦大大提升了集團與眾多國際品牌的終端用戶或使用單位的合作空間。

樹脂

塗料集團生產樹脂，並垂直整合至相關塗料成品，以提供更具競爭力之原材料及進一步提升產品質素。產品分醇酸樹脂、丙烯酸樹脂、聚氨酯固化劑、氨基樹脂、紫外線樹脂和水性樹脂六大類，可以依客戶的要求，開發客戶所需的塗料用樹脂。

Industrial Coatings

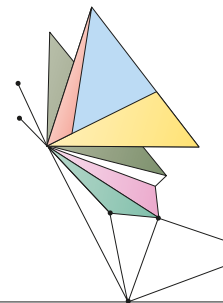
Industrial coatings consist of a range of products, including coatings for furniture as well as coatings for use in plastic and mechanical products. The industrial paints of the coatings group have been maintaining rapid growth over the years. Its superb product quality and professional services have succeeded in eliciting a high degree of trust from new and old customers alike.

Industrial coatings laboratory is an accredited laboratory recognised by China National Accreditation Service for Conformity Assessment (“CNAS”). As such, it can offer testing services upon customer requests. It can also issue various types of testing reports on customer products that have the same validity as those issued by China Commodity Inspection Bureau. This serves not only to provide solid guarantee on product quality, but also substantially expand the room for cooperation between the coatings group and the end-users or using entities of a host of international brands.

Resins

The coatings group also produces resins, so that vertical integration with the production of finished coating products can be made. This will provide more competitive raw materials and will further raise product quality. It is specialized in six groups of products, including alkyd resins, acrylic resins, PU hardeners, UV resins, amino resins and water-based resins, with the flexibility to develop coating resins in accordance to customers’ requirements.





業務簡介－油墨 Business Profiles – Inks

葉氏化工的油墨業務始於一九九八年，旗下品牌「洋紫荊」油墨目前已發展為全國最大油墨供應商，並躋身全球頂級油墨企業二十強之列。洋紫荊油墨主要生產塑膠印刷油墨及紙品印刷油墨等產品，應用於食品、飲料、禮品包裝及紙張印刷等行業，在華南、華東及華北地區的策略性據點皆設有生產基地，銷售網絡覆蓋全國。二零一三年隨著集團業務整合，洋紫荊油墨新增印後加工配套產品，至此，完善的產品體系為未來油墨業務的持續發展添上動力。

為符合安全生產要求，洋紫荊油墨率先採用獨立的無苯車間及管道化生產模式，並配備國內最先進的自控系統，是國內屈指可數的與企業資源管理相連接的油墨生產系統。洋紫荊油墨更是中國油墨行業中首批引入有害物質管理體系的企業，致力保障員工健康及保護環境。

洋紫荊油墨提倡綠色環保理念，無論在環保產品或綠色技術研發都達到行業上的領先水平。洋紫荊油墨除了獲得「優秀環保油墨生產商」稱號外，近來已成功開發揮發性有機化合物(VOC)含量低的水性油墨，其FD系列大豆油環保型膠印油墨亦憑藉高效的環保性能及清潔的作業方式，獲得「綠色技術大獎」。同時，洋紫荊油墨亦設有為中國合格評定國家認可委員會認可的實驗室，提供專業的產品檢測服務。

Yip's Chemical's inks business was started in 1998. By now it is China's largest supplier of inks under the Bauhinia Variegata brand and one of the top 20 ink enterprises globally. Plastic printing inks and paper printing inks for use in food, drinks and gift packaging and paper printing are the main Bauhinia Variegata products. With manufacturing bases in strategic locations throughout Southern, Eastern and Northern China, these products are sold over a countrywide sales network. In 2013, the company launched post-printing materials to support the Group's business integration.

In order to meet safety production requirements, Bauhinia Variegata takes the lead in establishing separate aromatic-free production plant and introducing fully piped manufacturing mode. The Bauhinia Variegata production system is not only equipped with the most advanced automatic controls, but is also one of the few in China linked to an Enterprise Resources Planning system. In addition, in its effort to protect employee health and the environment, Bauhinia Variegata has also become one of the first companies in the China's inks industry in adopting a hazardous substance process management system.

Bauhinia Variegata is a staunch advocate of environmental protection and is leading the industry in both environmentally friendly products and green technologies. Not only named as "Outstanding Eco-friendly Ink Manufacturer", it successfully develops water-based inks with low volatile organic compounds (VOC) and its FD series of eco-friendly soy offset printing inks has also won a "Green Technology Award" on the basis of its highly effective environmental properties and clean operation practices. In addition, equipped with a laboratory that has been certified by CNAS, Bauhinia Variegata provides a professional product testing service.

業務簡介－潤滑油 Business Profiles – Lubricants

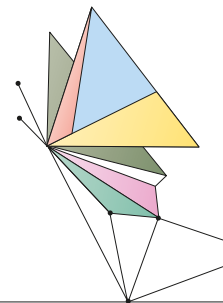
集團的潤滑油生產始於一九九二年，以「力士」、「博高」為品牌的汽車及工業用、特種潤滑油等產品系列一應俱全。

「力士」潤滑油包括一系列汽車及工業潤滑油產品，如發動機油、不凍液、系統冷卻液、剎車油、潤滑脂、齒輪油、自動排擋油、液壓油、汽輪機油、導熱油、導軌油、壓縮機油、循環系統油等，其研發的甲醇靈活燃料發動機專用潤滑油更成功在國家高技術研究發展計劃(863計劃)的攻關項目獲得認可。「博高」高效能特種潤滑油，則主要用於金屬加工、汽車、家電、電子、鋼鐵、玩具、發電、水泥、紡織、鑄造、塑膠、化工、造紙、玻璃、電線電纜等行業，銷售網絡遍佈全國各地，是中國具競爭力的特種潤滑油品牌之一。

The Group has been producing lubricants since 1992 and is now supplying a complete range of automotive, industrial and specialty lubricants under the Hercules and Pacoil brand names.

The Hercules lubricants consist of range of automotive and industrial lubrication products including engine oils, antifreezes, system coolants, brake fluids, greases, gear oils, automatic transmission fluids, hydraulic oils, turbine oils, heat conducting oils, slideway oils, compressor oils and circulating oils. The lubricating oil Hercules developed specifically for use in methanol fuel engines has successfully been recognised as a key achievement by the National High-tech R&D Programme (the “863 Programme”). The high performance Pacoil specialty lubricants are mainly used in umpteen industries in metal processing, automobiles, home appliances, electronics, steel, toys, power generation, cement, textiles, foundry, plastics, chemicals, paper making, glass as well as wires and cables. With a countrywide sales network, Pacoil is one of the competitive specialty lubricant brands in China.





研究及開發 Research and Development

葉氏化工一直致力提升旗下各類化工產品質量及不斷開拓新產品，並以產品研發作為集團未來重要發展支柱之一。集團早於二零一一年於上海張江高科技園區成立研發中心。研發中心擁有一支由專業人士組成的精英團隊，同時配置先進的試生產設備、高標準的檢測設備，通過科學而嚴格的管理，保證新產品質量的可靠性。

為進一步增強長遠競爭力，集團研發人員積極研發創新產品。截至二零一六年年底，研發中心及各子公司技術部門獲國家知識產權局授權120項專利。此外，研發中心於二零一六年獲上海市知識產權局認定為「上海市專利工作試點企業」。研發中心成立至今已被確認為「科技小巨人培育企業」、「國家級高新技術企業」、「浦東新區企業研發機構」及「上海市專利工作試點企業」，彰顯了研發中心的技術實力及優勢。

隨著市場同質化的加深，研發出適合市場需求的新產品，對於一個企業的生存和發展有著重要意義。集團有信心於未來三至五年，將研發中心發展成為國內知名的化工技術研發基地，為現有業務締結更佳的協同效應。

Yip's Chemical always strives to raise the quality of its various products and is relentless in developing new ones, so much so that product research and development (R&D) is regarded as one of the mainstays of the Group's future expansion. As early as 2011, it had set up an R&D Centre in Shanghai Zhangjiang Hi-tech Park (the "Centre"). The Centre now boasts an elite team of professionals and an array of advanced trial production equipment and precise testing instruments. Through stringent scientific management, the Centre ensures the reliability and quality of new products.

The Group's R&D personnel are active in developing innovative products to further enhance the long-term competitiveness of the Group. As of year-end of 2016, the Centre and the technical departments of all subsidiaries have been granted 120 patents by China's State Intellectual Property Office. In addition, the Centre was recognised as "Shanghai Patent Pilot Enterprise" (上海市專利工作試點企業) by Shanghai Intellectual Property Administration (上海市知識產權局) in 2016. The Centre has been recognised as a "Little Giant Science and Technology Incubation Enterprise" (科技小巨人培育企業), "National High-tech Enterprise" (國家級高新技術企業), "Pudong New Area Enterprise R&D Institution" (浦東新區企業研發機構) and "Shanghai Patent Pilot Enterprise" (上海市專利工作試點企業) since its establishment, all highlighting the technological strength and competitive advantage of the Centre.

As market homogenisation increases, the development of new products that meet market needs would be vital to the survival and future expansion of an enterprise. The Group is fully confident that, in the next three to five years, the Centre will become a renowned R&D base in chemical technology in mainland, through which better synergies will be created for existing businesses.

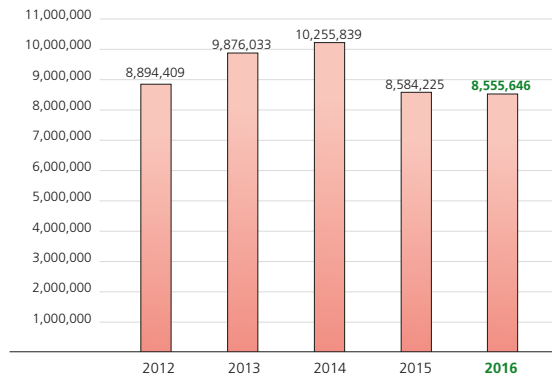
五年財務概要表

Five Year Financial Summary

	截至十二月三十一日止年度 For the year ended 31 December				
	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000	二零一四年 2014 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
業績 Results					
營業額 Turnover	8,555,646	8,584,225	10,255,839	9,876,033	8,894,409
銷售量(千噸) Sales volume ('000 metric tons)	1,191	1,015	974	907	807
除稅前溢利 Profit before taxation	391,912	162,034	371,248	391,457	421,344
稅項 Taxation	(148,744)	(74,643)	(100,280)	(79,736)	(81,455)
本年度純利 Profit for the year	243,168	87,391	270,968	311,721	339,889
應佔溢利 Attributable to					
本公司股東 Owners of the Company	169,343	47,847	223,182	250,622	276,302
非控股權益 Non-controlling interests	73,825	39,544	47,786	61,099	63,587
	243,168	87,391	270,968	311,721	339,889
每股資料 Per share data					
每股盈利(港仙) Earnings per share (HK cents)					
— 基本 Basic	30.0	8.5	39.7	44.6	49.4
— 攤薄 Diluted	30.0	8.5	39.6	44.4	49.3
每股股息(港仙)* Dividend per share (HK cents)*	15.0	14.5	25.0	25.0	25.0
* 二零一五年之每股股息包括特別股息4.5港仙。					
* Dividend per share in 2015 included the special dividend HK4.5 cents per share.					
財務比率 Financial ratios					
平均總資產回報率 Return on average total assets	2.3%	0.6%	2.7%	3.3%	4.1%
平均股東資金回報率 Return on average shareholders' funds	6.6%	1.7%	7.5%	8.8%	10.6%
	於十二月三十一日 As at 31 December				
	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000	二零一四年 2014 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
資產及負債 Assets and Liabilities					
資產總值 Total assets	7,137,356	7,439,067	8,282,435	8,128,500	7,143,054
負債總值 Total liabilities	(4,132,368)	(4,394,868)	(4,881,739)	(4,720,088)	(4,039,783)
	3,004,988	3,044,199	3,400,696	3,408,412	3,103,271
本公司股東應佔權益					
Equity attributable to owners of the Company	2,529,249	2,594,459	2,951,008	2,973,042	2,733,196
非控股權益 Non-controlling interests	475,739	449,740	449,688	435,370	370,075
	3,004,988	3,044,199	3,400,696	3,408,412	3,103,271
淨銀行借貸對股東資金比率					
Net bank borrowings to shareholders' funds	50%	54%	58%	47%	52%

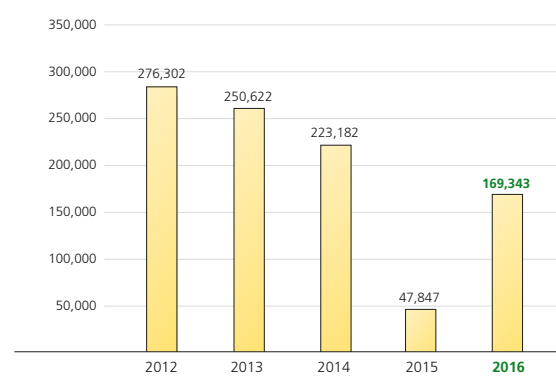
營業額 (千港元)
Turnover (HK\$'000)

截至十二月三十一日止年度
For the Year ended 31 December



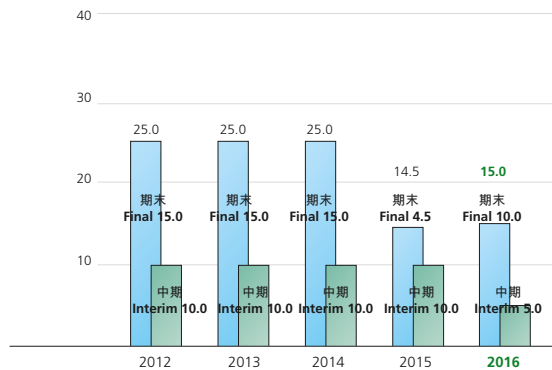
本公司股東應佔溢利 (千港元)
Profit attributable to owners of the Company (HK\$'000)

截至十二月三十一日止年度
For the Year ended 31 December



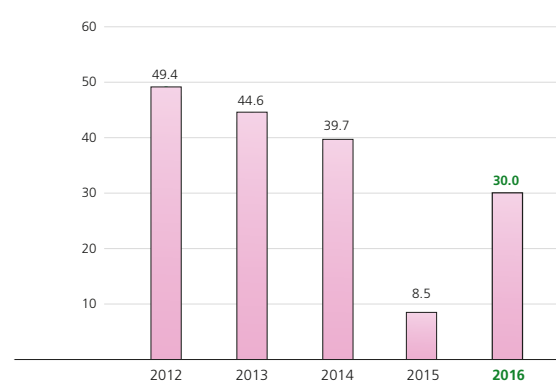
每股股息 (港仙)
Dividend per share (HK cents)

截至十二月三十一日止年度
For the Year ended 31 December



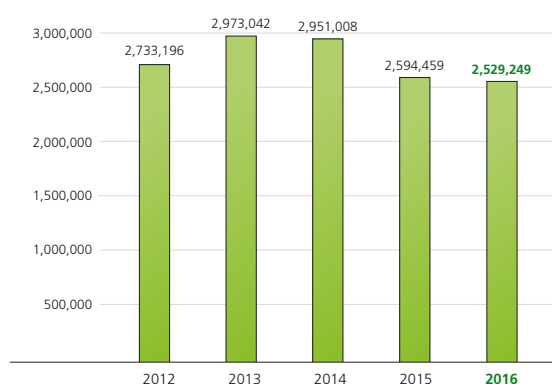
每股盈利 (港仙)
Earnings per share (HK cents)

截至十二月三十一日止年度
For the Year ended 31 December



本公司股東應佔權益 (千港元)
Equity attributable to owners of the Company (HK\$'000)

於十二月三十一日
As at 31 December



營業額及分類業績之五年分析 Analysis of Turnover and Segment Results for the Past Five Years

營業額 Turnover

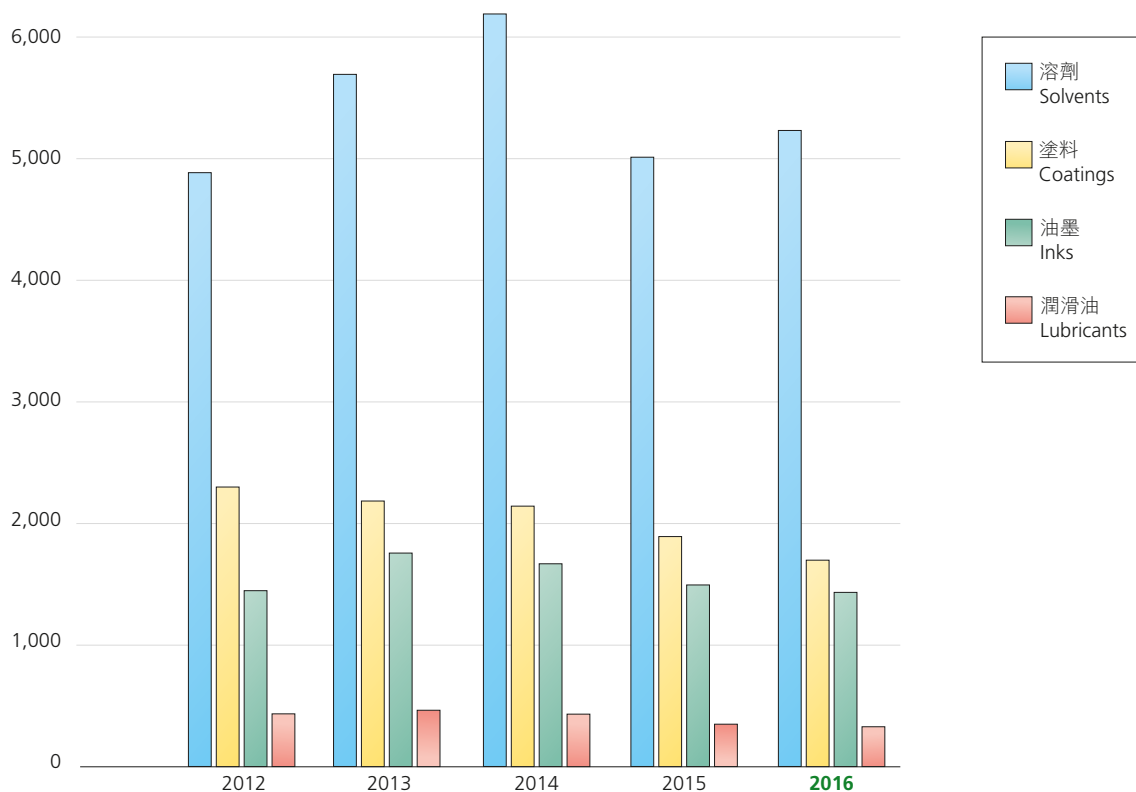
	截至十二月三十一日止年度 For the year ended 31 December				
	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000	二零一四年 2014 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
溶劑 Solvents	5,225,315	5,006,792	6,204,174	5,697,296	4,879,302
塗料 Coatings	1,696,080	1,890,989	2,140,393	2,182,575	2,297,016
油墨 Inks	1,431,869	1,492,634	1,666,183	1,754,440	1,445,498
潤滑油 Lubricants	327,957	348,388	431,837	463,831	433,150
交易抵銷 Elimination	(125,575)	(154,578)	(186,748)	(222,109)	(160,557)
總額 Total	8,555,646	8,584,225	10,255,839	9,876,033	8,894,409

營業額 (百萬港元)

Turnover (HK\$ Million)

截至十二月三十一日止年度

For the Year ended 31 December

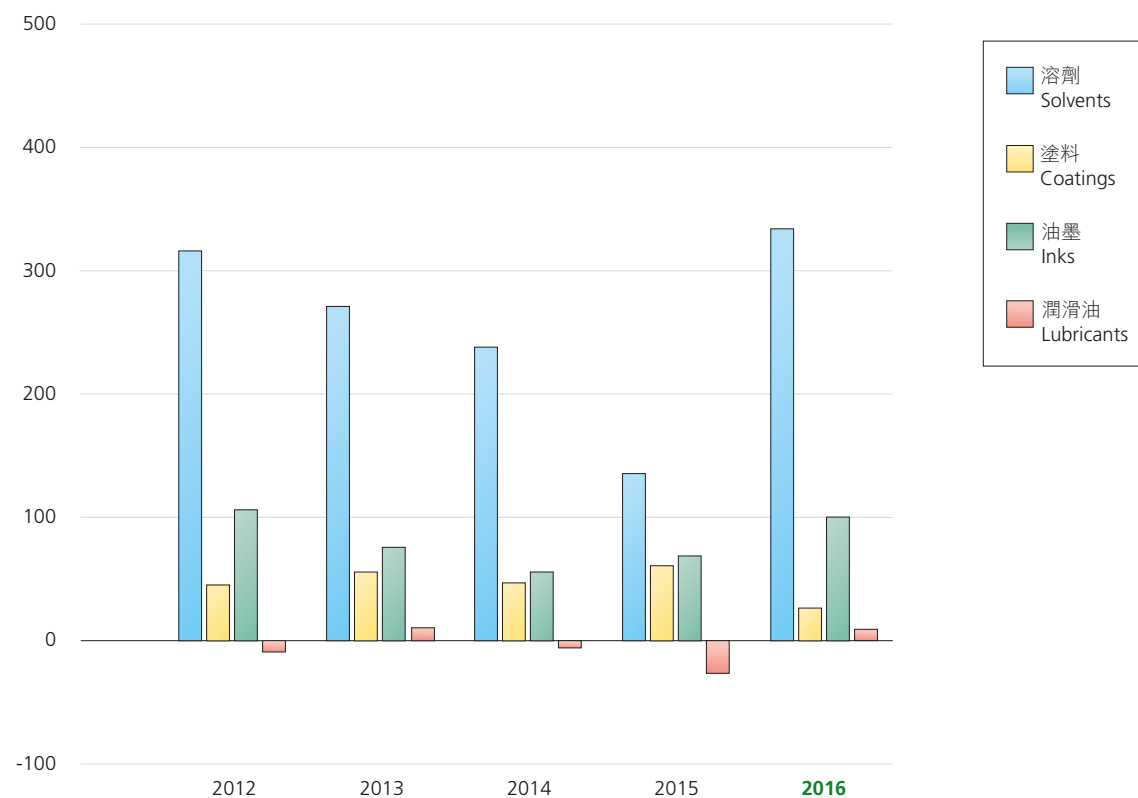


分類業績 Segment Results

	截至十二月三十一日止年度 For the year ended 31 December				
	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000	二零一四年 2014 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000	二零一二年 2012 千港元 HK\$'000
溶劑 Solvents	339,892	135,596	238,405	271,537	316,290
塗料 Coatings	26,666	60,922	47,095	55,580	45,391
油墨 Inks	100,380	68,857	55,826	75,845	106,235
潤滑油 Lubricants	1,677	(25,519)	(2,934)	9,996	(6,107)
交易抵銷 Elimination	(99)	353	180	6,780	(5,552)
總額 Total	468,516	240,209	338,572	419,738	456,257

分類業績 (百萬港元) Segment Results (HK\$ Million)

截至十二月三十一日止年度
For the Year ended 31 December



流動資金及財務資源 Liquidity and Financial Resources

於二零一六年十二月三十一日，集團的借貸比率（以淨銀行借貸佔本公司股東應佔權益為計算基準）為50.4%（二零一五年十二月三十一日：54.0%）。近年來，集團的借貸比率正不斷改善，與二零一五年及二零一四年相比分別下降3.6和7.7個百分點。隨著過去幾年集團數項增加產能的重資本性投資已經完成，加上致力於改善營運資金流動性，集團開始從中取得成果。如中期業績報告提及，集團因應人民幣匯率下跌趨勢，持續通過其國內子集團償還外債及／或利潤返還等方式將國內盈餘資金匯回香港，故與二零一六年六月三十日和二零一五年十二月三十一日比較，銀行總欠款及存款均進一步下降而淨銀行借貸同時減少。集團近年亦持續從經營活動產生淨現金流入，保持健康的資金流。

於二零一六年十二月三十一日，集團的銀行總欠款為2,246,319,000港元（二零一五年十二月三十一日：2,775,163,000港元），扣除短期銀行存款、銀行結餘以及現金971,103,000港元（二零一五年十二月三十一日：1,374,268,000港元）後，淨銀行借貸為1,275,216,000港元（二零一五年十二月三十一日：1,400,895,000港元）。銀行總欠款中，須於一年內清還之短期貸款為789,848,000港元（二零一五年十二月三十一日：1,171,344,000港元），全數以港幣定值（二零一五年十二月三十一日：1,124,764,000港元以港幣定值、2,359,000港元以人民幣定值、25,535,000港元以澳元定值和18,686,000港元以美元定值）。此外，一年後到期的長期貸款為1,456,471,000港元（二零一五年十二月三十一日：1,603,819,000港元），全數以港幣定值（二零一五年十二月三十一日：全數以港幣定值）。短期銀行存款、銀行結餘以及現金使用以下貨幣定值，包括173,722,000港元以港幣定值、582,928,000港元以人民幣定值、214,447,000港元以美元定值、6,000港元以其他貨幣等定值（二零一五年十二月三十一日：61,563,000港元以港幣定值、1,164,897,000港元以人民幣定值、147,767,000港元以美元定值和41,000港元以其他貨幣定值）。

As at 31 December 2016, the Group's gearing ratio (measured by net bank borrowings as a percentage of equity attributable to owners of the Company) was 50.4% (31 December 2015: 54.0%). The gearing ratio has been continuously improved in recent years with decline of 3.6 and 7.7 percentage points when compared with the year 2015 and the year 2014, respectively. After the completion of the Group's several major capital investments on increasing production capacity in the past few years, coupled with efforts to improve its liquidity in operating capital, the Group started to reap the benefits of its investments. As stated in our interim report, the Group continued to remit back surplus RMB fund in the mainland to Hong Kong via foreign debts repayments and/or profit repatriation by its mainland subsidiaries in view of the declining RMB exchange rate. Compared to both 30 June 2016 and 31 December 2015, total bank borrowings and bank deposits further decreased while net bank borrowings were reduced. The Group also manages to maintain a healthy cash flow and generates net cash inflow from its operating activities in recent years.

As at 31 December 2016, the gross bank borrowings of the Group amounted to HK\$2,246,319,000 (31 December 2015: HK\$2,775,163,000). After deduction of short-term bank deposits, bank balances and cash amounting to HK\$971,103,000 (31 December 2015: HK\$1,374,268,000), the net bank borrowings amounted to HK\$1,275,216,000 (31 December 2015: HK\$1,400,895,000). Out of the gross bank borrowings, HK\$789,848,000 (31 December 2015: HK\$1,171,344,000) were short-term loans and repayable within one year. Such loans were all denominated in Hong Kong Dollar (31 December 2015: HK\$1,124,764,000 in Hong Kong Dollar, HK\$2,359,000 in RMB, HK\$25,535,000 in Australian Dollar and HK\$18,686,000 in US Dollar). Long-term loans repayable after one year amounted to HK\$1,456,471,000 (31 December 2015: HK\$1,603,819,000), and they were all denominated in Hong Kong Dollar. The short-term bank deposits, bank balances and cash were denominated in the following currencies, namely HK\$173,722,000 in Hong Kong Dollar, HK\$582,928,000 in RMB, HK\$214,447,000 in US Dollar and HK\$6,000 in other currencies (31 December 2015: HK\$61,563,000 in Hong Kong Dollar, HK\$1,164,897,000 in RMB, HK\$147,767,000 in US Dollar and HK\$41,000 in other currency).

為延續過往到期的中長期貸款，集團於二零一六年已合共取得600,000,000港元之四至五年長期雙邊貸款。於二零一六年十二月三十一日，由於已將從國內調回的盈餘人民幣資金用於償還大部份短期貸款，中長期貸款(含一年內須償還之部份)佔所有貸款的比例為95%。由於部份集團的借貸以浮動利率計息，借貸成本會受利率波動影響。為減低利率波動對集團融資成本的影响，集團持續與銀行簽訂如利率掉期等協議，為大部分中長期雙邊貸款固定借貸利率，對沖貸款利率波動的風險。於二零一六年十二月三十一日，集團貸款中以定息安排的銀行總借貸及非流動借貸分別為66%和70%。此等安排應有助緩和受美國聯邦利率自二零一六年初上升而影響香港利率預期上升所帶來的借貸成本上升。

In order to refinance previous mid-to-long-term loans which are now due for repayments, the Group has obtained 4 to 5-year bilateral long-term loans of HK\$600,000,000 in 2016. As at 31 December 2016, mid to long-term loans (including portions repayable within one year) accounted for 95% of the total bank loans as most short-term loans have been repaid by the surplus RMB funds returned from the mainland. Since some of the borrowings of the Group carry interest at floating rates, the funding costs are subject to interest rate fluctuation. In anticipation of the rate fluctuation, the Group has, from time to time, made arrangements with the banks such as interest rate swaps to fix the interest rate for most of its bilateral long-term and mid-term loans to hedge against the risk of such fluctuations. As at 31 December 2016, the Group's loans under fixed rate arrangement accounted for 66% and 70% of its total and non-current bank borrowings, respectively. This arrangement should help to alleviate the expected higher interest costs resulting from Hong Kong interest rate hikes following the increase of US federal interest rate since early 2016.

流動資金及財務資源

Liquidity and Financial Resources

於二零一六年十二月三十一日，共有16間於香港及中國大陸的銀行向集團提供合共5,075,325,000港元的銀行額度，足夠應付現時集團營運及未來發展所需資金。銀行額度中，77%以港元定值、21%以人民幣定值及2%以美元定值。集團過去在香港安排港幣銀行貸款以支持國內營運資金需要，利用香港較低的港幣借貸成本及國內較高的人民幣存款利率，提升資金效益。在此安排下，集團在過去數年節省了可觀的借貸成本。但由於集團的資產和收入主要集中於國內並以人民幣結算，集團面對的匯率風險因應人民幣兌港元貶值而增加。自二零一五年年中起，人民幣對港元大幅貶值，集團已調整了司庫策略，以應對該等風險，當中包括前述將國內盈餘的人民幣資金匯回香港，並兌換成港元，償還在香港的貸款。集團亦以美元遠期合同有效對沖其以美元定值的採購合同的風險。二零一五年人民幣貶值約5.5%，集團因財務資產及負債而錄得約62,294,000港元的淨匯兌虧損；受惠於集團的司庫策略調整，二零一六年人民幣雖貶值約5.7%，集團相關的淨匯兌虧損大幅降至10,297,000港元。新任美國總統推行的政策對世界經濟和未來利率及匯率走勢的影響尚待觀察。集團將繼續謹慎監控人民幣貶值和利率增加帶來的潛在風險。因應國內人民幣盈餘資金減少，集團於二零一六年內已取得約703,726,000港元等值人民幣流動貸款支持其營運需求。另外，集團與主要銀行籌備成立人民幣跨境現金池，以促進香港與國內之間的資金管理工作。集團將不時在香港和國內以港幣、美元、人民幣或其他外幣構建最理想的銀行貸款組合，繼續在降低借貸成本及控制匯兌風險之間取得合適平衡。

As at 31 December 2016, a total of 16 banks in Hong Kong and the People's Republic of China ("PRC") granted banking facilities totaling HK\$5,075,325,000 to the Group, providing sufficient funds to meet the present working capital and expansion requirements. Of these banking facilities, 77%, 21% and 2% were denominated in Hong Kong Dollars, RMB and US Dollars respectively. The Group has been arranging Hong Kong Dollar bank loans in Hong Kong for its China operations to leverage the lower borrowing rate of the Hong Kong Dollar in Hong Kong and higher deposit interest rate of the RMB in Mainland China so as to enhance return of funds. Under this arrangement, the Group has already enjoyed substantial interest borrowing cost savings in the past years. However, as the Group's assets are mainly located in the mainland and most of its income is generated in RMB, the Group's exposure to RMB exchange rate risk will be worsen when the RMB depreciates against the Hong Kong Dollar. The Group has thus adjusted its treasury strategies to cope with the significant depreciation of RMB against Hong Kong Dollar since mid 2015. As stated above, the Group has been remitting back surplus RMB fund in Mainland China to Hong Kong for repayment of loans in Hong Kong. The Group also entered into US Dollar forward contracts to effectively hedge its exposure in purchase contracts denominated in US Dollar. RMB depreciated by 5.5% in 2015 and the Group recorded an exchange loss of HK\$62,294,000 from its financial assets and liabilities. Benefiting from the adjustment in treasury strategies, RMB depreciated by 5.7% in 2016 while the related exchange loss was substantially reduced to HK\$10,297,000. The impact of policies put forward by the new US President on the world economy and future trend of interest and exchange rates have yet to be observed. The Group remains cautious and closely monitors its exposure to potential further RMB depreciation and interest rate increments. With the reduction of surplus RMB funds in Mainland China, during 2016 the Group has obtained a RMB revolving loan equivalent to HK\$703,726,000 for supporting its operational needs. The Group is also working closely with its major banks to set up cross-border RMB cash pooling to facilitate fund management between Hong Kong and the mainland. The Group will continue to strike an optimal balance between lowering borrowing costs and minimizing currency exposure by structuring an optimal combination of Hong Kong Dollar, US Dollar, RMB or other foreign currency bank loans in Hong Kong and Mainland China.

香港Hong Kong

企業管治／企業社會責任 Corporate Governance/ Corporate Social Responsibility

《財資》The Asset

2016年度企業大獎－
最佳企業管治、企業社會責任及投資者關係標準金獎
The Asset Corporate Awards 2016 –
Gold award for Excellence in Governance,
CSR & Investor Relations Benchmarking

亞洲防盲基金會

The Asian Foundation for the Prevention of Blindness

特殊貢獻獎
Special Contribution Award

香港工業總會

Federation of Hong Kong Industries

第四屆「工業獻愛心」表揚計劃「卓越關懷大獎」
(中小企組別)
Outstanding Caring Award (SME Group) at the fourth
“Industry Cares Recognition Scheme”

香港社會服務聯會

The Hong Kong Council of Social Service

10年Plus「商界展關懷」標誌
“10 Years Plus Caring Company” logo

社會企業研究所

Social Enterprise Research Institute

社會關愛企業卓越獎
Social Caring Pledge Scheme –
Outstanding Social Caring Organization Award

社會福利署

The Social Welfare Department

2015年義務工作嘉許銅狀
Bronze Award for Volunteer Service 2015

其他 Others

International ARC Awards

「傳統年報-化工」類別榮譽獎
Honours Award in the “Traditional Annual Report –
Chemicals” category

中國內地 Mainland China

企業社會責任 Corporate Social Responsibility

中國公益節組委會 China Charity Festival

2016年度公益項目獎
Best CSR 2016

第五屆中國財經峰會

The 5th China Finance Summit

2016企業社會責任典範獎
2016(行業)影響力品牌
Best CSR 2016
Best (Industry) Brand 2016

其他 Others

慧聪网 HC360.com

「華彩獎」中國塗料助劑溶劑影響力品牌
“CLS Award” – Influential Brand for Coating Additives
and Solvents in China

上海市企業誠信建設活動組委會 及上海市化工行業協會

Shanghai Corporate Credibility Promotion Activity and Shanghai Chemical Industry Association

二星級誠信創建企業
Two-star Trustworthy Enterprise

《塗料世界》Coatings World

2016世界塗料第57位
Ranked 57th among International Coatings Companies
2016

《油墨世界》Ink World

2016世界油墨20強第13位
Ranked 13th among The Top 20 International Ink
Companies 2016

《中國塗料報》China Coatings News

2016第七屆「金漆獎」之「2015年傑出木器塗料品牌」
紫荊花塗料集團總裁葉鈞先生榮獲「2015年度風雲人物」
The 7th Golden Paint Award 2016 – Outstanding Wood
Coatings Brand 2015
Mr. Francis Ip, President of Bauhinia Coatings Group,

環境、社會及管治報告

Environmental, Social and Governance Report

創造長遠價值— 集團的可持續發展方針

葉氏化工適逢於集團四十五周年的里程碑訂立「百年葉氏」的願景，證明集團創造長遠價值的決心，亦說明了可持續發展對集團業務的重要性。

可持續發展模式，是集團從日常決策與營運達致「百年葉氏」的橋樑。集團訂立宏圖，透過當中七項元素的互相推動產生協同作用，以期建立「引以為傲，備受尊崇」的地位。而宏圖的基礎，正是集團與持份者建立長遠關係的框架，是集團對員工、顧客、股東，以至集團營運所在地的社群及環境等的尊重及承諾。

要將可持續發展成為員工日常決策及執行時的考慮要素，集團除設立完善規章制度，集團員工的素質亦十分重要，因此集團重點投放資源於提升公司文化及對員工進行培訓，特別是在道德規範及工作態度的提升和改善。集團提供內部指引，於年度評核及制定每年工作計劃時，將可持續發展的理論及規章轉化成工作指標。集團亦善用對供應商及顧客的影響力，推動整個價值鏈的可持續發展。

Creating Long-term Values— Yip's Chemical's Goal in Sustainable Development

The vision of “A Century of Revered Leadership” set in the Group’s 45th anniversary is a testimony to its determination in creating long-term values. It underscores the importance of sustainable development to the Group’s businesses.

Sustainable development is the key for the Group to achieve “A Century of Revered Leadership” from everyday decisions and operations. With the desire to be a respectable company, the Group has developed a corporate vision with seven driving forces which interact to generate synergy. This corporate vision is built on the basis of how the Group establishes long-term relationships with its stakeholders; it stands for the Group’s respect and commitment to its employees, customers and shareholders as well as to the community and environment of the localities where the Group operates.

To embed the consideration of sustainability in daily decision-making and execution, the Group goes beyond regulations and systems to the cultivation of its employees. The Group has specifically allocated resources to promote corporate culture and train employees, particularly in raising ethics awareness and improving work attitude. Internal guidelines have also been put in place so that, during annual appraisals and when drawing up annual work plans, the theory and rules of sustainable development are converted into performance indicators. The Group also makes use of its influence on suppliers and customers in driving sustainability throughout its value chain.



由於集團的四大業務各有不同行業特性及相關自身考慮事宜，可持續發展亦因應情況作中央統一管理，或由子集團各自制定相應措施。安全健康環保委員會（「安委會」）於二零一二年成立，現由三位非執行董事組成，並由集團及子集團負責職業安全與健康（「職安健」）及環保的同事組成安全健康環保部（「安環部」）負責日常執行。安委會於回顧期內共召開四次會議討論及檢討集團及子集團在安全、健康、環保三方面的情况，以確保各部門嚴格遵守所有相關的安全法規和要求；安委會委員亦於期內前往國內三處廠房作安全巡視，以審視集團的安全運作情况。集團的企業義工隊由企業傳訊部負責策劃及執行，並向集團財務總裁匯報。其他範疇如勞工標準，供應鏈及產品責任等，則交由子集團管理。

持份者溝通

集團認為與持份者溝通應具連續性及務實性，除傳統的聯繫途徑，集團於二零一六年建立了葉氏化工面書(Facebook)專頁及微信(WeChat)訂閱號，與持份者就軟性的議題作更生動輕鬆的溝通；並不斷拓展其功能性，例如舉辦實驗性投票搜集持份者意見，以促進雙向聯繫。

以下展示總括集團的不同聯繫渠道：



Since the Group's four business segments have their own industry peculiarities and related considerations, sustainability-related matters will, depending on the situation, either be centrally managed or left to subsidiaries for formulating corresponding measures. Set up in 2012, the Health, Safety and Environment Committee (the "HSE Committee") is currently formed by three independent non-executive directors while its day-to-day affairs are run by the Health, Safety and Environment Department (the "HSE Department"), which is formed by group and subsidiary employees responsible for health, safety and environment ("HSE") matters. In the period under review, the HSE Committee has convened four meetings to discuss and evaluate HSE status in the Group and its subsidiaries. It has also carried out safety inspections in three of the Group's mainland plants to scrutinise the safety operations of the Group. The work of the Group's corporate volunteer team is planned and executed by the Corporate Communications Department and reported to Chief Financial Officer. Other areas such as labour standards, supply chain and product responsibilities are managed by the subsidiaries.

Communicating with Stakeholders

We believe it is important that there are continuity and practicality in stakeholder communication. In addition to conventional communication channels, the Group also set up a Facebook page and a WeChat subscription page to carry out lively communication with stakeholders on soft issues. It has also been constantly expanding the functions of these new communication options by, for example, holding experimental voting to collect the opinions of stakeholders as a way to promote two-way communication.

The following is a summary of the Group's various communication channels:

環境、社會及管治報告

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集團將於二零一七年遷移香港總部。為更了解員工們對遷移的意見，管理層由地點選擇開始就與員工聯繫，舉行溝通會並收集員工意見及進行投票。集團亦於預計遷移日期的半年前開始，定期舉行進度匯報及意見搜集，由管理層親自解答員工的疑問。

The Group will move its headquarters to Wan Chai in 2017. To better understand the views of employees on the move, ever since location selection was started, management has been engaging them by holding meetings, collecting employee opinions and carrying out voting. Since half a year before the proposed date of moving, the Group has been giving progress briefing and collecting opinions regularly with members of the management answering employees' queries.



集團認為可持續發展是一個循序漸進的過程，集團會就持份者的意見作出檢討，從而歸納出集團的短至中期的機遇與挑戰。集團將會於下期《環境、社會及管治報告》匯報以下目標的實踐進度。

The Group holds the belief that sustainable development is a step-by-step process. It has therefore drawn up a list of short- to mid-term opportunities and challenges upon reviewing the opinions of its stakeholders. The Group will report on the progress of achieving the below targets in the next issue of *Environmental, Social and Governance Report* ("ESG Report").

範疇：環境保護

Scope: Environmental protection

持份者關心集團對於改善國內空氣質素的進程。集團一直以清潔生產為方針，對環境影響盡量減低，相關資料可參考本報告的環境部份。集團亦會密切留意最新法規要求及同業的進度而作出相應措施。

Stakeholders would like to know more about the Group's contribution on improving air quality in the mainland. The Group advocates clean production to minimize its impact on the environment. Related information on this can be found in the section of "Long-term Values in Environment" of this report. It will also keep abreast of the requirements of the latest laws and regulations as well as the progress of its industry counterparts to carry out corresponding measures.

目標
Target

進一步減低揮發性有機化合物(VOC)排放
Further reduce the emission of volatile organic compounds (VOC)



範疇：可持續發展管理
Scope: Managing sustainable development

各部門一直就業務實際情況而訂立風險管理措施，以針對處理營運風險為主。集團希望風險管理程序能夠更有系統及全面。

The Group's departments developed their own risk management measures according to actual business situations and these measures deal mainly with operational risks. The Group hopes that risk management procedures can be more systematic and comprehensive.



改善現有風險管理制度，形成定期風險跟蹤與彙報機制
Improve existing risk management systems and form regular risk tracking and reporting mechanisms

範疇：可持續發展管理
Scope: Managing sustainable development

這是集團首份環境、社會及管治報告，集團會於未來擴展報告範圍及提升報告內容，作務實而透明的匯報。

This is the Group's first ESG Report. In future, the scope of the ESG Report will be expanded and contents will be enriched in practical and transparent approach.



報告更多業務
Report on more businesses

員工的長遠價值

「渴才」及「人和」是集團宏圖中七項要素其中兩項，說明「人」對集團的重要性，是集團達致可持續發展的主要條件。集團對員工的管理以法制為本，但期望超越規章規範，以員工自身的素質為重。透過推動企業文化，集團除灌輸與業務相關的目標，亦注重員工的個人提升及道德要求。

Long-term Values in Employees

“Thirst for Talents” and “Respect for and Cooperation with All Stakeholders” are two of the seven driving forces in the Group's corporate vision, denoting that people is an important criteria for the Group to attain sustainable development. The Group sees rules and regulations as fundamental, and aspires to place more emphasis on the quality of employees. In promoting corporate culture, besides instilling business related objectives, the Group also works to enhance the quality and ethical standards of employees.

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集團於二零一二年起制定了一套名為「尊德重才」的行為標準，並且以此為主題舉辦年度大型活動作內部宣傳。當中十八項道德行為標準列出員工對客戶、對持份者、對同事及下屬、對上司的應有道德行為，要求員工以誠信、持平及認真的態度對待工作。集團亦推廣「工作新浪潮」(TIDE)，以「團結」(Teamwork)、正直(Integrity)、決心(Determination)及卓越(Excellence)，塑造集團的核心價值。董事會於二零一四年通過的「集團操守及行為守則」列出集團的核心價值及行事標準，為集團的制度、決策及行為提供指引。除了以提升工作質素為目的外，集團相信嚴謹的道德規範亦可營造有利於員工的工作環境，留住人才。

集團對於利益衝突處理尤為關注。同事於新入職及每年進行績效表現檢討時需要填寫利益申報表外，集團及子集團的人力資源部亦會於迎新培訓詳細解釋利益衝突議題，例如員工於工作時可能遇到的相關情況及處理方法。員工手冊列明員工禁止參與存在利益衝突的活動，並就收受禮物及利益、交際應酬及公司資源運用，以至員工親屬的避嫌列明規範。集團員工年內並沒有涉及任何貪污訴訟案件。集團將於二零一七年檢討利益衝突處理機制的成效，並於下期《環境、社會及管治報告》匯報相關進度。

集團透過迎新培訓及員工手冊解釋員工申訴機制。員工應先向直屬上司或人力資源部反映，如有合理原因，員工亦可以書面或電郵形式向總經理或集團高層領導團隊成員申訴。負責部門的調查結果及處理方法必須通報給申訴者、部門主管及人力資源部。員工如果對處理不滿意可向更高級的負責人或部門申訴。

An “Ethical and Merit-based” corporate culture was drawn up in 2012, the Group has since organised corporate-wide engagement activities surrounding this concept as a theme. The 18 codes of conducts list how an employee should demonstrate ethical behaviours towards clients, stakeholders, colleagues, subordinates and superiors while requiring that they should be honest, fair and serious in carrying out their work. The Group also promotes “TIDE” (Teamwork, Integrity, Determination and Excellence) as corporate core values. The Board of Directors has adopted the “Group Codes of Ethics and Conducts” in 2014. The purpose of these codes is to lay down the Group’s core values and standards of behaviour to serve as guidelines for the Group’s systems, decisions and conducts. The Group believes that setting high ethical standard not only boosts work quality, also is conducive to creating a favourable work environment and retaining talents.

The Group pays particular attention to handling conflicts of interest. Other than requiring every new recruit and employee during annual appraisal to fill out a declaration of interest form, the human resources departments of the Group and its subsidiaries also explain the issue of conflicts of interest during orientation training and describe some possible related scenarios in work and ways of handling them. The Group’s *Employee Handbook* explicitly prohibits employees from participating in activities where there is a conflict of interest. It also prescribes an employee’s behaviours in the acceptance of gifts and benefits, in business entertainments, in the utilisation of company resources and even in how their relatives should remain above suspicion. In the year, no employee of the Group was prosecuted for corruption. The Group will review the effectiveness of handling conflicts of interest in 2017 and report review progress in its next ESG report.

The Group explains its whistle-blowing mechanism to its employees through orientation training and the *Employee Handbook*. In making an appeal, an employee should first present the case to the direct superior or human resources department concerned. If there is any reasonable cause, the employee can also take the appeal in writing or through email to the general manager or to a member of Senior Leadership Team. The appellant, the head of the business unit and the human resources department concerned should be notified of the investigation results and the method of handling the case by the department concerned. If the employee is not satisfied with the results, an appeal can be made to a higher level of management or department.

人才發展與培訓

員工的持續發展即是集團的持續發展。集團及子集團的人力資源部為員工安排不同類型的培訓課程，以提升員工的工作知識及技能。例如集團每年舉辦年度管理層會議，當中包括集團業務策略的分享討論，以及有關領導才能的專題培訓，使集團管理人員除了掌握集團發展方向，還能自我增值，提升領導技巧。對於前線員工，集團每年亦會投放資源提供合適的在職培訓，務求使他們掌握充足的知識與技能以確保工作安全和提升工作效益。

此外，集團考慮到員工於各自工作範疇的專業發展，資助員工按需要參與外間培訓課程，部份員工亦可獲資助參與專業學會。

Talent Development

The sustainable development of employees means the sustainable development of the Group. For this, human resources departments of the Group and its subsidiaries offer a variety of courses to provide training in work-related knowledge and skills for employees. For example, in the Group's annual management meeting, there will be a sharing session on the Group's business strategies as well as a leadership training session on special topics so that the Group's management personnel are not only knowledgeable in the Group's development direction, but also have a chance to make self-improvement and upgrade their leadership skills. For frontline staff, the Group also invests resources every year in providing them with suitable on-the-job training to equip them with necessary knowledge and skills to ensure their workplace safety and raise their work efficiency.

Furthermore, considering that employees need professional development within their respective job scopes, the Group sponsors them to join external training courses. In some cases, they are sponsored to join professional societies.

詳細培訓數據¹

Detailed Training Data¹



¹ 數據包括集團及所有子集團

¹ The data cover both the Group and its subsidiaries.

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集團不斷發掘及發展人才，例如成立高管職涯發展委員會，定期檢討各部門架構及關鍵崗位的人事配合，對有潛能的員工加以培養以作為未來管理層的儲備，確保集團的管理精神薪火相傳。委員會於報告期內召開了兩次會議，選出精英員工並為他們度身訂造培訓計劃。

管理培訓生計劃亦是集團人才發展的重要策略之一。集團於每年第四季開展下年度管理培訓生的招聘工作，分別在華南及華東地區招聘優秀的年輕人才加入集團。從二零一六年十月至二零一七年一月，集團共邀請了近四十位候選人參加在廣州和上海舉行的五場評鑑中心，每場評鑑中心均由集團和子集團的領導層代表擔任評審，揀選合適人才加入集團。經過四輪嚴謹的篩選，最終發出了三份聘書。集團管理培訓生會於首兩年內調派往不同的子集團、營運地及崗位，讓培訓生了解熟悉業務運作。

理想工作環境

集團視確保員工的職安健為集團的首要任務，並遵守對集團有重大影響，有關提供安全工作環境及保障員工避免職業性危害的法律及規例。這些日常運作由安環部負責。以合規為基礎，安環部定期對各廠房進行安全檢查，期內共進行了十八次安全檢查和五次專項檢查，向不同廠房提供意見及要求作出整改，持續改進安全管理工作。為提升檢查水平，也邀請第三方作消防安全檢查以客觀評核個別廠房的消防安全水平。對於處理危險化學品，集團有特別的安全生產規章制度，涵蓋安全意識教育、預防措施、風險評估、生產過程安全管理、突發應急等一共三十二項要求。例如新入職的駐廠房員工必須經過安全教育，課程包括基本安全法規、從事工種的危險因素、應急及自救處理等。員工必須通過安全考核才可以開始工作。

In addition, the Group is also uncovering and developing talents continuously. For example, Senior Management Career Development Committee has been formed to review the organisation structures and personnel appointment of key positions regularly. Employees with potentials are also nurtured as management reserves in future so that management philosophy is passed on.

The Group also runs a management trainee programme every year. The Group begins its recruitment process across eastern and southern China from the fourth quarter every year. From October 2016 to January 2017, the Group invited close to 40 candidates to participate in 5 assessment workshops organised in Shanghai and Guangdong. Senior management of the Group and subsidiaries were the assessors to select eligible candidates. Upon four rounds of assessments, three management trainees were recruited. In their first two years, management trainees will be assigned to different posts in different subsidiary groups, operation locations and positions to familiarise them with business operations.

Favourable Working Environment

The Group considers ensuring employees' occupational health and safety as one of its primary tasks. It complied with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. The HSE department is responsible for the daily operation of this task, it regularly conducts safety inspections of the Group's factories with the primary objective of ensuring compliance. In the period under review, a total of 18 safety inspections and 5 single-aspect inspections were conducted. Afterwards, the factories were offered suggestions and required to take corrective actions and carry out continual improvements in safety management. As a way to raise inspection standards, third-party fire-safety inspections were arranged to give an objective assessment of the related standards of individual factories. As to the handling of hazardous chemical substances, the Group has special safety production rules and regulations that cover 32 requirements including safety awareness education, preventive measures, risk assessment, safety management of production processes and emergency responses. For example, new recruits who are supposed to station in factories must undergo a safety education course that includes basic safety laws and regulations, hazard factors in the type of work they engage, emergency responses and self-rescuing procedures. Employees must pass a safety assessment before they can start working.

安全培訓方面，期內集團及子集團共進行了64,658小時與安全健康環保相關的培訓。年內集團並沒有因工死亡個案，涉及嚴重工傷的人數為五²人，牽涉因工傷損失工作日數458日。集團會按照當地法例安排醫療事項。此外，集團亦為有職業危害因素的員工提供定期的健康檢查。

集團依照營運地適用於僱傭及勞工的法例進行招聘，並以僱傭合約保障雙方利益。合約及員工手冊均列明聘用條件、薪酬、合約終止條款、假期、福利等。例如，員工可享有婚假及考試假，以及優於相關法例的年假及僱主強積金供款。對於自行離職的員工，人力資料部會收集他們的離職原因作分析，以保持集團於人才挽留的競爭力。

有關平等機會及反歧視條文均依相關法律及規例列於僱傭合約及員工手冊。員工如受到不公平對待，可向人力資源部提出申訴，以確保員工不因性別、婚姻狀況、殘疾或家庭崗位受到歧視。集團亦不容許童工或強制勞工，符合集團謹守相關法例的政策。

In the year, the Group and its subsidiaries conducted 64,658 hours of HSE related training. While there was zero job-related fatality, 5 persons sustained work injuries² and 458 lost days were recorded. Medical matters were dealt with in accordance with local laws. Besides, the Group provided regular medical checks to employees exposed to occupational hazards.

The Group recruits employees according to applicable laws in relation to employment and labour at the locality of operation and protects the interests of both parties by means of employment contracts. Employment conditions, salaries, termination policy, holidays and benefits are specified in employment contracts and the *Employee Handbook*. For example, employees can enjoy marriage leave and examination leave as well as more annual leave days and higher mandatory provident fund contribution by employer than the statutory minimum requirements under relevant laws and regulations. For employees leaving on their own accord, the human resources departments will collect the reasons for their resignation for analysis in order to maintain competitiveness in retaining personnel.

Provisions on equal opportunity and anti-discrimination in accordance with relevant laws are specified in employment contracts and the *Employee Handbook*. Employees getting unfair treatments can raise complaints with the human resources departments. This ensures that employees will not be discriminated due to their gender, marital status, handicap or family status. Child labour and forced labour are not allowed, which is in line with the Group's policy in compliance with relevant laws and regulations.



² 嚴重工傷定義為工傷日數五日或以上的個案，包括集團及所有子集團員工。

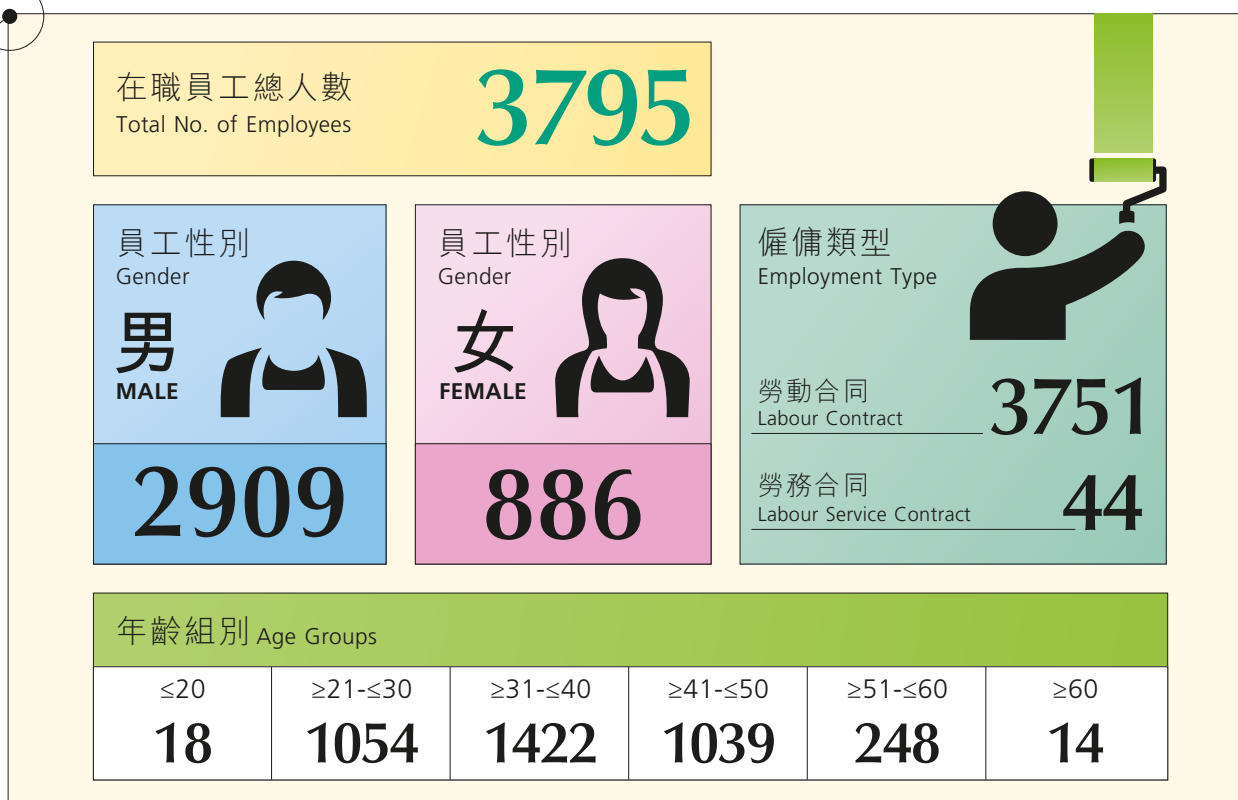
² Work injuries are defined as cases involving loss of five or more workdays for the Group or subsidiary groups.

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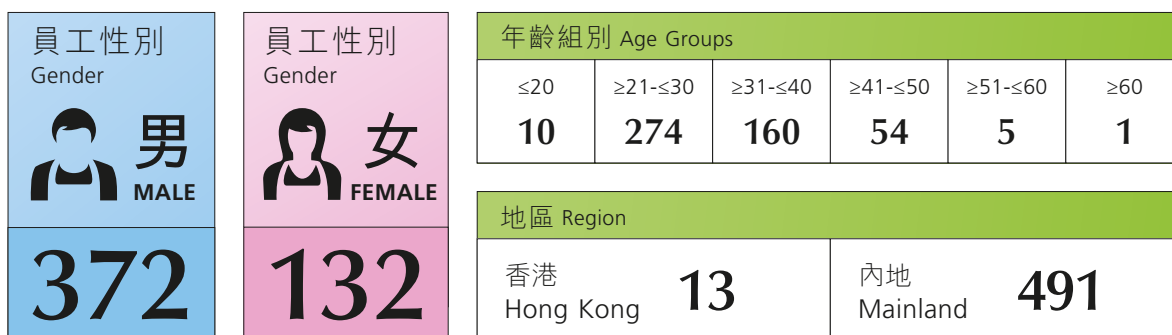
集團總員工人數為3,795³人，其中80人為香港僱員，其餘均為內地僱員。詳細分佈如下：

The Group had a total headcount of 3,795³, of which 80 were Hong Kong employees while the rest were all mainland employees. The detailed distribution was as follows:



僱員流失比率為13%⁴，詳細分佈如下：

Employee turnover rate was 13%⁴; detailed distribution was as follows:



³ 於二零一六年十二月三十一日，包括集團及所有子集團員工總數。

³ As at 31 December 2016; inclusive of Group and subsidiary group employees.

⁴ 截至二零一六年十二月三十一日止年度，流失率為自辭人數／集團及所有子集團員工總數。

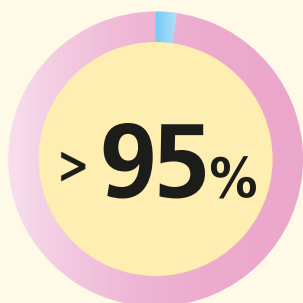
⁴ For the reviewing period ended 31 December 2016; turnover rate is calculated as number of employees leaving on own accord/total number of employees.

供應鏈的長遠價值

集團從事化工業務兼且營運地理範圍廣闊，在不同的範疇上都得到合作夥伴支持。集團的供應商大致分類為原材料採購、機械設備、建築工程、資訊科技類及貨物運輸。供應商的質素與集團整體營運效率息息相關，集團需要供應商配合以建構可持續發展的價值鏈，為長遠發展打好基礎。

Long-term Values in Supply Chains

The Group needs support from various business partners owing to its business nature as chemical company and expansive geographical scope of its operations. The Group's suppliers can broadly be classified as engaging in raw material procurement, mechanical equipment and construction engineering as well as information technology and goods shipment. Because the quality of the suppliers is closely related to the Group's overall operational efficiency, the Group and its suppliers have to work in concert to build a sustainable value chain that serves as a sound foundation for long-term development.



子集團年內與**813⁵**個供應商合作，超過95%的供應商為營運地點的本地供應商，以減低運輸及公務旅遊所產生的碳排放。

In the year, subsidiaries collaborated with 813⁵ suppliers, over 95% of which were from the localities of operations so that carbon emission resulting from shipments and business trips can be minimized.

系統性管理供應鏈

子集團設立採購部，就業務性質根據既定程序對供應商進行管理與監測。其中子集團設立合格供應商名單，採購部會就供應商性質，與不同部門合作作出定期評審及個別項目評審；基於化工原料涉及安全及環境風險，集團對於原材料供應商有更嚴格的要求，例如包括評估供應商於運送過程的保護措施。

Systematic Management of Supply Chains

The procurement department set up in each subsidiary manages and monitors its suppliers according to designated procedures. Subsidiaries compile a list of qualified suppliers and, according to the nature of the suppliers, procurement department cooperates with different departments in carrying out appraisals regularly and in regard to individual projects. When the project involves chemical raw materials which pose safety and environmental risks, the Group has more stringent requirements on its raw material suppliers, including, for example, the evaluation of the protective measures taken by the suppliers during shipment.

⁵ 數據包括塗料及油墨業務。

⁵ The data include the coatings and inks businesses.

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除質量檢測，年度評審還包括供應商有否履行社會責任作為評分標準。例如塗料業務每年為供應商提供一份有關勞工準則、環保、職安健管理的自我評估清單，再從中抽樣檢查。如果供應商未達合格分數而經過警告後仍未見改善，則會對其中止採購。名單會每年更新，因此供應商每年最少一次要經過採購部的年度評審。子集團亦會抽樣探訪供應商作實地考察，塗料業務於年內進行了六次相關評估。

員工只可選用合格名單上的供應商，並就它們往績評估決定採用的優先次序。這政策亦有利集團與優秀供應商維持長期而穩定的關係。子集團就公司最新政策或國家法規與供應商聯絡，並定期對化工原料供應商進行有害物質宣導，促使供應商建立有害物質過程管控體系。

反貪措施

嚴謹道德規範是集團的管治理念。除質量及社會責任的監控，廉潔是集團守護整條價值鏈的一道重要關口。與供應商簽訂合作協議時，子集團會特別訂明一份廉潔聲明或承諾書，詳細列舉不可接受的利益收受行為以避免灰色地帶、違反規定的後果，以及申訴機制，當中列明特委申訴處理人的姓名及聯絡方法。子集團會作不定期檢查以維持供應商及內部員工的警覺性。

年內沒有供應商因違反上述聲明及承諾而接受警告或需要取消合作。報告期內集團沒有涉及賄賂或欺詐的訴訟，集團相信詳細要求說明與專業的定期評估的管理系統對壓抑貪污活動行之有效。集團努力與業務夥伴維持長遠合作關係，這非常有利於穩定業務以建立良好基礎作中長期發展。

Other than quality inspection and testing, whether or not a supplier undertakes its social responsibility is also a scoring item in the annual appraisal. Each year, for example, the coatings group prepares a self-evaluation list on labour standards, environmental protection and occupational health and safety management for its suppliers and sample checks are carried out. If a supplier fails to get a qualifying score and has not shown any improvement after warning, procurement from it will be stopped. Supplier lists are updated annually, so each supplier will have to undergo an annual procurement department appraisal at least once a year. Each subsidiary group will also pay on-site visits to its suppliers through random sampling. In the year, the coatings group carried out 6 related appraisals.

Employees can only select suppliers in the qualified list and can decide on the priority of using suppliers according to their previous appraisal results. This policy is also conducive to maintaining long-term stable relationships with exceptional suppliers. Subsidiaries will communicate with suppliers on the latest corporate policies and national laws and regulations. They also carry out periodic talks on hazardous substances with chemical raw material suppliers and push them into setting up hazardous substance control systems.

Anti-corruption Measures

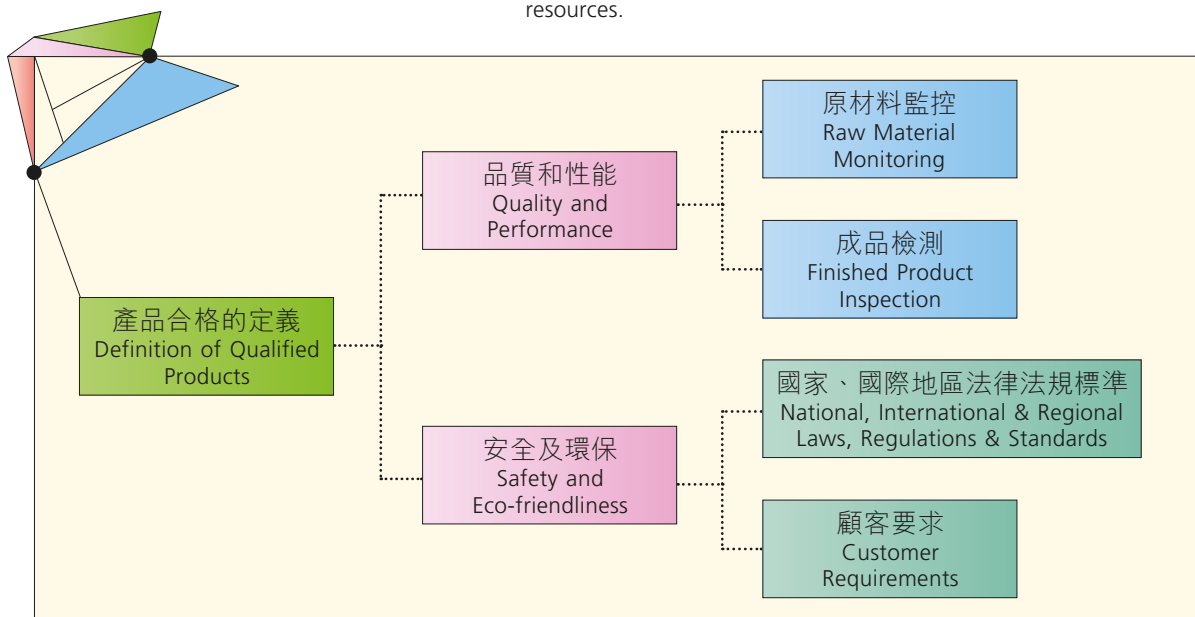
Strict observance of ethical standards is the philosophy of the Group governance. Other than quality and social responsibility monitoring, probity is a critical area for the Group to safeguard the whole value chain. In entering into a cooperation agreement with a supplier, subsidiaries will specify a probity declaration or undertaking which lists out inadmissible benefit accepting behaviours to avoid grey areas, the consequences of any violation and whistle-blowing mechanism. The contact information of designated personnel for handling whistle-blowing or feedback is stated in the declaration. Subsidiaries will make unscheduled checks to keep suppliers and employees of the Group alert.

In the period under review, no supplier was warned or disqualified for violating the above-mentioned declaration and undertaking. There was no litigation against the Group in relation to bribery and fraud. The Group believes that the detailed listing of requirements and the carrying out of periodic professional appraisal prove to be effective management measures against corruption-related activities. The Group's efforts in maintaining a long-term collaborative relationship with its business partners are conducive to providing stability to its operations and furnishing a sound foundation for its mid- to long-term development.

顧客的長遠價值

集團的產品種類及用途廣泛，例如食品包裝用的油墨以至家居牆身及傢俱塗料等，都與日常生活息息相關，而且使用時間長久。因此產品安全與健康是持份者最關注的議題之一，是集團於產品責任範疇上的重要事項。集團遵守對集團有重大影響，有關產品健康與安全的法律和規例。集團恪守責任企業的承諾，視安全與健康議題為集團所有業務發展的根基，並基於適用情況，遵從國家或國際標準進行監控。

例如，塗料及油墨業務均獲ISO 9001產品質量管理認證，並實行企業資源管理監控系統(ERP)以管理生產過程效益及確保材料使用的精準度，減低人為錯誤或資源浪費。



油墨業務是全球首批引入QC 080000有害物質管理體系的化工企業，並透過建立有害物質管控數據庫及法規庫，控制產品中的重金屬及有機化合物等超過四十種物質以符合歐盟、美國及日本等國家、地區的相關產品標準和環保標準，並不斷提升產品安全評估和風險管控能力。廠房採用無苯車間及管道化生產模式，以自控系統並連接ERP系統作全方位的生產過程監控。

Long-term Values in Customers

The Group's products have extensive uses, such as printing inks for food packages, household wall paints and home furniture coatings which are closely related to our daily lives and have a long usage time. Product safety and health is, therefore, one of the major concerns of stakeholders and also a material item in the area of product responsibility for the Group. The Group complied with relevant laws and regulations that have a significant impact on the Group relating to health and safety of products provided. The Group abides by its commitment as a responsible enterprise and sees safety and health issues as a foundation for the development of its business. It carries out monitoring in accordance with national or international standards when applicable.

For example, both its coatings and inks businesses are ISO 9001 certified for their respective quality management systems. They also implement Enterprise Resource Planning (ERP) system to manage the efficiency of their production processes and to ensure the precise usage of materials so as to minimise human errors and wastage of resources.

The Group's inks business is the first batch of chemical enterprises worldwide to adopt the QC 080000 Hazardous Substances Process Management system. Through the setting up of a control database and a regulation database for hazardous substances, it controls more than 40 substances covering heavy metals and organic compounds to comply with related country and regional product and environmental standards from the EU, US and Japan. In addition, the inks business is continuously upgrading its capability in product safety evaluation and risk control. The factories adopt fully pipelined manufacturing in benzene-free production base while control system is automatic and linked to an ERP system for comprehensive production process monitoring.

安全及品質監控

除電腦化生產過程，品質管理還包括原材料及成品監控。專業質檢員會對原材料的來貨資料和品質檢驗報告進行核對，再根據ERP系統的技術指標抽樣材料進行檢測；或者進行原料同步檢驗—即與供應商共同制訂檢測指標，雙方均對原料作獨立檢測再對比兩邊的檢測報告。除對原材料進行檢驗外，相關部門同時也會對生產過程進行監督，其中包括檢測生產過程所使用的輔料、設備、工具和包裝容器等，以確保生產過程不受污染。

成品檢測是產品質量最重要的把關，主要由品質部及生產部負責。生產系統會就不同產品提出相應「品控指標」，作為相關部門的檢測根據。例如塗料產品會測試外牆塗料耐用度，是否通過紫外光加速試驗或加速曝曬和雨淋測評，其次會同步做戶外南四十五度角曝曬測試，主要評估漆膜變色、失光、粉化、脫落等耐久性指標。如果產品質量出現重大問題而需要回收，業務亦設有產品回收指引。報告年內塗料及油墨業務並無因產品安全問題導致產品召回的個案。

塗料和油墨工廠先後建立四家中國合格評定國家認可委員會(CNAS)認可的檢測實驗室，提供產品安全和品質檢測的專業服務，其檢驗檢測結果和報告獲超過170個國家和地區認可。

Safety and Quality Monitoring

Besides the computerisation of production processes, quality management also involves the monitoring of raw materials and finished products. Professional quality inspection personnel checks the information of incoming raw materials against the corresponding quality testing reports, and will then carry out inspection and testing on random sampling basis according to the technical specifications shown in the ERP system. Alternatively, simultaneous inspection and testing can be carried out. In other words, inspection and testing indicators are jointly developed with a supplier and, after independent inspection and testing of the raw materials are carried out by both parties, the testing reports from both sides are compared. In addition to carrying out inspection and testing of raw materials, responsible departments also supervise production processes, including the inspection and testing of auxiliaries, equipment, tools and packaging containers used in the production processes so as to ensure that there is no contamination during production.

Inspection and testing of finished products are the most important product quality control point and is the responsibility of the quality department and production department. Production systems will develop respective “quality control indicators” for different products as bases in inspection and testing by related departments. For coating products, for example, the durability of outer-wall coatings will be evaluated by subjecting it to accelerated sunlight and rain damaging. Simultaneously, a sunlight exposure test is carried out by putting a surface coated with the product outdoor and inclining the surface at a 45° angle facing south. Durability indicators such as a change in colour, loss in lustre, pulverisation and peeling off of coating film will be assessed. If there is a serious problem in product quality that recalling of a product is necessary, product recall guidelines are also in place. In the year, for the coatings and inks businesses, there was no incident in which a product had to be recalled because of safety problems.

Four testing laboratories recognised by China National Accreditation Service for Conformity Assessment (CNAS) have been successively set up in the Group’s coatings and inks plants. These laboratories can offer professional services in product safety and quality testing and their test results and reports are recognised by more than 170 countries and regions around the world.

木器漆品質的三重考驗
Three-step Testing of Wood Paints

1

測膜性能演示－遮蓋力、耐洗刷、鉛筆測定漆膜硬度、耐冷熱度等。

Demonstration of coating film properties — hiding property, washability, pencil test on coating hardness, cold and heat resistance, etc.

2

施工性能演示－漆膜乾固時間、流平性。

Demonstration of workability — time required for coating film to dry, levelling power.

3

安健環指標測試－VOC檢測、甲苯二異氰酸脂(TDI)含量。

Testing with respect to HSE indicators — testing for VOC and toluene diisocyanate (TDI) contents.



顧客關係

集團明白意見回饋是顧客的權益，這亦是集團獲得寶貴意見及與顧客維持長遠互信的合作關係的重要渠道。例如，塗料及油墨業務推行清晰的顧客申訴機制及明確處理程序，以確保顧客的意見得到重視及處理。報告年內塗料業務有關質量投訴率為0.72%。

Customer Relationship

The Group understands that giving feedback is a customer right, as well as an important channel for the Group to obtain valuable suggestions and maintain a long-term mutually trusting cooperative relationship with customers. For example, coating and ink businesses have a clear customer complaints mechanism and formalized handling procedures to ensure that customer opinions are taken seriously and duly handled. In the year, the rate of quality-related complaints for the coatings segment is 0.72%.



處理投訴程序 Complaint Handling Procedures ●

接收投訴 Receiving complaints

業務官方網頁均列出聯絡方法，並各自設有指定部門處理客戶投訴。由於油漆業務包括零售性質，回饋方法亦會印在油漆罐上，消費者可親自到代理點或紫荊花辦事處網絡使用紫荊花產品投訴系統，以便查詢。
Every business segment has a designated department to receive complaints, with their contact information available on the official website. For coatings business which involves retail, its contact information is also printed on paint cans, customers can also go to a distributor's store or the Bauhinia office network to lodge complaints via the Bauhinia product complaint system.

初部評估 Initial assessment

處理部門會先作評估有關投訴是否成立，以及投訴內容是否與產品質量還是服務相關。如投訴不成立需回應客戶；投訴成立則按分類及內部指引交給相關部門跟進。
The department-in-charge of the customer complaints will first assess whether the complaint is valid and whether it is related to product quality or services. While the customer will be informed if the complaint is deemed invalid, valid complaints will be followed up by relevant department according to the complaint classification and internal guidelines.

調查及改善 Investigation and improvement

責任部門需要於指定時期查找問題所在，並擬定改善措施。檔案將儲存於ERP系統或投訴系統以作日後參考。
The responsible department has to identify the root cause of a problem and define improvement measures within a specified period. It is then recorded in the ERP system or complaint handling system for future reference.

回應顧客 Feedback to customers

投訴處理完成後需向客戶報告跟進結果，並識別客戶的滿意度。如過程涉及退貨或賠償，業務亦各自設有相關內部指引可根據執行。
After a complaint is processed, the customer will be informed of the result and the customer satisfaction will be noted. Any goods return or compensation involved will follow each business segment's related internal guidelines.

社區的長遠價值

集團屹立近半世紀，成就於社會的進步。因此集團本著「取諸社會，用諸社會」的理念回饋社會，與營運地的社區共同成長，攜手走更遠的路。

作為企業公民，集團善用自身優勢及人才，提出策略性的社區投資，從而連繫各方持份者，建立長遠互利關係，促進業務的均衡和健康發展。集團的「社區投資、贊助及捐贈政策」為集團及子集團篩選社區投資項目時提供指引，子集團可根據營運地的社區需要選擇合適項目，由集團指定部門監察運作。重點包括：

- 集中考慮集團營運所在地的項目
- 項目鼓勵員工參與
- 選擇信譽良好的非牟利機構合作
- 優先考慮「環境保護」和「弱勢社群」相關的項目

Long-term Values in Communities

The development of the Group for almost half a century owes much to social progress. Therefore, the Group upholds the principle of “From the Community, For the Community” to reciprocate the society where it operates to grow together.

As a corporate citizen, the Group makes the best of its expertise and resources by proposing strategic community investment as a means of connecting various stakeholders in order to build a long-term mutually beneficial relationship and to promote the balanced and healthy development of its businesses. The Group’s “Policy on Community Investment, Sponsorships and Donation” offers guidelines in the selection of community investment projects by the Group or its subsidiaries. A subsidiary can choose suitable projects according to the needs of the community in which it operates and these projects will be monitored by a designated department in the Group. The main points of this policy include:

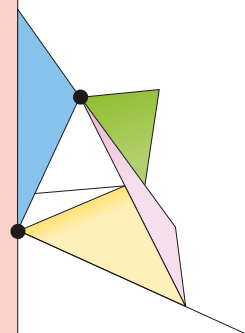
- Focus on projects from where the Group operates
- Encourage employees to participate
- Partner with reputable non-profit organizations
- Give priority to projects related to environmental protection and underprivileged groups

集團的業務遍佈內地各省，其中二、三線城市的鄉鎮依然較為落後，存在不少社會問題。因此，「弱勢社群」為社區投資策略的重點對象之一。除了提供即時的生活舒緩，相關項目亦能夠促進社區和諧、鼓勵人才發展，長遠有利於集團業務的穩定及可塑性。

作為化工行業，持份者普遍認為環保是集團的重要可持續發展議題，環保的推動與教育亦是集團的重點社區投資目標。

While the Group’s businesses span across countrywide, the second and third tier cities are however lagging in development and rife with social problems. For this, “underprivileged groups” are one of the Group’s key targets in community investments. Other than providing immediate livelihood relief, the related projects can also foster community harmony and encourage personal development which would be beneficial to the Group’s long-term stability.

As a member of chemical industry, stakeholders generally believe that environmental protection is a material aspect of sustainability for the Group. For this, promotion and education in environmental protection are also a key focus of community investment.



環境、社會及管治報告

Environmental, Social and Governance Report

集團有短期及長期的社區投資項目，短期項目能夠接觸不同的社會議題，發掘更多長遠合作機會。長期的投資項目對社會議題深入了解，甚至為社會帶來長遠改變。

The Group has both short-term and long-term community investment projects. The short-term ones allow it to get in touch with different social issues and develop more long-term co-operation opportunities. The long-term ones allow it to gain an in-depth understanding of social issues or even to bring far-reaching changes to society.

流動眼科手術車捐贈計劃

Mobile Eye Surgery Centre Donation Programme

2020年前捐贈12¹部
流動眼科手術車

Donate 12¹ mobile eye surgery
units before 2020

2016年葉氏化工流動眼科手術車處理
超過16,000手術

Yip's Chemical's mobile eye surgery units handled more
than 16,000 cataract removal surgeries in 2016

集團在內地的發展過程中，注意到部分落後地區存在白內障眼疾患者，他們往往家庭貧困，更因行動不便、生活無法自理等導致就醫困難，進一步拖累家庭，難以改善生活條件。因此，集團訂下長期社會投資項目，幫助國內這一數量龐大而分佈廣泛的弱勢群體，令其得到有效醫治，重見光明，從而重拾生活與勞動技能。

In the course of its development in the mainland, the Group has noticed that there are many cataract patients in the underdeveloped regions. These patients are usually poverty-stricken and with disabilities, which make them unable to self-care and seek for medical help. As a result, they become a burden in their families and their livelihood sees little chance of improvement. For this, the Group has set a long-term social investment project to help this large and widely scattered underprivileged group to receive effective medical treatment in order to revive their sight and regain their living and working skills.



¹ 包括集團於捐贈計劃正式簽訂前已捐贈的兩部及計劃中承諾捐贈十部手術車。

¹ Included the two surgery units donated before Donation Programme and the ten units pledged in the Donation Programme.

集團於二零一零年與亞洲防盲基金會及中國殘疾人聯合會共同發起「葉氏化工流動眼科手術車十年捐贈計劃」，透過捐贈多架配備先進眼科手術儀器的流動手術車，幫助國內的白內障患者重見光明。每部手術車的建造費連眼科手術儀器價值逾250萬港元，配合專業的醫療服務人員，每年在指定省份內停留不少於六個貧困縣，每部手術車每年平均進行2,000宗白內障手術。集團現時合共捐贈八部手術車分別予江蘇省、山東省、內蒙古自治區、雲南省、黑龍江省、山西省、湖南省及河北省，捐贈金額總值超過2,100萬港元。自項目開始至二零一六年十二月三十一日止，集團捐贈的流動眼科手術車已成功為超過67,300名白內障患者提供手術。

集團並善用自身資源及人脈，進一步深化項目。塗料集團就為部份受惠者提供免費舊房牆面翻新服務，幫助患者處理牆面脫落、裂紋、發霉等問題，改善他們的居住環境，讓他們在恢復視力後重見燦爛的色彩和煥然一新的家居，展開復明後的新生活。同時，塗料集團通過其官方微信、微博發起「用心要讓你看見」之線上慈善活動，公眾只需通過轉發資訊，便可為患者累積一份善款，用於白內障患者舊房牆面翻新服務中。

除了擔當手術車捐贈者的角色外，葉氏化工義工隊每年都會到訪受贈省份，進行流動眼科手術車探訪活動，讓更多員工了解手術車成效及項目對地區的貢獻。年內，十六位義工到訪黑龍江省進行白內障預防教育、白內障患者及康復者探訪，另外動員其他持份者如經銷商參與手術車有關的義工活動，在江蘇省進行流動眼科手術車小型探訪。

Since 2010 Yip's Chemical started a "10-Year Mobile Eye Surgery Centre Donation Programme" in collaboration with Asian Foundation for the Prevention of Blindness and China Disabled Persons' Federation. The objective is to restore vision for mainland cataract patients through the donation of a number of mobile eye surgery units, each of which costs more than HK\$2.5 million, inclusive of the equipment costs of the advanced ophthalmological surgery instruments. With a team of professional medical personnel, each mobile eye surgery unit annually stations at no less than 6 impoverished counties and carries out an average of 2,000 cataract removal surgeries. To date, the Group has donated 8 mobile surgery units respectively to Jiangsu, Shandong, Inner Mongolia, Yunnan, Heilongjiang, Shanxi, Hunan and Hebei, amounting to over HK\$21 million in total donations. Up to 31 December 2016 since the launch of the programme, these surgery units have successfully carried out surgeries for more than 67,300 cataract patients.

The scope of this donation programme is further broadened through the Group's own resources and business networks. To better help treated cataract patients embarking their new life, the coatings group offers free wall-refurbishing services for the decrepit living quarters of some of the patients. By helping with treating peeled off, cracking and moulding old paints, the service materially improves their living environment and allows them to enjoy their colourful renovated homes when they recover their eyesight. Meanwhile, the coatings group has also started through its official WeChat and Weibo sites an online charity programme called "Wishing you sight from our heart". Every time a public member shares the message of this programme, an amount would be donated towards repainting the walls of the old houses for the cataract patients.

In addition to participating in the donation of the mobile surgery units, every year Yip's Chemical Volunteers, the corporate volunteer team, will visit a recipient province so that more employees will understand the benefits brought by the surgery units and the contribution the donation programme has made in the area. In the period under report, 16 members of the corporate volunteer team went to Heilongjiang to conduct cataract prevention education and visit cataract patients and ex-patients. The corporate volunteer team also mobilized other stakeholders such as distributors to participate in related volunteer activities—to make mini-visits to the mobile surgery unit in Jiangsu.

跨代共融

集團於年內繼續關注香港「跨代共融」的議題，與香港聖雅各福群會連續第二年舉辦全年性社區計劃－「耆童同樂共融計劃」，由集團義工隊伍拍深水埗區的兒童，透過一系列的長者義工服務，促進跨代溝通及傳遞互相守望的訊息。全年七次活動包括節日探訪、家居清潔、兒童義工訓練等，目的在於關懷長者並培養兒童對社會的承擔精神。計劃亦資助兒童及長者一同學習水墨畫及非洲鼓，增加兩代的溝通機會並發掘他們的藝術潛能。

集團義工隊就項目付出了385個義工小時，具連續性的項目對於兒童學習有更大效益，亦令義工與受惠者建立更深厚感情，令項目更添意義。

Inter-generational Integration

In the year, the Group continued to focus on the issue of “inter-generational integration”. It collaborated for the second consecutive year with St. James’ Settlement in running a year-round “Cross-Gen Integration Program”. Under this programme, the corporate volunteer team partnered with children from the Sham Shui Po district to promote transgenerational integration and pass on the message of taking care of each other through a range of volunteer services. In the year, 7 activities were run, including visits during festivals, house-cleaning and children volunteer work training. The objective was to care for the elderly and cultivate a sense of responsibility towards society among the children. The programme also sponsored the elderly and children to learn ink-wash painting and African drum together, which aimed to provide more opportunities for interaction between the two generations and to tap the artistic talents of the participants.

The corporate volunteer team contributed 385 volunteer hours for this project. This continuous project offers more benefits to children learning and also allows the cultivation of stronger bonds between the volunteers and the beneficiaries, making the project all the more meaningful.

葉氏化工義工隊於二零一一年成立，透過專業及具質素的員工，將企業公民精神推而廣之，是集團社區投資的支柱。除上述項目外，香港及內地的義工隊亦會積極參與不同的社區服務活動，主題包括提倡環保生活及關懷弱勢群體。於二零一六年，香港及國內的員工和親友的義工服務總時數為1,328小時；香港及國內參與義工服務的總人數達209人。葉氏化工義工隊自二零一一年九月成立以來，累計的總服務時數及參與義工服務的總人次分別為6,756小時及1,279人次。

Yip’s Chemical Volunteers was set up in 2011 to foster corporate citizen spirit through a group of professional and high-calibre employees. As such it is the mainstay of the Group’s community investment. In addition to the above-mentioned programmes, mainland and Hong Kong members of the corporate volunteer team are also active in participating in different community service activities, including advocating for green living and caring for socially vulnerable groups. In 2016, Yip’s Chemical’s Hong Kong and mainland employees and their relatives together contributed 1,328 hours in volunteer services involving 209 volunteers. Since founded in September 2011, the cumulative hours of service and the total number of volunteers involved were 6,756 hours and 1,279 persons respectively.

此外，葉氏化工亦積極支持由非牟利機構主辦的「海鷗助學計劃」，為計劃中受助的大學生提供暑期工作實習的機會。於二零一六年，集團安排了二十五名海鷗助學計劃中的大學生在集團子公司的不同部門進行為期一個月的工作實習。每位實習生都會得到實習報酬，集團亦會為這些實習生提供免費膳食，員工宿舍住宿及交通。

為增加持份者的參與性，集團利用微信讓兩地所有員工投票選出二零一七年的義工活動。除了鼓勵員工積極參與，亦是集團整理義工策略的第一步，希望於來年開拓不同義工範疇，發掘不同的社會需要。投票結果顯示香港的員工希望開發與藝術相關的社會服務，而內地則關注改善空氣質素的項目。集團將於下一份報告公佈相關項目的進度。

In addition, Yip's Chemical has been an active supporter of a non-profit organization-run "Seagull Scholarship Programme" by offering summer internships to undergraduates sponsored by the programme. In 2016, 25 undergraduates in the Seagull Programme were assigned to different departments to undergo a one-month internship. Besides getting paid, each intern was provided free accommodation and board as well as transportation expenses.

To encourage participation from stakeholders, the Group has arranged through WeChat to let all employees vote for volunteer activities in 2017. Other than encouraging the active participation of employees, this is also the first step in the Group's revamping of its volunteering strategy. The objective is to bring to light different society needs through venturing into different volunteer scopes in the coming year. The results of the voting reveal that while Hong Kong employees wish to expand into art-related social services, their mainland counterparts are concerned with projects aimed at improving air quality. The progress of the projects will be updated in the next issue of the *ESG Report*.

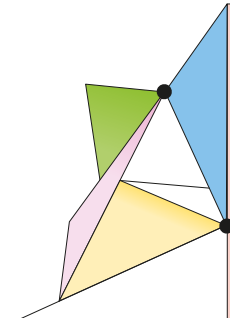


環境的長遠價值

化工企業以天然資源作部份產品原材料，因此集團明白環境的生生不息與業務可持續發展的密切關係，環保考慮與營運是不可分割的。集團的環保事宜由安委會監督，由於各廠房的生產模式及營運地的地方政策各異，廠房會按照實際情況進行環保措施。

Long-term Values in Environment

As some of the raw materials used by chemical enterprises are natural resources, the Group understands that a well-conserved environment is closely related to the sustainable development of its businesses. In other words, environmental considerations are inseparable from operation. The Group's environmental affairs are under the supervision of the HSE Committee, but since different plants have different production methods and policies of different localities of operations vary, environmental protection measures are carried out by individual plants in accordance with their actual circumstances.



集團提倡清潔生產的方針至各業務，而廠房根據實際生產過程的環境影響評估推行措施。除塗料及油墨業務外，溶劑業務位於江門的廠房不斷提升處理VOC的效率，包括以管道系統收集廢氣減少無組織排放，並提升污水處理設備，改造後排放優於國家排放標準。位於泰興的廠房亦於二零一五年更新污水處理設備以減低由污水釋放的廢氣。兩廠於二零一六年開展設備洩漏檢測與修復工作，以進一步完善全廠VOC收集、末端處理系統。

The approach of clean production and environmental protection measures are carried out by plants according to their actual circumstances. Apart from coatings and inks businesses, the solvent plant situated at Jiangmen also strives to raise the VOC handling efficiency, such as installing pipelines to capture waste gas and reduce unorganized emission. The plant also upgraded the sewage treatment facilities. Emission after treatment is well beyond the national standard. The plant in Taixing also upgraded its sewage treatment facilities to reduce waste gas produced from sewage. The two plants began leak detection and repair project from 2016 to optimize the VOC collection and treatment system.

機器保養及節能措施是集團的環保策略中重要一環。每年各廠會匯報年內的節能措施及成效檢討，針對電能效率低、水源浪費、影響質量及環境的廠房設備進行提升或更換。例如大型攪拌器完成生產後關機時間太長，浪費電能，有關廠房將操作系統重新編排，另一些生產步驟同時進行以減少攪拌器浪費電能時間。廠房亦會根據生產時的用水流程策略性安裝水錶，通過採集用水數據找出異常的管網點位進行盤查及修復，減少浪費水源。其中油墨業務的一個廠房經整理後成功減少用水量38%。

Machinery maintenance and energy conservation measures are an important aspect in the Group's environmental strategies. Every year each plant has to report on the energy conservation measures being implemented and the corresponding effectiveness. Plant machineries which are low in energy efficiency, wasteful of water resources and negatively affecting product quality and the environment will either be upgraded or replaced. For example, a large stirrer took long time to shut off after production is finished, the plant concerned therefore reshuffled the operating system to allow the simultaneous carrying out of some production steps to shorten the time the stirrer wasting electricity. A plant also installed water metres at strategic points of the water usage process in production so that, from the water usage data, it can identify abnormal pipe network points for carrying out inspection and repair to reduce water wastage. One plant in the inks business succeeded in reducing water usage by 38% after undergoing corrective measures.

集團的持份者亦對集團的排放物管理措施非常關注。塗料及油墨業務位於廣東惠州及中山、上海、浙江桐鄉的廠房均獲 ISO 14001 環境管理體系認證證書，以及「十環」中國環境標誌產品認證，優於國內業界水平。由於現階段是內地空氣污染政策的調整期，集團的專業團隊一如以往正密切留意政策發展，並準備於來年進行設備提升，確保所有廠房生產合規。

集團的環保措施不止於節能減排，集團所提出的清潔生產方針，覆蓋產品整個生命週期。從原料減少浪費，生產過程減輕對環境造成壓力，採取嚴謹的廢物處理程序，以至研發環保產品以確保產品到達顧客手上後，當產品被使用時仍然維持對環境最低的傷害。

Stakeholders are also very concerned with the Group's measures in managing its emissions. The plants of the coatings and inks businesses in Huizhou and Zhongshan (Guangdong Province) as well as in Shanghai and Tongxiang (Zhejiang Province) are all ISO 14001 certified and their products are all qualified for the China Environmental Labelling, making them way ahead in their respective sectors in the mainland. As the mainland's air pollution policy is now being revised, the Group's professional team is closely watching policy development as usual. They are also preparing for an upgrading of equipment in the coming year to ensure that production in all plants is in compliance.

The Group's environmental measures are not limited to conserving energy and minimising emissions: the clean production principle it advocates in fact covers the whole life cycle of products. Clean production concerns also with minimising waste of raw materials, reducing environmental impacts during production, adopting stringent waste disposal measures and even in developing environmentally friendly products. The objective is to ensure that when a product is being used by a customer, it will still pose the least damage to the environment.

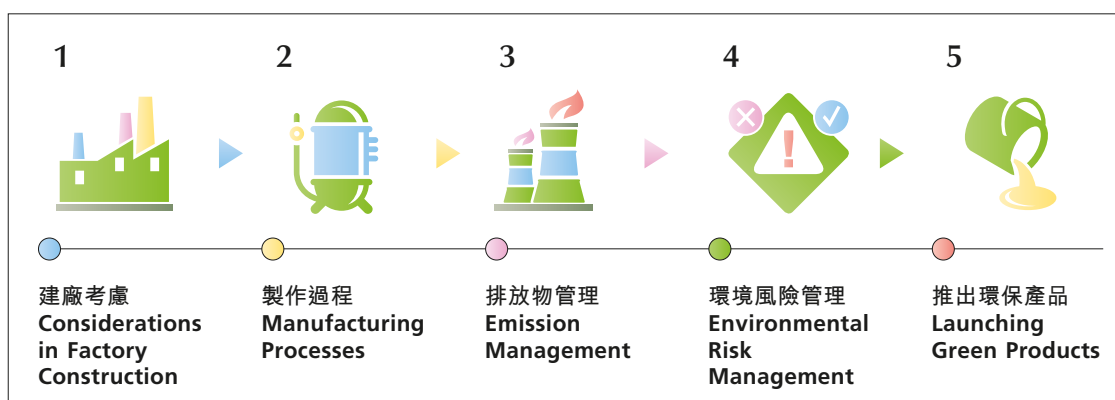


個案研究 Case Study

清潔生產 Clean Production

上海金山塗料廠於二零一三年建成第一期，第二期廠房於二零一五年投產，現時其產能佔集團塗料總產能超過50%。二零一六年廠房獲國家認證為清潔生產示範單位，展現集團如何將環保考慮融入業務決策，以達至業務的長遠發展。

Phase 1 of the Jinshan Coatings Factory in Shanghai was completed in 2013 and its phase 2 began operative in 2015. Currently its production capacity accounts for over 50% of the total of the coatings group. In 2016, the plant won the distinction of being a state certified entity for demonstrating clean production. It shows how the Group incorporates environmental considerations in its business decisions to achieve long-term business development.



1 建廠考慮 Considerations in Factory Construction

金山區為政府指定化工工業園區，除了地方生態價值較低，其基建亦考慮了化工企業的環境風險，更能夠配合集團的清潔生產方針。例如園區已鋪設與上海石化連通的工業用原料及基礎化工物料管網，減少運送時有機化合物的揮發及洩漏風險。

Shanghai's Jinshan district is a government designated chemical industry park because the site of the park has relatively low ecological value. Since environmental risks of chemical enterprises are already a consideration in infrastructure construction, the district is a good fit for the Group's clean production goals. For example, by virtue of an underground pipeline network for industrial raw materials and fundamental chemical materials that links to Shanghai Petrochemical, volatilisation and leakage risks of organic compounds during transportation is minimised.

現時金山廠址距離民居優於法定距離30%。廠房的佈局亦納入相關考慮，由於西邊較接近民居，較危險及具揮發性的甲類化學物儲存在廠房東南部，西北部放置丙類化學物。

Currently Jinshan Factory is 30% further away from residential areas as dictated by statutes. Related considerations have also been incorporated into the layout of the factory: since the western side is closer to residential housings, more dangerous and more volatile Class A chemicals are kept on the south-eastern side while Class C chemicals are kept on the north-western side.

廠房的環保考慮亦融入設計及興建過程。例如就針對生產過程的大型機器可能產生噪音，廠房除加設隔音減震設備，並規劃25%的綠化面積，設計時亦關顧綠化區與建築的一體化，以減輕噪音的影響。 Environmental considerations have also been incorporated into the factory design and construction processes. For example, in view of the fact that some large machinery may generate noise during production, soundproofing and vibration damping equipment have been installed. In addition, 25% of the premise is set aside as a green area with special consideration in merging the green area with the buildings to minimise the impacts of noise pollution.



製作過程 Manufacturing Processes

從策劃開始，實行批量生產以減少小訂單多批次生產現象，減少資源浪費。此外，廠房實行生產模式自動化及於密封的管道內進行製作，以減低原材料損耗及廢氣無組織揮發，更有效控制污染物。

Green consideration begins from planning, it organizes orders for bulk production to reduce wastage of resources and products. Fully piped manufacturing mode with automatic control are carried out to reduce wastage of raw materials and gas emission due to volatility, so to better control pollutants.

資源使用 Use of resources

原材料 Raw materials	項目 Items	溶劑 Solvents	樹脂 Resins	色粉 Pigments	佐劑 Auxiliaries
	數量 Quantity (unit)		17,357 噸 tonnes	7,893 噸 tonnes	3,735 噸 tonnes
密度 Density		0.24	0.11	0.053	0.023

包裝 Packaging	項目 Items	金屬 Metals	塑料 Plastics	色粉 Pigments
	數量 Quantity (unit)		5,882 噸 tonnes	160 噸 tonnes
密度 Density		0.083	0.0023	0.053

公用設備消耗 Public utility consumption	項目 Items	水 Water	電 Electricity	柴油 Diesel
	數量 Quantity (unit)		40,251 噸 tonnes	4,126,532 kWh
密度 Density		0.60	58.41	0.00062



3 排放物管理 Emission Management

排放物可分為廢氣、廢水、固廢及噪音。金山塗料廠房的主要排放為廢氣及噪音，但就四大類的排放物都有制定針對性設備及措施以確保排放對環境影響最低。報告期內集團沒有從政府相關機構收到有關重大違反環保及排污法規，並對集團產生顯著影響的通知。

Emissions can be divided into exhaust gas, waste water, solid wastes and noise. The main emissions from Jinshan Coatings Factory are exhaust gas and noise, but corresponding equipment and measures are in place to minimise the environmental impacts of all four main types of emissions. For the year under review, the Group did not receive any notification of significant violation of environmental laws and regulations regarding emissions and discharges from relevant government authorities, that caused substantial impact to the Group.

廢氣主要成份為VOC及粉塵，主要來自生產過程中化合物的揮發。廠房收集相關有機污染物，再以活性炭再生裝置及濕式除塵裝置處理，並可以透過再生裝置回收溶劑以循環使用。廠房期望進一步改善廢氣排放，並計劃投資約人民幣1700萬提升VOC處理設備以改善收集率及處理效率，預計二零一七年內完成。

The main components of exhaust gas are VOC and dust that come from the volatilisation of chemical compounds in the production processes. Organic pollutants are collected and then treated with an activated carbon regeneration device and a wet-type dust removal device. Solvents can be recycled from the regeneration device for reuse. The factory wants to further reduce exhaust gas emission and plans to invest around RMB17 million to upgrade its VOC treatment device to improve collection rate and treatment efficiency. The upgrading is expected to be completed within 2017.

噪音來自生產中的大型機械運作，廠房安裝建築隔聲、基礎減震、隔震、管壁消聲及擋水網等措施以減低噪音至符合法定標準。

Noise comes from the operation of large machinery during production. The factory has installed building noise insulation, basic vibration damping, vibration insulation, pipe-wall mufflers and water-straining nets to bring down noise to meet legal requirements.

廢水中超過六成為生活污水，其餘清洗設備的廢水會先經過絮凝沉澱處理再與生活污水排出。

More than 60% of the waste water is domestic sewage. Waste water from equipment cleaning will first be treated by flocculation and sedimentation before being discharged with domestic sewage.

固體廢物中的有害廢棄物會被分類，交由獲政府認可的廢物處理公司處理。年內廠房所產生固廢大約800噸。Hazardous wastes from the solid waste will first be isolated and passed on to government recognised waste treatment companies for treatment. In the year, Jinshan Factory generated around 800 tonnes of solid wastes.



4 環境風險管理 Environmental Risk Management

金山廠房的塗料生產具規模及使用多種化工原料，因此廠房進行環境風險評估，以保障環境風險亦確保廠房可長遠運作。廠房制定「環境風險應急預案」，詳列廠房的風險源、發生緊急事故時各部門的職責、不同事故的應急方案等。廠房會定期進行不同規模的演練，演練的流程亦有規範。金山廠房的主要風險在於儲存及運送原料時發生泄漏，有機會做成空氣及土地污染。工廠匯報期內未發生需要啟動應急預案的狀況。

Production in the Jinshan plant is of considerable scale and employs the use of a host of chemical raw materials. For this, the plant has carried out environmental risk assessments to protect it from environmental risks and to ensure its long-term operation. The *Environment Risk Emergency Response Plan* lists all the risk sources of the plant, the respective responsibilities of various departments in case of emergencies and different response plans for different incidences. The plant will regularly conduct emergency response exercises of different scales and the processes of the exercises are standardised. The main risk of the Jinshan factory comes mainly from possible leakage of raw materials during storage and transportation which may cause air and land pollution. The factory did not come across any situation in which it had to activate its emergency response plans in the reviewing period.



5 推出環保產品 Launching Green Products

塗料業務一直推動業界環保進程，包括不斷研發環保產品，令消費者可以有更多環保選擇。二零一六年塗料集團推出「惠塗麗V系列」主要面對工裝及家裝渠道，以「淨味」為主要特色之一。此外，「S系列產品」採用淨味配方和無添加技術，並結合了硅藻、竹炭、抗菌等多種成分；其VOC控制技術可控制VOC含量至低於10克／公升(g/L)，遠低於國家標準的120克／公升。

The coatings business has all along been driving advancement in environmental protection in the industry. It keeps developing green products so that consumers have more eco-friendly options. In 2016, the coatings group introduced a V-series of low-odour paints for industrial as well as household use. Its S-series of paints is based on an odourless formula and employs a no-additive technology that uses diatoms, bamboo charcoal and an antibacterial material as ingredients. The VOC control technology of the coatings group can bring down VOC contents to less than 10g/L, which is far lower the national standard of 120g/L.

此外，塗料集團亦於官方網頁教導消費者如何選擇合適的家用油漆，確保消費者有足夠的資訊去選購油漆產品。

Furthermore, through its official website, the coatings group also teaches consumers how to choose suitable household paints.

環境、社會及管治報告

Environmental, Social and Governance Report

關於本報告

這是葉氏化工集團有限公司首份《環境、社會及管治報告》，於各自領域的報告範圍選擇乃基於業務對持份者的影響性。除非另有說明，這份年度報告描述集團在二零一六年一月一日至十二月三十一日期間可持續發展方面的表現和措施。

本報告按照香港聯合交易所有限公司證券上市規則附錄二十七闡述的《環境、社會及管治報告指引》最新版本編寫，並審視最適切及最重要的可持續發展事宜匯報。

About the report

This is the first Environmental, Social and Governance Report of Yip's Chemical Holdings Limited. The reporting scope in respective areas is based on the influence of businesses to stakeholders. This report covers the Group's performance and measures in the areas of sustainable development for the reporting period from 1 January to 31 December 2016 unless otherwise specified.

This report is prepared in accordance to the Environmental, Social, and Governance Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with selection of sustainability disclosures which is applicable and material.

《環境、社會及管治報告指引》— 內容索引

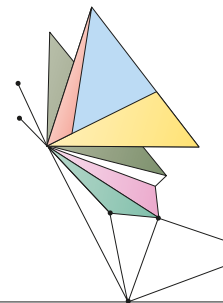
Environmental, Social and Governance Report – Index

一般披露及關鍵績效指標 General Disclosures and KPIs	描述	Description	《2016年環境社會及管治報告》頁碼 Page number of Environmental, Social and Governance Report 2016	補充 Remarks
層面A1：排放物 Aspect A1: Emissions				
一般披露 General Disclosure	有關廢氣及溫室氣體排放、向水及土地的排污、有關及無害廢棄物的產生等： (a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	54-59	
關鍵績效指標 KPI A1.5	描述減低排放量的措施及所得成果	Description of measures to mitigate emissions and results achieved.	54,58	
關鍵績效指標 KPI A1.6	描述處理有關及無害廢棄物的方法、減低產生量的措施及所得成果	Policies on the efficient use of resources, including energy, water and other raw materials.	58	
層面A2：資源使用 Aspect A2: Use of Resources				
一般披露 General Disclosure	有效使用資源(包括能源、水及其他原材料)的政策	Policies on the efficient use of resources, including energy, water and other raw materials.	54-55,57	
關鍵績效指標 KPI A2.1	按類型劃分的直接及/或間接能源總耗量及密度	Direct and/ or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	57	
關鍵績效指標 KPI A2.2	總耗水量及密度	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	57	
關鍵績效指標 KPI A2.3	描述能源使用效益計劃及所得成果	Description of energy use efficiency initiatives and results achieved.	54,57	
關鍵績效指標 KPI A2.4	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	54	
關鍵績效指標 KPI A2.5	製成品所用包裝材料的總量及(如適用)每生產單位佔量	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	57.	

一般披露及關鍵績效指標 General Disclosures and KPIs	描述	Description	(2016年環境社會及管治報告)頁碼 Page number of Environmental, Social and Governance Report 2016	補充 Remarks
層面A3：環境及天然資源 Aspect A3: The Environment and Natural Resources				
一般披露 General Disclosure	減低發行人對環境及天然資源造成重大影響的政策	Policies on minimising the issuer's significant impact on the environment and natural resources.	54-59	
關鍵績效指標 KPI A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	54-59	
層面B1：僱傭 Aspect B1: Employment				
一般披露 General Disclosure	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	年報 – [薪酬委員會報告] Annual Report – Remuneration Committee Report 41	
關鍵績效指標 KPI B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數	Total workforce by gender, employment type, age group and geographical region.	42	
關鍵績效指標 KPI B1.2	按性別、年齡組別及地區劃分的僱員流失比率	Employee turnover rate by gender, age group and geographical region.	42	
層面B2：健康與安全 Aspect B2: Health and Safety				
一般披露 General Disclosure	有關提供安全工作環境及保障僱員免受職業性危害的： (a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	40-41	
關鍵績效指標 KPI B2.1	因工作關係而死亡的人數及比率	Number and rate of work-related fatalities.	41	
關鍵績效指標 KPI B2.2	因工傷損失工作日數	Lost days due to work injury.	41	
關鍵績效指標 KPI B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法	Description of occupational health and safety measures adopted, how they are implemented and monitored.	40-41	
層面B3：發展及培訓 Aspect B3: Development and Training				
一般披露 General Disclosure	有關提升僱員履行工作職責的知識及技能的政策	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	39	
關鍵績效指標 KPI B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數	The average training hours completed per employee by gender and employee category.	39	
層面B4：勞工準則 Aspect B4: Labour Standards				
一般披露 General Disclosure	有關防止童工或強制勞工的： (a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	41	
關鍵績效指標 KPI B4.1	描述檢討招聘慣例的措施以避童工及強制勞工	Description of measures to review employment practices to avoid child and forced labour.	41	
關鍵績效指標 KPI B4.2	描述在發現違規情況時消除童工及強制勞工情況所採取的步驟	Description of steps taken to eliminate such practices when discovered.	43-44	

環境、社會及管治報告
Environmental, Social and Governance Report

一般披露及關鍵績效指標 General Disclosures and KPIs	描述	Description	《2016年環境社會及管治報告》頁碼 Page number of Environmental, Social and Governance Report 2016	補充 Remarks
層面B5：供應鏈管理 Aspect B5: Supply Chain Management				
一般披露 General Disclosure	管理供應鏈的環境及社會風險政策	Policies on managing environmental and social risks of the supply chain.		
關鍵績效指標 KPI B5.1	按地區劃分的供應商數目	Number of suppliers by geographical region.	43	
關鍵績效指標 KPI B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及有關慣例的執行及監察方法	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	43-44	
層面B6：產品責任 Aspect B6: Product Responsibility				
一般披露 General Disclosure	有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	45	基於集團業務性質，產品和服務的廣告、標籤及私隱事宜與集團並非有重大關聯 Advertising, labelling and privacy matters for products and services are not materially relevant areas to the Group according to its business nature
關鍵績效指標 KPI B6.1	已售或已運送產品機數中因安全與健康理由而須回收的百分比	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	46	
關鍵績效指標 B6.2	接獲關於產品及服務的投訴數目以及應對方法	Number of products and service related complaints received and how they are dealt with.	47-48	
關鍵績效指標 KPI B6.4	描述質量檢定過程及產品回收程序	Description of quality assurance process and recall procedures.	47-48	
層面B7：反貪污 Aspect B7: Anticorruption				
一般披露 General Disclosure	有關防止賄賂、勒索、欺詐及洗黑錢的： (a)政策；及 (b)遵守對發行人有重大影響的相關法律及規例的資料	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	38,44	
關鍵績效指標 KPI B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污、訴訟案件的數目及訴訟結果	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	38,44	
關鍵績效指標 KPI B7.2	描述防範措施及舉報程序，以及相關執行及監察方法	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	38,44	
層面B8：社區投資 Aspect B8: Community Investment				
一般披露 General Disclosure	有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的決策	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	49	
關鍵績效指標 KPI B8.1	專注貢獻範疇	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	49-53	
關鍵績效指標 KPI B8.2	在專注範疇所動用資源	Resources contributed (e.g. money or time) to the focus area.	49-53	



人力資源 Human Resources

於二零一六年十二月三十一日，本集團之僱員人數合共為3,795人，其中80人來自香港，3,715人來自中國各個省份。

集團對人力資源資本的管理及發展非常重視。除鼓勵所有僱員透過內部、外部培訓課程及上崗演練不斷自我提升外，集團還提供教育資助計劃讓員工自我增值，提高工作技能及績效，於工作上發揮所長。對於有承擔、有能力的員工，不論背景、地區、學歷，集團均提供合適之發展平台。集團現時的管理團隊，在各領域經過不斷的磨練而晉身管理層，負起領導集團發展的責任。除積極在內部提升優秀的員工外，集團亦會從外間直接聘用一些卓越的管理人才，或從香港、內地、及國際間的高等學府招聘有潛質的應屆畢業生，從剛畢業開始便加以培育。集團推行多年的「管理培訓生計劃」部份表現優越的培訓生已晉身公司的管理層。

集團提供具良好的工作環境，設置多方面的激勵機制，鼓勵員工自強不息，從而不斷提升集團的人才競爭力，推動業務持續發展。集團不時參考市場趨勢檢討薪酬及獎勵政策，提供合理及具競爭力的薪酬與福利，包括底薪及以業績和個人表現為評核目標而發放的花紅，確保有效吸引和挽留人才。

As of 31 December 2016, the Group has a total number of 3,795 employees. 80 of the employees are from Hong Kong while 3715 of them are from different provinces in China.

The Group places great emphasis on the management and development of human capital. The employees are encouraged to strive for improvement through internal and external training programs, on-the-job training and participation in the Group's educational subsidies, allowing for self-development in knowledge and skills and maximizing their potential in their work. We offer a suitable platform for development of highly committed and capable employees, regardless of their background, geographical region or educational levels. Through versatile experience in challenging roles, the current management team of the Group has come through the ranks to advance to positions of management. Besides the focus of developing employees internally, the Group seeks not only to attract talent from outside but also to recruit top graduates from the best tertiary institutions in Hong Kong, Mainland China, and abroad as well as provide them with training and development opportunities. The Management Trainee Program has been implemented for a number of years. Some of the management trainees have demonstrated their excellent capabilities and been advanced to positions of leadership within the Group.

The Group offers a desirable work environment, sets up different programs for motivating employees to strive for improvement and to upgrade their skills in order to sustain the development of business. From time to time, the Group will make reference to market trends for the review of remuneration policy so as to ensure reasonable and competitive compensation and benefits. These include basic salary and performance-based bonus to attract and retain talents.

董事及行政人員簡介

Directors' and Management Executives' Profiles



葉志成先生
Mr. Ip Chi Shing

主席兼非執行董事

葉志成先生，現年六十九歲，為本集團主席及創辦人，並於二零一二年轉任為本集團主席及本公司之非執行董事。葉先生專注於董事會的領導、集團長遠發展策略和集團人才規劃與傳承等。彼為本集團副主席、本集團聯席行政總裁、本公司執行董事兼高層領導團隊成員葉子軒先生之兄長，亦為高層領導團隊成員及紫荊花塗料集團之聯席總裁葉鈞先生之父親。葉先生於二零零六年成立了「葉志成慈善基金有限公司」，同時致力於中國助學及幫助香港弱勢社群兩方面的工作，積極回饋社會。

執行董事

葉子軒先生，現年五十八歲，於一九七七年加入本集團。葉先生為本集團副主席、本集團聯席行政總裁、本公司執行董事及高層領導團隊成員。葉先生在製造及經營石油化工產品方面累積四十年經驗。彼為本集團主席兼本公司非執行董事葉志成先生之弟。



葉子軒先生
Mr. Yip Tsz Hin

Chairman and Non-executive Director

Mr. Ip Chi Shing, aged 69, is the Chairman and the Co-founder of the Group and Mr. Ip was re-designated as the Chairman of the Group and a Non-executive Director of the Company in 2012. Mr. Ip focuses on the leading of the Board, the Group's long-term development strategy and the planning and inheritability of human resources of the Group. He is the brother of Mr. Yip Tsz Hin, the Deputy Chairman of the Group, a Co-Chief Executive Officer of the Group, an Executive Director of the Company as well as a member of the Senior Leadership Team and the father of Mr. Ip Kwan, a member of the Senior Leadership Team and a Co-President of the Bauhinia Coatings Group. In 2006, Mr. Ip established "Ip Chi Shing Charitable Foundation Limited" with the objectives of fostering education in China and providing care for the underprivileged groups in Hong Kong.

Executive Directors

Mr. Yip Tsz Hin, aged 58, joined the Group in 1977. Mr. Yip is the Deputy Chairman of the Group, a Co-Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. Mr. Yip has 40 years of experience in the manufacture of and trading in petrochemical products. He is the brother of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company.



王旭先生
Mr. Wong Yuk



何世豪先生
Mr. Ho Sai Hou

執行董事(續)

王旭先生，現年五十三歲，於二零一五年加入本集團。王先生現為本集團聯席行政總裁、本公司執行董事及高層領導團隊成員。於擔任現職前，王先生獲委任為本集團副行政總裁。王先生畢業於香港大學機械工程系並於一九九二年完成香港中文大學工商管理碩士課程。在加入本集團前，彼於全球最大的甲醇公司梅賽尼斯擔任中國策略及投資的董事總經理。彼亦於蜆殼集團服務超過二十六年並曾擔任殼牌特種油品中國／香港總經理及殼牌公司中國區下游業務的高級代表。王先生於石油化工工業擁有三十多年的豐富經驗。

何世豪先生，現年五十歲，於二零一零年加入本集團。何先生現為本集團財務總裁、本公司執行董事、高層領導團隊成員及本公司公司秘書。何先生持有香港大學社會科學系會計學學士學位，並於二零零七年於中歐國際工商學院完成行政工商管理碩士學位。何先生曾於數間香港上市公司任職，為其集團財務總監、執行董事及公司秘書。彼為香港會計師公會會計師及特許公認會計師公會資深會員，彼在會計、財務、稅務及公司秘書方面具備逾二十多年相關工作經驗。

Executive Directors (Continued)

Mr. Wong Yuk, aged 53, joined the Group in 2015. Mr. Wong is the Co-Chief Executive Officer of the Group, an Executive Director of the Company and a member of the Senior Leadership Team. He was appointed as the Deputy Chief Executive Officer of the Group before assuming his current positions. Mr. Wong obtained a Bachelor of Science in Mechanical Engineering from The University of Hong Kong and completed a Master in Business Administration with The Chinese University of Hong Kong in 1992. Before he joined the Group, he was the Managing Director – China Strategy and Investment of Methanex, a global market leader in methanol. He had also worked with Shell for over 26 years and was its General Manager – Shell Specialities China/Hong Kong and China Local Senior Downstream Representative. Mr. Wong has more than 30 years of extensive experience in the petrochemical industry.

Mr. Ho Sai Hou, aged 50, joined the Group in 2010. Mr. Ho is the Chief Financial Officer of the Group, an Executive Director of the Company, a member of the Senior Leadership Team and the Company Secretary of the Company. Mr. Ho obtained a Bachelor of Social Sciences Degree in Accounting from The University of Hong Kong and completed his EMBA with The China Europe International Business School in 2007. Previously, Mr. Ho had worked for several listed companies in Hong Kong as their chief financial officer, executive director and company secretary. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has over 20 years of experience in accounting, finance, taxation and company secretarial work.

董事及行政人員簡介

Directors' and Management Executives' Profiles



鄺國照先生
Mr. Kwong Kwok Chiu



唐滙棟先生
Mr. Tong Wui Tung



黃廣志先生
Mr. Wong Kong Chi

執行董事 (續)

鄺國照先生，現年五十二歲，於一九八七年加入本集團。鄺先生現為本公司執行董事及高層領導團隊成員。鄺先生於二零一五年獲委任為油墨組之總經理。彼持有香港公開大學工商管理碩士學位，並在石油化工的營銷和管理方面累積二十多年的經驗。

非執行董事

唐滙棟先生，現年六十七歲，於一九九三年獲委任為本公司獨立非執行董事，並於二零零四年獲調任為本公司非執行董事。唐先生為張秀儀 唐滙棟 羅凱栢 律師行之合夥人。張秀儀 唐滙棟 羅凱栢 律師行為本集團之香港法律顧問，並就提供予本集團之服務收取一般專業收費。唐先生為香港執業律師，在香港執業超過三十年，並為香港上市公司碧桂園控股有限公司之獨立非執行董事。

獨立非執行董事

黃廣志先生，現年五十九歲，於一九九三年獲委任為本公司獨立非執行董事。彼為特許公認會計師公會資深會員及香港會計師公會會計師。黃先生從事香港商人銀行業務十多年，並於一九九三年退休。黃先生並無擔任其他上市公司任何董事職位。

Executive Directors (Continued)

Mr. Kwong Kwok Chiu, aged 52, joined the Group in 1987. Mr. Kwong is an Executive Director of the Company and a member of the Senior Leadership Team. Mr. Kwong was appointed as the General Manager of the Inks Group in 2015. He obtained a Master's Degree in Business Administration from The Open University of Hong Kong and has over 20 years of experience in the field of marketing and management of petrochemical industry.

Non-Executive Director

Mr. Tong Wui Tung, aged 67, was elected as an Independent Non-Executive Director of the Company in 1993 and was re-designated as a Non-Executive Director of the Company in 2004. Mr. Tong is a partner of the law firm, Messrs. Cheung Tong & Rosa Solicitors, legal advisers of the Group on Hong Kong Law which receives usual professional fees in connection with services rendered to the Group. Mr. Tong has been practising as a solicitor in Hong Kong for over 30 years and is also an independent non-executive director of Country Garden Holdings Company Limited, a company listed on The Stock Exchange of Hong Kong Limited.

Independent Non-Executive Directors

Mr. Wong Kong Chi, aged 59, has been an Independent Non-executive Director of the Company since 1993. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong retired in 1993 after working in the merchant banking industry for over 10 years. Mr. Wong does not hold any directorship in other listed companies.



古遠芬先生
Mr. Ku Yuen Fun



吳紹平先生
Mr. Ng Siu Ping

獨立非執行董事(續)

古遠芬先生，現年六十五歲，於二零零八年獲委任為本公司獨立非執行董事。古先生畢業於香港理工學院(現名香港理工大學)，及後開始於蜆殼化工集團工作。古先生在大中華區石油化工業務方面擁有豐富經驗。他曾出任香港蜆殼有限公司之董事、商界環保協會之董事局董事及天津國際石油儲運有限公司之主席。古先生並無擔任其他上市公司任何董事職位。

吳紹平先生，現年五十八歲，於一九九一年加入本集團並於一九九二年獲委任為本公司執行董事。吳先生於二零一一年榮休並調任為本公司非執行董事。彼於二零一四年再調任為本公司獨立非執行董事。吳先生持有香港理工學院(現名香港理工大學)會計高級文憑及香港浸會大學公司管治與董事學之理學碩士學位。彼為特許公認會計師公會資深會員及香港會計師公會會計師。吳先生在核數及會計行業累積三十多年經驗。吳先生並無擔任其他上市公司任何董事職位。

Independent Non-Executive Directors (Continued)

Mr. Ku Yuen Fun, aged 65, has been an Independent Non-executive Director of the Company since 2008. Mr. Ku graduated from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and began his career at Shell Chemicals. Mr. Ku has extensive managerial experience in the oil & petrochemical industries in the Greater China region. He was a Director of Shell Hong Kong Limited, a Board Director of the Business Environment Council and the Chairman of Tianjin International Petroleum Storage and Transportation Company Limited. Mr. Ku does not hold any directorship in other listed companies.

Mr. Ng Siu Ping, aged 58, joined the Group in 1991 and was appointed as an Executive Director of the Company since 1992. Mr. Ng retired in 2011 and was thereafter re-designated as a Non-executive Director of the Company. He was re-designated as an Independent Non-executive Director of the Company in 2014. Mr. Ng obtained a Higher Diploma in Accountancy from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and a Master Degree of Science in Corporate Governance and Directorship from the Hong Kong Baptist University. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Ng has over 30 years of experience in the field of auditing and accounting. Mr. Ng does not hold any directorship in other listed companies.

董事及行政人員簡介

Directors' and Management Executives' Profiles

行政人員

葉鈞先生，現年三十四歲，於二零零七年加入本集團為集團董事助理。葉先生現為高層領導團隊成員及紫荊花塗料集團之聯席總裁。彼於二零一一年起為香港紫荊花制漆(大中華)有限公司之總經理。彼為集團主席兼非執行董事葉志成先生之子。彼持有倫敦經濟學院經濟及政治學士學位。在加入集團前，彼曾任職於投資銀行行業三年。

馮秉光先生，現年五十三歲，於二零一零年加入本集團。馮先生現為高層領導團隊成員及紫荊花塗料集團之聯席總裁。彼曾任本集團資深人力資源總監。彼持有倫敦大學頒發經濟學學士學位及華威大學獲得工商管理碩士學位。彼同時獲香港中文大學和英國人事和發展協會頒發培訓管理文憑。馮先生擁有廣泛的人力資源專業經驗，包括組織發展，管理發展，人才管理和僱員關係等。他曾在保險、石油化工和醫藥等多個行業的跨國企業公司裏工作。加入本集團前，馮先生是香港一家上市公司的集團人力資源總監。

邱靜雯女士，現年三十三歲，於二零零五年加入本集團為管理培訓生。邱女士現為本集團營運總監及高層領導團隊成員。彼曾任本集團全資附屬公司凌志潤滑油有限公司之總經理。邱女士持有香港大學計算機工程學士學位。

謝憶珠女士，現年四十歲，於二零零九年加入本集團。謝女士現為本集團人力資源總監及高層領導團隊成員。彼曾任本集團投資者關係及企業傳訊總監。彼持有香港浸會大學傳理系學士學位及愛爾蘭國立大學理學(財務)碩士。加入本集團前，彼從事於一家國際石油公司之對外事務工作。謝女士同時積極參與公職，現為社會福利署促進殘疾人就業諮詢委員會委員、勞工及福利局康復諮詢委員會屬下康復服務公眾教育小組委員、非政府組織創業軒有限公司執行委員。

Management Executives

Mr. Ip Kwan, aged 34, joined the Group as an assistant to Director of the Group in 2007. Mr. Ip is a member of the Senior Leadership Team and a Co-President of the Bauhinia Coatings Group. He has been the General Manager of the Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited since 2011. He is the son of Mr. Ip Chi Shing, the Chairman of the Group and a Non-executive Director of the Company. He graduated from the London School of Economics with a Bachelor's degree in Government and Economics. Before joining the Group, he had worked in the investment banking industry for three years.

Mr. Fung Ping Kwong, aged 53, joined the Group in 2010. Mr. Fung is a member of the Senior Leadership Team and a Co-President of the Bauhinia Coatings Group. He was the Head and Senior Leader of Group Human Resources. He obtained a Bachelor's Degree in Science (Economics) from The University of London, a Master's Degree in Business Administration from The University of Warwick and a Diploma in Training Management jointly conferred by The Chinese University of Hong Kong and The Institute of Personnel and Development, United Kingdom. Mr. Fung has extensive experience in different human resources areas including organisational development, management development, talent management and employee relations. He worked in a number of multi-national companies from insurance, petrochemical and pharmaceutical industries. Before he joined the Group, he was the Group Human Resources Director of a Hong Kong listed company.

Ms. Yau Ching Man, aged 33, joined the Group as Executive Management Trainee in 2005. Ms. Yau is the Head of Operations and a member of the Senior Leadership Team. She was the General Manager of Best Lubricant Blending Limited, a wholly-owned subsidiary of the Group. Ms. Yau holds a Bachelor Degree in Computer Engineering from The University of Hong Kong.

Ms. Tse Yik Chu, aged 40, joined the Group in 2009. Ms. Tse is currently the Director of Group Human Resources and a member of the Senior Leadership Team. She was previously the Investor Relations and Corporate Communications Director of the Group. Ms. Tse obtained a Bachelor of Communication from the Hong Kong Baptist University and a Master of Science in Finance from the National University of Ireland. Prior to joining the Group, Ms. Tse engaged in corporate affairs in an international oil company. Ms. Tse also actively involves in public service and she is currently a committee member of the Advisory Committee on Enhancing Employment of People with Disabilities of Social Welfare Department, a committee member of Rehabilitation Advisory Committee Sub-committee on Public Education on Rehabilitation, an executive member of a non-government organization called Support the Employment of People with Disabilities (SEPD).

行政人員(續)

趙楚榜先生，現年五十五歲，資深工程師。趙先生於一九九三年加入本集團並於二零零五年獲委任為江門謙信化工發展有限公司之董事總經理。彼畢業於華南理工大學。趙先生從事化工業務超過三十多年，具有豐富的管理工作經驗。

陳振新先生，現年三十六歲，於二零一五年加入本集團。陳先生現為本集團潤滑油組總經理。彼畢業於中國人民大學國際關係學院。在加入本集團前，他曾從事潤滑油之採購、物流、專案管理、企業資源規劃系統、生產、業務開發、銷售和加油站零售網路拓展等。陳先生於石油化工業擁有超過十四年經驗。

梁永澄先生，現年四十九歲，於一九九六年加入本集團及現為本集團財務總監。梁先生為香港會計師公會及特許公認會計師公會資深會員。彼持有香港城市大學會計學士學位及擁有二十多年的審計、財務及管理經驗。

周米米博士，現年四十歲，於二零零三年加入本集團為管理培訓生。周博士現為本集團企業發展總監。周博士畢業於英國劍橋大學並於二零零九年取得香港科技大學工商管理碩士學位。在劍橋大學博士畢業後加入本集團。彼曾任本集團研發總監。周博士於化工領域擁有近十四年經驗。

康寧博士，現年四十七歲，於二零一六年加入本集團。康博士現為本集團技術總裁。康博士畢業於中國科院化學研究所，並於加拿大麥吉爾大學及蒙特利爾大學完成博士後研究。在加入本集團前，曾於Polymer Source, Inc.擔任生物材料部門經理、中科院青島生物能源與過程研究所研究員、博士生導師和團隊負責人、陶氏化學中央研究院配方科學部技術總監、PPG包裝塗料有限公司亞太區技術總監、江蘇長順集團有限公司研究院院長等職務。康博士於化工領域擁有超過二十五年的豐富經驗。

Management Executives (Continued)

Mr. Zhao Chu Bang, aged 55, is an experienced engineer. Mr. Zhao joined the Group in 1993 and has been the Managing Director of the Jiangmen Handsome Chemical Development Limited since 2005. He graduated from The South China University of Technology. Mr. Zhao has over 30 years of experience in the chemical industry and has extensive experience in management.

Mr. Chen Zhen Xin, aged 36, joined the Group in 2015. Mr. Chen is the General Manager of Lubricant Group. Mr. Chen graduated from Remin University of China, School of International Studies. Prior to joining the Group, he has various experience in lubricating procurement, logistics, project management, enterprise resource planning systems, manufacturing, business development, sales and retail gas station networking. Mr. Chen has over 14 years of experience in oil-chemical industry.

Mr. Leung Wing Ching Isaac, aged 49, joined the Group in 1996 and is the Financial Controller of the Group. Mr. Leung is a fellow member of the Hong Kong Institute of Certified Public Accountants and of the Association of Chartered Certified Accountants. He obtained a Bachelor's Degree in Accountancy from The City University of Hong Kong and has over 20 years of experience in the field of auditing, finance and management.

Dr. Chow Mai Mai, Miranda, aged 40, joined the Group as Executive Management Trainee in 2003. Dr. Chow is the Head of Corporate Development of the Group. Dr. Chow got her PhD from the University of Cambridge and completed MBA program at the Hong Kong University of Science and Technology in 2009. She joined the Group after completing her PhD studies in the University of Cambridge. She was the Head of Research & Development of the Group. Dr. Chow has nearly 14 years of experience in chemical industry.

Dr. Kang Ning, aged 47, joined the Group in 2016. Dr. Kang is the Chief Technology Officer of the Group. Dr. Kang got his PhD from Institute of Chemistry, Chinese Academy of Sciences and completed postdoctoral research at McGill University and the University of Montreal. Before he joined the Group, he was a manager of biomaterials division at Polymer Source Inc. (Canada), professor (PhD supervisor) and team leader at Qingdao Institute of Bioenergy and Bioprocess Technology at Chinese Academy of Sciences, technical leader of Formulation Science in The Dow Chemical Company, Asia Pacific Technical Director of PPG Packaging Coatings, President of Jiangsu Changshun Group Co., Ltd. Research Institute, etc. Dr. Kang has over 25-year experience in chemical area.

董事會報告書 Directors' Report

本公司董事(「董事」)提呈本公司及其附屬公司(於此統稱為「本集團」)於截至二零一六年十二月三十一日止年度之報告及經審核綜合財務報告。

主要業務及業務回顧

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料、油墨及潤滑油。於截至二零一六年十二月三十一日止年度，本集團的主要業務之性質並無重大改變。

有關公司條例附表5規定於截至二零一六年十二月三十一日止年度內披露之活動詳情，包括對本集團業務的中肯審視及附財務關鍵表現指標(包括營業額、銷量及本集團純利以及其業務分部之營業額及經營溢利)及對公司業務相當可能有的未來發展之揭示，已詳載於本年報第8至15頁之主席報告及聯席行政總裁報告。該等指標從業務發展及盈利能力方面說明本集團在實現其「百年葉氏 引以為傲 備受尊崇」集團宏圖過程中的整體表現及其個別業務的表現。該等指標以及平均總資產回報率及股東資金平均回報率等其他財務指標過往五年的趨勢披露於本年報第26至27頁。如在該財政年度終結後發生的、對公司有影響的重大事件，將載於綜合財務報表附註，二零一六年度沒有相關事宜。本集團之流動資金及財務資源詳載於第30至32頁。另外，本集團之環境政策及表現詳載於環境、社會及管治報告第34至62頁。除上述部份外，其他規定之活動詳情披露如下：

The directors of the Company (the “Directors”) present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings, inks and lubricants. There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2016.

Details of the activities during the year ended 31 December 2016 as required by Schedule 5 of the Companies Ordinance including, a fair review of the business of the Group with financial performance indicators including turnover, sales volume and net profit of the Group as well as turnover and operating profit of its business segments and an indication of likely future development in the Company’s business are explained in the Chairman’s Statement and the Report of the Co-Chief Executive Officers from pages 8 to 15 of this annual report. These indicators illustrate the performance of the Group as a whole and of its individual businesses in terms of business development and profitability in attaining its corporate vision of “Towards a Century of Revered Leadership”. The past five years’ trend of these indicators together with other financial ratios of return on average total assets and return on average shareholders’ funds are disclosed in pages 26 to 27 of this annual report. Particulars of important events affecting the Group that have occurred since the end of the financial year, if any, can be found in the notes to the consolidated financial statements. The Group’s liquidity and financial resources are discussed in pages 30 to 32. Furthermore, the environmental policies and performance of the Group are shown in pages 34 to 62 of the Environmental, Social and Governance Report. Save as the above sections, details of the other activities required to be disclosed are explained as follows:

主要業務及業務回顧(續)

主要風險及不明朗因素

本集團之業務及展望連同財務狀況及營運業績將受一些風險及不明朗因素影響，包括業務風險、營運風險及財務風險。業務風險方面：由於本集團所有業務集中在中國大陸，故此本集團將受到中國之經濟及政治發展及市場情況影響。營運風險方面：因為本集團以製造化工產品為主，所以於營運期間需要承受環境、健康及安全方面之風險。財務風險方面：本集團之金融資產及負債將有市場風險(外匯風險、利率風險及其他價格風險)、信貸風險及流動資金風險。有關減低財務風險之政策已詳載於綜合財務報表附註28。

遵守相關法律及法規

就董事會及管理層所知，本集團已於各重要方面遵守對本集團業務及經營產生重大影響之相關法律及法規。年內，本集團概無嚴重違反或不遵守適用法律及法規。

對本公司有重要影響的相關法律及法規其中包括，香港公司法(香港法例第622章)，開曼群島公司法及與其業務有關的規例，包括健康、安全及環保、工作環境、僱用等方面的規例。此外，香港聯合交易所有限公司上市規則適用於本公司。

本公司致力於透過內部監控、風險管理及培訓等多項措施，確保遵守該等規定。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (Continued)

Principal Risks and Uncertainties

The Group's businesses and prospects as well as financial conditions and results of operations will be affected by a number of risks and uncertainties including business risks, operational risks and financial risks. For business risks, all the Group's businesses are mainly carried out in the mainland so it will be subject to the economic and political development and market situation of the PRC. For operational risks, the Group is engaged in manufacturing of chemical products and it is thus exposed to various environmental, health and safety risks in running its operations. For financial risks, the Group's financial assets and liabilities will have market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk associated therewith. Details of the policies on how to mitigate these financial risks are set out in note 28 to the consolidated financial statements.

Compliance with the Relevant Laws and Regulations

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

The relevant laws and regulations that have a significant impact on the Company include, among others, the Hong Kong Companies Ordinance (Chapter 622), the Cayman Islands Company Law and the regulations in relation to its business including health, safety and environmental protection, workplace conditions and employment. In addition, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited apply to the Company.

The Company seeks to ensure compliance with these requirements through various measures such as internal control, risk management and trainings.

主要業務及業務回顧(續)

與客戶、供應商、員工及其他持份者之關係

本集團有大量的客戶和供應商散佈在不同行業和地區。本集團與客戶和供應商之關係良好。由於本集團五大客戶佔本集團總營業額不足5%，且信貸涉及大量交易對手及客戶，本公司董事認為本集團概無嚴重的信貸集中風險。關於信貸管理制度及授予客戶的信貸條件的進一步詳情載於綜合財務報表附註20。本集團與員工、與投資者和股東的關係已分別詳載於環境、社會及管治報告第34至63頁及企業管治報告第85至104頁。

薪酬政策及長期激勵計劃

本集團之薪酬政策概況已載於第63頁「人力資源」部份。

長期激勵計劃主要包括購股權計劃。詳情請參閱本報告第206至211頁及載於簡明綜合財務報告附註29購股權計劃。

業績及盈利分配

於截至二零一六年十二月三十一日止年度，本集團損益及其他之業績及本公司之盈利分配分別載於第113頁之綜合全面收益表及綜合財務報告附註11。本年度內已向本公司股東（「股東」）派發中期股息每股5港仙。董事會建議派發期末股息每股10港仙予於二零一七年六月十六日辦公時間結束時名列於股東名冊上之股東，總金額為不少於56,381,000港元，溢利餘額保留於儲備。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (Continued)

Relationship with Customers, Suppliers, Employees and other Stakeholders

The Group maintains a large number of customers and suppliers, which spread across diverse industries and geographical areas. The Group has good relationship with its customers and suppliers. As the top 5 largest customers of the Group accounted for less than 5% of the Groups' total turnover, the directors of the Company considered that the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Further details of the credit control system and credit terms granted to customers are shown in note 20 to the consolidated financial statements. The Group's relationship with its employees and with investors and shareholders are shown in pages 34 to 63 of the Environmental, Social and Governance Report and in pages 85 to 104 of the Corporate Governance Report, respectively.

EMOLUMENT POLICY AND LONG-TERM INCENTIVE PLAN

The general description of remuneration policy of the Group is shown in page 63 of the section headed "Human Resources".

Long-term incentive plan primarily consists of Share Option Schemes. Please refer to pages 206 to 211 of this report and note 29 to the consolidated financial statements for the details of the Share Option Schemes.

RESULTS AND APPROPRIATIONS

The results of the Group and appropriations of the Company for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 113 and note 11 to the consolidated financial statements respectively. An interim dividend of HK5 cents per share was paid to the shareholders of the Company (the "Shareholders") during the year. The Directors propose the distribution of a final dividend of HK10 cents per share totalling not less than HK\$56,381,000 to Shareholders whose names appear on the Register of Members at the close of business on 16 June 2017 and the retention of the remaining profit in reserves.

已發行股份數目

本公司已發行股份數目於年內之變動詳情已載於綜合財務報告附註26。

股份是根據購股權計劃(定義見「購股權」部份)行使購股權發行。

儲備

本集團儲備於年內之變動詳情已載於綜合財務報告第116頁之綜合權益變動表。

本公司可供派發期末股息之儲備指股份溢價、特別儲備及保留溢利。按照開曼群島公司法第22章規定，在受制於本公司之公司組織章程大綱及細則規定之情況下，以及如果在緊接派發股息後，本公司能在正常業務經營期間償還到期債務之情況下，本公司之股份溢價才能用作向股東進行分派或支付股息。按照本公司之公司組織章程細則，從本公司於二零一六年十二月三十一日之股份溢價及保留溢利港元917,386,000(二零一五年：665,488,000港元)中撥款派發股息。

物業、廠房及設備與投資物業

本集團物業、廠房及設備與投資物業於年內之變動詳情已分別載於綜合財務報告附註13及15。

附屬公司

本公司於二零一六年十二月三十一日之主要附屬公司詳情已載於綜合財務報告附註34。

NUMBER OF ISSUED SHARES

Details of movements in the number of issued shares of the Company during the year are set out in note 26 to the consolidated financial statements.

The shares are issued pursuant to the exercise of the share options under the Share Option Schemes (as defined in the section headed "Share Options").

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 116 of the consolidated financial statements.

The Company's reserves available for distribution of the final dividend represent the share premium, special reserve and retained profits. Under Chapter 22 of the Companies Law of the Cayman Islands, the share premium of the Company is available for distribution of or paying dividends to Shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can be distributed out of the share premium and retained profits of the Company, which amounted to HK\$917,386,000 as at 31 December 2016 (2015: HK\$665,488,000).

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of the movements in the property, plant and equipment and investment properties of the Group during the year are set out in notes 13 and 15 to the consolidated financial statements respectively.

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2016 are set out in note 34 to the consolidated financial statements.

董事會報告書
Directors' Report

董事及服務合約

年內及截至本報告日期為止本公司之董事如下：

主席，非執行董事：

葉志成先生

執行董事：

葉子軒先生(副主席兼聯席行政總裁)

(於二零一六年一月一日起

獲委任為聯席行政總裁)

黃金滔先生(行政總裁)

(於二零一六年一月一日起辭任)

王旭先生(聯席行政總裁)

(於二零一六年一月一日起辭任

副行政總裁並獲委任為

聯席行政總裁及執行董事)

何世豪先生(財務總裁)

鄭國照先生

非執行董事：

唐滙棟先生

獨立非執行董事：

黃廣志先生

古遠芬先生

吳紹平先生

DIRECTORS AND SERVICE CONTRACTS

The Directors during the year and as at the date of this report were:

Chairman & Non-executive Director:

Mr. Ip Chi Shing

Executive Directors:

Mr. Yip Tsz Hin (Deputy Chairman and Co-Chief Executive Officer)

(appointed as Co-Chief Executive Officer

with effect from 1 January 2016)

Mr. Wong Kam Yim (Chief Executive Officer)

(resigned with effect from 1 January 2016)

Mr. Wong Yuk (Co-Chief Executive Officer)

(resigned as Deputy Chief Executive Officer

and appointed as Co-Chief Executive Officer

and Executive Director with effect from 1 January 2016)

Mr. Ho Sai Hou (Chief Financial Officer)

Mr. Kwong Kwok Chiu

Non-executive Director:

Mr. Tong Wui Tung

Independent Non-executive Directors:

Mr. Wong Kong Chi

Mr. Ku Yuen Fun

Mr. Ng Siu Ping

董事及服務合約(續)

遵照本公司組織章程細則第112條，執行董事葉子軒先生、何世豪先生及鄺國照先生將於本公司即將舉行之即將召開之本公司股東週年大會(「股東週年大會」)上依章告退，惟彼等願膺選連任董事，而其餘所有董事則繼續留任。每位非執行董事及獨立非執行董事已接納其指定任期為直至其下一次需由股東重選之股東週年大會結束時為止。

於股東週年大會上獲提名膺選連任之董事概無與本公司或其附屬公司訂立任何本公司在一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

非執行董事及獨立非執行董事之袍金乃由董事會確定。

應付予董事之酬金乃參考其資格及經驗，承擔的責任，對本公司之貢獻及類似職位於現時市場薪酬水平釐定。

DIRECTORS AND SERVICE CONTRACTS

(Continued)

In accordance with article 112 of the Company's Articles of Association, Mr. Yip Tsz Hin, Mr. Ho Sai Hou and Mr. Kwong Kwok Chiu, being Executive Directors, will retire by rotation at the annual general meeting of the Company ("AGM") and, being eligible, will offer themselves for re-election as Directors at the forthcoming AGM. All remaining Directors will continue in office. Each of the Non-executive and Independent Non-executive Directors were appointed for a specific term until the closing of the next annual general meeting at which he is being re-elected by the Shareholders.

No Director being proposed for re-election at the AGM has a service contract with the Company or its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

The fees of the Non-executive and Independent Non-executive Directors are determined by the Board.

The emolument payable to the Directors is determined with reference to their qualification and experience, responsibilities undertaken, contribution to the Company and the prevailing market level of remuneration of similar position.

董事及最高行政人員於證券之權益及淡倉

盡本公司所知，於二零一六年十二月三十一日，董事及其各自的聯繫人士於本公司股份中的權益(定義見證券及期貨條例(「證券及期貨條例」)第XV部份)須(a)根據證券及期貨條例第XV部份第7及第8部知會本公司及香港聯合交易所有限公司(「聯交所」)(包括彼等根據證券及期貨條例之該等條文被假設或視為擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條記載置存之登記冊內的權益；或(c)根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所的權益如下：

好倉

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES

To the best of the Company's knowledge, at 31 December 2016, the interests of the Directors and their respective associates in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provision of the SFO); or (b) to be recorded in the register to be kept pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

Long positions

董事姓名	Name of Directors	所持普通股份及相關股份數目				購股權權益	總數	於二零一六年十二月三十一日佔本公司已發行股本之百分比
		股份權益	股份權益	股份權益	股份權益			
		個人	家族	公司	個人		Percentage of the Issued Share Capital of the Company as at 31.12.2016	
葉志成先生	Mr. Ip Chi Shing	155,042,532	8,802,000 (a)	24,380,000 (b)	-	188,224,532	33.38%	
葉子軒先生	Mr. Yip Tsz Hin	33,540,248	14,000,000 (c)	-	-	47,540,248	8.43%	
王旭先生	Mr. Wong Yuk	-	-	-	-	-	-	
何世豪先生	Mr. Ho Sai Hou	-	-	-	200,000	200,000	0.04%	
鄺國照先生	Mr. Kwong Kwok Chiu	-	-	-	200,000	200,000	0.04%	
唐滙棟先生	Mr. Tong Wui Tung	-	700,000 (d)	-	-	700,000	0.12%	
黃廣志先生	Mr. Wong Kong Chi	-	100,000 (e)	-	-	100,000	0.02%	
古遠芬先生	Mr. Ku Yuen Fun	20,680	14,000 (f)	-	-	34,680	0.01%	
吳紹平先生	Mr. Ng Siu Ping	2,532,000	50,000 (g)	-	-	2,582,000	0.46%	

董事及最高行政人員於證券之權益及淡倉(續)

好倉(續)

附註：

- (a) 此等股份當中，6,796,000股由葉志成先生與妻子梁碧瑜女士共同持有，2,006,000股則由其妻子持有。
 - (b) 此等股份分別由一間葉志成慈善基金有限公司之慈善組織(20,300,000股)和一間葉氏關愛延續基金有限公司之有限公司(4,080,000股)所持有。葉志成先生於葉志成慈善基金有限公司和葉氏關愛延續基金有限公司的股東大會分別擁有50% (與其妻子共有100%)及60% (與其弟妹共有100%)之投票權，故被視為擁有在該兩間公司持有此等股份之權益。
 - (c) 此等股份由葉子軒先生之妻子葉曹家麗女士持有。
 - (d) 此等股份由唐滙棟先生之妻子劉梅心女士持有。
 - (e) 此等股份由黃廣志先生之妻子詹小慧女士持有。
 - (f) 此等股份由古遠芬先生之妻子蘇艷霞女士持有。
 - (g) 此等股份由吳紹平先生之妻子蕭靄莉女士持有。
- ¹ 所有購股權為非上市實物結算股本衍生工具。

董事在本公司購股權計劃(即部分相關股份)下所持有購股權之詳情可見下一節「購股權」。

葉志成先生、葉子軒先生及葉志成先生妻子梁碧瑜女士各持有本公司之附屬公司葉氏恒昌(集團)有限公司之無投票權遞延股一股。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

Long positions (Continued)

Notes:

- (a) Out of these shares, 6,796,000 shares are jointly held with Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing and 2,006,000 shares are held by his wife.
 - (b) These shares are held respectively by Ip Chi Shing Charitable Foundation Limited, a charitable organisation (20,300,000 shares) and Yip's Care Extension Foundation Limited, a limited company, (4,080,000 shares). Mr. Ip Chi Shing controls 50% (together with his wife control 100%) and 60% (together with his younger sister and brother control 100%) of the voting power at the general meetings of Ip Chi Shing Charitable Foundation Limited and Yip's Care Extension Foundation Limited respectively. He is therefore deemed to be interested in these shares held by these two corporations.
 - (c) These shares are held by Madam Yip Tso Ka Lai, Brenda, the wife of Mr. Yip Tsz Hin.
 - (d) These shares are held by Madam Lau Mui Sum, the wife of Mr. Tong Wui Tung.
 - (e) These shares are held by Madam Jim Siu Wai, the wife of Mr. Wong Kong Chi.
 - (f) These shares are held by Madam So Yim Ha, the wife of Mr. Ku Yuen Fun.
 - (g) These shares are held by Madam Siu Oi Li, Maicy, the wife of Mr. Ng Siu Ping.
- ¹ All the share options are unlisted physically settled equity derivatives.

Details of the share options held by the Directors under the Company's existing share option scheme (i.e. part of the interests in the underlying shares) are shown in the next section headed "Share Options".

Each of Mr. Ip Chi Shing, Mr. Yip Tsz Hin and Madam Liang Bih Yu, the wife of Mr. Ip Chi Shing, holds one non-voting deferred share of Yip's H.C. (Holding) Limited, a subsidiary of the Company.

董事及最高行政人員於證券之權益及淡倉(續)

除上文所披露者及董事以本公司或其附屬公司受託人身份持有附屬公司若干代名人股份外，於二零一六年十二月三十一日，各董事、最高行政人員或其聯繫人士均沒有於本公司或其任何聯營公司(按證券及期貨條例)之證券中持有任何權益或淡倉。

購股權

股東於二零一二年五月二十五日舉行之股東週年大會上已批准採納新購股權計劃(「新計劃」)及終止本公司於二零零二年九月三日已採納的舊計劃(「舊計劃」)，連同新計劃，統稱為(「購股權計劃」)，新計劃將於二零二二年五月二十四日到期屆滿。而在舊計劃終止前授出之購股權將繼續生效並可根據舊計劃之規則下行使。而新計劃之主要目的是確定及激勵合資格參與人士作出貢獻、提供獎勵、協助本公司挽留合資格參與人士及招攬額外僱員，並向彼等提供直接經濟利益，以達致本公司之長期業務目標。新計劃之詳情已載於綜合財務報告附註29。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

Other than as disclosed above and certain nominee shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at 31 December 2016, none of the Directors, chief executive nor their associates held any interests or short positions in the securities of the Company or any of its associated corporations as defined in the SFO.

SHARE OPTIONS

The Shareholders at the AGM held on 25 May 2012 approved the adoption of a new share option scheme (the "New Share Option Scheme") and the termination of the old share option scheme which was adopted by the Company on 3 September 2002 (the "Old Share Option Scheme", together with the "New Share Option Scheme", collectively known as "Share Option Schemes"). The New Share Option Scheme will expire on 24 May 2022. Options granted under the Old Share Option Scheme prior to its termination will continue to be valid and exercisable in accordance with the rules thereof. The main purpose of the New Share Option Scheme is to recognise and motivate the contribution of eligible participants, to provide incentives to them, to help the Company retain eligible participants and recruit additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company. Particulars of the New Share Option Scheme are set out in note 29 to the consolidated financial statements.

購股權 (續)

於截至二零一六年十二月三十一日止年度內，根據本公司購股權計劃已授予若干董事及僱員購股權之變動如下：

SHARE OPTIONS (Continued)

During the year ended 31 December 2016, movements in the number of options which had been granted to certain Directors and employees under the Company's Share Option Schemes are as follows:

授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權行使期 Exercise period of share options	購股權數目 Number of Share Options			於二零一六年 十二月三十一日 尚未行使 Outstanding as at 31.12.2016	
			於二零一六年 一月一日 尚未行使 Outstanding as at 1.1.2016	本年度 已行使 Exercised during the year	本年度 已失效/註銷 Lapsed/Cancelled during the year		
董事 Directors							
何世豪先生 Mr. Ho Sai Hou	二零一三年一月十一日 11 January 2013	5.942	二零一五年一月十一日至 二零二三年一月十日 11 January 2015 to 10 January 2023	200,000	-	-	200,000
鄭國照先生 Mr. Kwong Kwok Chiu	二零一三年一月十一日 11 January 2013	5.942	二零一五年一月十一日至 二零二三年一月十日 11 January 2015 to 10 January 2023	200,000	-	-	200,000
				400,000	-	-	400,000
若干人士¹ Eligible Persons ¹							
	二零零七年四月三日 3 April 2007	4.050	二零零七年四月三日至 二零一七年四月二日 3 April 2007 to 2 April 2017	478,000	-	(326,000)	152,000
	二零零八年十月三十一日 31 October 2008	1.950	二零零八年十月三十一日至 二零一八年十月三十日 31 October 2008 to 30 October 2018	320,000	(100,000)	-	220,000
	二零零九年十月五日 5 October 2009	4.536	二零零九年十月五日至 二零一九年十月四日 5 October 2009 to 4 October 2019	1,050,000	-	(340,000)	710,000
	二零一三年一月十一日 11 January 2013	5.942	二零一五年一月十一日至 二零二三年一月十日 11 January 2015 to 10 January 2023	5,560,000	-	(820,000)	4,740,000
				7,408,000	(100,000)	(1,486,000)	5,822,000
				7,808,000	(100,000)	(1,486,000)	6,222,000

¹ 黃金滔先生已於二零一六年一月一日辭任執行董事及其購股權數目已由「董事」轉到「若干人士」。

¹ Mr. Wong Kam Yim resigned as Executive Director with effect from 1 January 2016 and his number of share options was transferred from "Directors" to "Eligible Persons".

董事會報告書
Directors' Report

購股權 (續)

於截至二零一六年十二月三十一日止年度內，並無授出購股權予董事或僱員。有關於年內行使的購股權，其緊接購股權行使日期之前的本公司股份加權平均收市價為2.544港元(聯交所已調整)。

除上文所披露者外，於年內任何時間，本公司或其任何附屬公司概無參與任何安排，以使董事藉收購本公司或任何其他法人團體之股份或債券而獲益。

除上文所披露者外，於年內各董事或其配偶或十八歲以下之子女均無任何權利以認購本公司之證券，或曾行使任何該等權利。

主要股東

盡本公司所知，於二零一六年十二月三十一日，根據證券及期貨條例第336條規定所存置之登記冊所載持有本公司股份或相關股份權益之本公司股東(除上文所披露的本公司董事或最高行政人員外)如下：

好倉

主要股東名稱 Name of Substantial Shareholder	身份 Capacity	所持股份數目 Number of shares held	於二零一六年十二月三十一日佔本公司已發行股本之百分比 Percentage of the issued share capital of the Company as at 31.12.2016
葉鳳娟女士 Ms. Ip Fung Kuen	實益擁有人 Beneficial Owner	47,547,913	8.43%
FMR LLC	投資經理(附註) Investment Manager (Note)	37,702,000	6.69%

附註：

根據證券及期貨條例，於二零一六年十二月三十一日，FMR LLC被視為擁有37,702,000股本公司股份之權益，而FMR Co., Inc亦擁有上述股份。

SHARE OPTIONS (Continued)

During the year ended 31 December 2016, no option was granted to Directors or employees. In respect of the options exercised during the year, weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$2.544 (adjusted by the Stock Exchange).

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

Other than as disclosed above, none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS

To the best of the Company's knowledge, as at 31 December 2016, the following shareholders (other than the Directors or chief executives of the Company disclosed above) had interest in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positons

Note:

Under the SFO, as at 31 December 2016, FMR LLC was deemed to be interested in 37,702,000 shares of the Company, which were held by FMR Co., Inc.

主要股東(續)

除上文所披露外，於二零一六年十二月三十一日，除了以上一節「董事及最高行政人員於證券之權益及淡倉」已披露之權益外，概無人士通知本公司指彼等在本公司股份中的權益或淡倉需根據證券及期貨條例第336條登記。

購買、出售或贖回本公司之上市證券

於截至二零一六年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

主要供應商及客戶

在截至二零一六年十二月三十一日止年度內，本集團前五名客戶之營業總額佔本集團總營業額少於30%。

本集團前五名供應商之購貨總額佔本集團總購貨額少於30%。

於二零一六年十二月三十一日，各董事、其聯繫人士或就董事所知擁有本公司股本5%以上之股東概無在本集團前五名供應商中擁有任何權益。

公司管治

本公司之企業管治報告詳情載於第86至104頁之「企業管治報告」。

公眾持股量

根據本公司所得的公開資料及董事所知，在截至二零一六年十二月三十一日止年度及本報告日期，公眾人士持有之股份百分比按上市規則不少於本公司已發行股份25%之足夠公眾持股量。

SUBSTANTIAL SHAREHOLDERS (Continued)

Save as disclosed above, as at 31 December 2016, no person, other than the interests disclosed above in the section "Directors' and Chief Executives' Interests and Short Positions in Securities", had notified the Company of an interest or short position in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2016, the aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the Group's total turnover.

The aggregate purchases attributable to the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

As at 31 December 2016, none of the Directors, their associates or any Shareholders (which to the best knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the Group's five largest suppliers.

CORPORATE GOVERNANCE

Report on the Company's corporate governance is set out in "Corporate Governance Report" on pages 86 to 104.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2016 and at the date of this report, there is sufficient public float of not less than 25% of the Company's total issued shares capital as required under the Listing Rules.

股票掛鈎協議

除上文所披露之新購股權計劃及舊購股權計劃外，於年內或年末，本公司概無訂立將會或可導致本公司發行股份之股票掛鈎協議，或要求本公司訂立任何協議將會或可導致本公司發行股份之股票掛鈎協議。

捐款

在截至二零一六年十二月三十一日止年度內，本集團作出慈善及其它捐款合共約3,494,772港元。

獲准許之彌償條文

根據本公司之組織章程細則，本公司每位董事、核數師或其他人員有權作為本公司董事、核數師或其他人員於抗辯任何訴訟（不論民事或刑事）就任何法律訴訟（不論是民事或刑事）抗辯而獲判勝訴或獲裁定無罪，其所導致或蒙受之一切損失或責任從本公司資產中獲得彌償。

本公司已就其董事及行政人員可能面對因企業活動產生之法律訴訟、為董事及行政人員之職責作適當之投保安排。

有關獲准許之彌償條文已於回顧年度內一直生效，並於本報告獲批准時目前生效。

EQUITY-LINKED AGREEMENTS

Other than the New Share Option Scheme and the Old Share Option Scheme as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

DONATIONS

During the year ended 31 December 2016, the Group made charitable and other donations amounting to HK\$3,494,772.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that each Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, Auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

The Company has arranged for appropriate insurance to cover Director's and officer's liabilities in respect of legal actions against its Directors and officers arising out of corporate activities.

Such permitted indemnity provisions have been in force throughout the year under review and is currently in force at the time of approval of this report.

關連交易及董事之合約權益

在截至二零一六年十二月三十一日止年度內，本集團分別支付960,000港元及600,000港元之租金予港德投資有限公司及嘉捷投資有限公司，董事葉志成先生（「本公司控股股東及董事」）及葉子軒先生（「董事」）分別於該兩間公司持有實益權益。

除以上所披露者外，於本年度年終時或年內任何時間並不存在本公司或其任何附屬公司有份參與本公司董事、與董事關連之實體及控股股東或其附屬公司擁有重大直接或間接權益之重大合約。

須予披露交易

於二零一六年十一月十日，Atlantic Treasure Limited、美聯物業代理（商業）有限公司與Radiant New Limited（本公司之全資附屬公司）訂立一份物業臨時買賣合約，涉及買賣香港告士打道77，78-79號富通大廈27樓及一樓第3及4停車位（「該物業」）。該物業買賣已於二零一七年一月十八日完成。上述第4號停車位租賃予獨立第三方至二零一七年二月二十八日止，每月租金為4,400港元。該物業現時由Radiant New Limited持有作辦公室自用。

管理及行政合同

除與本公司董事及全職僱員所訂立之僱員合約，於年內本公司並沒有就公司全部或主要業務之管理及行政訂立合同或支付費用。

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

During the year ended 31 December 2016, the Group paid rent of HK\$960,000 and HK\$600,000 to Goldex Investments Limited and Galsheer Investments Limited respectively in which Mr. Ip Chi Shing (the controlling shareholder of the Company and the Director) and Mr. Yip Tsz Hin (the Director), have beneficial interests respectively.

Other than disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director, an entity connected with a director, and a controlling shareholder of the Company or its subsidiary companies had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DISCLOSEABLE TRANSACTION

On 10 November 2016, Atlantic Treasure Limited, Midland Realty (Comm.) Ltd. and Radiant New Limited, a wholly-owned subsidiary of the Company, entered into a provisional agreement for the sale and purchase of 27th Floor and Space Nos. 3 and 4 on 1st Floor, Fortis Bank Tower, Nos. 77, 78-79 Gloucester Road, Hong Kong (the "Property"). The sale and purchase of the Property was completed on 18 January 2017. The said Space No. 4 of the carpark space was rented to an independent third party at a monthly rental of HK\$4,400 until 28 February 2017. The Property is currently held by Radiant New Limited for the purpose of self-use office.

CONTRACTS CONCERNING MANAGEMENT AND ADMINISTRATION

Save for employment contracts with directors and full time employees of the Company, no contracts concerning the management and administration of the whole or any principal business of the Company were entered into or subsisted during the year.

董事會報告書
Directors' Report

優先購買權

本公司之公司組織章程細則及開曼群島公司法概無有關優先購買權之條文，規定本公司須向現有股東提出按照彼等所持股份比例發售新股之建議。

核數師

截至二零一六年十二月三十一日止年度之財務報告已由德勤•關黃陳方會計師行審計，核數師的任期將在公司年會舉行時屆滿，惟合資格並願意應聘連任。有關重新委聘德勤•關黃陳方會計師行為本公司核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命
葉志成
主席

香港，二零一七年三月二十一日

PRE-EMPTIVE RIGHTS

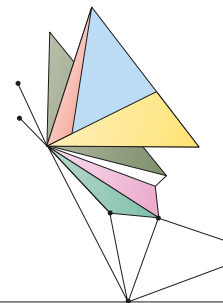
There is no provision for pre-emptive rights under the Company's Articles of Association or the Companies Law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

AUDITOR

The consolidated financial statements for the year ended 31 December 2016 have been audited by the Company's auditor, Messrs. Deloitte Touche Tohmatsu, who shall retire and, being eligible, will offer themselves for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board
IP CHI SHING
CHAIRMAN

Hong Kong, 21 March 2017



企業管治報告 Corporate Governance Report

遵例聲明

本公司致力維持高水準之企業管治，以達到集團對僱員、顧客、供應商、商業夥伴和股東們所得之價值實現最大化及保障他們的權益兩大目標。本公司在截至二零一六年十二月三十一日止年度內，除並無設立提名委員會外，本公司均遵守聯交所證券上市規則（「上市規則」）附錄十四之「企業管治守則及企業管治報告」（「守則」）。本公司並無設立提名委員會的原因已於下述一節「董事會組成」載列（守則條文第A5.1項至A5.4項）。

上市公司董事進行證券交易的標準守則

本公司已採納上市規則有關上市公司董事證券交易的附錄十所載的標準守則（「標準守則」）作為董事進行證券交易行為的標準。在作出特定查詢後，本公司所有董事確認在截至二零一六年十二月三十一日止年度已遵守標準守則規定的標準。

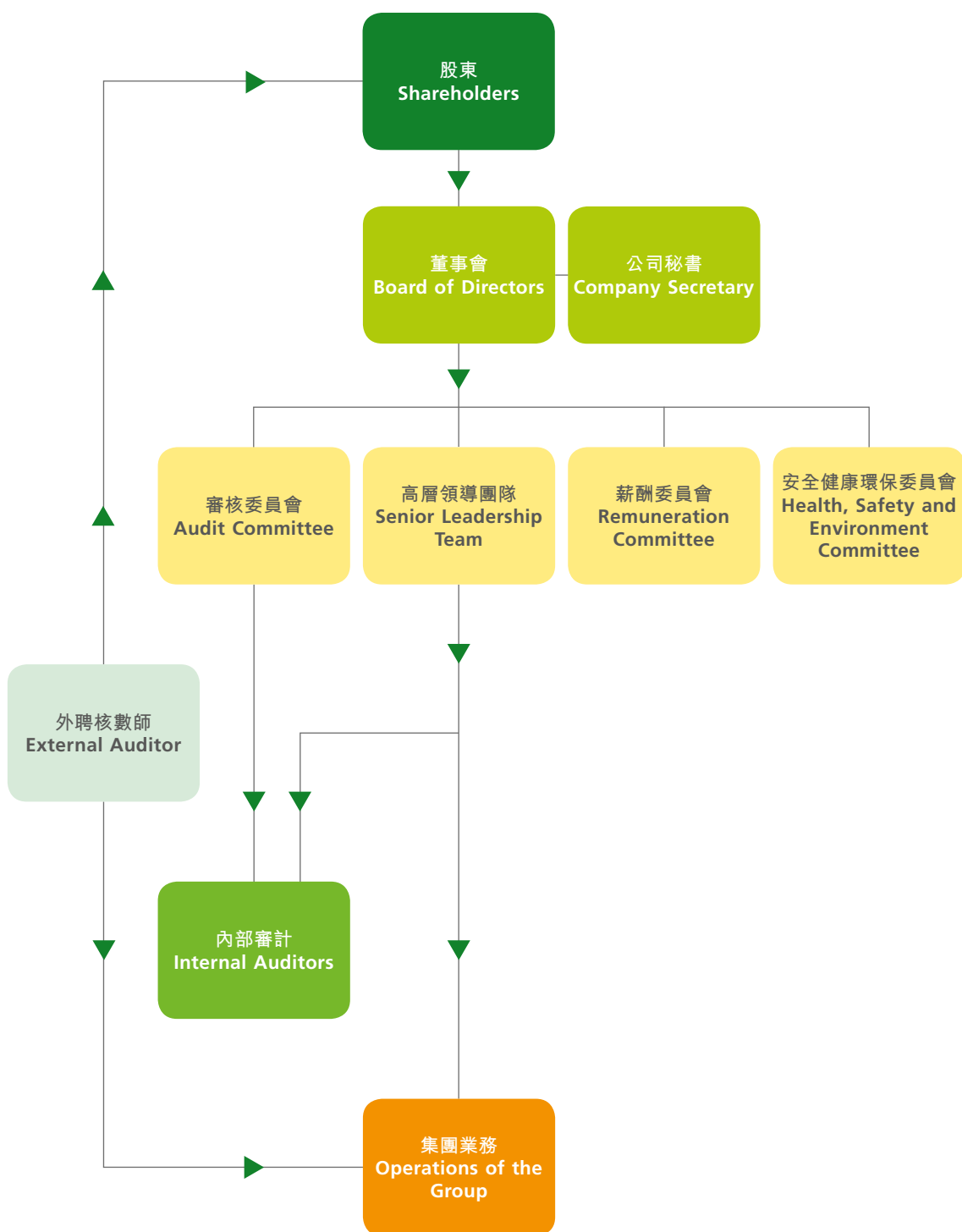
Statement of Compliance

The Company is committed to maintaining high standards of corporate governance so as to achieve the Group's objectives of maximizing values for its employees, customers, suppliers, business partners and shareholders, and safeguarding the interests of them. The Company has complied with all code provisions of the "Corporate Governance Code and Corporate Governance Report" (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2016 except that the Company does not have a nomination committee on the ground as stated under the section headed "Composition of the Board" (CG Code provisions A.5.1 to A.5.4).

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. After making specific enquiries, all Directors have confirmed that they have fully complied with the required standard as set out in the Model Code during the year ended 31 December 2016.

企業管治架構 Corporate Governance Structure



董事會

董事會主要職責為制定集團政策、監察該等政策的落實執行、並向管理層就本集團的整體管理提供監督及協助。

董事會組成

截止本年報公佈的時間，集團主席為葉志成先生，董事會共由九位董事組成，包括四位執行董事、兩位非執行董事及三位獨立非執行董事。獨立非執行董事的數目按上市規則第3.10A條規定佔董事會成員人數三分之一。本公司每位非執行董事及獨立非執行董事的指定任期為直至本公司下一個股東週年大會需由股東重新選任為止。列明董事會成員職位及職能的名單已登載於本公司及聯交所網站內。

黃金滔先生已於二零一六年一月一日辭任本公司的執行董事，及王旭先生於同日獲委任為執行董事。

各董事之履歷載於第64至第69頁董事及行政人員簡介。除葉志成先生(本集團主席)為葉子軒先生(本集團聯席行政總裁)之兄長外，董事之間概無其他關係。

本公司確認已經根據上市規則第3.13條收到三位獨立非執行董事就其獨立性而作出的年度確認函。其中兩名現任獨立非執行董事具備專業會計資格及相關財務管理經驗。

董事會不時就其組成及成員作出檢討，確保董事會具備所需技巧、經驗及廣泛才能，以便有效履行職責。目前，董事會負責新董事之提名及委任工作。本公司認為由整個董事會履行提名委員會的職能更為有利及高效。

The Board

The Board's principal duties are setting policies, monitoring the execution of such policies, and providing supervision and assistance to the overall management of the Group.

Composition of the Board

As of the date of this annual report, the Board is chaired by Mr. Ip Chi Shing and comprised a total of nine Directors, namely, four Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. The number of Independent Non-executive Directors represents one-third of the Board as required by Rule 3.10A of the Listing Rules. Each of the Non-executive Directors and Independent Non-executive Directors is appointed for a specific term until the closing of the relevant annual general meeting at which he is being re-elected by the Shareholders. The list of Directors with their roles and functions is available on the websites of the Company and the Stock Exchange.

With effect from 1 January 2016, Mr. Wong Kam Yim resigned as an Executive Director of the Company and Mr. Wong Yuk was appointed as an Executive Director of the Company on the even day.

Biographic details of the Directors are set out in the section of Directors' and Management Executives' Profiles on pages 64 to 69. Mr. Ip Chi Shing who is the Chairman is the brother of Mr. Yip Tsz Hin who is a Co-Chief Executive Officer of the Group. Save as disclosed above, the Directors are not otherwise related to each other.

The Company has received annual confirmations from all three Independent Non-executive Directors in respect of their independence as set out in Rule 3.13 of the Listing Rules and still considers the Independent Non-executive Directors to be independent. Two of the Independent Non-executive Directors possess the appropriate professional accounting qualifications and related financial management experience.

The Board regularly reviews its composition and membership to ensure that it has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business to discharge its responsibilities effectively. Currently, the Board is responsible for the nomination and appointment of new directors. The Company considers it is more beneficial and efficient for the full Board to perform the functions of the nomination committee.

董事會(續)

董事會已制定了董事會成員多元化政策(「政策」)以制訂達致董事會成員多元化的方法。本政策撮要如下：

- 甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定
- 董事會將匯報董事會在多元化層面的組成，並監督本政策的執行
- 董事會將在適當時候檢討本政策，以確保本政策行之有效

在截至二零一六年十二月三十一日止年度，董事會已審閱董事會的組成及架構符合該政策。

本公司已採納程序以便董事在適當的情況下尋求獨立專業意見，費用由本公司負責。王旭先生作為本公司新董事於委任後已獲提供全面、正式及特為其安排的就任須知培訓。

本公司已購買董事及高級職員責任及公司補償保險。

The Board (Continued)

The Board adopted the Board Diversity Policy (the “Policy”) which sets out the approach to achieve diversity on the Board. The Policy is summarized as follows:

- The selection of candidates of the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.
- The Board will report on the Board’s composition under diversified perspectives and monitor the implementation of the Policy.
- The Board will review the Policy at appropriate times so as to ensure its effectiveness.

During the year ended 31 December 2016, the Board reviewed its composition and structure in accordance with the Policy.

The Company has adopted procedures for the Directors to seek independent professional advice in appropriate circumstances at the Company’s expenses. Mr. Wong Yuk, a newly appointed Executive Director is offered a comprehensive, formal and tailored induction upon his appointment.

Directors and officers liability and company reimbursement insurance coverage has also been arranged.

董事會 (續)

董事會運作

在截至二零一六年十二月三十一日止年度，董事會共舉行了五次董事會常規會議、八次其他會議及一次非執行董事會會議。各董事於有關會議之出席次數載列如下：

		董事會常規會議出席率	董事會其他會議出席率
		Regular Board	Other Board
執行董事：	Executive Directors:	Meetings Attendance	Meetings Attendance
葉子軒先生	Mr. Yip Tsz Hin	5/5	8/8
王旭先生	Mr. Wong Yuk	5/5	6/8
何世豪先生	Mr. Ho Sai Hou	5/5	8/8
鄭國照先生	Mr. Kwong Kwok Chiu	4/5	2/8
		董事會常規會議出席率	董事會其他會議出席率
		Regular Board	Other Board
非執行董事：	Non-executive Directors:	Meetings Attendance	Meetings Attendance
葉志成先生(主席)	Mr. Ip Chi Shing (Chairman)	5/5	1/8
唐滙棟先生	Mr. Tong Wui Tung	5/5	1/8
		董事會常規會議出席率	董事會其他會議出席率
		Regular Board	Other Board
獨立非執行董事：	Independent Non-executive Directors:	Meetings Attendance	Meetings Attendance
黃廣志先生	Mr. Wong Kong Chi	5/5	0/8
古遠芬先生	Mr. Ku Yuen Fun	5/5	1/8
吳紹平先生	Mr. Ng Siu Ping	5/5	1/8

附註：

在二零一六年十二月三十一日止年度內舉行的常規的董事會會議，主要包括舉行五次董事會常規會議，相關與會董事均有親身出席及積極參與。除舉行董事常規會議外，董事會於二零一六年度亦召開了八個其他董事會會議，以批准日常事務或討論董事會當時任何有需要注意之事宜。

在截至二零一六年十二月三十一日止年度內，董事會主席與非執行及獨立非執行董事舉行了一次並無執行董事出席的會議。

The Board (Continued)

Operation of the Board

During the year ended 31 December 2016, five regular Board meetings, eight other Board meetings and one Non-executive Directors meeting were held by the Board. The attendance of each Director at these meetings is shown in the table below:

		董事會常規會議出席率	董事會其他會議出席率
		Regular Board	Other Board
執行董事：	Executive Directors:	Meetings Attendance	Meetings Attendance
Mr. Yip Tsz Hin	Mr. Yip Tsz Hin	5/5	8/8
Mr. Wong Yuk	Mr. Wong Yuk	5/5	6/8
Mr. Ho Sai Hou	Mr. Ho Sai Hou	5/5	8/8
Mr. Kwong Kwok Chiu	Mr. Kwong Kwok Chiu	4/5	2/8
		董事會常規會議出席率	董事會其他會議出席率
		Regular Board	Other Board
非執行董事：	Non-executive Directors:	Meetings Attendance	Meetings Attendance
Mr. Ip Chi Shing (Chairman)	Mr. Ip Chi Shing (Chairman)	5/5	1/8
Mr. Tong Wui Tung	Mr. Tong Wui Tung	5/5	1/8
		董事會常規會議出席率	董事會其他會議出席率
		Regular Board	Other Board
獨立非執行董事：	Independent Non-executive Directors:	Meetings Attendance	Meetings Attendance
Mr. Wong Kong Chi	Mr. Wong Kong Chi	5/5	0/8
Mr. Ku Yuen Fun	Mr. Ku Yuen Fun	5/5	1/8
Mr. Ng Siu Ping	Mr. Ng Siu Ping	5/5	1/8

Remark:

Five regular Board meetings were held during the year ended 31 December 2016, which involved the active participation in person by all the attending Directors. Besides these regular Board meetings, eight other Board meetings were convened during 2016 to approve routine business or discuss any matters that required the Board's timely attention.

During the year ended 31 December 2016, the Chairman of the Board held a meeting with all Non-executive Directors and Independent Non-executive Directors without the presence of Executive Directors.

董事會 (續)

董事會運作 (續)

在截至二零一六年十二月三十一日止年度內，本公司之公司秘書(「公司秘書」)，確保(當中包括)各董事可獲得其所需要的資料及遵循所有董事會程序。同時公司秘書亦負責為各董事提供持續專業發展之機會，以發展及更新彼等的知識及技巧，確保彼等向董事會作出知情及恰當之貢獻。董事亦獲提供本公司表現、財務狀況及前景的每月更新資料，以便董事會整體及各董事履行其職務。公司秘書何世豪先生為本公司全職僱員。於本年度，何先生確認其已接受不少於十五小時的相關專業培訓。

董事培訓及專業發展

本公司不時地為董事安排內部培訓，形式包括講座、工作坊及閱覽有關法律、規則及監管的最新發展、管理、財務及商業等資料，以便各董事提高及更新自身的知識和技巧。

The Board (Continued)

Operation of the Board (Continued)

During the year ended 31 December 2016, the role of the company secretary of the Company (“Company Secretary”) included, amongst others, ensuring that the Directors have access to all necessary information and that all Board procedures were followed. The Company Secretary was also responsible for offering opportunities of continuing professional development to all Directors to develop and refresh their knowledge and skills to help ensure that their contribution to the Board remains informed and relevant. Directors were also provided with monthly updates on the Company’s performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. The Company Secretary, Mr. Ho Sai Hou, is a full time employee of the Company. Mr. Ho confirmed that he fulfilled the requirement of taking no less than 15 hours of relevant professional training during the year under review.

Directors’ Training and Professional Development

The Company, from time to time, provides in-house trainings for the Directors in the form of seminars, workshops and reading materials on the latest development of applicable laws, rules and regulations, management, financial and business issues to develop and refresh their knowledge and skills.

董事會 (續)

董事培訓及專業發展 (續)

同時，本公司鼓勵各董事參與相關專業培訓研討會及課程。根據董事所提供的記錄，董事截至二零一六年十二月三十一日止年度所接受的培訓概要如下：

董事：	Directors:	培訓類別		
		In-house training	Seminars and/or conferences and/ of forums	Reading and on-line studying
葉志成先生(主席)	Mr. Ip Chi Shing (Chairman)	✓		✓
唐滙棟先生	Mr. Tong Wui Tung	✓	✓	✓
葉子軒先生	Mr. Yip Tsz Hin	✓		✓
黃旭先生	Mr. Wong Yuk	✓		✓
何世豪先生	Mr. Ho Sai Hou	✓	✓	✓
鄺國照先生	Mr. Kwong Kwok Chiu	✓		✓
黃廣志先生	Mr. Wong Kong Chi		✓	
古遠芬先生	Mr. Ku Yuen Fun			✓
吳紹平先生	Mr. Ng Siu Ping		✓	✓

董事會授權

董事會為本公司的最高權力實體，集體負責領導、策劃及監控集團，及履行企業管治責任和職能，相關工作內容在需由董事會作出決定的事項內有詳細說明。在截至二零一六年十二月三十一日止年度內，董事會主席一職由葉志成先生擔任。黃金滔先生於二零一六年一月一日起辭任集團行政總裁，葉子軒先生及王旭先生由同日起獲委任為集團聯席行政總裁（「聯席行政總裁」）。如下部所述，本公司成立了高層領導團隊（「領導團隊」）（前稱「集團執行委員會」），現由聯席行政總裁葉子軒先生及王旭先生負責監察領導團隊之工作。以上之架構是為了清楚明確的分別主席管理董事會的職責以及管理層監督集團整體內部運作的職責。

The Board (Continued)

Directors' Training and Professional Development (Continued)

In addition, all Directors are encouraged to participate in various professional development seminars and courses. A summary of training received by Directors during the year ended 31 December 2016 according to the records provided by the Directors is as follows:

Directors:	Directors:	Type of Trainings		
		In-house training	Seminars and/or conferences and/ of forums	Reading and on-line studying
Mr. Ip Chi Shing (Chairman)	Mr. Ip Chi Shing (Chairman)	✓		✓
Mr. Tong Wui Tung	Mr. Tong Wui Tung	✓	✓	✓
Mr. Yip Tsz Hin	Mr. Yip Tsz Hin	✓		✓
Mr. Wong Yuk	Mr. Wong Yuk	✓		✓
Mr. Ho Sai Hou	Mr. Ho Sai Hou	✓	✓	✓
Mr. Kwong Kwok Chiu	Mr. Kwong Kwok Chiu	✓		✓
Mr. Wong Kong Chi	Mr. Wong Kong Chi		✓	
Mr. Ku Yuen Fun	Mr. Ku Yuen Fun			✓
Mr. Ng Siu Ping	Mr. Ng Siu Ping		✓	✓

Delegation by the Board

The Board, as the highest governing board, is collectively responsible for leading, planning and controlling the businesses of the Group, and also for performing the corporate governance duties and functions as more specifically set out in the list of matters reserved for the Board. During the year ended 31 December 2016, the position of the Chairman of the Board was held by Mr. Ip Chi Shing. With effect from 1 January 2016, Mr. Wong Kam Yim resigned as the Chief Executive Officer and Mr. Yip Tsz Hin and Mr. Wong Yuk were appointed as the Co-Chief Executive Officers (the "Co-CEOs") of the Group with effect from the even day. As disclosed in the section below, the Company established the Senior Leadership Team ("SLT") (formerly known as "Group Executive Committee"). Mr. Yip Tsz Hin and Mr. Wong Yuk, the Co-CEOs, currently oversee the work of SLT. The above structure is to ensure a clear distinction between the Chairman's duty to manage the Board and the management's duty to oversee the overall internal operation of the Group.

董事會(續)

董事會授權(續)

董事會已授權給領導團隊，而該等職責包括但不限於制定和推行政策及業務發展策略，以及對本集團不同業務單位的表現作出監控。領導團隊現有成員合共八位成員，當中包括四位本公司執行董事葉子軒先生、王旭先生、何世豪先生及鄺國照先生。

本公司設有一份指定須由董事會作出決定事項之正式清單，並會定期檢討該清單。該等重要事項包括：

- 制定長期目標及策略
- 批准初步業績公告
- 批准年度預算
- 批准主要資本開支、收購及出售
- 制定風險管理政策
- 批准須予公佈的交易及關連交易
- 建議及宣派股息
- 委任新董事
- 成立董事會轄下的委員會
- 檢討及監察內部監控及風險管理
- 檢討及監察企業管治政策及實務遵守企業管治守則
- 批准重要政策及指引

高層領導團隊(「領導團隊」)

領導團隊成員

- 葉子軒先生
- 黃金熾先生
(於二零一六年一月一日辭任)
- 王旭先生
- 何世豪先生
- 鄺國照先生
- 葉鈞先生
- 馮秉光先生
- 邱靜雯女士
(於二零一六年一月一日委任)
- 謝憶珠女士
(於二零一七年一月一日委任)

The Board (Continued)

Delegation by the Board (Continued)

The Board has delegated to SLT with broad management responsibilities including, but not limited to, formulating and implementing policies and business strategies, as well as supervising the performance of the Group's different business segments. SLT currently comprises a total of eight members, four of which are Executive Directors of the Company, namely, Mr. Yip Tsz Hin, Mr. Wong Yuk, Mr. Ho Sai Hou and Mr. Kwong Kwok Chiu.

A formal schedule of matters reserved for the Board is maintained and is subject to regular review. The more important matters include:

- setting of long term objectives and strategies
- approving preliminary results announcements
- approving annual budgets
- approving major capital expenditure, acquisitions and disposals
- establishing risk management policies
- approving notifiable transactions and connected transactions
- declaring and recommending the payment of dividends
- appointing new directors
- establishing Board committees
- reviewing and monitoring of internal control and risk management
- reviewing and monitoring the policies and practices on corporate governance and compliance with CG Code
- approving major policies and guidelines

Senior Leadership Team ("SLT")

SLT members

- Mr. Yip Tsz Hin
- Mr. Wong Kam Yim
(resigned with effect from 1 January 2016)
- Mr. Wong Yuk
- Mr. Ho Sai Hou
- Mr. Kwong Kwok Chiu
- Mr. Ip Kwan
- Mr. Fung Ping Kwong
- Ms. Yau Ching Man
(appointed with effect from 1 January 2016)
- Ms. Tse Yik Chu
(appointed with effect from 1 January 2017)

董事會 (續)

領導團隊之職務及責任

- 協助董事會制定政策和策略
- 執行並實施董事會制定的政策與策略計劃
- 管治及監控子集團業務
- 協助及協調子集團的運作，為集團爭取最佳效益

目前，董事會有三個委員會，分別為薪酬委員會、審核委員會及安全健康環保委員會。所有董事委員會根據其職權範圍書由董事會授權。

薪酬委員會及董事及高級管理層之薪酬

薪酬委員會於二零零五年六月成立，在截至二零一六年十二月三十一日止年度內，由一位非執行董事及三位獨立非執行董事組成，吳紹平先生為薪酬委員會主席。薪酬委員會主要角色及功能如下：

- 設立正規而具透明度的程序制訂薪酬政策
- 向董事會建議集團所有董事及高級管理層之薪酬政策及結構
- 釐定各執行董事及高級管理層之薪酬待遇

薪酬委員會之職權範圍書已登載於本公司及聯交所網站內，亦可向公司秘書要求提供查閱。

The Board (Continued)

Duties and responsibilities

- Assist the Board in setting the policies and strategies
- Execute the policies and strategic plans set by the Board
- Supervise the businesses of the subsidiaries
- Assist and co-ordinate the operations of subsidiaries, and maximize the benefits for the Group

Currently, there are three committees, namely the Remuneration Committee, Audit Committee and Health, Safety and Environment Committee. All the Board committees are empowered by the Board under their own terms of reference.

The Remuneration Committee and Remuneration of Directors and Senior Management

The Remuneration Committee was formed in June 2005. During the year ended 31 December 2016, the Remuneration Committee consisted of one Non-executive Director and three Independent Non-executive Directors. Mr. Ng Siu Ping was the chairman of the Remuneration Committee. Major roles and functions of the Remuneration Committee include:

- establishing a formal and transparent procedure for developing remuneration policy
- making recommendation to the Board on the Group's policy and structure for the remuneration of Directors and senior management
- determining the remuneration packages of all individual Executive Directors and senior management

The terms of reference of the Remuneration Committee is available on the Company's website, HKEx's website and from the Company Secretary upon request.

薪酬委員會及董事及高級管理層之薪酬(續)

截至二零一六年十二月三十一日止年度，薪酬委員會舉行了一次正式會議，各成員於有關會議之出席次數載列如下：

成員	Member	出席率	Attendance
吳紹平先生	Mr. Ng Siu Ping	1/1	1/1
唐滙棟先生	Mr. Tong Wui Tung	1/1	1/1
黃廣志先生	Mr. Wong Kong Chi	1/1	1/1
古遠芬先生	Mr. Ku Yuen Fun	1/1	1/1

於該等會議上，薪酬委員會：

- 審議領導團隊及子集團總經理獎懲方案
- 參考外部顧問報告並檢討本集團執行董事及高級管理層薪酬結構之原則及政策，並已向領導團隊提交建議作討論
- 評估執行董事之表現及參考同類型公司之市場薪酬水平，從而釐定本集團執行董事及高級管理層由二零一七年一月一日開始生效的薪酬

董事酬金包括因管理本公司及其附屬公司事務而付給董事之款項。在截至二零一六年十二月三十一日止年度支付予本公司各董事及高級管理層的數額詳列於綜合財務報告附註6。

The Remuneration Committee and Remuneration of Directors and Senior Management (Continued)

During the year ended 31 December 2016, the Remuneration Committee held one meeting and the attendance of each member at this meeting is shown in the table below:

In these meetings, the Remuneration Committee:

- reviewed the reward schemes for the SLT and the General Managers of the subsidiaries
- reviewed the principles and policies of the remuneration structure of the Group's Executive Directors and senior management with reference to an external consulting report, and submitted recommendations to SLT for further discussion
- assessed the performance of executive directors and approved the remuneration packages of the Group's Executive Directors and senior management effective from 1 January 2017 after considering market remuneration levels of comparable companies in the market

Directors' emoluments consisted of payments to Directors in connection with the management of the affairs of the Company and its subsidiaries. The fees paid to each Director and senior management for the year ended 31 December 2016 are set out in Note 6 to the consolidated financial statements.

審核委員會

審核委員會於一九九八年十一月成立，在截至二零一六年十二月三十一日止年度內，由一位非執行董事及三位獨立非執行董事組成，主席為黃廣志先生。審核委員會主要職責如下：

- 審閱本集團財務資料
- 監管本集團財務申報制度、風險管理及內部監控系統
- 監察本集團與外聘核數師的關係

審核委員會之職權範圍已登載於本公司及聯交所網站內，並可向公司秘書要求提供查閱。

審核委員會於截至二零一六年十二月三十一日止年度舉行了四次會議，各成員於有關會議之出席次數載列如下：

成員	Member	出席率 Attendance
吳紹平先生	Mr. Ng Siu Ping	4/4
黃廣志先生	Mr. Wong Kong Chi	4/4
古遠芬先生	Mr. Ku Yuen Fun	4/4
唐滙棟先生	Mr. Tong Wui Tung	4/4

在該等會議中，審核委員會：

- 在本集團二零一五年度及二零一六年度中期業績提交董事會批准前對其進行審閱。在進行審閱的過程中，審核委員會專注於本集團表現與上年業績之重大偏差，以及判斷、選擇及應用會計政策之主要範圍及遵守法律規定及監管規定
- 審閱內部審計部之報告，與內部審計主管就重大發現進行討論，檢討內部審計部的資源是否足夠及內部審計功能之有效性並批准內部審計計劃

The Audit Committee

The Audit Committee was formed in November 1998. During the year ended 31 December 2016, the Audit Committee comprised one Non-executive Director and three Independent Non-executive Directors and was chaired by Mr. Wong Kong Chi. Major duties of the Audit Committee include:

- reviewing financial information of the Group
- overseeing the Group's financial reporting system, risk management and internal control procedures
- monitoring of the relationship between the Group and its external auditor

The terms of reference of the Audit Committee is available on the Company's website, HKEx's website and from the Company Secretary upon request.

The Audit Committee held four meetings during the year ended 31 December 2016 and the attendance of each member at these meetings is shown in the table below:

成員	Member	出席率 Attendance
吳紹平先生	Mr. Ng Siu Ping	4/4
黃廣志先生	Mr. Wong Kong Chi	4/4
古遠芬先生	Mr. Ku Yuen Fun	4/4
唐滙棟先生	Mr. Tong Wui Tung	4/4

In these meetings, the Audit Committee:

- reviewed the 2015 annual and 2016 interim results before submitting to the Board for approval and in doing so, the committee focused on material deviations of the Group's performance from past year's results, major areas of judgment, selection and application of accounting policies and compliance with legal and regulatory requirements
- received reports from the internal audit department, discussed material findings with the head of internal audit, reviewed the adequacy of resources of the internal audit department and effectiveness of the internal audit function and approved the internal audit plan

審核委員會 (續)

- 按已設有之指引及程序審閱集團之風險管理及內部監控系統並進行檢討
- 與本集團之外聘核數師就核數計劃進行討論、按其保持獨立性之政策就其獨立性進行評估，以及檢討其所提供之非核數服務範圍
- 檢討集團在會計、內部審計及財務報告方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否足夠
- 批核集團之外聘核數師的酬金

審核委員會已於二零一七年三月十六日之審核委員會會議上審閱本集團截至二零一六年十二月三十一日止年度的經審核綜合財務報告。

安全健康環保委員會

安委會於二零一二年一月一日成立，以提高集團對健康、安全及環保工作的重視。在截至二零一六年十二月三十一日止年度內，安委會由三位獨立非執行董事組成，主席由古遠芬先生出任。安委會主要職責包括：

- 集團的「安全健康環保政策」的採納及更新
- 集團對健康、安全及環保的風險胃納的釐定
- 管理集團就「健康安全環保」的監控環境(包括組織架構、獎懲制度、資源投放、作業文化等)

安委會之職權範圍已登載於本公司網站內，並可向公司秘書要求提供查閱。

The Audit Committee (Continued)

- reviewed the effectiveness of the Group's risk management and internal control systems in accordance with established guidelines and procedures
- discussed the audit plan with the Group's external auditor and assessed its independence with reference to its policies for maintaining independence and reviewed the extent of non-audit services provided
- considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting function
- approved the audit fees paid to the Group's external auditor

An Audit Committee meeting was held on 16 March 2017 to review the Group's audited consolidated financial statements for the year ended 31 December 2016.

The Health, Safety and Environment Committee

The HSE Committee was established on 1 January 2012 in order to enhance the importance of the health, safety and environmental protection works to the Group. During the year ended 31 December 2016, the HSE Committee comprised three Independent Non-executive Directors members and was chaired by Mr. Ku Yuen Fun. Major duties of the HSE Committee include:

- the adoption and renewal of the Group's health, safety and environment policies
- the determining of the Group's appetite for health, safety and environment risk
- managing the Group's monitoring environment for health, safety and environment matters, including organization structure, reward and punishment systems, resource inputs, operation culture, etc.

The terms of reference of the HSE Committee is available on the Company's website and from the Company Secretary upon request.

安全健康環保委員會(續)

安委會於截至二零一六年十二月三十一日止年度舉行了四次會議，各成員於有關會議之出席次數載列如下：

成員	Member	出席率
古遠芬先生	Mr. Ku Yuen Fun	4/4
黃廣志先生	Mr. Wong Kong Chi	4/4
吳紹平先生	Mr. Ng Siu Ping	4/4

在該等會議中，安委會：

- 審閱由集團安全健康環保部草擬的年度廠房檢查計劃
- 審視由子集團草擬的三年健康安全環保計劃
- 監察健康安全環保政策的實施及出席營運點安全巡查
- 跟進有關當局通過的最新有關健康安全環保的規定，確保遵守有關規定並控制營運風險

問責及核數 董事及核數師需承擔的責任

董事承認彼等編製本集團財務報表及彼等向股東發佈公告之責任，並承諾就本集團之表現、狀況及前景作出均衡、清晰及全面之評估。董事會並不知悉任何可能對本集團繼續作持續經營之能力產生嚴重懷疑之重大不確定因素。

核數師之報告責任於第105至112頁之獨立核數師報告內陳述。

風險管理及內部監控

本公司設有內部審計功能。內部審計部於一九九七年成立，獨立地監察內部監控程序之實施及符合集團政策，並就內部監控系統之效能提供建議。內部審計主管直接向集團營運總監及領導團隊成員邱靜雯女士及審核委員會匯報。

The Health, Safety and Environment Committee (Continued)

During the year ended 31 December 2016, the HSE Committee held four meetings and the attendance of each member at these meetings is shown in the table below:

成員	Member	出席率
古遠芬先生	Mr. Ku Yuen Fun	4/4
黃廣志先生	Mr. Wong Kong Chi	4/4
吳紹平先生	Mr. Ng Siu Ping	4/4

In these meetings, the HSE Committee:

- reviewed the annual inspection report on factories drafted by the Group's HSE Department
- reviewed the 3-year HSE reports drafted by subsidiaries
- supervised the implementation of HSE policies as well as attended safety inspection of an operating site
- followed up the new regulations in relation to the HSE passed by the authority and ensured the compliance of the new rules and control the operation risk

Accountability and Audit Directors' and Auditor's responsibilities

The Directors acknowledge their responsibilities for preparing the financial statements of the Group and their announcements to shareholders and commit to the presentation of a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The Auditor's reporting responsibilities are stated in the Independent Auditor's Report on pages 105 to 112.

Risk Management and Internal Control

The Company has an internal audit function. The internal audit department was set up in 1997 to monitor independently the implementation of the internal control procedures, compliance with group policies and to make recommendations on the effectiveness of the internal control systems. The head of internal audit reports to Ms. Yau Ching Man, the Head of Operations of the Group and a member of SLT, and to the Audit Committee.

風險管理及內部監控(續)

董事會承認其對本公司風險管理及內部監控系統負責，並有責任檢討該等制度的有效性。風險管理及內部監控系統確保本集團在內部審計及財務匯報方面的資源、員工的資歷及經驗足夠，以及員工所接受的培訓課程及有關預算充足。系統旨在管理而非消除未能達成業務目標的風險，而且只能就重大失實陳述或損失作出合理而非絕對的保證。

業務風險乃透過每年進行的對所有業務方面的詳盡審查予以確定。彼等的風險水平及相關的控制有效性乃基於一組批准的標準進行評估。倘認為有必要進一步控制所識別的風險，則識別額外的措施。詳盡審查的結果記錄在風險登記冊中，用於半年一次的審查。為確保實現該目的，風險管理系統有效性的評估涵蓋在內部審計程序中。

董事會於二零一三年採納本集團資訊政策及處理內部資訊指引，並於二零一六年十二月一日修訂上述政策及指引。本集團成立一個團隊以管理及控制內幕消息（「內幕消息團隊」）。內幕消息團隊成員包括任何董事會成員、集團財務總裁、公司秘書部代表及任何授權人員。內幕消息團隊成員審查及監督本集團的活動以識別是否存在任何內幕消息，並作出任何準確及充分的披露。

本集團於截至二零一六年十二月三十一日止年度成立風險管理團隊，專責辨識、評估及管理重大風險，並定期向領導團隊成員匯報。領導團隊成員已就二零一五年六月一日至二零一六年五月三十一日期間的風險管理及內部監控進行評估，並向董事會提交該風險管理報告。

Risk Management and Internal Control (Continued)

The Directors acknowledge their responsibility for the risk management and internal control systems of the Company and reviewing their effectiveness. The risk management and internal control systems ensure the adequacy of resources, staff qualifications and experience, training programmes and budget, internal audit and financial reporting functions of the Group. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The business risks are identified through a detail review on all business aspects conducted annually. Their risk level and associated controls effectiveness are assessed based on a set of approved standards. Additional measures are identified if it is deemed to be necessary to further control the identified risks. The result of the detail review is documented in the Risk Register for half yearly review. For assurance purpose, the assessment of the risk management system effectiveness is covered in the Internal Audit process.

The Board adopted the Group Information Policy and Guidelines for Handling Inside Information in 2013 and revised the aforesaid policy and guidelines on 1 December 2016. The Group formed a team to manage and control the inside information (the "IS Team"). The IS Team members include any Board members, the Chief Financial Officer, a representative from the Company Secretarial Department and any authorised persons. The IS Team members review and monitor the Group's activities to identify if there is any inside information and to make any accurate and adequate disclosure.

During the year ended 31 December 2016, the Group established a risk management team. The team is responsible for identifying the risk of the Group, managing the risk and reporting their duties to the SLT regularly. The SLT reviewed the risk management and internal control systems for the period from 1 June 2015 to 31 May 2016 and the risk management annual report was submitted to the Board.

風險管理及內部監控(續)

董事會持續監督本公司的風險管理及內部監控系統，最少每年檢討一次本公司的風險管理及內部監控系統，包括財務監控、運作監控及合規監控等主要監控之有效性。董事會已於二零一六年八月十九日舉行的董事會會議中，確認完成二零一五年六月一日至二零一六年五月三十一日期間的風險管理及內部監控評估，並評定該段期間的風險管理及內部監控為有效及足夠。董事會將於二零一七年進行二零一六年下半年的風險管理及內部監控評估。

核數師之酬金

截至二零一六年十二月三十一日止年度，已付予／應付予本集團外聘核數師德勤•關黃陳方會計師行之費用如下：

所提供之服務	Services rendered
審核服務	Audit services
非審核服務	Non-audit services
審閱中期報告	Interim review

股東權益

本公司只有一個類別的股份。所有股份有相同的投票權及有權獲得宣派的股息。股東權益(除其他事項外)已列載於本公司的重列組織章程細則(「重列章程細則」)及開曼群島公司法。

Risk Management and Internal Control (Continued)

The Board oversees the Company's risk management and internal control systems on an ongoing basis. A review of the effectiveness of the Company's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, is conducted by the Board at least annually. The effectiveness of the risk management and internal control systems was reviewed by the Board at the Board meeting held on 19 August 2016 to identify, evaluate and manage significant risks. The Board confirmed that the effectiveness of the risk management and internal control systems for the period from 1 June 2015 to 31 May 2016 was reviewed and is considered effective and adequate. The Board will review the same for the second half year of 2016 in the year of 2017.

Auditor's Remuneration

For the year ended 31 December 2016, the fee paid/payable to the Group's external auditor, Messrs. Deloitte Touche Tohmatsu, is set out as follows:

付／應付酬金 Fee paid/payable
千港元 HK\$'000
4,250
720

Shareholders' Rights

The Company has only one class of shares. All shares have the same voting rights and are entitled to all dividend declared. The rights of the shareholders are set out in, amongst other things, the restated articles of association of the Company (the "Restated Articles") and the Companies Law of the Cayman Islands.

股東召開股東大會的權利與程序

根據重列章程細則第68條，股東大會可應本公司兩名或以上股東之書面要求而召開，有關要求須送達本公司於香港之主要營業地點(或倘本公司不再設置上述主要營業地址，則為註冊辦事處)，當中列明大會之主要商議事項並由請求人簽署，惟該等請求人於送達要求之日須持有本公司不少於十分之一附帶於本公司股東大會投票權之繳足股本。

股東大會亦可應本公司任何一名股東(彼為一間認可結算所(或其代理人))之書面要求而召開，有關要求須送達本公司於香港之主要營業地點(或倘本公司不再設置上述主要營業地址，則為註冊辦事處)，當中列明大會之主要商議事項並由請求人簽署，惟該請求人於送達要求之日須持有本公司不少於十分之一附帶於本公司股東大會投票權之繳足股本。

倘董事會於送達要求之日起計二十一日內並無按既定程序於往後的二十八日內召開大會，則請求人自身或代表彼等所持全部投票權50%以上之任何請求人可按盡量接近董事會召開大會之相同方式召開股東大會，惟按上述方式召開之任何大會不得於送達有關要求之日起計三個月屆滿後召開，且本公司須向請求人償付因應董事會未有召開大會而致使彼等須召開大會所合理產生之所有開支。

Rights and Procedures for Shareholders to convene a General Meeting

Pursuant to Article 68 of the Restated Articles, a general meeting shall be convened on the written requisition of any two or more shareholders deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which carries the rights of voting at the general meeting.

A general meeting may also be convened on the written requisition of any one shareholder which is a recognized clearing house (or its nominee) deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at the general meeting of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 28 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

股東召開股東大會的權利與程序(續)

根據重列章程細則第116條，概無任何退任董事外之人士(除非獲董事會推薦)有資格於股東大會上參選董事一職，除非於一段為期最少七日之期間(須不早於寄發指定進行選舉之大會之通告後一日開始，且不遲於有關大會日期前七日結束)內，由一名有權出席有關通告所指之大會並於會上投票之本公司股東(並非獲建議參選之人士)向公司秘書發出其有意建議該名人士參選之書面通知，而該名獲建議參選之人士亦發出書面簽署通知表明其參選之意願。

於股東大會上提呈建議

有關遞呈必須列明會議目的，並由遞呈要求人士按上述「股東召開股東大會的權利與程序」指引簽署及將相關文件送到本公司位於香港的總部及主要營業地點，且可由多份相類似之文件(各文件須由一名或多名遞呈要求人士簽署)組成。

向董事會提出詢問

股東可以書面形式向董事會提出詢問。股東可將相關書面詢問郵寄到公司位於香港的總部及主要營業地點，或透過本公司網頁(www.yipschemical.com)的「聯絡我們」以電郵方式提出。

Rights and Procedures for Shareholders to convene a General Meeting (Continued)

Pursuant to Article 116 of the restated Articles, no person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least 7 days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than 7 days prior to the date of such meeting, there has been given to the Company Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Putting Forward Proposals at Shareholders' Meeting

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the head office and Hong Kong principal place of business of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

Right to put enquiries to the Board

Shareholders may send their written enquiries to the Company by post to the head office and Hong Kong principal place of business of the Company or via e-mail through the Company's website (please refer to "Contact Us" at www.yipschemical.com).

股東會議

董事會致力與本公司股東(「股東」)維持溝通，為此本公司透過週年股東大會及其他股東大會與股東直接交流。

二零一六年週年股東大會於二零一六年六月七日舉行。各董事於是次會議之出席情況載列如下：

執行董事：	Executive Directors:	AGM Attendance 週年股東大會出席率
葉子軒先生	Mr. Yip Tsz Hin	0/1
王旭先生	Mr. Wong Yuk	1/1
何世豪先生	Mr. Ho Sai Hou	1/1
鄭國照先生	Mr. Kwong Kwok Chiu	1/1
非執行董事：	Non-executive Directors:	AGM Attendance 週年股東大會出席率
葉志成先生	Mr. Ip Chi Shing	1/1
唐滙棟先生	Mr. Tong Wui Tung	1/1
獨立非執行董事：	Independent Non-executive Directors:	AGM Attendance 週年股東大會出席率
黃廣志先生	Mr. Wong Kong Chi	1/1
古遠芬先生	Mr. Ku Yuen Fun	1/1
吳紹平先生	Mr. Ng Siu Ping	1/1

截至二零一六年十二月三十一日止年度，本公司的組織章程文件並無重大變動。重列組織章程細則更新版本已登載於本公司及聯交所網站內，並可向公司秘書要求提供查閱。

投資者關係及股東通訊

本集團致力在業務上每個環節維持高水平企業管治，適時向投資者及股東提供準確及具透明度的資訊，力求與持份者保持良好的雙向溝通。

Shareholders' Meetings

The Board strives to maintain an on-going dialogue with the shareholders of the Shareholders and in particular, through annual general meeting to communicate with Shareholders directly.

The 2016 AGM was held on 7 June 2016. The attendance of each Director at this meeting is shown in the table below:-

During the year ended 31 December 2016, there is no change in the Company's constitutional documents. The latest version of the Restated Articles of the Company is available on the Company's website, Stock Exchange's website and from the Company Secretary upon request.

Investor Relations and Communication with Shareholders

The Group strives to maintain a high level of corporate governance in every facet of its business; provide investors and shareholders with accurate, transparent and timely information; and seek good two-way communication with stakeholders.

投資者關係及股東通訊(續)

本集團深明與投資者和股東保持適時溝通之重要性。因此，本集團投資者關係及企業傳訊部定期與投資者和股東會面，透過持續性的對話，建立長期的良好關係。本集團每年在公佈中期及全年業績後隨即舉行大型投資者簡介會或電話會議，並且其後安排網上錄播，讓關注本集團業績的香港、國內及海外的投資者及股東能適時了解本集團的營運表現及重大的企業發展。

本集團亦會在公佈業績後主動與投資者及股東安排一對一會面或電話會議，由管理層解答問題，確保他們對公司的業績及發展有透徹的了解。本集團每年舉辦股東週年大會，通過直接和公開的對話，與股東保持良好的互動溝通。

二零一六年本集團投資者關係及企業傳訊部安排與本地、國內及海外股東、機構投資者、基金經理及研究分析員進行接近30次面對面會議或電話會議；年內本集團投資者關係及企業傳訊部接見了約50名本地、國內及海外投資者。該部門亦會根據需要安排投資者及股東參觀本集團的廠房，讓他們親身了解各業務的生產流程及營運情況。

Investor Relations and Communication with Shareholders (Continued)

The Group fully understands the importance of maintaining timely communication with investors and shareholders. For this, the Group's Investor Relations and Corporate Communications Department regularly holds meetings with investors and shareholders so as to build a good long-term relationship through continuing dialogues. Immediately after the announcement of interim and annual results every year, the Group will hold an investor briefing or audio conference. A webcast or recorded audio conference will also be hosted subsequently so that investors and shareholders from Hong Kong, the mainland or the overseas will be able to learn timely the Group's operating performance and major development.

After the results announcements the Group will also take the initiative to arrange meetings or teleconferences with investors and shareholders where the management will answer their questions to ensure that they have a thorough understanding of the results and development. In the annual general meeting of shareholders every year, the Group is able to maintain good interactive communication with shareholders through direct and open dialogues.

In 2016, the Investor Relations and Corporate Communications Department arranged around 30 face-to-face meetings or teleconferences with shareholders, institutional investors, fund managers and analysts from Hong Kong, the mainland and the overseas; the department met around 50 investors from Hong Kong, the mainland and the overseas in the year. In case of need, it would also arrange visits of the Group's plants for investors and shareholders so that they can understand the production process of each of the businesses and gain a better grasp of its operational situation.

投資者關係及股東通訊(續)

除了與機構投資者會面，本集團亦重視與零售投資者的溝通。因此，於年內舉辦了傳媒溝通會，向媒體更新集團最新的發展情況，藉此提升集團於零售投資者層面的知名度。為確保本集團的重要資訊能夠適時及公平地發佈，本集團廣泛利用集團網站上載中期及全年財務報告、公告、新聞稿和簡報等資料，讓投資者和股東可方便快捷地於網站內查閱及下載所需資料，讓各界緊貼集團的最新業務發展。本集團亦建立葉氏化工面書(Facebook)專頁及微信(WeChat)訂閱號，定期發放集團的最新資訊，亦藉此兩社交平台增加與本地、國內及海外持份者的交流。

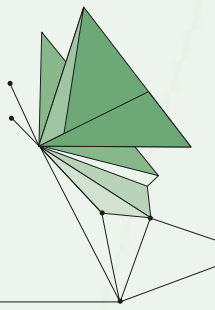
本集團在維持良好投資者關係的表現受到投資界的廣泛認可。年內獲得國際著名財經雜誌《財資》頒發「2016年度企業大獎—投資者關係標準金獎」。本集團將繼續遵守及時、公平及公開的原則，透過有效的渠道與投資者和股東保持雙向溝通，維持高水平的企業管治及公司透明度。

Investor Relations and Communication with Shareholders (Continued)

In addition to meeting with institutional investors, the Group also values its communication with retail investors. Therefore media conferences were held in the year to update media the Group's latest development and to raise the Group's profile at the retail investor level. To ensure the timely and fair announcement of important information about the Group, the Group is extensively using its corporate website for uploading interim and annual financial statements, announcements, press releases and presentation materials. Investors and shareholders can thus quickly and easily browse or download the information they need so that they can keep abreast of the latest development of the Group. The Group has also set up Yip's Chemical Facebook page and WeChat subscription page for posting the Group's latest information regularly. The Group expects to enhance constructive and engaging conversations with various stakeholders from Hong Kong, the mainland and the overseas through these social media platforms.

The Group has received widespread recognition from the investment community for its excellent investor relations work. It was awarded "2016 Corporate Gold Awards in Investor Relations Benchmarking" by *The Asset*.





Deloitte.

德勤

致葉氏化工集團有限公司股東
(於開曼群島註冊成立之有限公司)

意見

本核數師行已審核刊載於第113頁至第224頁有關葉氏化工集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報告，此綜合財務報告包括於二零一六年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報告附註，包括主要會計政策概要。

本行認為，該等綜合財務報告已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及貴集團於截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例適用之披露規定妥為編製。

意見的基礎

本行已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。本行就該等準則承擔的責任在本報告綜合財務報告審核一節作進一步闡述。根據香港會計師公會的專業會計師道德守則(「守則」)，本行獨立於貴集團，並已履行守則中的其他道德責任。本行相信，本行所獲得的審核憑證充足及適當地為本行的審核意見提供基礎。

To the Shareholders of Yip's Chemical Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Yip's Chemical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 113 to 224, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

關鍵審核事項

關鍵審核事項是根據本行的專業判斷，認為對審核本期綜合財務報告最為重要的事項。該等事項在本行審核整體綜合財務報告及出具意見時進行處理，而本行不會對該等事項提供單獨的意見。

關鍵審核事項	我們的審核如何處理關鍵審核事項
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貿易應收賬款之估值

本行確認貿易應收賬款之估值為關鍵審核事項，原因是呆賬按管理層的估計及判斷計提撥備。於釐定呆賬撥備時，管理層會考慮客戶的信貸記錄、結算模式、其後結算及貿易應收賬款的賬齡分析。

請參閱綜合財務報告附註20。

本行就貿易應收賬款進行估值的程序包括：

- 了解貴集團就貿易應收賬款的撥備政策及管理層對貿易應收賬款之可收回性的評估；
- 評估貴集團貿易應收賬款的撥備政策的合理性；
- 抽樣測試貿易應收賬款的賬齡分析之相關銷售發票；及
- 抽樣測試貿易應收賬款其後結算之相關銀行入數賬單或匯款單。

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
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Valuation of trade receivables

We identified the valuation of trade receivables as a key audit matter as the allowance for doubtful debts is based on estimation and judgement by management. In determining the allowance for doubtful debts, management considers the customers' credit history, settlement patterns, subsequent settlements and aging analysis of the trade receivables.

Refer to note 20 to the consolidated financial statements.

Our procedures in relation to valuation of trade receivables included:

- Obtaining an understanding of the Group's provision policy on trade receivables and management's assessment on the recoverability of trade receivables;
- Evaluating the reasonableness of the Group's provision policy on trade receivables;
- Testing the aging analysis of trade receivables, on a sample basis, to the relevant sales invoices; and
- Testing the subsequent settlements of trade receivables, on a sample basis, to the relevant bank-in slips or remittance advices.

關鍵審核事項(續)

關鍵審核事項 我們的審核如何處理關鍵審核事項

存貨估值

本行確認存貨估值為關鍵審核事項，原因是存貨撥備按管理層於報告期末後就識別過時存貨及製成品的估計銷售價格作出的估計及判斷作出。根據管理層對存貨可變現淨值之評估，經考慮現時市況、存貨的賬齡分析及其後銷售價格，就存貨計提撥備。

請參閱綜合財務報告附註19。

我們就存貨估值的程序包括：

- 了解貴集團就存貨撥備的撥備政策及管理層對存貨撥備的評估；
- 評估貴集團對存貨的撥備政策的合理性；
- 抽樣測試存貨的賬齡分析之相關採購發票及收貨文件；及
- 抽樣測試存貨的其後銷售或使用之相關銷售發票或存貨變動記錄。

Key Audit Matters (Continued)

Key audit matter

Valuation of inventories

We identified the valuation of inventories as a key audit matter as the allowance for inventories is made based on management's identification of aged or obsolete inventories and estimation and judgement on estimating selling price of finished goods subsequent to the end of reporting period. Allowance is applied to inventories based on assessment of net realisable value by the management, by considering the current market conditions, aging analysis and subsequent selling prices of the inventories.

Refer to note 19 to the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to valuation of inventories included:

- Obtaining an understanding of the Group's provision policy on inventories and management's assessment on the allowance for inventories;
- Evaluating the reasonableness of the Group's provision policy on inventories;
- Testing the aging analysis of inventories, on a sample basis, to the relevant purchases invoices and goods receipt documents; and
- Testing the subsequent sales or usage of inventories, on a sample basis, to the relevant sales invoices or stock movement records.

關鍵審核事項 (續)

Key Audit Matters (Continued)

關鍵審核事項

我們的審核如何處理關鍵審核事項

Key audit matter

How our audit addressed the key audit matter

中國大陸附屬公司未分配溢利應佔之暫時差異之遞延稅項

Deferred tax in respect of temporary differences attributable to the undistributed profits of subsidiaries in Mainland China

我們確認中國大陸附屬公司未分配溢利應佔之暫時差異之遞延稅項為關鍵審核事項，原因是該遞延稅項涉及管理層就該等附屬公司股息分派計劃的決定。根據股息分派計劃，管理層估計將獲中國大陸附屬公司分派的金額，並據此估計遞延稅項撥備。股息分派計劃的任何變動可能對應付預扣稅造成重大影響。

我們就貴集團對中國大陸附屬公司未分配溢利之遞延稅項估計的程序包括：

- 從管理層了解中國大陸所有附屬公司的最新股息分派計劃，以及彼等的判斷及考慮；
- 獲得管理層編製的遞延稅項賬目變動情況及核證年內中國大陸附屬公司實際已付預扣稅；及
- 評估遞延稅項採納的預扣稅率的適當性及合理性，並與管理層討論已確認遞延稅項的充裕性。

請參閱綜合財務報告附註25。

We identified deferred tax in respect of temporary differences attributable to the undistributed profits of subsidiaries in Mainland China as a key audit matter, as it involves the determination by management on the dividend distribution plan of these subsidiaries. Based on the dividend distribution plan, management estimates the amount to be distributed from subsidiaries in Mainland China and estimates the provision for deferred taxation accordingly. Any change to the dividend distribution plan could potentially have a significant effect on the withholding tax payable.

Refer to note 25 to the consolidated financial statements.

Our procedures in relation to Group's estimation of deferred tax on undistributed profits of subsidiaries in Mainland China included:

- Understanding from management the latest dividend distribution plan for all subsidiaries in Mainland China and their judgement and consideration thereon;
- Obtaining the movements of the deferred taxation accounts prepared by management and verifying the actual withholding tax paid by the subsidiaries in Mainland China during the year; and
- Evaluating the appropriateness and reasonableness of the withholding tax rate adopted for deferred tax calculation and discussing with management on the adequacy on the deferred tax being recognised.

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內的所有資料，但不包括綜合財務報告及本行的核數師報告。

本行對綜合財務報告的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的鑒證結論。

結合本行對綜合財務報告的審核，本行的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報告或我們在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於本行已執行的工作，如果本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行沒有任何報告。

董事及管治層就綜合財務報告須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的綜合財務報告，並對其認為為使綜合財務報告的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

管治層須負責監督貴集團的財務報告過程。

Other Information

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

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

核數師就審核綜合財務報告須承擔的責任

本行的目標，是對綜合財務報告整體是否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，並僅向閣下(作為整體)按照我們所協定的應聘條款出具包括本行意見的核數師報告，除此之外，本報告別無其他目的。本行不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港核數準則進行的審核，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，且倘合理預期該錯誤陳述(個別或整體)影響綜合財務報告使用者的經濟決策，則被視為重大錯誤陳述。

在根據香港核數準則進行審核的過程中，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告存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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.

核數師就審核綜合財務報告須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，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。如果本行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告中的相關披露，或假若有關的披露不足，則修訂本行的意見。本行的結論是基於核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報告的整體列報方式、結構和內容，包括披露，以及綜合財務報告是否中肯地呈列相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報告發表意見。本行負責集團審核的方向、監督和執行。本行為審核意見承擔全部責任。

本行與管治層溝通審核的計劃範圍及時間以及重大審核發現等，其中包括本行在審核中識別出內部控制的任何重大不足之處。

本行亦向管治層提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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.

獨立核數師報告

Independent Auditor's Report

核數師就審核綜合財務報告須承擔的責任(續)

從與管治層溝通的事項中，我們確定哪些事項對本期綜合財務報告的審核最為重要，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，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核項目合夥人是曾志偉。

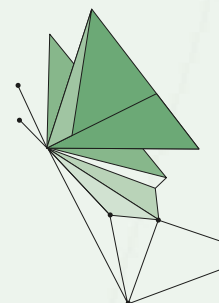
德勤•關黃陳方會計師行
執業會計師
香港
二零一七年三月二十一日

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 Tsang Chi Wai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21 March 2017



綜合損益及其他全面收益表 Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

		附註 Notes	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
營業額	Turnover	5	8,555,646	8,584,225
銷售成本	Cost of sales		(6,967,660)	(7,204,662)
毛利	Gross profit		1,587,986	1,379,563
其他收入	Other income		61,234	79,136
其他收益及虧損	Other gains and losses	7	(50,004)	(93,281)
銷售及經銷費用	Selling and distribution expenses		(421,390)	(388,624)
一般及行政費用	General and administrative expenses		(726,439)	(744,543)
利息費用	Interest expense	8	(59,475)	(70,217)
除稅前溢利	Profit before taxation	9	391,912	162,034
稅項	Taxation	10	(148,744)	(74,643)
本年純利	Profit for the year		243,168	87,391
其他全面(支出)收益：	Other comprehensive (expense) income:			
其後不會重新分類到損益的項目：	Items that will not be reclassified subsequently to profit or loss:			
因折算至呈報貨幣而產生之匯兌差額	Exchange differences arising on translation to presentation currency		(259,436)	(274,633)
物業重新估值收益	Gain on revaluation of properties		47,648	-
			(211,788)	(274,633)
其後可能會重新分類到損益的項目：	Items that may be reclassified subsequently to profit or loss:			
現金流對沖調整淨額	Net adjustments on cash flow hedges		14,215	(2,074)
因折算海外業務而產生之匯兌差額	Exchange differences arising on translation of foreign operations		(12,803)	(19,929)
			1,412	(22,003)
本年其他全面支出	Other comprehensive expense for the year		(210,376)	(296,636)
本年全面收益(支出)總額	Total comprehensive income (expense) for the year		32,792	(209,245)
本年純利應佔份額：	Profit for the year attributable to:			
本公司股東	Owners of the Company		169,343	47,847
非控股權益	Non-controlling interests		73,825	39,544
			243,168	87,391
全面收益(支出)總額應佔份額：	Total comprehensive income (expense) attributable to:			
本公司股東	Owners of the Company		(11,842)	(218,037)
非控股權益	Non-controlling interests		44,634	8,792
			32,792	(209,245)
每股盈利	Earnings per share	12		
— 基本	— Basic		HK30.0 cents 港仙	HK8.5 cents港仙
— 攤薄	— Diluted		HK30.0 cents 港仙	HK8.5 cents港仙

綜合財務狀況表
Consolidated Statement of Financial Position

於二零一六年十二月三十一日 At 31 December 2016

			二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
		附註 Notes		
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	13	1,597,930	1,723,360
預付土地租金	Prepaid lease payments	14	248,805	225,430
投資物業	Investment properties	15	226,330	93,200
商譽	Goodwill	16	69,574	69,574
無形資產	Intangible assets	17	1,217	2,461
購買物業、廠房及設備 及土地使用權訂金	Deposits paid for acquisition of property, plant and equipment and land use rights		36,089	178,131
其他非流動資產	Other non-current asset	18	4,600	4,600
衍生金融工具	Derivative financial instruments	23	4,468	140
			2,189,013	2,296,896
流動資產	Current assets			
存貨	Inventories	19	808,203	739,286
貿易應收款項及應收票據	Trade and bills receivables	20	2,804,610	2,733,113
其他應收賬款及預付款項	Other debtors and prepayments	20	353,591	288,567
預付土地租金	Prepaid lease payments	14	6,684	5,823
衍生金融工具	Derivative financial instruments	23	4,152	1,114
短期銀行存款	Short-term bank deposits	21		
— 於三個月內到期	— with original maturity within three months		49,175	22,525
— 多於三個月後到期	— with original maturity more than three months		—	24,363
銀行結餘及現金	Bank balances and cash	21	921,928	1,327,380
			4,948,343	5,142,171
流動負債	Current liabilities			
應付賬款及應計費用	Creditors and accrued charges	22	1,771,877	1,553,870
應付稅款	Taxation payable		72,002	41,200
衍生金融工具	Derivative financial instruments	23	311	13,809
借貸—一年內到期	Borrowings – amount due within one year	24	789,848	1,171,344
			2,634,038	2,780,223
流動資產淨值	Net current assets		2,314,305	2,361,948
總資產減流動負債	Total assets less current liabilities		4,503,318	4,658,844

綜合財務狀況表
Consolidated Statement of Financial Position

於二零一六年十二月三十一日 At 31 December 2016

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
		附註 Notes	
非流動負債	Non-current liabilities		
衍生金融工具	Derivative financial instruments	23	47
借貸 – 一年後到期	Borrowings – amount due after one year	24	3,084
遞延稅項負債	Deferred tax liabilities	25	1,603,819
			7,742
			1,498,330
			3,004,988
			1,614,645
			3,044,199
股本及儲備	Capital and reserves		
股本	Share capital	26	56,381
儲備	Reserves		2,472,868
本公司股東應佔權益	Equity attributable to owners of the Company		2,594,459
			2,529,249
非控股權益	Non-controlling interests		449,740
			475,739
			3,004,988

董事會已於二零一七年三月二十一日批准及授權刊發第113頁至第224頁的綜合財務報告，並由以下董事代表簽署：

The consolidated financial statements on pages 113 to 224 were approved and authorised for issue by the Board of Directors on 21 March 2017 and are signed on its behalf by:

葉志成
董事

葉子軒
董事

IP CHI SHING
DIRECTOR

YIP TSZ HIN
DIRECTOR

綜合權益變動表
Consolidated Statement of Changes in Equity

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

歸屬於本公司股東之權益
Attributable to owners of the Company

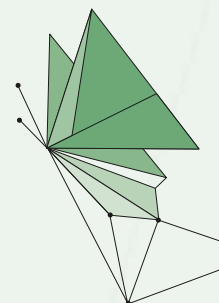
		購股權儲備		不可分派儲備		對沖儲備	匯兌儲備	法定儲備	資本回購儲備	物業重估儲備	保留溢利	合計	非控股權益		
		股本	股份溢價	Share option reserve	Non-distributable reserve								Share capital	Share premium	Share option reserve
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一五年一月一日	At 1 January 2015	56,276	566,986	8,836	67,666	(3,879)	402,998	57,047	5,416	38,321	1,751,341	2,951,008	449,688	3,400,696	
本年溢利	Profit for the year	-	-	-	-	-	-	-	-	-	47,847	47,847	39,544	87,391	
因折算而產生之匯兌差額不會重新分類到損益	Exchange differences arising on translation that will not be reclassified to profit or loss	-	-	-	-	-	(243,881)	-	-	-	-	(243,881)	(30,752)	(274,633)	
可能重新分類到損益之匯兌差額	Exchange difference that may be reclassified to profit or loss	-	-	-	-	-	(19,929)	-	-	-	-	(19,929)	-	(19,929)	
現金流量對沖調整淨額	Net adjustments on cash flow hedges	-	-	-	-	(2,074)	-	-	-	-	-	(2,074)	-	(2,074)	
本年全面支出總額	Total comprehensive expense for the year	-	-	-	-	(2,074)	(263,810)	-	-	-	47,847	(218,037)	8,792	(209,245)	
小計	Sub-total	56,276	566,986	8,836	67,666	(5,953)	139,188	57,047	5,416	38,321	1,799,188	2,732,971	458,480	3,191,451	
因購股權獲行使而發行股份之溢價	Shares issued at premium upon exercise of share options	95	2,433	(213)	-	-	-	-	-	-	-	2,315	-	2,315	
因發行股份而產生之費用	Expenses incurred in connection with issue of shares	-	(4)	-	-	-	-	-	-	-	-	(4)	-	(4)	
取消購股權及轉讓至保留溢利	Share options cancelled and transfer to retained profits	-	-	(1,390)	-	-	-	-	-	-	1,390	-	-	-	
轉賬	Transfer	-	-	-	-	-	-	26,993	-	-	(26,993)	-	-	-	
已付本公司股東股息	Dividends paid to owners of the Company	-	(64,876)	-	-	-	-	-	-	-	(75,947)	(140,823)	-	(140,823)	
已付附屬公司非控股股東股息	Dividends paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(8,740)	(8,740)	
於二零一五年十二月三十一日	At 31 December 2015	56,371	504,539	7,233	67,666	(5,953)	139,188	84,040	5,416	38,321	1,697,638	2,594,459	449,740	3,044,199	
本年溢利	Profit for the year	-	-	-	-	-	-	-	-	-	169,343	169,343	73,825	243,168	
因折算而產生之匯兌差額不會重新分類到損益	Exchange differences arising on translation that will not be reclassified to profit or loss	-	-	-	-	-	(230,281)	-	-	-	-	(230,281)	(29,155)	(259,436)	
可能重新分類到損益之匯兌差額	Exchange difference that may be reclassified to profit or loss	-	-	-	-	-	(12,803)	-	-	-	-	(12,803)	-	(12,803)	
現金流量對沖調整淨額	Net adjustments on cash flow hedges	-	-	-	-	14,251	-	-	-	-	-	14,251	(36)	14,215	
物業重新估值收益(扣除遞延稅項)	Gain on revaluation of properties (net of deferred tax)	-	-	-	-	-	-	-	-	47,648	-	47,648	-	47,648	
本年全面收益總額	Total comprehensive income for the year	-	-	-	-	14,251	(243,084)	-	-	47,648	169,343	(11,842)	44,634	32,792	
小計	Sub-total	56,371	504,539	7,233	67,666	8,298	(103,896)	84,040	5,416	85,969	1,866,981	2,582,617	494,374	3,076,991	
因購股權獲行使而發行股份之溢價	Shares issued at premium upon exercise of share options	10	205	(20)	-	-	-	-	-	-	-	195	-	195	
取消購股權及轉讓至保留溢利	Share options cancelled and transfer to retained profits	-	-	(1,278)	-	-	-	-	-	-	1,278	-	-	-	
註銷附屬公司之撥回	Release upon deregistration of subsidiaries	-	-	-	-	-	(10,771)	(9,911)	-	-	20,682	-	-	-	
轉賬	Transfer	-	-	-	-	-	-	44,078	-	-	(44,078)	-	-	-	
已付本公司股東股息	Dividends paid to owners of the Company	-	-	-	-	-	-	-	-	-	(53,563)	(53,563)	-	(53,563)	
已付附屬公司非控股股東股息	Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(18,635)	(18,635)	
於二零一六年十二月三十一日	At 31 December 2016	56,381	504,744	5,935	67,666	8,298	(114,667)	118,207	5,416	85,969	1,791,300	2,529,249	475,739	3,004,988	

不可分派儲備指部份於中國大陸的附屬公司將保留溢利用於資本再投資及以下各項之資金：(i)彌補以往年度虧損或(ii)擴大生產運作。

不可分派之法定儲備為香港以外附屬公司根據有關註冊地點之法定要求撥入之溢利。

The non-distributable reserve represents capitalisation of retained profits of certain subsidiaries established in Mainland China for capital re-investment in these subsidiaries and funds shall be used to (i) make up prior year losses or (ii) expand production operations.

The legal reserve is non-distributable and represents the transfer of profits of a subsidiary outside Hong Kong pursuant to the legal requirements in the relevant place of registration.



綜合現金流量表 Consolidated Statement of Cash Flows

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

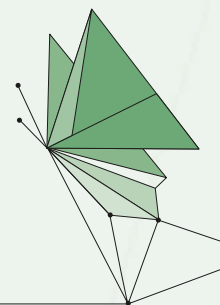
		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
經營業務之現金流	Cash flows from operating activities		
除稅前溢利	Profit before taxation	391,912	162,034
經以下調整：	Adjustments for:		
無形資產攤銷	Amortisation of intangible assets	1,203	1,260
預付土地租金攤銷	Release of prepaid lease payments	5,718	6,053
物業、廠房及 設備之折舊	Depreciation of property, plant and equipment	136,946	133,353
投資物業公允值增加	Increase in fair value of investment properties	(5,125)	(19,400)
衍生金融工具 公允值之變化	Fair value change on derivative financial instruments	(9,686)	(13,105)
利息費用	Interest expense	59,475	70,217
利息收入	Interest income	(18,511)	(32,593)
出售／註銷物業、 廠房及設備及土地 使用權之虧損淨額	Net loss on disposals/written-off of property, plant and equipment and land use rights	20,364	13,423
呆壞賬準備	Allowance for bad and doubtful debts	21,718	50,062
滯銷存貨準備	Allowance for slow moving inventory	12,934	20,131
收回已作呆賬準備之 款項	Amount recovered from doubtful debts	(5,017)	(539)
折算往來公司賬戶 結餘之匯兌差額	Effect of foreign exchange rate changes on intra-group balances	24,067	(20,370)
未計營運資金變動前之 經營業務現金流	Operating cash flows before movements in working capital	635,998	370,526
存貨(增加)減少	(Increase) decrease in inventories	(125,277)	811
貿易應收賬款及應收票據 (增加)減少	(Increase) decrease in trade and bills receivables	(252,864)	574,234
其他應收賬款及預付款項 (增加)減少	(Increase) decrease in other debtors and prepayments	(94,397)	112,827
應付賬款及應計費用 增加(減少)	Increase (decrease) in creditors and accrued charges	322,590	(75,153)
營運所產生之現金	Cash generated from operations	486,050	983,245
支付中國大陸之企業所得稅	Enterprise Income Tax in Mainland China paid	(109,250)	(103,497)
經營業務所產生之 淨現金流入	Net cash from operating activities	376,800	879,748

綜合現金流量表

Consolidated Statement of Cash Flows

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

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
投資業務之現金流	Cash flows from investing activities		
存入多於三個月後到期之短期銀行存款	Placement of short-term bank deposits with original maturity more than three months	(100,000)	(24,363)
購買物業、廠房及設備之訂金	Deposits paid for acquisition of property, plant and equipment	(55,192)	(120,741)
購買物業、廠房及設備	Purchase of property, plant and equipment	(42,005)	(231,245)
提取多於三個月後到期之短期銀行存款	Withdrawal of short-term bank deposits with original maturity more than three months	124,363	24,964
已收利息	Interest received	18,511	32,593
出售物業、廠房及設備及土地使用權所得款項	Proceeds from disposal of property, plant and equipment and land use rights	3,229	910
投資業務所用之淨現金支出	Net cash used in investing activities	(51,094)	(317,882)
融資業務之現金流	Cash flows from financing activities		
償還借貸	Repayment of borrowings	(2,749,751)	(3,215,122)
支付利息	Interest paid	(59,475)	(70,217)
支付股息	Dividends paid	(53,563)	(140,823)
支付附屬公司非控股股東股息	Dividends paid to non-controlling shareholders of subsidiaries	(18,635)	(8,740)
新增借貸	Borrowings raised	2,220,907	2,906,875
發行股份所得款項	Proceeds from issue of shares	195	2,315
股份發行費用	Share issue expenses	-	(4)
融資業務所用之淨現金支出	Net cash used in financing activities	(660,322)	(525,716)
現金及現金等額淨(減少)增加	Net (decrease) increase in cash and cash equivalents	(334,616)	36,150
本年初時之現金及現金等額	Cash and cash equivalents at beginning of the year	1,349,905	1,342,723
匯率變動所產生之影響	Effect of foreign exchange rate changes	(44,186)	(28,968)
本年底時之現金及現金等額	Cash and cash equivalents at end of the year	971,103	1,349,905
現金及現金等額結餘分析	Analysis of balances of cash and cash equivalents		
銀行結餘及現金	Bank balances and cash	921,928	1,327,380
於三個月內到期之短期銀行存款	Short-term bank deposits with original maturity within three months	49,175	22,525
		971,103	1,349,905



1. 緒言

本公司為一間在開曼群島註冊成立之豁免公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點於本年報公司資料內披露。

綜合財務報告以港元呈列，而本公司之功能貨幣為人民幣（「人民幣」）。本公司選擇港元作為其呈報貨幣之原因，是基於本公司股份乃於聯交所上市之公眾公司，而大部份投資者位於香港。

本公司為一間投資控股公司，其主要附屬公司從事製造及買賣溶劑、塗料、油墨及潤滑油業務。

2. 新訂及經修訂香港財務報告準則（「香港財務報告準則」）的應用

於本年度強制生效的經修訂香港財務報告準則

於本年度，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則之修訂：

香港財務報告準則第11號之修訂	收購共同經營權益的會計法
香港會計準則第1號之修訂	披露計劃
香港會計準則第16號及香港會計準則第38號之修訂	澄清折舊及攤銷之可用方法
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：綜合豁免的應用
香港財務報告準則之修訂	香港財務報告準則二零一二年至二零一四年週期之年度改進

1. General

The Company is an exempted company incorporated in the Cayman Islands and its shares are listed on 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 to the annual report.

The consolidated financial statements are presented in Hong Kong dollars while the functional currency of the Company is Renminbi ("RMB"). The reason for selecting Hong Kong dollars as its presentation currency is because the Company is a public company with the shares listed on the Stock Exchange, where most of its investors are located in Hong Kong.

The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacture of and trading in solvents, coatings, inks and lubricants.

2. Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied 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 HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: bearer plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle

綜合財務報告附註

Notes to the Consolidated Financial Statements

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

2. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

於本年度強制生效的經修訂香港財務報告準則(續)

於本年度採用香港財務報告準則之修訂，對本集團於本年度或過往年度之財務表現及財務狀況及／或載於該等綜合財務報告內之披露並無重大影響。

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早採用下列已頒佈但尚未生效之新訂或經修訂之香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收益及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號之修訂	釐清及計量以股份為基礎付款之交易 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營或合營企業之間的資產出售或注資 ³
香港會計準則第7號之修訂	披露計劃 ⁴
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 ⁴
香港財務報告準則之修訂	香港財務報告準則二零一四年至二零一六年之年度改進 ⁵

- 1 於二零一八年一月一日或之後開始之年度期間生效。
- 2 於二零一九年一月一日或之後開始之年度期間生效。
- 3 於待釐定日期或之後開始之年度期間生效。
- 4 於二零一七年一月一日或之後開始之年度期間生效。
- 5 於二零一七年一月一日或二零一八年一月一日(如適用)或之後開始之年度期間生效。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

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

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 or prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new or amendments to 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
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ¹
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 7	Disclosure initiative ⁴
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses ⁴
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 cycle ⁵

- 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 2017.
- 5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, or appropriate.

2. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則第9號 金融工具

香港財務報告準則第9號納入有關金融資產及金融負債的分類及計量、一般對沖會計處理及金融資產減值要求的新規定。

香港財務報告準則第9號與本集團相關之主要規定載述如下：

- 香港會計準則第39號「金融工具：確認及計量」範圍內的所有已確認金融資產其後將按攤銷成本或公允值計量。具體而言，以旨在收取合約現金流量之業務模式持有及合約現金流量僅為支付本金及尚未償還本金之利息之債務投資，一般於其後會計期末按攤銷成本計量。其業務模式皆以收取合約現金流量及銷售金融資產為目的而持有的債務工具，及在債務工具合約條款中於指定日期而產生的現金流僅為支付尚未償還欠款的本金和利息，其計量乃透過其他全面收益按公允值入賬。所有其他債務投資及權益投資均於其後報告期末按公允值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，以於其他全面收益呈列權益投資(並非持作買賣者)公允值之其後變動，只有股息收入一般於損益確認。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

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 relevant to the Group are described as follows:

- all recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are 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 measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting 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. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則第9號 金融工具(續)

- 就指定為透過損益按公允值列賬之金融負債之計量而言，香港財務報告準則第9號規定該金融負債之信貸風險變動而引致的公允值變動之金額於其他全面收益內呈列，除非於其他全面收益中確認該負債信貸風險變動影響會導致或擴大損益上之會計錯配。金融負債之信貸風險引致之公允值變動其後不會重新分類至損益。根據香港會計準則第39號，指定為透過損益按公允值列賬之金融負債之整筆公允值變動金額於損益呈列。
- 關於金融資產減值，香港財務報告準則第9號規定一項預期信用損失模型，而非香港會計準則第39號項下一項已發生的信用損失模型。該預期信用損失模型規定一個實體須計算其預期信用損失及在各報告期末的預期信用損失之變動，以反映自初始確認後的信用風險變動。換句話說，現已不再需要有信用事件經已發生才可確認信用損失。
- 新一般對沖會計法規定保留了香港會計準則第39號的三類對沖會計法。根據香港財務報告準則第9號，可作對沖會計之交易類別已引入更大靈活性，尤其是擴闊合資格作為對沖工具之工具類別及可作對沖會計之非金融項目之風險分部類別。此外，已毋須再做追溯的量化效益測試，而提升了的披露規定亦已引入有關實體風險管理活動。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 9 Financial instruments (Continued)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss ("FVTPL"), HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.
- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

2. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則第9號 金融工具(續)

根據本集團於二零一六年十二月三十一日之金融工具及風險管理政策，日後應用香港財務報告準則第9號對本集團的金融資產之分類及計量可能產生影響。此外，預期信貸虧損模式可能導致對本集團按攤銷成本計量的金融資產尚未產生之信貸虧損作出提前撥備。

香港財務報告準則第15號 客戶合約收益

香港財務報告準則第15號已頒佈並建立了一個單一的綜合模型，以供實體對來自客戶合約的收益進行會計處理時使用。當香港財務報告準則第15號生效時，將取代現時的收益確認指引，包括香港會計準則第18號「收益」，香港會計準則第11號「建築合約」及相關的詮釋。

香港財務報告準則第15號的核心原則乃一個實體應確認收益，以體現向客戶轉讓承諾的貨品或服務，其金額為反映實體預期交換該等貨品或服務而應得的代價。具體來說，該準則引入收益確認五步法：

- 第1步：識別與一個客戶的合約
- 第2步：識別合約內的履約義務
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合約內的履約義務
- 第5步：當實體履行履約義務時確認收益

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

HKFRS 9 Financial instruments (Continued)

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have an impact on the classification and measurement of the Group’s financial assets. In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs.

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 contracts” and the related Interpretations when it becomes effective.

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

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則第15號 客戶合約收益(續)

根據香港財務報告準則第15號，當一個實體履行履約義務時確認收益，即當特定履約義務相關貨品或服務的「控制權」轉移至客戶時。香港財務報告準則第15號內已加入更為規範的指引以處理特別的情況。此外，香港財務報告準則第15號亦要求廣泛的披露。

於二零一六年，香港會計師公會就香港財務報告準則第15號有關識別履約責任、委託人與代理的考量及許可應用指引頒佈澄清事項。

本公司董事預期應用香港財務報告準則第15號或會導致更多披露，然而，本公司董事預期應用香港財務報告準則第15號不會對於各報告期確認的收益之時間及金額產生重大影響。

香港財務報告準則第16號 租賃

香港財務報告準則第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。香港財務報告準則第16號將於生效時取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制區分租賃及服務合約。除短期租賃及租賃低值資產外，經營租賃與融資租賃的差異自承租人會計處理中撤銷，並以承租人須就所有租賃確認使用權資產及相應負債的模式取代。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

HKFRS 15 Revenue from contracts with customers (Continued)

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.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

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. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則第16號租賃(續)

使用權資產初步按成本計量，而其後則按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量作出調整。租賃負債初步按並非於該日支付的租賃付款現值計量。其後，租賃負債就利息及租賃付款以及(其中包括)租賃修訂的影響作出調整。就現金流量分類而言，本集團現時將有關租賃土地的前期預付租金款項呈列為與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，而其他經營租賃付款則呈列為營運現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃付款將分配為本金及利息部分，並呈列為融資現金流量。

根據香港會計準則第17號，本集團已確認融資租賃安排的一項資產及一項相關融資租賃負債，並已確認租賃土地(本集團為承租人)的預付租金款項。應用香港財務報告準則第16號將可能導致該等資產的分類發生潛在變動，視乎本集團單獨呈列使用權資產或於倘擁有資產時將呈列的相應有關資產的同一項目呈列。

與承租人會計處理相反，香港財務報告準則第16號充分推進香港會計準則第17號的出租人會計處理規定，並繼續要求出租人將租賃分類為經營租約或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

2. Application of New and Amendments to 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 and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the 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 cash flows.

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.

2. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用(續)

香港財務報告準則第16號租賃(續)

於二零一六年十二月三十一日，如附註31所披露，本集團有不可撤銷的經營租約承擔約86,948,000港元。初步評估顯示該等安排將符合香港財務報告準則第16號項下租賃的定義，因此本集團將就所有該等租賃確認使用權資產及對應負債，除非於應用香港財務報告準則第16號時其符合低價值或短期租賃。此外，應用新規定可能導致上文所述的計量、呈列及披露有所變動。然而，在本公司董事進行詳細檢討前，要對財務影響作出合理估計並不可行。

本公司董事預計應用其他新訂及經修訂香港財務報告準則將不會對本集團業績及財務狀況造成重大影響。

3. 主要會計政策

本綜合財務報告根據香港會計師公會所頒佈之香港財務報告準則編撰。此外，本綜合財務報告包括了聯交所證券上市規則(「上市規則」)及香港公司條例(「公司條例」)所規定之適用披露。

本綜合財務報告按歷史成本法編撰，除了若干金融工具及投資物業乃按公允值計量，有關說明在下文會計政策載述。

歷史成本通常按交換貨品及服務所付代價之公允值計算。

2. Application of New and Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

HKFRS 16 Leases (Continued)

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$86,948,000 as disclosed in note 31. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

The directors of the Company anticipate that the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

3. Significant Accounting Policies

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. 主要會計政策(續)

公允值指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格為直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公允值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的那些特徵。在本綜合財務報告中計量及／或披露的公允值均在此基礎上予以確定，但香港財務報告準則第2號範圍內的以股份支付交易、香港會計準則第17號範圍內的租賃交易、以及與公允值類似但並非公允值的計量(例如香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值)除外。

此外，就財務報告而言，公允值計量根據公允值計量的輸入數據可觀察程度及公允值計量的輸入數據對其整體的重要性分類為第一級、二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

3. Significant Accounting Policies

(Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

綜合財務報告附註

Notes to the Consolidated Financial Statements

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

3. 主要會計政策(續)

主要會計政策載列如下。

綜合基準

本綜合財務報告包含本公司及由本公司及其附屬公司控制之實體之財務報告。取得控制權是指本公司：

- 對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力以影響該等回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。

當本集團取得附屬公司之控制權，便將該附屬公司綜合入賬；當本集團失去附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

損益及其他全面收益各項目均歸屬於本公司股東及非控股權益。附屬公司的全面收益總額歸屬於本公司股東及非控股權益，即使此舉會導致非控股權益的結餘為負數。

在必要時，本集團會將附屬公司財務報告作出調整，以令其會計政策與本集團所採用者一致。

與本集團成員公司間交易有關之所有集團內公司間之資產及負債、權益、收入、開支及現金流量均在編製綜合賬目時完全抵銷。

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 a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income 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.

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

All intragroup 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)

業務合併

收購業務採用收購法入賬。業務合併所轉讓的代價按公允值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人產生的負債及本集團於交換被收購方的控制權發行的股本權益於收購日之公允值總額。有關收購的成本一般於產生時在損益中確認。

於收購日期，所收購之可識別資產及所承擔之負債乃按公允值確認，惟以下情況除外：

- 遞延稅項資產或負債及僱員福利安排相關的資產或負債分別按香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方的以股份為基礎的付款安排或為取代被收購方的以股份為基礎的付款安排而訂立的本集團的以股份為基礎的付款安排有關的負債或權益工具，乃於收購日期按香港財務報告準則第2號「以股份支付交易」計量(請參閱以股份支付交易的會計政策)；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產(或出售組別)根據該準則計量。

3. Significant Accounting Policies

(Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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

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

3. 主要會計政策(續)

業務合併(續)

商譽是以所轉讓之代價、被收購方任何非控股權益金額、及收購方以往所持有之被收購方股權之公允值(如有)之總和,減所收購之可識別資產及所承擔之負債於收購日期之淨值後,所超出之差額計值。倘經重估後,所收購之可識別淨資產與所承擔負債於收購日期之淨額高於轉讓之代價、非控股權益於被收購方中所佔金額以及被收購方以往持有之收購方股權之公允值(如有)之總和,則差額即時於損益內確認為議價收購收益。

非控股權益(屬於目前的擁有權權益及於進行清盤時賦予其持有人按比例分佔相關附屬公司資產淨值的權利)可初步按公允值或按非控股權益佔被收購方可識別資產淨值已確認金額的比例計量。計量基準乃按個別交易選取。其他類別的非控股權益乃按其公允值計量。

商譽

收購業務所產生的商譽,按於業務收購日期(請參閱業務合併的會計政策)的成本減任何累計減值虧損(如有)入賬。

為進行減值測試,商譽被分配到各相關因收購產生的協同效應而得益之現金產生單位,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過經營分類。

3. Significant Accounting Policies

(Continued)

Business combinations (Continued)

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) 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 purposes and not larger than an operating segment.

3. 主要會計政策(續)

商譽(續)

各被分配商譽之現金產生單位(或現金產生單位組合)每年一次或有出現減值跡象時更頻密地進行減值測試。就於某個報告期因收購而產生之商譽，被分配商譽之現金產生單位(或現金產生單位組合)於該報告期完結前進行減值測試。當現金產生單位之可收回金額少於賬面值，則提取的減值虧損首先沖抵分配至該單位之商譽，其後按各資產賬面值的比例沖抵該單位(或現金產生單位組合)內其他資產。

當相關之現金產生單位被出售時，其相關之商譽將包括在出售損益金額的測算內。

物業、廠房及設備

物業、廠房及設備包括用作生產或提供貨物或服務或作為行政用途的樓宇、租賃土地(分類為融資租賃)及永久業權土地(下述在建工程除外)。其於綜合財務狀況表按成本值扣除其後累計折舊及累計減值損失(如有)列賬。

正在建造以供生產、供應或行政用途的物業，按成本減任何已確認的減值虧損列賬。成本包括專業費用及對合資格資產而言，根據本集團會計政策撥充資本的借貸成本。有關物業於完成及可供用於擬定用途時重新分類為適當類別的物業、廠房及設備。此等資產之折舊基準與其他物業資產相同，乃於資產可供用於擬定用途時開始計提。

3. Significant Accounting Policies

(Continued)

Goodwill (Continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, 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 based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment including buildings, leasehold land (classified as finance leases) and freehold land held for use in the production or supply of goods or services, or for administrative purposes (other than properties 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 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 categories of property, 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)

物業、廠房及設備(續)

除在建工程外，折舊乃按物業、廠房及設備項目之估計可用年限扣除估計剩餘價值後以直線法註銷。估計可使用年期、剩餘價值及折舊法於各報告期末檢討，而任何估計變動之影響按前瞻基準入賬。

當物業、廠房及設備項目因已證實結束業主自用而改變用途而變為投資物業時，該項目(包括相關預付土地租金)賬面值與公允值的差額於轉移日於其他全面收入確認及於物業重估儲備內累計。相關重估儲備於日後資產出售或報廢時，將直接轉入保留溢利。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何未來經濟利益時解除確認。因出售或報廢物業、廠房及設備項目而產生之任何溢利或虧損(按該資產之出售所得款項及賬面值間之差額計算)於損益確認。

發展中以將來供業主自用之樓宇

當樓宇正在發展過程中以供生產或行政用途，預付土地租金之攤銷於建築期內列入作為在建中樓宇之部分成本。在建中樓宇按成本減任何已識別減值虧損列賬。當樓宇可供使用時(即當樓宇已建於所在地點，並符合條件以管理層計劃之方式營運)則開始折舊。

3. Significant Accounting Policies

(Continued)

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of assets other than properties under construction 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.

If an item of property, 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 property, 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 property, 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.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

3. 主要會計政策(續)

投資物業

投資物業指持作賺取租金及／或持作資本增值之物業。投資物業包括持作未落實未來用途之土地，而該土地被視作持作資本增值用途。

投資物業初始按成本(包括任何直接引起之開支)計量。於初始確認後，投資物業乃按彼等之公允值計量。以經營租賃持有以賺取租金或實現資本增值之本集團所有物業權益均列為投資物業及採用公允值模式計量。投資物業公允值變動產生之收益或虧損乃於產生期間計入損益。

投資物業乃於出售或投資物業永久不再使用及預期不能由其出售中獲取任何未來經濟利益時解除確認。因解除確認該物業而產生之任何收益或虧損(按出售所得款項淨額與該資產賬面值兩者間之差額計算)計入解除確認該物業期間之損益。

無形資產

獨立收購之無形資產

獨立收購且具有有限使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期之無形資產於估計可使用年期內以直線法攤銷。估計可使用年期及攤銷方法於各報告期末進行審閱，而任何估計變動的影響則按前瞻基準入賬(參照下列有關有形資產和無形資產(商譽除外)減值虧損的會計政策)。

3. Significant Accounting Policies

(Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

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

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that acquired separately are carried at costs less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis (see the accounting policy in respect of impairment losses on tangible and intangible assets other than goodwill below).

3. 主要會計政策(續)

無形資產(續)

獨立收購之無形資產(續)

無形資產於出售或當預期使用或出售不會產生經濟利益時解除確認。因解除確認無形資產而產生之溢利或虧損乃按出售所得款項淨額與該資產之賬面值之差額計量，並於該資產解除確認時之損益中確認。

有形資產及無形資產(商譽除外)減值虧損

於報告期末，本集團檢討其具有有限使用年期之有形及無形資產之賬面值，以確定有否跡象顯示該等資產出現減值虧損。倘若有該等情況，將估計資產之可收回金額以釐定減值虧損的程度(如有)。倘若不大可能估計個別資產之可收回金額，則由本集團估計該資產所屬現金產生單位之可收回金額。倘可識別分配之合理及一致基準，則公司資產亦被分配至個別現金產生單位，或於其他情況下，按識別之合理及一致分配基準彼等被分配至現金產生單位的最小組合。

倘減值虧損其後撥回，則資產(或現金產生單位)賬面值須增加至其經修訂之估計可收回金額，惟該增加之賬面值不得超過往年度假設並無就資產(或現金產生單位)確認任何減值虧損下而釐定之賬面值。減值虧損撥回會即時確認為損益。

存貨

存貨以成本及可變現淨值兩者之較低者列賬。存貨成本採用加權平均法釐定。可變現淨值指存貨估計售價減完成之全部估計成本及銷售所需成本。

3. Significant Accounting Policies

(Continued)

Intangible assets (Continued)

Intangible assets acquired separately (Continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment losses on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a 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 sale.

3. 主要會計政策(續)

金融工具

金融資產及金融負債乃當某集團公司成為工具合約條文之訂約方時確認。

金融資產及金融負債按公允值初次確認。收購或發行金融資產及金融負債直接引起之交易成本(透過損益以公允值列賬之金融資產或金融負債除外)乃於初次確認時加入金融資產或金融負債之公允值或自金融資產或金融負債之公允值內扣除(如合適)。收購透過損益以公允值列賬之金融資產或金融負債直接引起之交易成本即時於損益內確認。

金融資產

本集團之金融資產主要分為貸款及應收款項。分類乃按金融資產之性質及目的，並於初次確認時釐定。所有定期購買或出售金融資產乃按交易日基準確認及解除確認。定期購買或出售金融資產乃購買或出售並需按市場規則或慣例設定之時間框架內轉移資產。

實際利率法

實際利率法是一種計算債務工具攤銷成本與分攤利息收入到相關期間之方法。實際利率是將估計未來現金收入(包括所有構成實際利率整體之付出或收取的費用及款項、交易成本及其他溢價或折讓)於債務工具預期年期或更短期間(如適用)精確貼現為初次確認的賬面淨值之貼現率。

債務工具的利息收入乃按實際利率基準確認。

3. Significant Accounting Policies

(Continued)

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 (other than financial assets or financial liabilities at FVTPL) 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 or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

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

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項乃並無於活躍市場報價之固定或可釐定付款之非衍生金融資產。於初次確認後，貸款及應收款項(包括貿易應收款項及應收票據、其他應收賬款、短期銀行存款及銀行結餘及現金)均按採用實際利率法計算之已攤銷成本減任何減值虧損計量(見下文有關金融資產減值的會計政策)。

金融資產減值

金融資產於各報告期末已作評估，以釐定是否存有減值跡象。倘出現客觀證據，即因金融資產初次確認後產生之一項或多項事件，令金融資產的估計未來現金流量受到影響，則金融資產視作要減值。

就其他金融資產而言，減值的客觀證據可能包括：

- 發行人或交易對方出現重大財政困難；或
- 違反合約，如拖欠或無力支付利息或本金；或
- 借款人有可能面臨破產或財務重組。

3. Significant Accounting Policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, other debtors, short-term bank deposits, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each 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 other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contracts, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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)

就若干類別的金融資產(如貿易應收款項)而言，亦不單獨作出減值評估的資產會一併作彙集減值評估。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30天至90天的還款數目上升、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。

就按已攤銷成本計量的金融資產而言，減值虧損金額以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)間的差額確認。

與所有金融資產有關的減值虧損會直接於金融資產的賬面值中作出扣減，惟貿易應收款項除外，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。當某一貿易應收款項及其他應收款項被視為不可收回時，其將於撥備賬內撇銷。於其後重新收取的已撇銷款項計入損益。

就以已攤銷成本計算的金融資產而言，倘於隨後期間減值虧損的數額減少，而此項減少可客觀地與確認減值後的某一事件聯繫，則先前確認的減值虧損於損益中予以撥回，惟於撥回減值當日的投資賬面值不得超逾假設未確認減值時的已攤銷成本。

3. Significant Accounting Policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For certain categories of financial assets, such as trade debtors 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 ranging from 30 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the 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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, 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 or other debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具

某集團公司發行之債務及權益工具乃根據合約安排之實質與金融負債及權益工具之定義分類為金融負債或權益。

權益工具

權益工具為證明擁有本集團資產剩餘權益(經扣除其所有負債)之任何合約。本集團發行之權益工具以已收所得款項(經扣除直接發行成本後)予以確認。

實際利率法

實際利率法是一種計算金融負債攤銷成本與分配利息支出到相關期間之方法。實際利率是將估計未來現金支出(包括所有構成實際利率整體之付出或收取的費用及點子、交易成本及其他溢價或折讓)於金融負債之預期年期或更短期間(如適用)精確貼現為初次確認期的賬面淨值之貼現率。

除按公允值計入損益之金融負債中的利息支出計入收益或虧損淨額外，利息支出乃按實際利率基準確認。

3. Significant Accounting Policies

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Debts and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

按公允值計入損益之金融負債

本集團按公允值計入損益之金融負債主要為衍生金融工具。

倘屬下列情況，金融負債則分類為持作買賣：

- 所收購之金融負債主要用於在不久將來購回；或
- 於初次確認時屬於本集團整體管理之可辨別金融工具組合之一部份，且近期事實上有出售以賺取短期溢利的模式；或
- 屬於非指定用作有效對沖的衍生工具。

按公允值計入損益之金融負債按公允值計量，重新計量產生之任何收益或虧損在損益中確認。

其他金融負債

其他金融負債(包括應付款項及借貸)乃隨後按實際利率法以攤銷成本計量。

衍生金融工具

衍生工具以衍生工具合約簽訂日之公允值作初次確認及其後以報告期末之公允值重新計量。所產生的收益或虧損將即時於損益內確認，除非該衍生工具是指定而有效之對沖工具，在此情況下，於損益內確認的時間取決於對沖關係的性質。

不符合對沖會計法之衍生工具被視為持作買賣之金融資產或持作買賣之金融負債。

3. Significant Accounting Policies

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

(Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL of the Group are mainly derivative financial instruments.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near future; or
- on initial recognition it is a part of a portfolio of an identified financial instrument that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities (including creditors and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

Derivatives that do not qualify for hedge accounting are deemed as financial assets held for trading or financial liabilities held for trading.

3. 主要會計政策(續)

金融工具(續)

對沖會計法

本集團指定某些衍生工具(即利率掉期合約)用作浮息銀行借貸現金流量之對沖。

於對沖關係之開始，本集團記錄對沖工具和被對沖項目的關係，及進行各類對沖交易之風險管理目標及其策略。此外，於對沖開始和進行期間，本集團記錄歸屬於對沖風險之對沖工具是否能高度有效地抵銷被對沖項目的現金流量變動。

現金流量對沖

指定和符合現金流量對沖之衍生工具公允值變動，其有效部份於其他全面收益內確認及於對沖儲備內累計。其無效部份之收益或虧損，即時於損益內確認及計入「其他收益及虧損」排列項。

先前於其他全面收益確認及於權益累計之金額於被對沖項目在損益內確認時，會重新分類至損益內，一併列於確認之被對沖項目內。然而，若被對沖之預期交易導致確認一項非金融資產或非金融負債，則先前於其他全面收益確認並於現金流量對沖儲備中累計之收益及虧損自現金流量對沖儲備內轉出，並計入非金融資產或非金融負債之成本初步計量中。

3. Significant Accounting Policies

(Continued)

Financial instruments (Continued)

Hedge accounting

The Group designates certain derivatives as hedges of the cash flow of floating-rate bank borrowings (i.e. interest rate swap contracts).

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in the cash flow hedging reserve are transferred from the cash flow hedging reserve and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

3. 主要會計政策(續)

金融工具(續)

現金流量對沖(續)

當本集團解除對沖關係、對沖工具已屆滿、售出、終止、行使或不再符合對沖會計法，對沖會計法將被終止。當時於其他全面收益內確認及於權益累計之任何收益或虧損將保留於權益內，並在預測交易最終於損益確認時確認。當預測交易不再預期發生，累計至權益的收益或虧損即時於損益確認。

解除確認

本集團僅於資產收取現金流量的合約權利屆滿時，或向另一實體轉讓金融資產及資產擁有權絕大部份風險及回報時解除確認金融資產。倘本集團並無轉讓或保留所有權的絕大部份風險及回報並繼續控制所轉讓資產，則本集團確認其在資產中的權益及其可能須支付金額的相關負債。倘本集團保留已轉讓金融資產擁有權絕大部份風險及回報，本集團可繼續確認金融資產，亦可就已收取之所得款項確認已抵押借貸。

於全面解除確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收益及於權益內確認之累計收益或虧損之差額，將於損益中確認。

當且僅當本集團之責任獲解除、註銷或已到期時，則會解除確認金融負債。解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。

3. Significant Accounting Policies

(Continued)

Financial instruments (Continued)

Cash flow hedges (Continued)

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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.

3. 主要會計政策(續)

租賃

倘若租賃條款在實質上轉移了與所有權有關之幾乎全部風險和報酬予承租人，租賃會歸類為融資租賃。所有其他租賃均歸類為經營租賃。

本集團作為出租人

經營租賃之租金收入乃按相關租約年期以直線法於損益中確認。

本集團作為承租人

經營租賃(包括以經營租賃持有土地的收購成本)乃按相關租約年期以直線法確認為支出。經營租賃產生之或然租金於產生期間確認為開支。

把訂立經營租賃而收取的租賃獎勵確認為負債，以直線法將獎勵的利益總額沖減租金費用。

租賃土地及樓宇

倘一項租賃同時包括土地及樓宇部分，則本集團根據對各部份的擁有權所附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立將各部份分類評估為融資或經營租賃，除非明顯兩個部份均為經營租賃則例外，在此情況下，整份租約分類為經營租賃。具體而言，最低租賃付款(包括任何一次支付之預付款項)乃按土地部份及樓宇部份於租約開始時的租賃權益相對公允值比例於土地及樓宇部份之間分配。

3. Significant Accounting Policies

(Continued)

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating lease, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

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

3. 主要會計政策(續)

租賃(續)

租賃土地及樓宇(續)

租金能夠可靠分配時，按經營租賃入賬之租賃土地權益於綜合財務狀況表中列為「預付土地租金」，並按直線法在租賃期間攤銷。當租金無法於土地及樓宇部份進行可靠分配時，整個租賃一般被分類為融資租賃。

收益之確認

收益乃按已收或應收代價之公允值計量。收益已就估計客戶退貨、回扣及其他類似備抵作出扣減。

收益金額可可靠地計量；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，方會確認收益。

貨品之銷售收益於已送交貨品及移交所有權之時予以確認。

金融資產產生之利息收入是所賺取之收入按未提取本金及適用實際利率以時間基準計算，有關利率乃將估計日後現金收款於金融資產預期年期精確貼現為初次確認的該資產賬面淨值之利率。

本集團就確認經營租賃收益的會計政策載於上文租賃之會計政策。

3. Significant Accounting Policies

(Continued)

Leasing (Continued)

Leasehold land and building (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

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.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

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

3. 主要會計政策(續)

外幣

於編製各個別集團公司之財務報告時，以該公司功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率確認。於報告期末，以外幣為定值之貨幣項目均按該日之適用匯率重新折算。按公允值以外幣定值之非貨幣項目乃按於公允值釐定當日之適用匯率重新折算。按外幣過往以成本計量之非貨幣項目毋須重新折算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額，於其產生期間在損益中確認，惟應收或應付海外業務而結算並無計劃亦不大可能發生(因此構成於海外業務投資淨額之一部分)之貨幣項目之匯兌差額則除外，該等匯兌差額初步於其他全面收益內確認，並於出售或部分出售本集團權益時自權益重新分類至損益賬。

就呈列綜合財務報告而言，本集團海外業務之資產及負債乃按於報告期末之適用匯率折算為本集團之呈列貨幣(即港元)，而收入及支出乃按該期間之平均匯率進行折算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)乃於其他全面收益內確認並累積於匯兌儲備項下權益內(非控股權益應佔，如適用)。

3. Significant Accounting Policies

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of 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 on 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 re-translated.

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, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

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. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

3. 主要會計政策(續)

外幣(續)

出售海外業務(即出售本集團於海外業務之全部權益,或涉及喪失對包括海外業務在內之附屬公司控制權之出售事項)時,就本公司股東應佔該項業務於權益中累計之所有匯兌差額會重新分類至損益。此外,就出售部份附屬公司但未導致本集團喪失對該附屬公司控制權而言,其應佔累計匯兌差額按相應比例計入非控股權益,且不會於損益確認。

於二零零五年四月一日或以後,於收購海外業務時而就收購可識別資產產生之有關商譽及公允值調整乃歸納為該海外經營業務之資產及負債,並按於報告期末之適用匯率進行折算。產生之匯兌差額乃於其他全面收益內確認。

於二零零五年四月一日之前,於收購海外業務時而就收購可識別資產而產生之有關商譽及公允值調整乃作收購者的非貨幣之外幣項目,並以收購日的歷史成本入賬。

借貸成本

收購、建造或生產合資格資產(為須耗用長時間以達至其擬定用途或可供出售之資產)之直接應佔借貸成本計入該等資產之成本,直至該等資產大致可達至其擬定用途或可供出售時為止。

特定借貸在等候合資格資產開支前,用作短期投資所得之投資收入須從合資格資本化之借貸成本中扣除。

所有其他借貸成本乃於其產生期間在損益中確認。

3. Significant Accounting Policies

(Continued)

Foreign currencies (Continued)

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), 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 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.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 April 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

政府補助金

當有合理保證本集團將會符合政府補助金所附條件及收取補助金時，方會確認政府補助金。

補償已產生開支或虧損或向本集團提供即時財務資助而不涉及日後相關費用之應收政府補助金，於成為應收期間在損益確認。

稅項

所得稅項支出包括當期應課稅額與遞延稅項總和。

當期應課稅額乃按年內之應課稅溢利計算。應課稅溢利有別於綜合損益及其他全面收益表內呈報之除稅前溢利，由於計算應課稅溢利包括一些於其他年度才須課稅或才獲扣減之收入及支出，一些毋須課稅及不獲扣減之項目亦包括在內。本集團現行稅項乃按現行稅率或報告期末時實際確立之稅率計算。

遞延稅項乃因綜合財務報告中資產及負債賬面金額與計算應課稅溢利的對應稅項基準出現暫時差異而確認。遞延稅項負債一般確認所有應課稅項目之暫時差異，而遞延稅項資產只確認可於日後用作扣減應課稅溢利而獲寬減稅項之暫時差異。如於交易中初次確認(商業合併除外)其他資產或負債，但並未對應課稅溢利或會計溢利造成影響而出現暫時差異，該等遞延資產或負債將不會確認。此外，倘暫時差異來自初次確認商譽，則遞延稅項負債不獲確認。

3. Significant Accounting Policies

(Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income and expense that are taxable or deductible in other years and items that are never taxable and deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債乃按於附屬公司之投資而引致之應課稅暫時差異而確認，惟若本集團可控制暫時差異之撥回及暫時差異有可能未必於可見將來撥回之情況則除外。當很可能取得足夠之應課稅溢利以抵扣與有關投資相關之暫時差異之利益，並且暫時差異在可預見未來將逆轉時，方確認可扣稅暫時差異所產生之遞延稅項資產。

遞延稅項資產之賬面金額應於每個報告期末再作檢討，其減少之幅度為應課稅溢利並未足夠收回全部或該部分資產。

遞延稅項資產及負債以報告期末已執行或實質上已執行之稅率(及稅法)為基礎，按預期於清償該負債或實現該資產期間應用之稅率計量。

遞延稅項負債及資產之計量反映本集團於報告期末預期收回或清償其資產及負債賬面金額之方式所導致之稅務後果。

就計量利用公允值模式計量之投資物業之遞延稅項負債或遞延稅項資產而言，賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於本集團的業務模式(其業務目標是隨時間而非透過銷售耗用投資物業所包含的絕大部分經濟利益)內持有時，有關假設會被推翻。

3. Significant Accounting Policies

(Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 assets 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.

3. 主要會計政策(續)

稅項(續)

現行稅項及遞延稅項於損益內確認，惟其與其他全面收益或直接於權益內確認的項目相關者除外，該等情況下，現行稅項及遞延稅項亦分別於其他全面收益或直接於權益內確認。倘因對業務合併進行初次會計處理而產生之現行稅項或遞延稅項，稅務影響乃計入業務合併之會計處理。

退休福利成本

當僱員提供服務賦予彼等權利獲得供款，向約定供款退休福利計劃作出之付款作為開支確認。

短期僱員福利

短期僱員福利於僱員提供服務時確認預計將支付福利之未貼現金額。所有短期僱員福利確認為開支，惟另一項香港財務報告準則要求或允許將有關福利納入資產成本則作別論。

在扣除已經支付之任何金額後，就僱員應得之福利(例如工資及薪金以及年假及病假)確認負債。

以股份支付交易

以股份安排為基礎的股份支付交易

授予僱員之購股權

所獲服務之公允值乃參考授出購股權日期之公允值釐定，倘授出之購股權立即歸屬，則於授出日期全數確認為開支，並相應增加權益(購股權儲備)。

當行使購股權時，以往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於授出日期後被放棄或於屆滿日仍未獲行使，以往於購股權儲備確認之金額將轉撥至保留溢利。

3. Significant Accounting Policies

(Continued)

Taxation (Continued)

Current and deferred tax is 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.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

When the share options are exercised, the amount previously recognised in the share option 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.

4. 主要會計判斷及估計不明朗因素之主要來源

於應用附註3所述之本集團會計政策時，本公司董事須對其他來源並未顯示的資產及負債的賬面價值作出判斷、估計及假設。估計及相關假設乃基於歷史經驗及董事認為相關的其他因素。實際結果或有別於有關估計。

估計及相關假設乃按持續經營基準檢討。倘會計估計之修訂僅影響估計獲修訂之期間，則會計估計之修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計之修訂於修訂及未來期間內予以確認。

(i) 應用會計政策的主要判斷

以下為除涉及估計的判斷(見下文)外，董事在應用本集團的會計政策時作出且對綜合財務報告內確認的金額具最重大影響力的主要判斷。

因中國大陸附屬公司未分配利潤的暫時性差異而引致的遞延稅項

本公司董事已審閱因中國大陸附屬公司未分配利潤的暫時性差異而引致的遞延稅項的計算方法，並確認本集團對中國大陸附屬公司股息分配計劃的意願及管理。本公司董事在作出判斷時已考慮本集團對營運現金的總體需求。

4. Critical Accounting Judgement and Key Sources of Estimation Uncertainty

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

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

(i) Critical judgement in applying accounting policies

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

Deferred tax in respect of temporary differences attributable to the undistributed profits of subsidiaries in Mainland China

The directors of the Company have reviewed the calculation of deferred tax in respect of the temporary differences attributable to the undistributed profits of subsidiaries in Mainland China, and confirmed the Group's intention and management on the dividend distribution plan of the subsidiaries in Mainland China. In making the judgement, the directors of the Company considered the overall needs of operating cash of the Group.

4. 主要會計判斷及估計不明朗因素之主要來源(續)

(ii) 估計不明朗因素之主要來源

以下乃於報告期末就未來及其他估計不明朗因素之主要來源所作出之主要假設，該等假設具重大風險，可能對下一個財政年度之資產及負債賬面值產生重大調整。

商譽之估計減值

釐定商譽有否減值須估計獲分配商譽之現金產生單位之使用價值。在計算使用價值時，本集團須估計該現金產生單位產生之未來現金流量，並以適當之貼現率計算其現值。於二零一六年十二月三十一日，商譽之賬面值為69,574,000港元（二零一五年：69,574,000港元）。可收回金額計算方法之詳情於附註16披露。

貿易應收賬款之估值

本集團根據應收賬款的可回收性之評估作出呆賬撥備。管理層根據貿易應收賬款之賬齡分析及其後付款識別呆賬。於釐定是否需要作出呆賬撥備時，本集團考慮客戶之過往信貸記錄、結算模式、其後付款及貿易應收賬款之賬齡分析。若貿易應收賬款之預期可回收性不同於原來估計，則該等差額將對該等估計變動期間之貿易應收賬款之賬面值及呆賬撥備產生影響。於二零一六年十二月三十一日，貿易應收賬款之賬面值為1,671,012,000港元（已扣除呆賬準備68,075,000港元）（二零一五年：賬面值為1,566,326,000港元（已扣除呆賬準備110,716,000港元））。

4. Critical Accounting Judgement and Key Sources of Estimation Uncertainty (Continued)

(ii) Key sources of estimation uncertainty

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units 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 cash-generating unit and a suitable discount rate in order to calculate the present value. As at 31 December 2016, the carrying amount of goodwill was HK\$69,574,000 (2015: HK\$69,574,000). Details of the recoverable amount calculation are disclosed in note 16.

Valuation of trade receivables

The Group makes allowance for doubtful debts based on assessment on the recoverability of trade receivables. The management identifies the doubtful debts based on aging analysis and the subsequent settlements of the trade receivables. In determining whether an allowance for doubtful debts is required, the Group takes into consideration of the customers' credit history, settlement patterns, subsequent settlements and aging analysis of the trade receivables. Where the expectation of the recoverability of trade receivables is different from the original estimate, such difference will impact the carrying value of the trade receivables and allowance for doubtful debts in the period in which such estimate has changed. As at 31 December 2016, the carrying amount of trade receivables is HK\$1,671,012,000 (net of allowance for doubtful debts of HK\$68,075,000) (2015: carrying amount of HK\$1,566,326,000 (net of allowance for doubtful debts of HK\$110,716,000)).

4. 主要會計判斷及估計不明朗因素之主要來源(續)

(ii) 估計不明朗因素之主要來源(續)

公允值計量及估值過程

就財務報告而言，本集團若干資產及負債按公允值計量。本集團管理層負責釐定公允值計量的適當估值技術及輸入數據。

在估計資產或負債的公允值時，本集團盡可能使用可觀察市場數據。在並無第一級的輸入數據的情況下，本集團委聘第三方合資格估值師進行估值。本集團管理層與合資格外聘估值師緊密合作設立適用的估值模型技術及輸入數據，並向本公司董事會彙報估值發現結果以解釋資產及負債公允值波動的原因。

於估計若干類別金融工具的公允值時，本集團採用包括並非根據可觀察市場數據之輸入數據的估值技術。有關釐定各種資產及負債公允值所用估計技術、輸入數據及主要假設的詳細資料載於附註15及28。

4. Critical Accounting Judgement and Key Sources of Estimation Uncertainty (Continued)

(ii) Key sources of estimation uncertainty (Continued)

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Group is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model, and will report the valuation findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Notes 15 and 28 provide detail information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities.

4. 主要會計判斷及估計不明朗因素之主要來源(續)

(ii) 估計不明朗因素之主要來源(續)

存貨之估值

本公司管理層審閱各報告期末之賬齡分析，並對已確定為不再適用於運營的已過時及滯銷庫存項目作出準備。可變現淨值之估計乃基於最近的發票價格及當前市況。當可變現淨值低於賬面值，可能產生減值虧損。於二零一六年十二月三十一日，存貨的賬面值約為808,203,000港元(已扣除滯銷存貨準備21,388,000港元)(二零一五年：739,286,000港元(已扣除滯銷存貨準備27,004,000港元))。

4. Critical Accounting Judgement and Key Sources of Estimation Uncertainty (Continued)

(ii) Key sources of estimation uncertainty (Continued)

Valuation of inventories

The management of the Group reviews an aged analysis at the end of each reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. Estimation of net realisable value are based on the latest invoice prices and current market condition. Where the net realisable value is less than the carrying amount, impairment loss may arise. As at 31 December 2016, the carrying amount of inventories is approximately HK\$808,203,000 (net of allowance for slowing moving inventory of HK\$21,388,000) (2015: HK\$739,286,000 (net of allowance for slowing moving inventory of HK\$27,004,000)).

5. 營業額及分類資料

營業額

營業額代表於年內向客戶銷售貨物之已收及應收款項，並扣除折扣及銷售相關稅項。

分類資料

從管理角度，本集團於香港財務報告準則第8號項下之呈列經營分類包括四個業務分類，即(i)溶劑、(ii)塗料、(iii)油墨及(iv)潤滑油。

本集團呈列之分類主要業務如下：

溶劑	—	製造及買賣單體溶劑及相關產品
塗料	—	製造及買賣塗料及相關產品
油墨	—	製造及買賣油墨及相關產品
潤滑油	—	製造及買賣潤滑油產品

經營分類之會計政策與附註3所述之本集團會計政策相同。

分類溢利指各分類在未有分配利息收入、衍生金融工具公允值之變化、投資物業公允值之變化、出售企業資產之盈虧、中央行政費用及利息費用前賺取的溢利。此為向本公司聯席行政總裁(本集團之主要營運決策者)報告之資料，旨在作出資源分配及表現評估。

5. Turnover and Segment Information

Turnover

Turnover represents the amount received and receivable for goods sold to customers during the year, net of discounts and sales related taxes.

Segment information

For management purposes, the Group's reportable operating segments under HKFRS 8 included four business divisions, namely (i) solvents, (ii) coatings, (iii) inks, and (iv) lubricants.

Principal activities of the Group's reportable segments are as follows:

Solvents	—	manufacture of and trading in raw solvents and related products
Coatings	—	manufacture of and trading in coatings and related products
Inks	—	manufacture of and trading in inks and related products
Lubricants	—	manufacture of and trading in lubricants products

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.

Segment profit represents the profit earned by each segment without allocation of interest income, fair value change on derivative financial instruments, fair value change of investment properties, gain or loss on disposal of corporate assets, central administration costs and interest expense. This is the information reported to the Co-Chief Executive Officers of the Company, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

5. 營業額及分類資料(續)

分類資料(續)

(a) 分類收益及業績

本集團於回顧年內按呈列及經營分類之營業額及業績分析如下：

5. Turnover and Segment Information

(Continued)

Segment information (Continued)

(a) Segment revenue and results

An analysis of the Group's turnover and results by reportable and operating segments for the year under review is as follows:

		呈列 分類總計 Reportable				交易抵銷	綜合	
		溶劑 Solvents	塗料 Coatings	油墨 Inks	潤滑油 Lubricants	segment total	Consolidated	
		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	
截至二零一六年十二月三十一日止年度 Year ended 31 December 2016 三十一日止年度								
分類收益	Segment revenue							
對外銷售	External sales	5,107,750	1,690,196	1,429,793	327,907	8,555,646	8,555,646	
分類間銷售	Inter-segment sales	117,565	5,884	2,076	50	125,575	(125,575)	
總額	Total	5,225,315	1,696,080	1,431,869	327,957	8,681,221	8,555,646	
業績	Results							
分類業績	Segment results	339,892	26,666	100,380	1,677	468,615	(99)	
外幣銀行貸款產生之 匯兌虧損(附註7)	Exchange loss arising from a foreign currency bank loan (note 7)							(10,583)
衍生金融工具公允價值之 變化(附註7)	Fair value change on derivative financial instruments (note 7)							9,686
投資物業公允價值變化之 收益(附註7)	Gain on fair value change of investment properties (note 7)							5,125
未分配收入	Unallocated income							21,553
未分配費用	Unallocated expenses							(42,910)
利息費用	Interest expense							(59,475)
除稅前溢利	Profit before taxation							391,912

5. 營業額及分類資料(續)

分類資料(續)

(a) 分類收益及業績(續)

						呈列 分類總計 Reportable segment	交易抵銷 Elimination	綜合 Consolidated	
		溶劑 Solvents	塗料 Coatings	油墨 Inks	潤滑油 Lubricants	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
截至二零一五年十二月三十一日止年度 Year ended 31 December 2015 三十一日止年度									
分類收益	Segment revenue								
對外銷售	External sales	4,883,096	1,876,316	1,477,148	347,665	8,584,225	-	8,584,225	
分類間銷售	Inter-segment sales	123,696	14,673	15,486	723	154,578	(154,578)	-	
總額	Total	5,006,792	1,890,989	1,492,634	348,388	8,738,803	(154,578)	8,584,225	
業績	Results								
分類業績	Segment results	135,596	60,922	68,857	(25,519)	239,856	353	240,209	
外幣銀行貸款產生之匯兌虧損(附註7)	Exchange loss arising from a foreign currency bank loan (note 7)								(11,632)
衍生金融工具公允價值之變化(附註7)	Fair value change on derivative financial instruments (note 7)								13,105
投資物業公允價值變化之收益(附註7)	Gain on fair value change of investment properties (note 7)								19,400
未分配收入	Unallocated income								37,292
未分配費用	Unallocated expenses								(66,123)
利息費用	Interest expense								(70,217)
除稅前溢利	Profit before taxation								162,034

分類間銷售與對外銷售的條款相近。

Inter-segment sales are charged at the similar terms as external sales.

5. Turnover and Segment Information

(Continued)

Segment information (Continued)

(a) Segment revenue and results (Continued)

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

5. 營業額及分類資料(續)

5. Turnover and Segment Information

(Continued)

分類資料(續)

Segment information (Continued)

(b) 其他資料

(b) Other information

於計量分類損益或分類資產時
包括下列金額：

Amounts included in the measurement of segment
profit or loss or segment assets:

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	油墨 Inks 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	呈列分類合計 Reportable segment total 千港元 HK\$'000	企業層面 Corporate level 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
截至二零一六年十二月三十一止年度 Year ended 31 December 2016								
非流動資產添置(附註)	Additions to non-current assets (note)	30,158	9,831	27,033	1,224	68,246	28,951	97,197
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	51,066	37,277	33,277	7,326	128,946	8,000	136,946
預付土地租金攤銷	Release of prepaid lease payments	1,452	3,041	929	187	5,609	109	5,718
無形資產之攤銷	Amortisation of intangible assets	886	-	294	-	1,180	23	1,203
呆壞賬準備淨額	Allowance for bad and doubtful debt, net	(177)	9,521	5,428	1,929	16,701	-	16,701
滯銷存貨準備	Allowance for slow moving inventory	7,342	(288)	3,707	2,173	12,934	-	12,934
出售/註銷物業、廠房及設備及土地使用權之虧損	Loss on disposal/written-off of property, plant and equipment and land use rights	2,485	5,379	7,917	4,367	20,148	216	20,364
投資物業公允價值變化之收益	Gain on fair value change of investment properties	-	-	-	-	-	(5,125)	(5,125)
截至二零一五年十二月三十一止年度 Year ended 31 December 2015								
非流動資產添置(附註)	Additions to non-current assets (note)	147,857	75,603	36,406	4,499	264,365	87,621	351,986
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	39,140	41,476	36,434	7,980	125,030	8,323	133,353
預付土地租金攤銷	Release of prepaid lease payments	1,532	3,373	981	167	6,053	-	6,053
無形資產之攤銷	Amortisation of intangible assets	936	-	299	-	1,235	25	1,260
呆壞賬準備淨額	Allowance for bad and doubtful debt, net	10,779	20,457	15,801	2,486	49,523	-	49,523
滯銷存貨準備	Allowance for slow moving inventory	8,607	9,767	38	1,719	20,131	-	20,131
出售/註銷物業、廠房及設備及土地使用權之虧損	Loss on disposal/written-off of property, plant and equipment and land use rights	417	4,003	6,401	2,742	13,563	(140)	13,423
投資物業公允價值變化之收益	Gain on fair value change of investment properties	-	-	-	-	-	(19,400)	(19,400)

附註：非流動資產不包括金融工具。

Note: Non-current assets excluded financial instruments.

5. 營業額及分類資料(續)

5. Turnover and Segment Information

(Continued)

分類資料(續)

Segment information (Continued)

(c) 本集團按呈列及經營分類的分類資產及分類負債分析如下：

(c) An analysis of the Group's segment assets and segment liabilities by reportable and operating segments is as follows:

		溶劑 Solvents 千港元 HK\$'000	塗料 Coatings 千港元 HK\$'000	油墨 Inks 千港元 HK\$'000	潤滑油 Lubricants 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
於二零一六年十二月三十一日	At 31 December 2016					
資產	Assets					
呈列分類資產	Reportable segment assets	2,588,632	1,388,783	1,574,947	321,354	5,873,716
其他未分配資產	Other unallocated assets					1,263,640
綜合總資產	Consolidated total assets					<u>7,137,356</u>
負債	Liabilities					
呈列分類負債	Reportable segment liabilities	842,168	460,880	429,451	51,845	1,784,344
應付稅款	Taxation payable					72,002
遞延稅項負債	Deferred tax liabilities					41,812
其他未分配負債	Other unallocated liabilities					2,234,210
綜合總負債	Consolidated total liabilities					<u>4,132,368</u>
於二零一五年十二月三十一日	At 31 December 2015					
資產	Assets					
呈列分類資產	Reportable segment assets	2,494,300	1,472,570	1,571,345	309,143	5,847,358
其他未分配資產	Other unallocated assets					1,591,709
綜合總資產	Consolidated total assets					<u>7,439,067</u>
負債	Liabilities					
呈列分類負債	Reportable segment liabilities	673,895	410,457	440,939	57,590	1,582,881
應付稅款	Taxation payable					41,200
遞延稅項負債	Deferred tax liabilities					7,742
其他未分配負債	Other unallocated liabilities					2,763,045
綜合總負債	Consolidated total liabilities					<u>4,394,868</u>

5. 營業額及分類資料(續)

分類資料(續)

(d) 為監控分類表現及分配資源予各類別：

- 除短期銀行存款、銀行結餘及現金、投資物業、其他非流動資產、衍生金融工具及未分配資產外，所有資產分配予各經營類別；及
- 除應付稅款、遞延稅項負債、衍生金融工具、借貸及未分配負債外，所有負債分配予各經營類別。

地區資料

於截至二零一六年十二月三十一日止年度，本集團對外客戶之營業額，主要來自中國大陸的客戶(取得營業額之集團公司所在地方)其金額為8,016,141,000港元(二零一五年：8,353,246,000港元)。本集團大部分非流動資產(不包括金融工具)均位於中國大陸(持有該資產之集團公司所在地方)，其金額為1,980,744,000港元(二零一五年：2,170,088,000港元)。

主要客戶

於兩個報告期間，本集團沒有個別客戶錄得佔超過本集團營業額的百分之十。

5. Turnover and Segment Information

(Continued)

Segment information (Continued)

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

- all assets are allocated to operating segments other than short-term bank deposits, bank balances and cash, investment properties, other non-current asset, derivative financial instruments and the unallocated assets; and
- all liabilities are allocated to operating segments other than taxation payable, deferred tax liabilities, derivative financial instruments, borrowings and the unallocated liabilities.

Geographical information

The Group's revenue from external customers for the year ended 31 December 2016 was substantially generated from customers located in the Mainland China (place of domicile of the group entities that derive turnover) amounting to HK\$8,016,141,000 (2015: HK\$8,353,246,000). Substantially all of the Group's non-current assets excluding derivative financial instruments were also located in the Mainland China (place of domicile of the group entities that hold such assets) amounting to HK\$1,980,744,000 (2015: HK\$2,170,088,000).

Major customers

No individual customer of the Group has contributed over 10% of the turnover of the Group for both reporting periods.

6. 董事酬金及僱員酬金

6. Directors' Remuneration and Employees' Emoluments

已付或應付予10名(二零一五年: 10名)董事之酬金如下:

The emoluments paid or payable to each of the 10 (2015: 10) directors were as follows:

	執行董事 Executive directors					非執行董事 Non-executive directors		獨立非執行董事 Independent non-executive directors			合計 Total	高級管理層 Management executives
	葉子軒 Yip Tsz Hin 千港元 HK\$'000	黃金熠* Wong Kam Yim* 千港元 HK\$'000	王旭* Wong Yuk* 千港元 HK\$'000	何世豪 Ho Sai Hou 千港元 HK\$'000	鄭國照 Kwong Kwok Chiu 千港元 HK\$'000	葉志成 Ip Chi Shing 千港元 HK\$'000	唐雁棟 Tong Wui Tung 千港元 HK\$'000	吳紹平 Ng Siu Ping 千港元 HK\$'000	黃廣志 Wong Kong Chi 千港元 HK\$'000	古遠芬 Ku Yuen Fun 千港元 HK\$'000		
截至二零一六年十二月三十一止年度 Year ended 31 December 2016												
董事袍金 Fees	400	-	400	400	400	-	320	200	500	300	2,920	-
其他酬金 Other emoluments												
薪金及其他福利 Salaries and other benefits	3,102	-	2,390	1,730	1,450	1,442	-	-	-	-	10,114	11,631
非強制性按盈利 分配之花紅 Discretionary bonus	952	-	824	693	830	-	-	-	-	-	3,299	313
退休福利計劃供款 Retirement benefit scheme contributions	213	-	90	160	134	-	-	-	-	-	597	743
酬金總額 Total emoluments	4,667	-	3,704	2,983	2,814	1,442	320	200	500	300	16,930	12,687

	執行董事 Executive directors				非執行董事 Non-executive directors		獨立非執行董事 Independent non-executive directors				合計 Total	高級管理層 Management executives
	葉子軒 Yip Tsz Hin 千港元 HK\$'000	黃金熠* Wong Kam Yim* 千港元 HK\$'000	何世豪 Ho Sai Hou 千港元 HK\$'000	鄭國照 Kwong Kwok Chiu 千港元 HK\$'000	葉志成 Ip Chi Shing 千港元 HK\$'000	唐雁棟 Tong Wui Tung 千港元 HK\$'000	吳紹平 Ng Siu Ping 千港元 HK\$'000	黃廣志 Wong Kong Chi 千港元 HK\$'000	李澤民* Li Chak Man* 千港元 HK\$'000	古遠芬 Ku Yuen Fun 千港元 HK\$'000		
截至二零一五年十二月三十一止年度 Year ended 31 December 2015												
董事袍金 Fees	400	400	400	400	-	320	200	500	100	300	3,020	-
其他酬金 Other emoluments												
薪金及其他福利 Salaries and other benefits	3,099	2,045	1,730	1,450	1,369	-	-	-	-	-	9,693	11,065
非強制性按盈利 分配之花紅 Discretionary bonus	(82)	65	(60)	855	-	-	-	-	-	-	778	1,069
退休福利計劃供款 Retirement benefit scheme contributions	213	176	106	134	-	-	-	-	-	-	629	662
酬金總額 Total emoluments	3,630	2,686	2,176	2,839	1,369	320	200	500	100	300	14,120	12,796

以上所載執行董事之薪酬主要針對彼等對本公司及本集團管理實務提供之服務。以上所載非執行董事及獨立非執行董事之薪酬主要針對彼等作為本公司董事之服務。

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

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6. 董事酬金及僱員酬金 (續)

6. Directors' Remuneration and Employees' Emoluments (Continued)

附註：

- (a) 截至二零一六年十二月三十一日止年度，上述董事之薪金及其他福利包括經營租賃租金1,560,000港元（二零一五年：1,560,000港元）。
- (b) 非強制性按盈利分配之花紅乃參考年度之經營業績、個人表現及相對於市場之統計數據而決定。
- (c) 葉子軒先生及王旭先生為本公司之聯席行政總裁，以上所載彼等之酬金主要針對彼等作為行政總裁所提供之服務。
- # 於二零一六年一月一日獲委任為本公司執行董事。
- * 於二零一五年六月三十日退任本公司獨立非執行董事。
- @ 於二零一六年一月一日退任本公司執行董事。

本集團5位酬金最高人員中4位為本公司董事(二零一五年：3位)，其酬金詳情於上述披露。其餘1位(二零一五年：2位)僱員之酬金如下：

薪金及其他福利	Salaries and other benefits
退休福利計劃供款	Retirement benefit scheme contribution

二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
2,025	4,902
-	138
2,025	5,040

在以上兩個報告期間，本集團5位最高薪之人員(包括董事)，並沒有收到用以吸引其加入或當其加入本集團時之酬金或離職賠償。此外，沒有董事在兩個報告期間內放棄任何酬金。

Notes:

- (a) The directors' salaries and other benefits above included operating leases rentals of HK\$1,560,000 (2015: HK\$1,560,000) for the year ended 31 December 2016.
- (b) The discretionary bonus is determined with reference to the operating results, individual performance and comparable market statistics during the year.
- (c) Mr. Yip Tsz Hin and Mr. Wong Yuk were the Co-Chief Executive Officers of the Company, and their emoluments disclosed above included those for services rendered by them as the Chief Executive.
- # Appointed as an executive director of the Company on 1 January 2016.
- * Retired and resigned as an independent non-executive director of the Company on 30 June 2015.
- @ Retired and resigned as executive director of the Company on 1 January 2016.

Of the five individuals with the highest emoluments in the Group, four (2015: three) were directors of the Company whose emoluments are disclosed above. The emoluments of the remaining one (2015: two) individual(s) were as follows:

During both reporting periods, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no director waived any emoluments during both reporting periods.

6. 董事酬金及僱員酬金 (續)

其餘1位(二零一五年：2位)僱員之酬金範圍如下：

		二零一六年 2016 僱員人數 No. of employees	二零一五年 2015 僱員人數 No. of employees
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	1	1
2,500,001港元至3,500,000港元	HK\$2,500,001 to HK\$3,500,000	–	1
		1	2

有關高級管理層之酬金(包括5位最高薪之人員，如有)範圍如下：

		二零一六年 2016 僱員人數 No. of employees	二零一五年 2015 僱員人數 No. of employees
零港元至1,000,000港元	HK\$0 to HK\$1,000,000	1	2
1,000,001港元至1,500,000港元	HK\$1,000,001 to HK\$1,500,000	6	3
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	1	2
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	1	2
		9	9

6. Directors' Remuneration and Employees' Emoluments (Continued)

The emoluments of the remaining one (2015: two) individual(s) were within the following bands:

The emoluments of the management executives (including five highest paid individuals, if any) were within the following bands:

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7. 其他收益及虧損

7. Other Gains and Losses

本集團其他收益(虧損)包括：

The Group's other gains (losses) comprise of:

	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
外幣銀行貸款產生之匯兌虧損(附註(i)及附註5)	(10,583)	(11,632)
跨幣掉期合約及外幣兌換遠期合約之衍生金融工具之公允值收益(附註(i)及附註5)	9,686	13,105
小計	(897)	1,473
其他外幣結餘及交易產生之淨匯兌虧損	(17,167)	(51,208)
呆壞賬準備淨額(附註(ii))	(16,701)	(49,523)
出售/註銷物業、廠房及設備及土地使用權之淨虧損	(20,364)	(13,423)
投資物業公允值變化之收益(附註5)	5,125	19,400
	(50,004)	(93,281)

附註：

- (i) 於二零一三年四月，本集團籌集一筆新澳元(「澳元」)銀行貸款24,800,000澳元(相等於198,648,000港元)。為將外幣風險降至最低，本集團訂立跨幣掉期合約以經濟上對沖該外幣銀行貸款。有關跨幣掉期合約之公允值及外幣銀行貸款之詳情已分別載列於附註23及24。
- (ii) 本公司董事定期評估貿易應收款項之回收比率，並參照相關欠款之過往還款經驗及回款情況而計提呆壞賬準備。

Notes:

- (i) In April 2013, the Group raised a new bank loan in Australian dollar ("AUD") of AUD24,800,000 (equivalent to HK\$198,648,000). In order to minimise the exposure to foreign currency risk, the Group entered into a cross currency swap contract to hedge economically against the foreign currency bank loan. Details of the fair value of the cross currency swap contract and the foreign currency bank loan are set out in notes 23 and 24 respectively.
- (ii) The directors of the Company assess the recoverability of the trade receivables on a regular basis and determine the allowance for bad and doubtful debts after taking into accounts of the repayment history and settlement situation of the relevant debts.

8. 利息費用

8. Interest Expense

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
銀行借貸的利息	Interest on bank borrowings	47,712	56,715
利率掉期指定為浮息債務 之現金流量對沖而 產生之淨虧損	Net loss arising on interest rate swaps designated as cash flow hedges of floating rate debts	11,763	13,502
		59,475	70,217

9. 除稅前溢利

9. Profit Before Taxation

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
除稅前溢利已扣除下列各 項：	Profit before taxation has been arrived at after charging:		
無形資產攤銷	Amortisation of intangible assets	1,203	1,260
核數師酬金	Auditor's remuneration	4,250	4,142
確認為支出之存貨成本	Cost of inventories recognised as an expense	6,967,660	7,204,662
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	136,946	133,353
租賃物業之經營租賃支付款 項	Operating lease payments in respect of rented premises	22,030	22,136
預付土地租金攤銷	Release of prepaid lease payments	5,718	6,053
員工成本，包括董事酬金 (附註6)	Staff costs, including directors' remuneration (note 6)	667,897	683,557
並經已計入(計入其他 收入)：	and after crediting (included in other income):		
利息收入	Interest income	18,511	32,593
已確認之政府補助金	Government grants recognised	20,802	15,861
租金收入(減直接支出： 零(二零一五年： 445,000港元))	Rental income (excluding direct outgoings: nil (2015: HK\$445,000))	4,829	3,557

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10. 稅項

10. Taxation

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
現行稅項－中國大陸	Current tax – Mainland China		
本年	Current year	106,469	64,655
預扣稅	Withholding tax	36,616	15,435
		143,085	80,090
遞延稅項(附註25)	Deferred taxation (note 25)		
香港	Hong Kong	575	(238)
中國大陸	Mainland China	5,084	(5,209)
		5,659	(5,447)
		148,744	74,643

香港利得稅按兩年估計應課稅溢利16.5%計算。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國大陸附屬公司之稅率自二零零八年一月一日起為25%。

本集團若干於中國大陸經營之附屬公司符合資格作為高新技術企業，有權享有15%之所得稅率。中國大陸企業所得稅已於計入該等稅務優惠後作出撥備。

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

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries in Mainland China is 25% from 1 January 2008 onwards.

Certain of the Group's subsidiaries operating in Mainland China are eligible as High and New Technology Enterprise, and are entitled to an income tax rate of 15%. EIT of Mainland China has been provided for after taking these tax incentives into account.

10. 稅項(續)

其他司法權區之稅項乃按有關司法權區之適用稅率計算。

稅項之對賬表如下：

10. Taxation (Continued)

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

A statement of reconciliation of taxation is as follows:

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
除稅前溢利	Profit before taxation	391,912	162,034
按本地所得稅稅率25% 計算之稅項支出 (二零一五年：25%)	Tax charge at the domestic income tax rate of 25% (2015: 25%)	97,978	40,509
不可扣稅的開支對稅務之 影響	Tax effect of expenses not deductible for tax purposes	27,167	36,331
無需繳稅的收入對稅務之 影響	Tax effect of income not taxable for tax purposes	(2,676)	(9,104)
未予以確認的稅項虧損 對稅務之影響	Tax effect of tax losses not recognised	44,359	35,409
使用之前未確認的稅項 虧損對稅務之影響	Tax effect of utilisation of tax losses previously not recognised	(7,920)	(10,387)
部分附屬公司之優惠稅率 對所得稅之影響	Effect of income tax on concessionary rates for certain subsidiaries	(53,242)	(28,904)
對未分配溢利預扣稅之影響	Effect of withholding tax on undistributed profits	42,033	10,033
其他	Others	1,045	756
本年度稅項	Taxation for the year	148,744	74,643

本地所得稅稅率乃使用本集團大部分業務所在司法權區之稅率。

The domestic income tax rate is a tax rate in the jurisdiction where the operation of the Group is substantially based.

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11. 股息

11. Dividends

	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
於年內確認為派發之股息： Dividends recognised as distribution during the year:		
二零一六年中期股息： Interim dividend for 2016 of HK5.0 cents 每股5.0港仙 (2015: HK10.0 cents) per share	28,191	56,330
二零一五年特別股息： Special dividend for 2015 of HK4.5 cents 每股4.5港仙 (2015: final dividend for 2014 of 二零一五年： HK15.0 cents) per share 二零一四年末期股息 每股15.0港仙)	25,372	84,493
	53,563	140,823

董事建議派發有關截至二零一六年十二月三十一日止年度股息每股10港仙，總金額不少於56,381,000港元，並待股東在即將舉行之股東週年大會上投票批准。

A dividend equivalent to HK10 cents per share totalling not less than HK\$56,381,000, in respect of the year ended 31 December 2016 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

12. 每股盈利

本公司股東應佔每股基本及攤薄後盈利乃根據下列資料計算：

12. Earnings Per Share

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

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
本年本公司股東應佔溢利及計算每股基本及攤薄後盈利之盈利	Profit for the year attributable to owners of the Company and earnings for the purposes of calculating basic and diluted earnings per share	169,343	47,847
		股份數目 Number of shares	
		千股 '000	千股 '000
計算每股基本盈利之加權平均股數	Weighted average number of shares for the purpose of calculating basic earnings per share	563,810	563,320
可能對普通股產生之攤薄影響： 購股權	Effect of dilutive potential ordinary shares: Share options	50	378
計算每股攤薄後盈利之加權平均股數	Weighted average number of shares for the purpose of calculating diluted earnings per share	563,860	563,698

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13. 物業、廠房及設備

13. Property, Plant and Equipment

		在建工程 Construction in progress 千港元 HK\$'000	租賃土地 及樓宇 Leasehold land and buildings 千港元 HK\$'000	傢俬、 裝置及 辦公室設備 Furniture, fixtures and office equipment 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	廠房及機器 Plant and machinery 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值	AT COST						
於二零一五年一月一日	At 1 January 2015	101,142	830,482	174,991	47,354	1,185,496	2,339,465
外匯結算差額	Currency realignment	(5,612)	(47,054)	(4,975)	(2,197)	(68,580)	(128,418)
重新分類	Reclassifications	(98,055)	89,000	5,462	-	3,593	-
添置	Additions	79,427	6,845	13,539	2,025	202,685	304,521
出售/註銷	Disposals/written off	(1,593)	(2,732)	(23,619)	(4,910)	(51,139)	(83,993)
於二零一五年十二月三十一日	At 31 December 2015	75,309	876,541	165,398	42,272	1,272,055	2,431,575
外匯結算差額	Currency realignment	(5,173)	(48,212)	(7,758)	(2,628)	(77,035)	(140,806)
重新分類	Reclassifications	(38,243)	28,820	1,696	-	7,727	-
添置	Additions	14,763	80,874	17,027	1,665	55,904	170,233
出售/註銷	Disposals/written off	-	(503)	(7,616)	(4,517)	(23,952)	(36,588)
重估盈餘	Surplus on revaluation	-	50,627	-	-	-	50,627
轉入投資物業	Transfer to investment properties	-	(115,180)	(9,439)	-	-	(124,619)
於二零一六年十二月三十一日	At 31 December 2016	46,656	872,967	159,308	36,792	1,234,699	2,350,422
折舊及減值	DEPRECIATION AND IMPAIRMENT						
於二零一五年一月一日	At 1 January 2015	-	179,963	102,770	30,781	375,541	689,055
外匯結算差額	Currency realignment	-	(12,678)	(3,096)	(1,520)	(27,239)	(44,533)
年內折舊	Depreciation for the year	-	31,135	19,570	4,424	78,224	133,353
出售/註銷時抵銷	Eliminated on disposal/written off	-	(3,200)	(20,117)	(4,229)	(42,114)	(69,660)
於二零一五年十二月三十一日	At 31 December 2015	-	195,220	99,127	29,456	384,412	708,215
外匯結算差額	Currency realignment	-	(17,599)	(470)	(2,262)	(31,008)	(51,339)
年內折舊	Depreciation for the year	-	29,915	17,874	3,460	85,697	136,946
出售/註銷時抵銷	Eliminated on disposal/written off	-	(334)	(4,927)	(2,663)	(5,652)	(13,576)
轉入投資物業時抵銷	Elimination on transfer to investment properties	-	(23,573)	(4,181)	-	-	(27,754)
於二零一六年十二月三十一日	At 31 December 2016	-	183,629	107,423	27,991	433,449	752,492
賬面值	CARRYING VALUES						
於二零一六年十二月三十一日	At 31 December 2016	46,656	689,338	51,885	8,801	801,250	1,597,930
於二零一五年十二月三十一日	At 31 December 2015	75,309	681,321	66,271	12,816	887,643	1,723,360

上文所述之物業、廠房及設備項目乃以直線法按以下年率折舊：

租賃土地	以租約之尚餘年期或2%，以較短者計算
樓宇	以租約之尚餘年期或2.5%，以較短者計算
傢俬、裝置及辦公室設備	4.5%至25%
汽車	9%至25%
廠房及機器	6%至20%

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold land	Over the shorter of the remaining term of the lease or 2%
Buildings	Over the shorter of the remaining term of the lease or 2.5%
Furniture, fixtures and office equipment	4.5% to 25%
Motor vehicles	9% to 25%
Plant and machinery	6% to 20%

14. 預付土地租金

14. Prepaid Lease Payments

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
本集團預付土地租金包括： The Group's prepaid lease payments comprise:			
香港以外地區持有 之租賃土地	Leasehold land outside Hong Kong	255,489	231,253
分析作報告用途： Analysed for reporting purposes as:			
非流動資產	Non-current assets	248,805	225,430
流動資產	Current assets	6,684	5,823
		255,489	231,253

15. 投資物業

15. Investment Properties

		千港元 HK\$'000
公允值	FAIR VALUE	
於二零一五年一月一日	At 1 January 2015	73,800
公允值增加	Increase in fair value	19,400
於二零一五年十二月三十一日	At 31 December 2015	93,200
外匯結算差額	Currency realignment	(3,780)
自物業、廠房及設備轉入(附註)	Transfer from property, plant and equipment (Note)	96,865
自預付土地租金轉入(附註)	Transfer from prepaid lease payment (Note)	34,920
公允值增加	Increase in fair value	5,125
於二零一六年十二月三十一日	At 31 December 2016	226,330

本集團投資物業之公允值乃按與本集團並無關連之獨立合資格專業估值師，羅馬國際評估有限公司，於報告期末進行之估值釐定。

The fair values of the Group's investment properties have been arrived at on the basis of valuations carried out at the end of the reporting period by an independent qualified professional valuer, Roma Appraisals Limited, not connected with the Group.

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15. 投資物業 (續)

估值乃使用直接比較法釐定，並假設這些物業權益均經參照有關市場上可相比較銷售交易個案在現況下交吉出售。直接比較法是建基於類似物業於類似地點之近期市場可觀察交易。於估計物業之公允值時，物業之最高及最佳用途為目前用途。

本集團位於香港及中國的投資物業的公允值分類為公允值級別第三級。

附註：於截至二零一六年十二月三十一止年度，本集團變更其部分物業、廠房及設備以及預付土地租金之用途，並將其租賃予獨立第三方以獲取租金收入。轉入投資物業後，該等物業錄得經重估收益約77,487,000港元。扣除相關遞延稅項負債後的金額約29,839,000港元計入物業重估儲備。

15. Investment Properties (Continued)

The valuation was arrived at by using direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market. The direct comparison approach is based on market observable recent transactions of similar properties in similar location. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value of the Group's investment properties situated in Hong Kong and PRC is classified as Level 3 of the fair value hierarchy.

Note: During the year ended 31 December 2016, the Group changed the use of certain of its property, plant and equipment and prepaid lease payments and had leased them out to independent third parties for rental income. Upon the transfer to investment properties, these properties were revalued with a gain on revaluation of approximately HK\$77,487,000. This amount net of the corresponding to deferred tax liability of approximately HK\$29,839,000 has been credited to property revaluation reserve.

15. 投資物業 (續)

下表載列於二零一六年十二月三十一日及二零一五年十二月三十一日有關如何釐定該等投資物業之公允值(尤其是所使用的估值技術及輸入數據), 以及公允值計量按照公允值計量的輸入數據的可觀察程度進行分類的公允值級別的資料。

於綜合財務狀況表本集團
所持投資物業之賬面值

Carrying value of investment
properties held by the Group in the
consolidated statement of financial
position

於二零一六年十二月三十一日
At 31 December 2016

香港葉氏化工大廈地面、1、2、3及4樓(不包括4樓的電腦服務器室)及1個私人停車位及3個貨車停車位151,100,000港元

Ground, 1st, 2nd, 3rd and 4th Floor
excluding the computer server room
on 4th Floor,
1 private carparking space and 3
lorry carparking spaces of Yip's
Chemical Building in Hong Kong
HK\$151,100,000

於中國上海青浦區的工業開發項目
75,230,000港元

An industrial development in Qingpu
District, Shanghai, the PRC
HK\$75,230,000

於二零一五年十二月三十一日
At 31 December 2015

香港葉氏化工大廈1、2及3樓93,200,000港元

1st, 2nd and 3rd Floor of Yip's
Chemical Building in Hong Kong
HK\$93,200,000

以經營租賃持有以賺取租金或實現資本增值之本集團所有物業權益均採用公允值模式計量, 及分類並列為投資物業。

15. Investment Properties (Continued)

The following table gives information about how the fair value of these investment properties as at 31 December 2016 and 31 December 2015 are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

於綜合財務狀況表本集團 所持投資物業之賬面值 Carrying value of investment properties held by the Group in the consolidated statement of financial position	公允值 級別 Fair value hierarchy	估值方法及主要輸入數據 Valuation technique(s) and key input(s)	重大無法觀察輸入數據 Significant unobservable input(s)	無法觀察輸入數據與 公允值之關係 Relationship of unobservable inputs to fair value
於二零一六年十二月三十一日 At 31 December 2016				
香港葉氏化工大廈地面、1、2、3及4樓(不包括4樓的電腦服務器室)及1個私人停車位及3個貨車停車位151,100,000港元	第三級	直接比較法假設在現況下銷售及經參照有關市場上可供查閱之可資比較銷售交易。	每平方米價格介乎2,800港元至3,300港元, 採用市場直接可比較數據, 並計及地點及其他個別因素(例如大小、樓宇設施、樓層、樓齡等)	每平方米價格微升將大幅提高公允值
Ground, 1st, 2nd, 3rd and 4th Floor excluding the computer server room on 4th Floor, 1 private carparking space and 3 lorry carparking spaces of Yip's Chemical Building in Hong Kong HK\$151,100,000	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square feet, using market direct comparables and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$2,800/sq.ft to HK\$3,300/ sq.ft.	A slight increase in the price per square feet will increase significantly the fair value.
於中國上海青浦區的工業開發項目 75,230,000港元	第三級	直接比較法假設在現況下銷售及經參照有關市場上可供查閱之可資比較銷售交易。	每平方米價格介乎人民幣3,550元至人民幣3,650元, 採用市場直接可比較數據, 並計及地點及其他個別因素(例如大小、樓宇設施、樓層、樓齡等)	每平方米價格微升將大幅提高公允值
An industrial development in Qingpu District, Shanghai, the PRC HK\$75,230,000	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square meter, using market direct comparables and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from RMB3,550/sq.m. to RMB3,650/sq.m.	A slight increase in the price per square meter will increase significantly the fair value.
於二零一五年十二月三十一日 At 31 December 2015				
香港葉氏化工大廈1、2及3樓93,200,000港元	第三級	直接比較法假設在現況下銷售及經參照有關市場上可供查閱之可資比較銷售交易。	每平方米價格介乎2,700港元至2,900港元, 採用市場直接可比較數據, 並計及地點及其他個別因素(例如大小、樓宇設施、樓層、樓齡等)	每平方米價格微升將大幅提高公允值
1st, 2nd and 3rd Floor of Yip's Chemical Building in Hong Kong HK\$93,200,000	Level 3	Direct comparison method assuming sale in their existing states and by reference to comparable sales transactions as available in the relevant market.	Price per square feet, using market direct comparables and taking into account of location and other individual factors such as size, building facilities, levels, age of building, etc., which is ranging from HK\$2,700/sq.ft to HK\$2,900/ sq.ft.	A slight increase in the price per square feet will increase significantly the fair value.

All 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.

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16. 商譽

16. Goodwill

		千港元 HK\$'000
成本價	AT COST	
於二零一五年一月一日、二零一五年十二月三十一日及二零一六年十二月三十一日	At 1 January 2015, 31 December 2015 and 31 December 2016	71,462
減值	IMPAIRMENT	
於二零一五年一月一日、二零一五年十二月三十一日及二零一六年十二月三十一日	At 1 January 2015, 31 December 2015 and 31 December 2016	1,888
賬面值	CARRYING VALUES	
於二零一六年及二零一五年十二月三十一日	At 31 December 2016 and 2015	69,574

於業務合併收購之商譽乃於收購時分配至預期將從該業務合併中受惠之現金產生單位(「現金產生單位」)。商譽之賬面值已分配如下：

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGU"s) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

		二零一六年及 二零一五年 2016 and 2015 千港元 HK\$'000
製造及買賣溶劑	Manufacture of and trading in solvents	59,479
製造及買賣塗料	Manufacture of and trading in coatings	10,095
		69,574

現金產生單位之可收回金額乃按其使用價值而釐定。計算使用價值時採用之主要假設乃根據年內之貼現率、增長率及預期銷售價及直接成本之變動而釐定。管理層以可反映現時市場評估貨幣時值及該現金產生單位所面對特定風險之稅前比率估算貼現率。增長率乃基於對業界之增長預測而定出。銷售價及直接成本之變動則根據過往慣例及預期日後市場之變化而釐定。

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

16. 商譽 (續)

為減值評估之目的，本集團按照獲管理層批准之各項現金生產單位之最近財務預算得出之未來五年(二零一五年：五年)現金流預測，並使用反映市場現時對貨幣時值的評估及現金產生單位所面對特定風險之貼現率4.73% (二零一五年：6.5%)對商譽進行減值評估。根據本集團的行業增長預測，年度增長率介乎5%至14% (二零一五年：0%至20%)。截至二零一六年十二月三十一日止年度，本集團並無確認任何減值虧損。

16. Goodwill (Continued)

For impairment assessment purpose, the Group performed impairment review for goodwill based on cash flow forecasts derived from the most recent financial budgets for the next five years (2015: five years) for each CGUs approved by management using a discount rate 4.73% (2015: 6.5%) which reflects current market assessments of the time value of money and the risks specific to the CGUs. The growth rates per annum range from 5% to 14% (2015: 0% to 20%) in light of the Group's industry growth forecasts. No impairment loss has been recognised by the Group for the year ended 31 December 2016.

17. 無形資產**17. Intangible Assets**

		技術知識 Technical knowhow 千港元 HK\$'000	不競爭協議 Non-competition covenants 千港元 HK\$'000	商標及品牌 Trademarks and patent brands 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本價	AT COST				
於二零一五年一月一日	At 1 January 2015	10,581	19,177	1,952	31,710
外匯結算差額	Currency realignment	(83)	(916)	-	(999)
註銷	Written off	(5,000)	-	-	(5,000)
於二零一五年十二月三十一日	At 31 December 2015	5,498	18,261	1,952	25,711
外匯結算差額	Currency realignment	(81)	(934)	-	(1,015)
於二零一六年十二月三十一日	At 31 December 2016	5,417	17,327	1,952	24,696
攤銷及減值	AMORTISATION AND IMPAIRMENT				
於二零一五年一月一日	At 1 January 2015	10,274	16,733	878	27,885
外匯結算差額	Currency realignment	(72)	(823)	-	(895)
年內撥備	Provided for the year	129	936	195	1,260
註銷	Written off	(5,000)	-	-	(5,000)
於二零一五年十二月三十一日	At 31 December 2015	5,331	16,846	1,073	23,250
外匯結算差額	Currency realignment	(78)	(896)	-	(974)
年內撥備	Provided for the year	122	886	195	1,203
於二零一六年十二月三十一日	At 31 December 2016	5,375	16,836	1,268	23,479
賬面值	CARRYING VALUES				
於二零一六年十二月三十一日	At 31 December 2016	42	491	684	1,217
於二零一五年十二月三十一日	At 31 December 2015	167	1,415	879	2,461

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17. 無形資產 (續)

上述無形資產使用年期有限。該等無形資產乃採用直線法於下列年期攤銷：

技術知識	5 – 10年
不競爭協議	10年
商標及品牌	10年

技術知識代表向獨立第三方收購某種絕緣清漆、油墨及絲網產品的生產技術知識及技巧。

不競爭協議代表於收購公司後，限制資產的出售方或被收購方為10年之特定年期內不可從事相同業務。

商標及品牌指收購之品牌名稱，該等品牌於市場內獲高度認可及具知名度。

18. 其他非流動資產

此金額乃指本集團持有會所債券之成本及於報告期末按成本減累計減值虧損(如有)計量。

19. 存貨

原料	Raw materials
在製品	Work in progress
製成品	Finished goods

17. Intangible Assets (Continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Technical knowhow	5 – 10 years
Non-competition covenants	10 years
Trademarks and patent brands	10 years

Technical knowhow represents technical knowledge and techniques acquired from independent third parties to manufacture certain insulating varnish, ink and screening products.

Non-competition covenants represent the right to restrict the vendors of assets or acquirees, after acquisition of the entities, to carry on the same business for specific periods for 10 years.

Trademarks and patent brands represent the brand names acquired which have high recognition and awareness in the market.

18. Other Non-Current Asset

The amount represents the cost of club debenture held by the Group and is measured at cost less accumulated impairment losses, if any, at the end of the reporting period.

19. Inventories

二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
472,595	403,394
23,964	24,659
311,644	311,233
808,203	739,286

20. 貿易應收款項及應收票據、其他應收賬款及預付款項

20. Trade and Bills Receivables, Other Debtors and Prepayments

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
貿易應收款項	Trade receivables	1,739,087	1,677,042
減：呆賬準備	Less: Allowance for doubtful debts	(68,075)	(110,716)
		1,671,012	1,566,326
應收票據	Bills receivables	1,133,598	1,166,787
		2,804,610	2,733,113

貿易應收款項

於報告期末按發票日期之貿易應收款項賬齡分析如下：

Trade receivables

An aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
零至三個月	0 – 3 months	1,374,642	1,222,008
四至六個月	4 – 6 months	226,663	235,534
六個月以上	Over 6 months	69,707	108,784
		1,671,012	1,566,326

本集團容許向其除銷客戶提供30天至90天不等之信貸期。本集團或會向付款記錄良好之長期或大規模客戶授予較長的信貸期。

The Group allows a credit period ranging from 30 to 90 days to its trade customers. A longer credit period may be granted to large or long established customers with good payment history.

在接納任何新客戶前，本集團內部信貸控制系統會評估潛在客戶之信貸質素，董事會已任命管理層負責為客戶釐定信貸限額及信貸審批。客戶之限額會定期審閱。大約73%（二零一五年：70%）之貿易應收款項為既未逾期亦無減值，其原因為根據本集團所採用之信貸控制系統，該等貿易應收款項獲評為良好信貸。

Before accepting any new customers, the Group has an internal credit control system to assess the potential customers' credit quality and the board of directors has delegated the management to be responsible for determination of credit limits and credit approvals for customers. Limits attributed to customers are reviewed periodically. Approximately 73% (2015: 70%) of the trade receivables are neither past due nor impaired as they were assessed to be of good credit rating attributable under the credit control system used by the Group.

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20. 貿易應收款項及應收票據、其他應收賬款及預付款項 (續)

貿易應收款項 (續)

本集團貿易應收賬款包括已逾期的應收賬款，總賬面值為459,336,000港元(二零一五年：471,399,000港元)。該等已逾期應收賬款皆被密切監察並根據過往經驗為最終會清付之賬款，故此，本集團並無就該等款項作出減值虧損撥備。本集團就該等結餘並無持有任何抵押品。

於報告期末已逾期但未減值之貿易應收賬款按發票日期之賬齡分析如下：

零至三個月	0 – 3 months
四至六個月	4 – 6 months
六個月以上	Over 6 months

在釐定貿易應收賬款之可收回性時，自在早前授出信貸起至報告日期，本集團監察貿易應收賬款信用質素之任何變動。本公司董事認為，本集團並無重大集中信貸風險，有關風險由大量交易方及客戶分薄。

20. Trade and Bills Receivables, Other Debtors and Prepayments (Continued)

Trade receivables (Continued)

Included in the Group's trade receivables are past due debtors with aggregate carrying amount of HK\$459,336,000 (2015: HK\$471,399,000). These past due debtors are all closely monitored and by past experience, they will eventually settle their debts, so the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

The following is an aged analysis of trade receivables, which are past due but not impaired at the end of the reporting period based on the invoice date:

	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
零至三個月	240,726	223,138
四至六個月	148,903	139,477
六個月以上	69,707	108,784
	459,336	471,399

In determining the recoverability of the trade debtors, the Group monitors any change in the credit quality of the trade debtors since the credit was granted and up to the reporting date. The directors of the Company considered that the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

20. 貿易應收款項及應收票據、其他應收賬款及預付款項(續)

貿易應收款項(續)

呆賬準備：

年初	At beginning of the year
外匯結算差額	Currency realignment
確認之減值虧損	Impairment losses recognised
於本年度已收回之款項	Amounts recovered during the year
註銷不可收回之款項	Amounts written off as uncollectible
年末	At end of the year

對處於清盤或重大財務困難之貿易應收賬款作出減值。本集團就該等結餘並無持有任何抵押品。

應收票據

應收票據為銀行承兌匯票，即由國內銀行承兌及擔保付款之定期匯票。本集團按個別情況接受客戶以國內銀行承兌之銀行承兌匯票償還貿易應收款項。

此類發行或背書予本集團的銀行承兌匯票通常於發行日期後不超過六個月內到期。銀行承兌匯票將主要由中國國有銀行或商業銀行於該等銀行承兌匯票到期日支付。

於二零一六年十二月三十一日，本集團向債權人背書金額為639,079,000港元(二零一五年：415,688,000港元)的若干銀行承兌匯票，以結算應付彼等的貿易賬款。因此，本集團繼續將該等已背書之銀行承兌匯票全額計入應收票據，並確認應付債權人之相關款項，直至背書銀行承兌匯票之到期日。

20. Trade and Bills Receivables, Other Debtors and Prepayments (Continued)

Trade receivables (Continued)

Allowance for doubtful debts:

	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
年初	110,716	88,269
外匯結算差額	(4,498)	(6,090)
確認之減值虧損	21,718	50,062
於本年度已收回之款項	(5,017)	(539)
註銷不可收回之款項	(54,844)	(20,986)
年末	68,075	110,716

Impairment is made for trade debtors that have been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

Bills receivables

Bills receivables represent 銀行承兌匯票 ("banker's acceptances"), i.e. time drafts accepted and guaranteed for payment by PRC banks. The Group accepts the settlement of trade receivables by customers using banker's acceptances accepted by PRC banks on a case by case basis.

These banker's acceptances are issued to or endorsed to the Group and with maturity date in general not longer than six months from the date of issuance. The banker's acceptances will be settled by the banks, which are state-owned banks or commercial banks in the PRC, on the maturity date of such banker's acceptances.

At 31 December 2016, the Group endorsed certain banker's acceptances with an amount of HK\$639,079,000 (2015: HK\$415,688,000) to creditors to settle the trade payables to them. Accordingly, the Group continued to include the full amount of these endorsed banker's acceptances under bills receivables and recognised the relevant payable to creditors until the maturity date of the endorsed banker's acceptances.

20. 貿易應收款項及應收票據、其他應收賬款及預付款項 (續)

轉讓金融資產

以下本集團的應收票據乃透過具全面追索權貼現予銀行或轉讓予供應商。由於本集團並無轉讓該等應收賬款的重大風險及回報，其繼續悉數確認應收賬款之賬面值。本集團於貼現應收票據予銀行時確認已收現金為有抵押借貸。該等應收賬款按攤銷成本列入本集團綜合財務狀況表。

20. Trade and Bills Receivables, Other Debtors and Prepayments (Continued)

Transfer of financial assets

The following were the Group's bills receivables that were either discounted to banks or endorsed to suppliers with full recourse. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables. The Group has recognised the cash received on the bills receivables discounted to banks as a secured borrowing. These receivables are carried at amortised cost in the Group's consolidated statement of financial position.

	具全面追索權貼現予 銀行的應收票據 Bills receivables discounted to banks with full recourse		具全面追索權貼轉讓予 供應商的應收票據 Bills receivables endorsed to suppliers with full recourse		總計 Total	
	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
已轉讓資產之賬面值 Carrying amount of transferred assets	-	2,359	639,079	415,688	639,079	418,047
有關負債之賬面值 Carrying amount of associated liabilities	-	(2,359)	(639,079)	(415,688)	(639,079)	(418,047)

20. 貿易應收款項及應收票據、其他應收賬款及預付款項(續)

其他應收賬款及預付款項

其他應收賬款及預付款項主要包括預付供應商款項、應收供應商佣金及應收進項增值稅。

貿易應收賬款及應收票據及其他應收賬款包括下列並非以有關集團公司之功能貨幣定值之款項：

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
港元	Hong Kong dollars	3,363	3,462
美元(「美元」)	United States dollars ("USD")	28,138	28,048
日圓(「日圓」)	Japanese Yen ("YEN")	625	—

20. Trade and Bills Receivables, Other Debtors and Prepayments (Continued)

Other debtors and prepayments

Other debtors and prepayments mainly consist of payments in advance to suppliers, commission receivable from suppliers and value-added tax recoverable.

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

21. 短期銀行存款、銀行結餘及現金

短期銀行存款及銀行結餘及現金包括下列並非以有關集團公司之功能貨幣定值之款項：

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
美元	USD	214,447	147,767
港元	Hong Kong dollars	9,586	15,270
人民幣	RMB	49,876	48,282

21. Short-Term Bank Deposits, Bank Balances and Cash

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

除多於三個月後到期之短期銀行存款按年利率1.12%至3.30% (二零一五年：3.30%)計息外，所有餘下銀行存款按年利率0.001%至6% (二零一五年：0.001%至5%)不等計息。

Other than short-term bank deposits with original maturity more than three months carrying interest at 1.12% to 3.30% (2015: 3.30%) per annum, all remaining bank deposits carrying interest ranging from 0.001% to 6% (2015: 0.001% to 5%) per annum.

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22. 應付賬款及應計費用

於報告期末，應付賬款及應計費用結餘包括貿易應付賬款 1,362,338,000 港元（二零一五年：1,161,050,000 港元）。餘額主要包括暫收客戶預付款、應付員工薪金及福利、應付銷售佣金、應付倉儲及運費等。

於報告期末按發票日期之貿易應付賬款賬齡分析如下：

零至三個月	0 - 3 months
四至六個月	4 - 6 months
六個月以上	Over 6 months

應付賬款包括下列並非以有關集團公司之功能貨幣定值之款項：

美元	USD
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22. Creditors and Accrued Charges

At the end of the reporting period, the balance of creditors and accrued charges included trade creditors of HK\$1,362,338,000 (2015: HK\$1,161,050,000). Remaining balances mainly consist of receipts in advance from customers, payable of staff salaries and benefits, sales commission, storage and transportation, etc.

An aged analysis of trade creditors at the end of the reporting period based on the invoice date is as follows:

二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
1,139,905	982,601
218,760	169,161
3,673	9,288
1,362,338	1,161,050

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

二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
123,583	199,855

23. 衍生金融工具

23. Derivative Financial Instruments

		流動		非流動	
		二零一六年	二零一五年	二零一六年	二零一五年
		2016	2015	2016	2015
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
衍生金融資產	Derivatives financial assets				
以對沖會計法處理之 衍生工具	Derivatives under hedge accounting				
利率掉期合約	Interest rate swap contracts	4,075	110	4,468	140
遠期合約	Forward contracts	77	-	-	-
其他衍生工具(非以 對沖會計法處理)	Other derivatives (not under hedge accounting)				
遠期合約	Forward contracts	-	1,004	-	-
		4,152	1,114	4,468	140
衍生金融負債	Derivatives financial liabilities				
以對沖會計法處理 之衍生工具	Derivatives under hedge accounting				
利率掉期合約	Interest rate swap contracts	146	3,119	47	3,084
遠期合約	Forward contracts	165	-	-	-
其他衍生工具(非以 對沖會計法處理)	Other derivatives (not under hedge accounting)				
跨幣掉期合約	Cross currency swap contract	-	10,661	-	-
遠期合約	Forward contracts	-	29	-	-
		311	13,809	47	3,084

23. 衍生金融工具(續)

以現金流量對沖之利率掉期合約

本集團與多間商業銀行訂立多項利率掉期合約，通過將浮動利率轉換為固定利率，將銀行之若干港元浮息銀行借貸之現金流量波動風險降至最低。該等合約之條款經磋商後與對沖銀行借貸之條款一致(即面值與銀行借貸之本金額、幣值及利率指標相同)。董事認為利率掉期合約屬高效對沖工具，並根據對沖會計法指定該等工具為現金流量對沖工具。

就對沖利率波動之現金流量風險而言，對沖為高度有效。截至二零一六年十二月三十一日止年度，現金流量對沖調整淨收益為14,303,000港元(二零一五年：虧損2,074,000港元)已於其他全面收益及累計權益內確認。董事預期累計總和將於報告期間後未來到期期間於不同日期於損益內入賬。

23. Derivative Financial Instruments

(Continued)

Interest rate swap contracts under cash flow hedges

The Group entered into a number of interest rate swap contracts with the commercial banks to minimise its exposure to cash flow changes of its floating-rate Hong Kong dollars bank loans from banks by swapping floating interest rates to fixed interest rates. The terms of these contracts were negotiated to match with those of the hedged bank loans with the same notional amounts to principal amounts of bank loans, currency and interest rate index. The directors consider that the interest rate swap contracts are highly effective hedging instruments and have designated them as cash flow hedging instruments for hedge accounting purpose.

The hedges were highly effective in hedging cash flow exposure to interest rate movements. Net adjustments on cash flow hedges of gain of HK\$14,303,000 for the year ended 31 December 2016 (2015: loss of HK\$2,074,000) have been recognised in other comprehensive income and accumulated in equity. The directors expected the accumulated sum is to be released to profit or loss at various dates in the coming maturity periods after the reporting period.

23. 衍生金融工具(續)

以現金流量對沖之利率掉期合約(續)

於報告期末，附註24所披露之銀行借貸包括現金流量對沖項之下銀行貸款1,354,319,000港元(二零一五年：1,739,583,000港元)，而該等以現金流量對沖之利率掉期合約之主要條款如下：

面值 Notional amount	到期日 Maturity	收取浮息 Receive floating	支付定息 Pay fixed
於二零一六年十二月三十一日 At 31 December 2016			
30,000,000港元 HK\$30,000,000	二零一七年八月十四日 14.8.2017	港元三個月之銀行同業拆息* HK\$3-month HIBOR*	2.61厘 2.61%
13,750,000港元 HK\$13,750,000	二零一七年八月二十一日 21.8.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.62厘 2.62%
11,250,000港元 HK\$11,250,000	二零一七年九月十三日 13.9.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.62厘 2.62%
23,333,000港元 HK\$23,333,000	二零一七年十月十九日 19.10.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.67厘 2.67%
20,000,000港元 HK\$20,000,000	二零一七年十月三十一日 31.10.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.68厘 2.68%
214,286,000港元 HK\$214,286,000	二零一九年五月三十日 30.5.2019	港元三個月之銀行同業拆息 HK\$3-month HIBOR	3.05厘 3.05%
66,700,000港元 HK\$66,700,000	二零一八年五月二十三日 23.5.2018	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.54厘 2.54%
150,000,000港元 HK\$150,000,000	二零一八年六月十三日 13.6.2018	港元一個月之銀行同業拆息 HK\$1-month HIBOR	3.22厘 3.22%
100,000,000港元 HK\$100,000,000	二零一九年三月三十一日 31.3.2019	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.22厘 2.22%
75,000,000港元 HK\$75,000,000	二零一九年十月二十九日 29.10.2019	港元一個月之銀行同業拆息 HK\$1-month HIBOR	3.20厘 3.20%
100,000,000港元 HK\$100,000,000	二零一九年一月二日 2.1.2019	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.85厘 2.85%
350,000,000港元 HK\$350,000,000	二零二零年四月一日 1.4.2020	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.82厘 2.82%
200,000,000港元 HK\$200,000,000	二零二零年三月三十一日 31.3.2020	港元一個月之銀行同業拆息 HK\$1-month HIBOR	1.94厘 1.94%

23. Derivative Financial Instruments

(Continued)

Interest rate swap contracts under cash flow hedges (Continued)

Included in borrowings as disclosed in note 24 were bank loans of HK\$1,354,319,000 (2015: HK\$1,739,583,000) which were under cash flow hedges and the major terms of the interest rate swap contracts under cash flow hedges at the end of the reporting period are as follows:

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23. 衍生金融工具(續)

23. Derivative Financial Instruments

(Continued)

以現金流量對沖之利率掉期合約(續)

Interest rate swap contracts under cash flow hedges (Continued)

面值 Notional amount	到期日 Maturity	收取浮息 Receive floating	支付定息 Pay fixed
於二零一五年十二月三十一日 At 31 December 2015			
135,000,000港元 HK\$135,000,000	二零一六年九月三十日 30.9.2016	港元三個月之銀行同業拆息* HK\$3-month HIBOR*	1.83厘 1.83%
15,000,000港元 HK\$15,000,000	二零一六年九月三十日 30.9.2016	港元三個月之銀行同業拆息 HK\$3-month HIBOR	1.95厘 1.95%
8,333,000港元 HK\$8,333,000	二零一六年一月二十九日 29.1.2016	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.77厘 2.77%
20,000,000港元 HK\$20,000,000	二零一六年三月二十三日 23.3.2016	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.70厘 2.70%
15,750,000港元 HK\$15,750,000	二零一六年四月十二日 12.4.2016	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.74厘 2.74%
10,500,000港元 HK\$10,500,000	二零一六年四月十二日 12.4.2016	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.22厘 2.22%
70,000,000港元 HK\$70,000,000	二零一七年八月十四日 14.8.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.61厘 2.61%
32,083,000港元 HK\$32,083,000	二零一七年八月二十一日 21.8.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.62厘 2.62%
26,250,000港元 HK\$26,250,000	二零一七年九月十三日 13.9.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.62厘 2.62%
46,667,000港元 HK\$46,667,000	二零一七年十月十九日 19.10.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.67厘 2.67%
40,000,000港元 HK\$40,000,000	二零一七年十月三十一日 31.10.2017	港元三個月之銀行同業拆息 HK\$3-month HIBOR	2.68厘 2.68%
6,000,000港元 HK\$6,000,000	二零一六年五月十七日 17.5.2016	港元六個月之銀行同業拆息 HK\$6-month HIBOR	2.26厘 2.26%
14,000,000港元 HK\$14,000,000	二零一六年五月十七日 17.5.2016	港元六個月之銀行同業拆息 HK\$6-month HIBOR	1.69厘 1.69%
300,000,000港元 HK\$300,000,000	二零一九年五月三十日 30.5.2019	港元三個月之銀行同業拆息 HK\$3-month HIBOR	3.05厘 3.05%
100,000,000港元 HK\$100,000,000	二零一八年五月二十三日 23.5.2018	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.54厘 2.54%
150,000,000港元 HK\$150,000,000	二零一八年六月十三日 13.6.2018	港元一個月之銀行同業拆息 HK\$1-month HIBOR	3.22厘 3.22%
100,000,000港元 HK\$100,000,000	二零一九年三月三十一日 31.3.2019	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.22厘 2.22%
100,000,000港元 HK\$100,000,000	二零一九年十月二十九日 29.10.2019	港元一個月之銀行同業拆息 HK\$1-month HIBOR	3.20厘 3.20%
150,000,000港元 HK\$150,000,000	二零一九年一月二日 2.1.2019	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.85厘 2.85%
400,000,000港元 HK\$400,000,000	二零二零年四月一日 1.4.2020	港元一個月之銀行同業拆息 HK\$1-month HIBOR	2.82厘 2.82%

* HIBOR指香港銀行同業拆息利率。

* HIBOR represents Hong Kong Interbank Offered Rate.

23. 衍生金融工具(續)

外匯遠期合約

本集團訂立多項外匯遠期合約。於二零一六年十二月三十一日，該等合約公允值變動錄得虧損88,000港元於其他全面收益及累計權益內確認(二零一五年：於損益內確認收益976,000港元)。該等合約絕大部分為交收遠期合約。本集團訂立此等合約，每份合約皆配對金額及到期日相約之美元銀行貸款，為集團司庫運作之一部分，旨在把握現貨與遠期外匯市場間之價差。本集團簽定每一項此類安排時均將確定可預先釐定之回報。因此，儘管各合約期間之特定日期對該等個別外匯遠期合約進行估值可能會產生收益或虧損，但該等收益或虧損最終絕大部分均會與此等安排抵銷。董事認為遠期合約屬高效對沖工具，並根據對沖會計法設定該等工具為截至二零一六年十二月三十一日止年度的現金流量對沖工具。

23. Derivative Financial Instruments

(Continued)

Foreign exchange forward contracts

The Group entered into a number of foreign exchange forward contracts. As at 31 December 2016, the change in fair value of these contracts recorded a loss of HK\$88,000 and was recognised in other comprehensive income and accumulated in equity (2015: a gain of HK\$976,000 was recognised in profit or loss). The majority of these contracts are deliverable forward contracts. Such contracts were entered into as part of the Group's treasury operation for the purpose of capturing the price differential between the spot and forward foreign currency exchange markets by entering into purchase contracts that were denominated in USD with the similar amounts and maturity dates on a one by one basis. Each of these arrangements, when contracted by the Group, will lock in a pre-determined return. Accordingly, although the valuation of each of these foreign exchange forward contracts may give rise to a gain or loss at a particular date within the term of the respective contract, such gain or loss will eventually be substantially offset by each of these arrangements. The directors consider that the forward contracts are highly effective hedging instruments and have designated them as cash flow hedging instruments for hedge accounting purpose for the year ended 31 December 2016.

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23. 衍生金融工具(續)

外匯遠期合約(續)

於報告期末，本集團承擔之主要尚未交收外匯遠期合約之面值範圍如下：

面值 Notional amount	到期日 Maturity	匯率 Exchange rates
於二零一六年十二月三十一日 At 31 December 2016		
買704,007美元 Buy USD704,007	二零一七年一月十六日 16.1.2017	美元／人民幣6.948 USD/RMB6.948
買820,368美元 Buy USD820,368	二零一七年一月十八日 18.1.2017	美元／人民幣6.948 USD/RMB6.948
買1,080,648美元 Buy USD1,080,648	二零一七年一月二十三日 23.1.2017	美元／人民幣7.033 USD/RMB7.033
買890,902美元 Buy USD890,902	二零一七年二月三日 3.2.2017	美元／人民幣7.036 USD/RMB7.036
買978,483美元 Buy USD978,483	二零一七年二月七日 7.2.2017	美元／人民幣7.039 USD/RMB7.039
買1,034,884美元 Buy USD1,034,884	二零一七年二月十三日 13.2.2017	美元／人民幣7.041 USD/RMB7.041

23. Derivative Financial Instruments

(Continued)

Foreign exchange forward contracts

(Continued)

The ranges of the notional amounts of the major outstanding foreign exchange forward contracts to which the Group is committed at the end of the reporting period are as follows:

23. 衍生金融工具(續)

外匯遠期合約(續)

面值
Notional amount
於二零一五年十二月三十一日
At 31 December 2015

買766,000美元
Buy USD766,000
買5,737,000美元
Buy USD5,737,000
買731,000美元
Buy USD731,000
買702,000美元
Buy USD702,000
買841,000美元
Buy USD841,000
買342,000美元
Buy USD342,000
買702,000美元
Buy USD702,000
買701,000美元
Buy USD701,000

23. Derivative Financial Instruments

(Continued)

Foreign exchange forward contracts

(Continued)

到期日 Maturity	匯率 Exchange rates
二零一六年一月十二日 12.1.2016	美元／人民幣6.500 USD/RMB6.500
二零一六年一月二十日 20.1.2016	美元／人民幣6.457 USD/RMB6.457
二零一六年一月二十五日 25.1.2016	美元／人民幣6.506 USD/RMB6.506
二零一六年二月一日 1.2.2016	美元／人民幣6.614 USD/RMB6.614
二零一六年二月二日 2.2.2016	美元／人民幣6.523 USD/RMB6.523
二零一六年二月五日 5.2.2016	美元／人民幣6.531 USD/RMB6.531
二零一六年二月五日 5.2.2016	美元／人民幣6.530 USD/RMB6.530
二零一六年二月十五日 15.2.2016	美元／人民幣6.534 USD/RMB6.534

23. 衍生金融工具(續)

跨幣掉期合約

跨幣掉期

本集團訂立跨幣掉期合約，作為集團司庫運作之一部分，旨在盡力降低外幣風險以及在經濟上對沖外幣銀行貸款。於二零一六年十二月三十一日，合約公允值變動錄得之收益10,661,000港元(二零一五年：12,130,000港元)已於損益內確認。該合約在本集團訂立時已鎖定預定回報。因此，儘管跨幣掉期合約的價值或會在合約期限內特定日期產生收益或虧損，本集團管理層預期有關收益或虧損大部分在合約期末最終將與外幣銀行貸款產生的外匯收益或虧損抵銷。

於二零一五年十二月三十一日，本集團承擔之尚未交收跨幣掉期合約之面值如下：

面值 Notional amount	到期日 Maturity	收取浮息 Receiving floating	支付浮息 Pay floating	匯率 Exchange rates
於二零一五年十二月三十一日 At 31 December 2015				
買4,509,000澳元	二零一六年四月二十九日	澳元三個月 BBR - BBSW + 1.25%	港元三個月之香港 銀行同業拆息 + 1.80%	澳元/港元8.01
Buy AUD4,509,000	29.04.2016	AUD3-month BBR - BBSW + 1.25%	HK\$3-month HIBOR + 1.80%	AUD/HK\$8.01

本集團並無就對沖會計法為跨幣掉期合約指定任何對沖關係。

上述衍生工具乃按公允值計量。根據公允值級別，於二零一六年十二月三十一日上述衍生工具之計量分類為第二級(詳情請參閱附註28)。

23. Derivative Financial Instruments

(Continued)

Cross currency swap contract

Cross Currency Swap

The Group entered into a cross currency swap contract as part of the Group's treasury operation for the purpose of minimising the exposure to foreign currency risk and to hedge economically against the foreign currency bank loan. As at 31 December 2016, the change in fair value of the contract recorded a gain of HK\$10,661,000 (2015: HK\$12,130,000) which was recognised in profit or loss. The agreement, when contracted by the Group, was locked in a pre-determined return. Accordingly, although the valuation of the cross currency swap contract may give rise to a gain or loss at a particular date within the term of the contract, the management of the Group expected that such gain or loss will eventually be substantially offset with the exchange gain or loss arising from the foreign currency bank loan at the end of the contract.

The notional amount of the outstanding cross currency swap contract to which the Group was committed as at 31 December 2015 was as follows:

The Group did not designate any hedging relationship on the cross currency swap contract for the purpose of hedge accounting.

The above derivatives are measured at fair value. The classification of the measurement of the above derivatives at 31 December 2016 is Level 2 under the fair value hierarchy (see note 28 for details).

24. 借貸

24. Borrowings

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
借貸包括銀行貸款：	Borrowings included bank loans:		
銀行貸款	Bank loans	2,246,319	2,772,804
具追索權之貼現票據	Discounted bills with recourse	–	2,359
		2,246,319	2,775,163
無抵押	Unsecured	2,246,319	2,775,163
銀行貸款需於以下年期清還*：	The bank loans are repayable as follows*：		
一年內	Within one year	789,848	1,168,985
一年後至兩年內	More than one year but not exceeding two years	772,214	659,848
兩年後至五年內	More than two years but not more than five years	684,257	943,971
		2,246,319	2,772,804
貼現票據還款期如下*：	The discounted bills are repayable as follows*：		
一年內	Within one year	–	2,359
		2,246,319	2,775,163
減：須於一年內清還並歸納為流動負債之借貸	Less: Borrowings due within one year shown under current liabilities	(789,848)	(1,171,344)
歸納為非流動負債之借貸	Borrowings shown under non-current liabilities	1,456,471	1,603,819

* 到期金額按貸款協議中載列的計劃償還日期計算。

* The amounts due are based on scheduled repayment dates set out in the borrowing agreements.

本集團銀行貸款之年利率為香港銀行同業拆息加1.125%至香港銀行同業拆息加2.05% (二零一五年：香港銀行同業拆息加0.9%至香港銀行同業拆息加2.05%)。利率一般於每兩周至六個月(二零一五年：每兩周至六個月)重新定一次。於二零一五年十二月三十一日，一筆銀行貸款之年利率為澳元－BBR-BBSW加1.25%。

The Group's bank loans carry annual interests at the range of HIBOR plus 1.125% to HIBOR plus 2.05% (2015: HIBOR plus 0.9% to HIBOR plus 2.05%). Interest is repriced in the period from two weeks up to six months (2015: two weeks up to six months). As at 31 December 2015, there was a bank loan which carried annual interest at AUD-BBR-BBSW plus 1.25%.

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24. 借貸 (續)

24. Borrowings (Continued)

		二零一六年 2016	二零一五年 2015
實際利率	Effective interest rates		
		1.45% 至 2.79%	1.14% 至 3.75%
定息借貸	Fixed-rate borrowings	1.45% to 2.79%	1.14% to 3.75%
浮息借貸	Variable-rate borrowings	1.87% 至 2.78%	1.12% 至 2.27%
		1.87% to 2.78%	1.12% to 2.27%

借貸包括105,000,000港元(二零一五年: 476,045,000港元)定息借貸, 有關合約將於一年內到期。

Included in borrowings are HK\$105,000,000 (2015: HK\$476,045,000) at fixed-rate borrowings with the contractual maturity dates within 1 year.

借貸包括下列並非以有關集團公司之功能貨幣定值之款項:

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

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
港元	HKD	166,700	240,000
美元	USD	–	18,686
澳元	AUD	–	25,535

25. 遞延稅項負債

以下為本集團已確認之主要遞延稅項負債(資產)及於本年及上年內之有關變動：

25. Deferred Tax Liabilities

The followings are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior years:

		加速稅項折舊 Accelerated tax depreciation 千港元 HK\$'000	未分配溢利 之預扣稅 Withholding tax on undistributed profits 千港元 HK\$'000	物業重新估值 Revaluation of properties 千港元 HK\$'000	其他 Others 千港元 千港元 HK\$'000 (附註) (Note)	總計 Total 千港元 HK\$'000
於二零一五年一月一日	At 1 January 2015	3,178	(428)	8,408	2,031	13,189
於分派時撥回預扣稅	Reversal of withholding tax upon distribution	-	-	(15,435)	-	(15,435)
(計入)扣除至損益	(Credit) charge to profit or loss	(43)	(195)	10,033	193	9,988
於二零一五年十二月三十一日	At 31 December 2015	3,135	(623)	3,006	2,224	7,742
於分派時撥回預扣稅	Reversal of withholding tax upon distribution	-	-	(36,616)	-	(36,616)
(計入)扣除至損益	(Credit) charge to profit or loss	713	(138)	42,033	(333)	42,275
年內扣除至權益	Charge to equity for the year	-	-	-	-	29,839
外匯結算差額	Currency realignment	-	-	-	-	(1,428)
於二零一六年十二月三十一日	At 31 December 2016	3,848	(761)	8,423	1,891	41,812

附註：其他主要代表於收購附屬公司時按公允值調整被收購資產(即無形資產、預付土地租金及物業、廠房及設備)而產生之遞延稅項負債。

Note: Others mainly represent deferred tax liabilities arising from fair value adjustments on assets acquired (i.e. intangible assets, prepaid lease payments and property, plant and equipment) on acquisition of subsidiaries.

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25. 遞延稅項負債(續)

於二零一六年十二月三十一日，本集團有未使用稅務虧損約940,056,000港元(二零一五年：793,467,000港元)可供抵銷未來溢利。於二零一六年十二月三十一日，已確認稅務虧損4,611,000港元(二零一五年：3,777,000港元)為遞延稅項資產。由於未能預期未來的溢利流量，故未有確認餘下935,445,000港元(二零一五年：789,690,000港元)遞延稅項資產。未確認稅務虧損中908,732,000港元(二零一五年：712,464,000港元)可無限期轉結，餘額將於二零二一年底或之前到期。

本集團已根據中國大陸企業所得稅法實施條例規定經計及將從中國大陸若干附屬公司自二零零八年一月一日起已賺取的溢利中分派的股息後就附屬公司未分配溢利確認遞延稅項。中國大陸企業所得稅法實施條例規定有關股東溢利分派須按5%至10%的稅率繳納預扣稅。由於董事認為本集團可控制撥回暫時差異的時間，而暫時差異於可預見將來可能不會撥回，故本集團並無就中國大陸附屬公司自二零零八年一月一日起已賺取的若干未經分派保留溢利1,491,194,000港元(二零一五年：2,032,623,000港元)確認遞延稅項。

25. Deferred Tax Liabilities (Continued)

At 31 December 2016, the Group had unused tax losses of approximately HK\$940,056,000 (2015: HK\$793,467,000) available to offset against future profits. As at 31 December 2016, a deferred tax asset has been recognised in respect of such losses amounted to HK\$4,611,000 (2015: HK\$3,777,000). No deferred tax asset has been recognised in respect of the remaining HK\$935,445,000 (2015: HK\$789,690,000) due to the unpredictability of future profit streams. Included in the unrecognised tax losses, HK\$908,732,000 (2015: HK\$712,464,000) may be carried forward indefinitely and the remaining balance will expire at various dates up to and including 2021.

Deferred taxation on undistributed profits of subsidiaries has been recognised taking into accounts the dividends to be distributed from profits earned by certain subsidiaries in Mainland China starting from 1 January 2008 under the Implementation Regulation of the EIT Law of Mainland China that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders. Deferred taxation has not been recognised in respect of certain undistributed retained profits earned by the subsidiaries in the Mainland China starting from 1 January 2008 amounting to HK\$1,491,194,000 (2015: HK\$2,032,623,000) as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

26. 股本

26. Share Capital

	法定	已發行及繳足	
	Authorised	Issued and fully paid	
	二零一六年 及二零一五年	二零一六年	二零一五年
	2016 & 2015	2016	2015
	千港元	千港元	千港元
	HK\$'000	HK\$'000	HK\$'000
每股面值0.10港元之股份 Shares of HK\$0.10 each	80,000	56,381	56,371

年內本公司之已發行股本有以下變動：

Movements in the issued share capital of the Company during the year are as follows:

		股份數目	金額
		Number	Amount
		of shares	千港元
		千股	HK\$'000
		'000	
於二零一五年一月一日	At 1 January 2015	562,755	56,276
行使購股權(附註a)	Exercise of share options (Note a)	956	95
於二零一五年十二月三十一日	At 31 December 2015	563,711	56,371
行使購股權(附註b)	Exercise of share options (Note b)	100	10
於二零一六年十二月三十一日	At 31 December 2016	563,811	56,381

附註：

Notes:

(a) 於截至二零一五年十二月三十一日止年度，因本公司分別發行576,000股、200,000股及180,000股每股面值0.10港元之股份，每股作價分別為2.004港元、4.050港元及1.950港元，共956,000份購股權獲行使。

(a) During the year ended 31 December 2015, 956,000 share options were exercised, resulting in the issue of 576,000 shares, 200,000 shares and 180,000 shares of HK\$0.10 each in the Company at a price of HK\$2.004, HK\$4.050 and HK\$1.950 per share, respectively.

(b) 於截至二零一六年十二月三十一日止年度，因本公司發行100,000股每股0.10港元之股份，每股作價分別為1.950港元，共有100,000份購股權獲行使。

(b) During the year ended 31 December 2016, 100,000 share options were exercised, resulting in the issue of 100,000 shares of HK\$0.10 each in the Company at a price of HK\$1.950 per share.

所有已發行股份均在所有方面與當時之現有股份享有同等權益。

All shares issued rank pari passu with the then existing shares in issue in all respects.

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27. 資本風險管理目標與政策

本集團管理其資本以確保通過優化債務與權益平衡為股東爭取最高回報，使本集團公司能夠持續經營。本集團整體政策與過往年度相同。

本集團之資本結構包括債務，主要為於附註24披露之借貸及本公司股東應佔權益(含已發行股本及儲備(包括保留溢利))。

本公司董事定期審核資本結構。作為審核一部分，董事將考慮資本成本及與資本有關的風險。按董事建議，本集團通過支付股息、發行新股及發行新債或者贖回現有債項，以平衡本集團整體資本結構。

27. Capital Risk Management Objectives and Policies

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

The capital structure of the Group consists of debts, which mainly include the borrowings disclosed in note 24, and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts or the redemption of existing debts.

28. 金融工具

28. Financial Instruments

金融工具類別

Categories of financial instruments

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
金融資產	Financial assets		
貸款及應收賬款(包括現金及現金等值項目)	Loans and receivables (including cash and cash equivalents)	3,820,030	4,185,665
衍生金融工具：	Derivative financial instruments:		
– 指定為對沖工具	– designated as hedging instruments	8,620	250
– 非按對沖會計法	– not under hedge accounting	–	1,004
金融負債	Financial liabilities		
攤銷成本	Amortised cost	3,719,244	4,057,254
衍生金融工具：	Derivative financial instruments:		
– 指定為對沖工具	– designated as hedging instruments	358	6,203
– 非按對沖會計法	– not under hedge accounting	–	10,690

財務風險管理目標與政策

Financial risk management objectives and policies

本集團金融工具包括貿易應收賬款及應收票據、其他應收賬款、衍生金融工具、短期銀行存款、銀行結餘及現金、應付賬款及借貸。該等金融工具詳情於各附註披露。該等金融工具相關之風險包括市場風險(外匯風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下列已呈列如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時有效地採取適當措施。本集團所面對之市場風險或其管理及計量該風險之方式概無重大變動。

The Group's financial instruments include trade and bills receivables, other debtors, derivative financial instruments, short-term bank deposits, bank balances and cash, creditors and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other 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. There has been no significant change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

28. 金融工具 (續)

財務風險管理目標與政策 (續)

市場風險

外匯風險

本公司若干附屬公司以外幣進行銷售及採購，令本集團面對外幣風險。本集團約6% (二零一五年：4%) 的銷售以非相關進行銷售的集團公司功能貨幣列值，而約83% (二零一五年：75%) 的採購以相關集團公司的功能貨幣列值。

本集團以外幣列值的貨幣資產及負債於報告期末之賬面值於相關附註披露。於二零一五年十二月三十一日，本集團已訂立跨幣掉期合約，以減少因外匯變動而產生之以澳元列值的銀行借貸的外幣風險潛在波動。管理層持續監控外幣風險，並將於有需要時考慮對沖重大的外幣風險。

敏感度分析

本集團主要面對澳元、美元、人民幣及港元的貨幣風險。下表詳述本集團公司之功能貨幣兌相關外幣升跌5% (二零一五年：5%) 的敏感度。5% (二零一五年：5%) 為管理層對外匯匯率可能出現之合理變動評估的敏感度率。敏感度分析僅包括尚未結算以外幣列值的貨幣項目，對期末外匯匯率5% (二零一五年：5%) 變動作兌換調整。敏感度分析包括應收賬款及應收票據、銀行結餘、應付賬款及借貸 (以澳元計值之與跨幣掉期合約經濟對沖的銀行借貸除外)。在淨負債的情形下，下列正數指功能貨幣兌相關貨幣升值5% (二零一五年：5%) 時，除稅後溢利有所增加，如在淨資產的情形下則相反。當功能貨幣兌相關貨幣跌5% (二零一五年：5%) 時，將對除稅後溢利有同等相反的影響。

28. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 6% (2015: 4%) of the Group's sales are denominated in currencies other than the functional currency of the relevant group entities making the sale, whilst almost 83% (2015: 75%) of purchases are denominated in the relevant group entities' functional currency.

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. As at 31 December 2015, the Group mainly had a cross currency swap contract to reduce its exposure to potential variability of foreign currency risk arising from changes in foreign exchange exposure in AUD denominated bank borrowings. The management continuously monitors the foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.

Sensitivity analysis

The Group is mainly exposed to currency risk of AUD, USD, RMB and Hong Kong dollars. The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in functional currency of respective group entities against the relevant foreign currencies. 5% (2015: 5%) is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2015: 5%) change in foreign currency rates. The sensitivity analysis includes trade and bills receivables, bank balances, creditors as well as borrowings (except for those AUD denominated bank loans hedged economically with the cross currency swap contract). A positive number below indicates an increase in profit after taxation where functional currency strengthens 5% (2015: 5%) against the relevant foreign currency for net liability position and vice versa. For a 5% (2015: 5%) weakening of functional currency against the relevant foreign currency, there would be an equal and opposite impact on the profit after taxation.

28. 金融工具 (續)**財務風險管理目標與政策**
(續)**市場風險** (續)

外匯風險 (續)

敏感度分析 (續)

美元	USD
人民幣	RMB
港元	Hong Kong dollars

部分應收／應付集團公司款項以非相關集團公司功能貨幣列值，本集團因而面對外匯風險。當人民幣兌相關貨幣升5%（二零一五年：5%）時，本集團除稅後溢利將減少1,051,000港元（二零一五年：增加10,198,000港元），反之則有同等相反影響。

本集團之跨幣掉期合約之敏感度分析於本附註之其他價格風險披露。

管理層認為，由於年終風險並不反映年內風險，故敏感度分析並不代表年內在外匯風險。

28. Financial Instruments (Continued)**Financial risk management objectives and policies** (Continued)**Market risk** (Continued)

Currency risk (Continued)

Sensitivity analysis (Continued)

二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
(4,970)	1,713
(2,082)	(2,016)
6,474	9,319

The Group is also exposed to currency risk concerning the amounts due from/to group entities, which are denominated in currencies other than the functional currency of the relevant group entities. When RMB strengthens 5% (2015: 5%) against the relevant foreign currency, profit after taxation of the Group will decrease by HK\$1,051,000 (2015: increased by HK\$10,198,000) and vice versa.

The sensitivity analysis of the Group's exposure on the cross currency swap contract is disclosed in other price risk of this note.

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

28. 金融工具 (續)

財務風險管理目標與政策

(續)

市場風險 (續)

利率風險

本集團須面對由定息銀行存款及銀行貸款所產生之公允價值利率風險(該等借貸詳情見附註24)。但因銀行存款及大部分定息銀行貸款將於一年內到期，管理層認為此項風險並未對本集團構成重大影響。

本集團亦就按現行市場存款利率計息的銀行存款及浮息銀行借貸面對現金流量利率風險(詳情見附註21及24)。為維持本集團之銀行借貸為固定利率，本集團訂立利率掉期以對沖部分銀行貸款現金流變動之風險。該等利率掉期與被對沖銀行貸款之主要條款相同。利率掉期乃指定為有效之對沖工具，並已使用對沖會計法(詳情見附註23)。

由於銀行結餘之現行市場利率波動，本集團之銀行結餘具現金流量利率風險。董事認為，由於計息銀行結餘之到期期間較短，本集團少於三個月到期之短期銀行存款及銀行結餘所面對之利率風險並不重大，故不包括於敏感度分析中。

28. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits and bank loans (see note 24 for details of these borrowings). However, since the bank deposits and the majority of the fixed-rate bank loans will mature within one year, the management considers the risk is insignificant to the Group.

The Group is also exposed to cash flow interest rate risk in relation to bank deposits carried interest at prevailing market deposit rate and floating-rate bank loans (see notes 21 and 24 for details). In order to keep the Group's bank loans at fixed rates, the Group entered into interest rate swaps to hedge against its exposures to changes in cash flows of certain bank loans. The critical terms of these interest rate swaps are the same to those of hedged bank loans. Interest rate swaps are designated as effective hedging instruments and hedge accounting is used (see note 23 for details).

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The directors consider the Group's exposure of the short-term bank deposits with original maturity of less than three months and bank balances to interest rate risk is not significant as interest bearing bank balances are within short maturity period and thus it is not included in sensitivity analysis.

28. 金融工具 (續)**財務風險管理目標與政策**
(續)**市場風險** (續)

利率風險 (續)

敏感度分析

下列敏感度分析乃以報告期末對非衍生工具之利率風險釐定。就多於三個月後到期之計息銀行存款及借貸之分析，乃假設於報告期末未償還資產及負債為全期未償還。採用上下浮動50個基點(二零一五年：50個基點)，乃基於管理層對利率之可能合理的變動之評估作出。

倘計息借貸(不包括屬現金流對沖的1,154,319,000港元之銀行貸款(二零一五年：1,739,583,000港元))及多於三個月後到期之短期銀行存款利率上升/下跌50個基點(二零一五年：50個基點)，而所有其他變數不變，於截至二零一六年十二月三十一日止年度的除稅後溢利將減少/增加約3,549,000港元(二零一五年：減少/增加約1,454,000港元)。此主要歸因於本集團承受計息短期銀行存款及浮息借貸之利率風險，於報告期末並不對沖所承受之現金流量利率風險。

28. Financial Instruments (Continued)**Financial risk management objectives and policies** (Continued)**Market risk** (Continued)

Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For interest bearing bank deposits with original maturity of more than three months and borrowings, the analysis is prepared assuming the amount of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole period. A 50 basis points (2015: 50 basis points) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates on interest bearing borrowings (excluding bank loans under cash flow hedges of HK\$1,154,319,000 (2015: HK\$1,739,583,000)) and short-term bank deposits with original maturity of more than three months had been 50 basis points (2015: 50 basis points) higher/lower and all of other variables were held constant, the profit after taxation for the year ended 31 December 2016 would decrease/increase by approximately HK\$3,549,000 (2015: decrease/increase by approximately HK\$1,454,000). This is mainly attributable to the Group's exposure to interest rates on its interest bearing short-term bank deposits and variable-rate borrowings which are not hedged against their exposures to cash flow interest rate risk at the end of the reporting period.

28. 金融工具 (續)

財務風險管理目標與政策

(續)

市場風險 (續)

其他價格風險

本集團因其衍生金融工具而面對其他價格風險。本集團之其他價格風險主要集中於利率掉期，外匯遠期合約及跨幣掉期合約。

敏感度分析

下列敏感度分析乃以報告期末衍生工具所承受之其他價格風險釐定：

- 倘利率掉期合約之遠期利率上升／下降50個基點(二零一五年：50個基點)，而所有其他變數不變，則對沖儲備之借項將因利率掉期合約之公允值變動減少／增加7,330,000港元(二零一五年：14,719,000港元)。
- 倘外匯遠期合約之遠期匯率上升／下降5%(二零一五年：5%)，而所有其他變數不變，則對沖儲備之借項將減少／增加1,635,000港元(二零一五年：除稅後溢利將增加／減少3,244,000港元)。
- 倘(i)跨幣掉期合約之遠期匯率上升5%；(ii)跨幣掉期合約之遠期匯率下跌5%；及(iii)跨幣掉期合約利率上升50個基點，而所有其他變數不變，則截至二零一五年十二月三十一日止年度之除稅後溢利將分別(i)增加1,818,000港元，(ii)減少1,818,000港元及(iii)減少17,000港元。

28. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk

The Group is exposed to other price risk through its derivative financial instruments. The Group's other price risk is mainly concentrated on the interest rate swaps, foreign exchange forward contracts and cross currency swap contract.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to other price risks for derivatives at the end of the reporting period:

- if the forward interest rate of interest rate swap contracts had been 50 basis points (2015: 50 basis points) higher/lower and all other variables were held constant, the debit side of hedging reserve would decrease/increase by HK\$7,330,000 (2015: HK\$14,719,000) as a result of fair value change on interest rate swap contracts.
- if the forward exchange rate of forward exchange forward contracts had been 5% (2015: 5%) higher/lower and all other variables were held constant, the debt side of hedging reserve would decrease/increase by HK\$1,635,000 (2015: the profit after taxation would increase/decrease by HK\$3,244,000).
- if (i) the forward exchange rate of the cross currency swap contract had been 5% higher; (ii) the forward exchange rate of the cross currency swap contract had been 5% lower; and (iii) the interest rate of the cross currency swap contract had been 50 basis points higher, and all other variables were held constant, the profit after taxation for the year ended 31 December 2015 would (i) increase by HK\$1,818,000, (ii) decrease by HK\$1,818,000 and (iii) decrease by HK\$17,000, respectively.

28. 金融工具 (續)

財務風險管理目標與政策 (續)

信貸風險

於二零一六年十二月三十一日，本集團就交易方將因未能履行責任對本集團造成之財務虧損可能承擔之最高信貸風險，為綜合財務狀況表內所列有關已確認金融資產之賬面值。

為盡量減低信貸風險，本集團管理層任命相關人員制定有關信貸額度、信貸審批及其他監控程序，以確保作出跟進行動收回過期債項。此外，本集團審閱於報告期末之每項個別貿易賬款及其他應收賬款之可收回金額，以確保可為不可收回金額撥出充足之減值虧損。於此情況下，本公司董事認為本集團之信貸風險已顯著減少。

應收票據的信貸風險有限，因本集團已訂立程序及政策，確保應收票據由具信貸質素的銀行或農村合作銀行出具。

由於交易方主要為獲國際信貸評級機構評級為良好信貸評級之銀行，故流動資金之信貸風險有限。

除存放於若干高信貸評級銀行之流動資金及主要由中國大陸具良好聲譽的銀行出具之應收票據所承受之集中信貸風險外，本集團並無有關貿易應收賬款及其他應收賬款之任何其他重大集中信貸風險。貿易應收賬款包括分佈於不同行業及地區之大量客戶。

28. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

As at 31 December 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties are arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and other debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In respect of bills receivables, the credit risk is limited as the Group has procedures and policies in place to ensure they are from banks or rural cooperative banks with acceptable credit quality.

The credit risk on liquid funds is limited because the counterparties are mainly banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and bills receivables mainly from banks with good reputation in Mainland China, the Group does not have any other significant concentration of credit risk on trade and other debtors. Trade receivables consist of a large number of customers, which spread across diverse industries and geographical areas.

28. 金融工具 (續)

財務風險管理目標與政策

(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合適的水平，以支援本集團的業務，亦減低現金流量波動的影響。管理層監控銀行借貸的使用情況，確保符合貸款契諾。

本集團依賴銀行借貸作為流動資金的主要來源。於二零一六年十二月三十一日，本集團未動用的銀行信貸額度約2,427,466,000港元(二零一五年：2,508,312,000港元)。

下表詳述本集團金融負債的餘下合約到期情況。就非衍生金融負債而言，乃根據本集團須付金融負債最早之日的非貼現現金流量以制定表格。表格包括利息及本金現金流量。按淨額基準結算的衍生工具，呈報其非貼現現金流出淨額情況。

28. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In 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 to ensure compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As at 31 December 2016, the Group had available unutilised bank facilities of approximately HK\$2,427,466,000 (2015: HK\$2,508,312,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. For 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. The table includes both interest and principal cash flows. For derivative instruments settled on a net basis, undiscounted net cash outflows are presented.

28. 金融工具 (續)

財務風險管理目標與政策

(續)

流動資金風險 (續)

流動資金及利率風險表

28. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

		加權平均利率	一個月內	一個月以上 但不超過一年	一年以上 但不超過兩年	兩年以上 但不超過五年	合約非貼現 現金流量總額	賬面值
		Weighted average interest rate	Less than 1 month	1 month to 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amount
		%	千港元	千港元	千港元	千港元	千港元	千港元
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一六年十二月 三十一日	At 31.12.2016							
非衍生金融負債	Non-derivative financial liabilities							
應付賬款及其他應付賬 借貸	Creditors and other payables Borrowings	-	733,375	739,550	-	-	1,472,925	1,472,925
- 浮息	- at variable rate	2.32	72,223	548,154	752,085	707,327	2,079,789	2,004,319
- 定息	- at fixed rate	2.09	114,199	63,799	47,359	19,880	245,237	242,000
			919,797	1,351,503	799,444	727,207	3,797,951	3,719,244
衍生工具 - 淨結算	Derivatives - net settlement							
外匯遠期合約	Foreign exchange forward contracts		44	121	-	-	165	165
衍生工具 - 總額結算	Derivatives - gross settlement							
利息掉期合約	Interest rate swap contracts							
- 流入	- inflow		(377)	(2,943)	(981)	-	(4,301)	(4,238)
- 流出	- outflow		394	3,077	1,026	-	4,497	4,431
			17	134	45	-	196	193
於二零一五年十二月 三十一日	At 31.12.2015							
非衍生金融負債	Non-derivative financial liabilities							
應付賬款及其他應付賬 借貸	Creditors and other payables Borrowings	-	657,199	624,892	-	-	1,282,091	1,282,091
- 浮息	- at variable rate	1.89	49,512	607,297	604,668	927,865	2,189,342	2,117,118
- 定息	- at fixed rate	1.72	456,699	65,602	73,909	67,960	664,170	658,045
			1,163,410	1,297,791	678,577	995,825	4,135,603	4,057,254
衍生工具 - 淨結算	Derivatives - net settlement							
跨幣掉期合約	Cross currency swap contract		5,282	5,379	-	-	10,661	10,661
外匯遠期合約	Foreign exchange forward contracts		-	29	-	-	29	29
			5,282	5,408	-	-	10,690	10,690
衍生工具 - 總額結算	Derivatives - gross settlement							
利息掉期合約	Interest rate swap contracts							
- 流入	- inflow		(3,345)	(31,247)	(21,493)	(14,082)	(70,167)	(68,273)
- 流出	- outflow		3,715	34,241	23,470	15,099	76,525	74,476
			370	2,994	1,977	1,017	6,358	6,203

28. 金融工具 (續)

金融工具之公允值計量

本集團的衍生金融工具於各報告期末按公允值計量。下表載列有關如何釐定該等金融負債的公允值(尤其是所使用的估值技術及輸入數據)，以及公允值計量按照公允值計量的輸入數據的可觀察程度進行分類的公允值級別(第一至三級)的資料。

28. Financial Instruments (Continued)

Fair value measurements of financial instruments

The Group's derivative financial instruments 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 liabilities are determined (in particular, the valuation techniques 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.

金融負債 Financial liabilities	公允值 Fair value as at	公允值級別 Hierarchy	公允值估值方法及主要輸入數據 Fair value valuation techniques and key input(s)
	於二零一六年 十二月三十一日 31.12.2016	於二零一五年 十二月三十一日 31.12.2015	
於綜合財務狀況表分類為衍生金融工具的利率掉期合約	資產(根據對沖會計法) -8,543,000港元	資產(根據對沖會計法) - 250,000港元	第二級 貼現現金流量。未來現金流量乃計及交易方及本集團之信貸風險(倘適用)後基於遠期利率(從報告期末的可觀察收益率曲線得出)及合約利率(按適用貼現率貼現)而估計。
Interest rate swap contracts classified as derivative financial instruments in the consolidated statement of financial position	負債(根據對沖會計法) -193,000港元 Assets (under hedge accounting) - HK\$8,543,000	負債(根據對沖會計法) - 6,203,000港元 Assets (under hedge accounting) - HK\$250,000	Level 2 Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at an applicable discount rate taking into account the credit risk of the counter-parties and of the Group as appropriate.
於綜合財務狀況表分類為衍生金融工具的跨幣掉期合約*	負債 - 零	負債 - 10,661,000港元	第二級 貼現現金流。未來現金流量乃計及交易方及本集團之信貸風險(倘適用)後基於遠期利率(從報告期末的可觀察收益率曲線得出)及合約外幣匯率及市場利率(按適用貼現率貼現)而估計。
Cross currency swap contract classified as derivative financial instruments in the consolidated statement of financial position*	負債 - Nil	Liabilities - HK\$10,661,000	Level 2 Discounted cash flow. Future cash flows are estimated based on forward currency exchange rate and market interest rate (from observable yield curves at the end of the reporting period) and contracted foreign currency exchange rate and market interest rate, discounted at an applicable discount rate taking into account the credit risk of the counter-parties and of the Group as appropriate.
於綜合財務狀況表分類為衍生金融工具的外匯遠期合約	資產(根據對沖會計法) - 77,000港元	資產 - 1,004,000港元	第二級 貼現現金流。未來現金流量乃計及交易方及本集團之信貸風險(倘適用)後基於遠期利率(從報告期末的可觀察收益率曲線得出)及合約外幣匯率及市場利率(按適用貼現率貼現)而估計。
Foreign exchange forward contracts classified as derivative financial instruments in the consolidated statement of financial position	負債 - (根據對沖會計法) - 165,000港元 Assets (under hedge accounting) - HK\$77,000	負債 - 29,000港元 Assets - HK\$1,004,000	Level 2 Discounted cash flow. Future cash flows are estimated based on forward currency exchange rate and market interest rate (from observable yield curves at the end of the reporting period) and contracted foreign currency exchange rate and market interest rate, discounted at an applicable discount rate taking into account the credit risk of the counter-parties and of the Group as appropriate.
	負債 - (under hedge accounting) - HK\$165,000	Liabilities - HK\$29,000	

28. 金融工具 (續)**金融工具之公允值計量**

(續)

- # 按本金名義金額之固定匯率將按三個月澳元BBR-BBSW另加1.25厘計息的澳元名義金額交換成三個月港元香港銀行同業拆息另加1.80厘計息的港元名義金額。

本公司董事認為於綜合財務報告內按攤銷成本列賬的其他金融資產及金融負債之賬面值與其公允值相若。

涉及抵銷、可執行總互抵銷協議及類似協議的金融資產及負債

本集團就其衍生金融工具訂立國際掉期及衍生產品協會(「國際掉期及衍生產品協會」)總協議。就該衍生金融工具確認的金額並無符合於本公司綜合財務狀況表抵銷的標準，因為本集團並無就衍生交易抵押任何現金抵押品。

28. Financial Instruments (Continued)**Fair value measurements of financial instruments** (Continued)

- # Swapping AUD notional amount with an interest at AUD 3-month BBR-BBSW plus 1.25% to HK\$ notional amount with an interest at HK\$3-month HIBOR plus 1.80% at a fixed foreign exchange rate for the principal notional amount.

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

The Group entered into International Swaps and Derivatives Association (“ISDA”) Master Agreements for its derivatives financial instruments. The amounts recognised for the derivatives financial instruments do not meet the criteria for offsetting in the Group’s consolidated statement of financial position since there is no cash collateral pledged in respect of the Group’s derivative transactions.

29. 購股權計劃

於二零一二年五月二十五日，本公司股東在股東週年大會上已批准採納新購股權計劃（「新購股權計劃」），同時終止本公司於二零零二年九月三日已採納的舊購股權計劃（「舊購股權計劃」）。在舊購股權計劃終止前授出之購股權將繼續生效並可根據舊購股權計劃之規則行使。新購股權計劃將於二零二二年五月二十四日到期以便遵從上市規則第17章之條款。新購股權計劃之目的為確定及激勵參與人士作出貢獻，並提供鼓勵及直接經濟利益，以達到本公司之長期業務目標。新購股權計劃的主要條款與舊購股權計劃之條款相似，董事會可授出購股權予本集團之合資格僱員，包括本公司或其附屬公司之董事，本集團之法律、金融、管理及技術顧問及諮詢人、主要客戶及原料及機械供應商，以認購本公司之股份。授出之購股權之行使期自授出日期起計不超過十年，且董事會於購股權可行使期內可對行使購股權實施限制。接納獲授之購股權時應支付1港元之象徵式代價。購股權股份之認購價須不少於以下三者最高者(i) 股份於授出日期之收市價；(ii) 股份於緊接授出日期前五個交易日之平均收市價；及(iii) 股份之面值。可授出之購股權有關之股份數目上限，不得超過於批准新購股權計劃當日本公司之已發行股本10%之面值金額。然而，因行使所有尚未行使購股權而發行之股份數目上限總額不得超過不時已發行股本之30%。在未獲得本公司之股東批准，在任何一年內，授予任何人士之購股權股份數目，不得超過本公司不時已發行股份之1%。

29. Share Option Scheme

On 25 May 2012, the shareholders of the Company at the annual general meeting approved the adoption of a new share option scheme (the "New Share Option Scheme") and the termination of the old share option scheme (the "Old Share Option Scheme") which was adopted by the Company on 3 September 2002. Options granted under the Old Share Option Scheme prior to such termination will continue to be valid and exercisable in accordance with the rules of the Old Share Option Scheme. The New Share Option Scheme will expire on 24 May 2022 in order to comply with the terms of Chapter 17 of the Listing Rules. The purpose of the New Share Option Scheme is to recognise and motivate the participants and to provide incentives and a direct economic interest in attaining the long term business objectives of the Company. The principal terms of the New Share Option Scheme are similar to those of the Old Share Option Scheme, the Board may grant options to any eligible employees of the Group, including directors of the Company or its subsidiaries, legal, financial, management and technical advisers and consultants, major customers and raw material and machinery suppliers of the Group, to subscribe for shares of the Company. The exercise period of options granted shall not be more than ten years from the date of grant and the Board may impose restrictions on the exercise of options during the period options may be exercised. A nominal consideration of HK\$1 is payable on acceptance of the grant of options. The subscription price of the option share is not less than the higher of (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares on the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares. The maximum number of shares in respect of which options may be granted may not exceed in nominal amount of 10% of the issued share capital of the Company at the date of approval of the New Share Option Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding shares options must not exceed 30% of the issued share capital from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue from time to time, without prior approval from the Company's shareholders.

29. 購股權計劃 (續)

根據舊購股權計劃授出之購股權即時歸屬及將繼續有效及可根據舊購股權計劃之規則予以行使。

本公司之購股權計劃之尚未行使購股權之變動及其相關之加權平均行使價於每個報告期間概列如下：

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29. Share Option Scheme (Continued)

The share options granted before under the Old Share Option Scheme vest immediately and will continue to be valid and exercisable in accordance with the rules of the Old Share Option Scheme.

A summary of the movements of the outstanding options and their related weighted average exercise prices during each of the reporting periods under the Company's share option scheme is as follows:

授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options				於二零一六年 十二月 三十一日 尚未行使 Outstanding at 31.12.2016
		於二零一六年 一月一日 尚未行使 Outstanding at 1.1.2016	年內已授出 Granted during the year	年內已行使 Exercised during the year	年內已註銷 Cancelled during the year	
舊購股權計劃 Old Share Option Scheme						
二零零七年四月三日 3.4.2007	4.050	478,000	-	-	(326,000)	152,000
二零零八年十月三十一日 31.10.2008	1.950	320,000	-	(100,000)	-	220,000
二零零九年十月五日 5.10.2009	4.536	1,050,000	-	-	(340,000)	710,000
		1,848,000	-	(100,000)	(666,000)	1,082,000
新購股權計劃 New Share Option Scheme						
二零一三年一月十一日 11.1.2013	5.942	5,960,000	-	-	(820,000)	5,140,000
		港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$
加權平均每股行使價 Weighted average exercise price per share		5.473	-	1.950	5.205	5.594

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29. 購股權計劃 (續)

29. Share Option Scheme (Continued)

截至二零一五年十二月三十一日止年度
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	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options				於二零一五年 十二月三十一日 尚未行使 Outstanding at 31.12.2015
			於二零一五年 一月一日 尚未行使 Outstanding at 1.1.2015	年內已授出 Granted during the year	年內已行使 Exercised during the year	年內已註銷 Cancelled during the year	
舊購股權計劃 Old Share Option Scheme	二零零五年十月二十四日 24.10.2005	2.004	576,000	-	(576,000)	-	-
	二零零七年四月三日 3.4.2007	4.050	678,000	-	(200,000)	-	478,000
	二零零八年十月三十一日 31.10.2008	1.950	540,000	-	(180,000)	(40,000)	320,000
	二零零九年十月五日 5.10.2009	4.536	1,386,000	-	-	(336,000)	1,050,000
			3,180,000	-	(956,000)	(376,000)	1,848,000
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	7,080,000	-	-	(1,120,000)	5,960,000
加權平均每股行使價 Weighted average exercise price per share			港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$
			5.196	-	2.422	5.519	5.473

29. 購股權計劃 (續)

有關包括與以上資料表內董事持有購股權之詳情如下：

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29. Share Option Scheme (Continued)

Details of the options held by the directors included in the above table are as follows:

授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options				
		於二零一六年 一月一日 尚未行使 Outstanding at 1.1.2016	年內 重新分類 Reclassified during the year (附註) (Note)	年內已行使 Exercised during the year	於二零一六年 十二月三十一日 尚未行使 Outstanding at 31.12.2016	
舊購股權計劃 Old Share Option Scheme	二零零七年四月三日 3.4.2007	4.050	200,000	(200,000)	-	-
	二零零八年十月三十一日 31.10.2008	1.950	100,000	(100,000)	-	-
	二零零九年十月五日 5.10.2009	4.536	200,000	(200,000)	-	-
			500,000	(500,000)	-	-
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	600,000	(200,000)	-	400,000

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29. 購股權計劃(續)

29. Share Option Scheme (Continued)

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	授出日期 Date of grant	行使價 Exercise price 港元 HK\$	購股權數目 Number of share options			
			於二零一五年 一月一日 尚未行使 Outstanding at 1.1.2015	年內已授出 Granted during the year	年內已行使 Exercised during the year	於二零一五年 十二月三十一日 尚未行使 Outstanding at 31.12.2015
舊購股權計劃 Old Share Option Scheme	二零零五年十月二十四日 24.10.2005	2.004	200,000	-	(200,000)	-
	二零零七年四月三日 3.4.2007	4.050	200,000	-	-	200,000
	二零零八年十月三十一日 31.10.2008	1.950	100,000	-	-	100,000
	二零零九年十月五日 5.10.2009	4.536	200,000	-	-	200,000
			700,000	-	(200,000)	500,000
新購股權計劃 New Share Option Scheme	二零一三年一月十一日 11.1.2013	5.942	600,000	-	-	600,000

附註：黃金焰先生自二零一六年一月一日起辭任董事，彼持有的購股權數目重新分類為非董事購股權。

Note: Mr. Wong Kam Yim has been retired as director since 1 January 2016 and his number of share options was reclassified as share options to non-director.

29. 購股權計劃 (續)

緊接行使購股權日期前本公司股份的加權平均收市價為2.544港元(二零一五年：3.825港元)。於年末尚未行使購股權之加權平均剩餘合約年期為5.37年(二零一五年：6.07年)。

根據舊購股權計劃授出的所有購股權於授出日期立即歸屬，行使期自授出日期起計十年。根據新購股權計劃授出的購股權於授出日期起兩年後歸屬及該等購股權自二零一五年一月十一日起至二零二三年一月十日止可予行使。

29. Share Option Scheme (Continued)

The weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised was HK\$2.544 (2015: HK\$3.825). The options outstanding at the end of the year have a weighted average remaining contract life of 5.37 years (2015: 6.07 years).

All share options granted under the Old Share Option Scheme vested immediately at the dates of grant with the exercisable period of ten years from the dates of grant. The share options granted under the New Share Option Scheme were vested over two years from the dates of grant and they are exercisable commencing from 11 January 2015 to 10 January 2023.

30. 承擔

30. Commitments

有關收購物業、廠房及設備以及土地使用權之資本開支已訂約但綜合財務報告中未予撥備

Capital expenditure in respect of the acquisition of property, plant and equipment and land use rights contracted for but not provided in the consolidated financial statements

二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
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8,189	43,900
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31. 經營租約承擔

本集團作為承租人

於報告期末，本集團就於下列年期屆滿之租賃物業之不可撤銷經營租約而須承擔繳付未來最低租賃款項：

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
一年內	Within one year	14,056	14,331
第二至第五年 (首尾兩年包括在內)	In the second to fifth year inclusive	48,393	51,554
五年後	After five years	24,499	38,842
		86,948	104,727

根據與本集團訂立之租約，租賃條款及租金由一年至二十年不等。

本集團作為出租人

於報告期末，本集團與租戶就下列未來最低租賃款項訂立合約：

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
一年內	Within one year	13,899	4,960
第二至第五年 (首尾兩年包括在內)	In the second to fifth year inclusive	21,265	17,179
		35,164	22,139

持有的物業已有約定的租戶，年期介乎一年至五年。

31. Operating Lease Commitments

The Group as lessee

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rented properties which fall due as follows:

Under the leases entered into by the Group, the lease terms and rentals are fixed from one year to twenty years.

The Group as lessor

At the end of the reporting period, the Group had contracted with a tenant for the following future minimum lease payments:

The properties held have committed tenant ranging from one year to five years.

32. 關連人士交易

年內，本集團分別支付960,000港元(二零一五年：960,000港元)及600,000港元(二零一五年：600,000港元)之租金予港德投資有限公司(「港德」)及嘉捷投資有限公司(「嘉捷」)，本公司之董事葉志成先生及葉子軒先生分別於港德及嘉捷持有控股權益。

主要管理人員為本公司之董事及本公司之高級管理層。彼等薪酬詳情載於附註6。

33. 退休福利計劃

本集團參與根據職業退休計劃條例登記之定額供款計劃(「職業退休計劃」)及根據強積金條例於二零零零年十二月成立之強積金計劃(「強積金計劃」)。該等計劃之資產與本集團之資產分開持有，由受保人管理之信託基金所持有。在強積金計劃成立之前，原為職業退休計劃成員之僱員可選擇繼續參與職業退休計劃或轉至強積金計劃，所有於二零零零年十二月一日或以後新入職本集團之僱員需參與強積金計劃。

本集團於中國大陸之附屬公司僱員乃由中國政府運作之國家監管退休福利計劃之成員。此等附屬公司之供款為僱員薪金之若干百分比，作為該退休福利計劃之資金。本集團之唯一責任為向該退休福利計劃提供特定的供款。

計入損益之成本為46,785,000港元(二零一五年：48,283,000港元)代表本集團按計劃規則訂明之比率於本會計期間應向該等計劃作出支付或應付之供款。於二零一六年十二月三十一日，就報告期間應付之供款457,000港元(二零一五年：530,000港元)仍未付予該等計劃。該等款項已於報告期末後支付。

32. Related Party Transactions

During the year, the Group paid rent of HK\$960,000 (2015: HK\$960,000) and HK\$600,000 (2015: HK\$600,000) to Goldex Investments Limited (“Goldex”) and Galsheer Investments Limited (“Galsheer”) respectively in which Mr. Ip Chi Shing and Mr. Yip Tsz Hin, directors of the Company, have controlling interests over Goldex and Galsheer respectively.

The key management personnel are the directors of the Company and the management executives of the Company. The details of the remuneration paid to them are set out in note 6.

33. Retirement Benefit Plan

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the “ORSO Scheme”) and a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

The employees of the Group’s subsidiaries in Mainland China are members of a state-managed retirement benefit plan operated by the government of Mainland China. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The costs charged to profit or loss of HK\$46,785,000 (2015: HK\$48,283,000) represent contributions paid or payable to these plans by the Group at rates specified in the rules of the plans in respect of the current accounting period. As at 31 December 2016, contributions of HK\$457,000 (2015: HK\$530,000) due in respect of the reporting period had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

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34. 主要附屬公司

本公司之主要附屬公司之詳情如下：

34. Principal Subsidiaries

Details of the Company's principal subsidiaries are as follows:

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/註冊資本之面值 Nominal value of issued share capital/registered capital	本集團持有應佔 已發行股本/註冊資本之百分比 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	
億澤發展有限公司 Base Rich Development Limited	香港 Hong Kong	普通股 – 2港元 Ordinary – HK\$2	100%	100%	物業投資 Property investment
紫荊花化工(上海)有限公司 Bauhinia Chemical (Shanghai) Company Limited	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 人民幣2,000,000元 Capital contribution – RMB2,000,000	100%	100%	買賣塗料 Trading in coatings
紫荊花塗料(上海)有限公司 Bauhinia Coatings Manufacturing (Shanghai) Co., Limited	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 40,800,000美元 Capital contribution – USD40,800,000	100%	100%	製造及買賣塗料 Manufacturing of and trading in coatings
Bauhinia Paints Limited	英屬處女群島 British Virgin Islands	普通股 – 1,000港元 Ordinary – HK\$1,000	100%	100%	投資控股 Investment holding
紫荊花製漆(成都)有限公司 Bauhinia Paints Manufacturing (Chengdu) Company Limited	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 人民幣28,000,000 元 Capital contribution – RMB28,000,000	100%	100%	製造及買賣塗料 Manufacture of and trading in coatings
大中漆廠有限公司 Bauhinia Paints Manufacturing Limited	香港 Hong Kong	普通股 – 20港元 遞延股 – 600,000港元 Ordinary – HK\$20 Deferred – HK\$600,000	100% 附註	100% 附註	投資控股 Investment holding
紫荊花製漆(上海)有限公司 Bauhinia Paints Manufacturing (Shanghai) Company Limited	中國大陸 – 獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻 – 6,100,000美元 Capital contribution – USD6,100,000	100%	100%	物業投資以及製造及買賣潤滑油 Property investment and manufacture of and trading in lubricants

34. 主要附屬公司 (續)

34. Principal Subsidiaries (Continued)

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/註冊資本之面值 Nominal value of issued share capital/registered capital	本集團持有應佔 已發行股本/註冊資本之百分比 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	
紫荊花製漆(深圳)有限公司 Bauhinia Paints Manufacturing (Shenzhen) Company Limited	中國大陸—獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻— 28,800,000港元 Capital contribution – HK\$28,800,000	100%	100%	買賣塗料 Trading in coatings
洋紫荊油墨(河北)有限公司 Bauhinia Variegata Ink & Chemicals (Hebei) Limited	中國大陸—獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻— 人民幣88,000,000 元 Capital contribution – RMB88,000,000	100%	100%	製造及買賣油墨 Manufacture of and trading in inks
洋紫荊油墨(浙江)有限公司 Bauhinia Variegata Ink & Chemicals (Zhejiang) Limited	中國大陸—獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻— 40,000,000美元 Capital contribution – USD40,000,000	100%	100%	製造及買賣油墨 Manufacture of and trading in inks
洋紫荊油墨(中山)有限公司 Bauhinia Variegata Ink & Chemicals (Zhongshan) Limited	中國大陸—獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻— 180,000,000港元 Capital contribution – HK\$180,000,000	100%	100%	製造及買賣油墨 Manufacture of and trading in inks
凌志潤滑油有限公司 Best Lubricant Blending Limited	香港 Hong Kong	普通股— 2港元 Ordinary – HK\$2	100%	100%	投資控股 Investment holding
大勇投資有限公司 Big Youth Investments Limited	香港 Hong Kong	普通股— 10,000港元 Ordinary – HK\$10,000	100%	100%	物業投資 Property investment
Brandway limited	英屬處女群島 British Virgin Islands	普通股— 1美元 Ordinary – USD1	100%	100%	投資控股 Investment holding

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34. 主要附屬公司 (續)

34. Principal Subsidiaries (Continued)

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/註冊資本之面值 Nominal value of issued share capital/registered capital	本集團持有應佔 已發行股本/註冊資本之百分比 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	
協和化工倉儲有限公司 Concord Chemical Storing Limited	香港 Hong Kong	普通股 - 160,000港元 Ordinary - HK\$160,000	75%	75%	投資控股及買賣溶劑 Investment holding and trading in solvents
大昌樹脂(惠州)有限公司 Da Chang Polymers (Huizhou) Limited	中國大陸 - 獨資外資企業 Mainland China - wholly owned foreign enterprise	資本貢獻 - 24,500,000港元 Capital contribution - HK\$24,500,000	100%	100%	買賣樹脂 Trading in resins
東莞太平洋博高潤滑油有限 公司 Dongguan Pacoil Lubricant Company Limited	中國大陸 - 獨資外資企業 Mainland China - wholly owned foreign enterprise	資本貢獻 - 50,000,000港元 Capital contribution - HK\$50,000,000	100%	100%	製造及買賣潤滑油 Manufacture of and trading in lubricants
金群有限公司 Goldchain Limited	香港 Hong Kong	普通股 - 2港元 Ordinary - HK\$2	100%	100%	投資控股 Investment holding
萬潤有限公司 Great Success Limited	薩摩亞 Samoa	普通股 - 1美元 Ordinary - USD1	100%	100%	投資控股 Investment holding
謙信化工發展有限公司 Handsome Chemical Development Limited	香港 Hong Kong	普通股 - 600,000港元 Ordinary - HK\$600,000	100%	100%	投資控股及買賣溶劑 Investment holding and trading in solvents
謙信化工服務有限公司 Handsome Chemical Services Limited	香港 Hong Kong	普通股 - 60,000港元 Ordinary - HK\$60,000	100%	100%	提供司庫服務 Provision of treasury services

34. 主要附屬公司 (續)

34. Principal Subsidiaries (Continued)

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/註冊資本之面值 Nominal value of issued share capital/registered capital	本集團持有應佔 已發行股本/註冊資本之百分比 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	
恒昌塗料(惠陽)有限公司 Hang Cheung Coatings (Hui Yang) Limited	中國大陸—獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻— 20,000,000美元 Capital contribution – USD20,000,000	100%	100%	製造及買賣塗料 Manufacture of and trading in coatings
Hang Cheung Petrochemical (International) Limited	英屬處女群島 British Virgin Islands	普通股— 1美元 Ordinary – USD1	100%	100%	投資控股 Investment holding
恒昌石油化工有限公司 Hang Cheung Petrochemical Limited	香港 Hong Kong	普通股— 800,000港元 Ordinary – HK\$800,000	100%	100%	買賣塗料 Trading in coatings
Hang Cheung (W.S.) Limited	薩摩亞 Samoa	普通股— 1美元 Ordinary – USD1	100%	100%	投資控股 Investment holding
紫荊花塗料集團有限公司(前稱 香港紫荊花製漆(大中華)有 限公司)	香港 Hong Kong	普通股— 149,665港元 遞延股— 335港元 Ordinary – HK\$149,665 Deferred – HK\$335	100%	100%	投資控股 Investment holding
Bauhinia Coatings Group Limited (Formerly known as Hong Kong Bauhinia Paints Manufacturing (Greater China) Company Limited)			附註 Note	附註 Note	
惠州盛達化工有限公司 Huizhou Shengda Chemical Company Limited	中國大陸—獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻— 人民幣15,000,000 元 Capital contribution – RMB15,000,000	75%	75%	製造及買賣溶劑 Manufacture of and trading in solvents
江門謙信化工發展有限公司 Jiangmen Handsome Chemical Development Limited	中國大陸—合資合營企業 Mainland China – equity joint venture	資本貢獻— 149,800,000港元 Capital contribution – HK\$149,800,000	75%	75%	製造及買賣溶劑 Manufacture of and trading in solvents

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34. 主要附屬公司 (續)

34. Principal Subsidiaries (Continued)

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/註冊資本之面值 Nominal value of issued share capital/registered capital	本集團持有應佔 已發行股本/註冊資本之百分比 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	
江門天誠溶劑製品有限公司 Jiangmen Thansome Solvents Production Limited	中國大陸－獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻－ 53,000,000港元 Capital contribution – HK\$53,000,000	75% 75%	75% 75%	製造及買賣溶劑 Manufacture of and trading in solvents
太平洋特種潤滑油有限公司 Pacific Special-Lube Limited	香港 Hong Kong	普通股－ 10,000港元 Ordinary – HK\$10,000	100% 100%	100% 100%	買賣潤滑油 Trading in lubricants
Prophet Investments Limited	英屬處女群島 British Virgin Islands	普通股－ 1美元 Ordinary – USD1	100% 100%	100% 100%	投資控股 Investment holding
Radiant New Limited	英屬處女群島 British Virgin Islands	資本貢獻－ 1美元－ Capital contribution – USD1	100% 100%	– –	物業投資 Property investment
泰興金江化學工業有限公司 Taixing Jinjiang Chemical Industry Company Limited	中國大陸－獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻－ 489,900,000港元 Capital contribution – HK\$489,900,000	75% 75%	75% 75%	製造及買賣溶劑 Manufacture of and trading in solvents
天津凌志潤滑油有限公司 Tianjin Best Lubricant Blending Co., Limited	中國大陸－獨資外資企業 Mainland China – wholly owned foreign enterprise	資本貢獻－ 8,400,000港元 Capital contribution – HK\$8,400,000	100% 100%	100% 100%	製造及買賣潤滑油 Manufacture of and trading in lubricants

34. 主要附屬公司 (續)

34. Principal Subsidiaries (Continued)

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/註冊資本之面值 Nominal value of issued share capital/registered capital	本集團持有應佔 已發行股本/註冊資本之百分比 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	
TM Holding (Hong Kong) Limited	香港 Hong Kong	普通股-2港元 Ordinary - HK\$2	100% 100%	100% 100%	持有商標 Holding of trade mark
TM Holding Limited	英屬處女群島 British Virgin Islands	普通股-1港元 Ordinary - HK\$1	100% 100%	100% 100%	持有商標 Holding of trade mark
Yip's Chemical (BVI) Limited	英屬處女群島 British Virgin Islands	普通股-500港元 Ordinary - HK\$500	100% 100%	100% 100%	投資控股 Investment holding
葉氏化工研發(上海)有限公司 Yip's Chemical Research & Development (Shanghai) Company Limited	中國大陸-獨資外資企業 Mainland China - wholly owned foreign enterprise	資本貢獻-17,000,000美元 Capital contribution - USD17,000,000	100% 100%	100% 100%	研究及開發 Research and development
葉氏恆昌(集團)有限公司 Yip's H.C. (Holding) Limited	香港 Hong Kong	普通股-999,500港元 遞延股-500港元 Ordinary - HK\$999,500 Deferred - HK\$500	100% 附註 100% 附註 Note	100% 附註 100% Note	投資控股及提供服務 Investment holding and provision of services
葉氏工業控股有限公司 Yip's Industrial Holdings Limited	香港 Hong Kong	普通股-10,000港元 Ordinary - HK\$10,000	75% 75%	75% 75%	投資控股及買賣溶劑 Investment holding and trading in solvents
葉氏油墨(集團)有限公司 Yip's Ink & Chemicals (Group) Limited	香港 Hong Kong	普通股-2港元 Ordinary - HK\$2	100% 100%	100% 100%	投資控股及買賣油墨 Investment holding and trading in Inks

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34. 主要附屬公司 (續)

34. Principal Subsidiaries (Continued)

公司名稱 Name of company	成立/註冊地點 Place of incorporation/ registration	已發行股本/註冊資本之面值 Nominal value of issued share capital/registered capital	本集團持有應佔 已發行股本/註冊資本之百分比 Proportion of nominal value of issued share capital/registered capital held by the Group		主要業務 Principal activities
			二零一六年 2016	二零一五年 2015	
葉氏潤滑油(集團)有限公司 Yip's Lubricant Limited	香港 Hong Kong	普通股 - 290,000港元 Ordinary - HK\$290,000	100%	100%	投資控股及買賣潤滑油 Investment holding and trading in lubricants
Yip's Pacific Limited	英屬處女群島 British Virgin Islands	普通股 - 36,251,000港元 Ordinary - HK\$36,251,000	100%	100%	投資控股 Investment holding
葉氏潤滑油(上海)有限公司	中國大陸 - 獨資外資企業 Mainland China - wholly owned foreign enterprise	資本貢獻 - 250,000美元 Capital contribution - USD250,000	100%	100%	買賣潤滑油 Trading in lubricants
德慶華彩合成樹脂有限公司	中國大陸 - 合資合營企業 Mainland China - equity joint venture	普通股 - 9,300,000美元 Ordinary - USD9,300,000	60%	60%	製造及買賣樹脂 Manufacture and trading in resins
葉氏信息科技(深圳)有限公司	中國大陸 - 獨資外資企業 Mainland China - wholly owned foreign enterprise	資本貢獻 - 人民幣1,000,000元 Capital contribution - RMB1,000,000	100%	-	提供服務 Provision of services

附註：非由本集團持有之遞延股份無權收取股息或任何該公司股東大會之通告或出席任何該公司股東大會或在會上投票。在清盤時，倘普通股持有人(即本集團)已獲全數退還就該等股份支付之資本及共100,000,000,000港元，則遞延股份持有人方有權從該公司剩餘資產中獲退還就無投票權遞延股份支付之資本。

Note: The deferred shares, which are not held by the Group, carry no right to dividend or to receive notice of or to attend or vote at any general meeting of the company. On a winding-up, the holders of the deferred shares are entitled out of the surplus assets of the company to a return of capital paid up on the non-voting deferred shares but only when holders of ordinary shares, namely, the Group, have received in full the return of capital paid on them and, in aggregate, a total sum of HK\$100,000,000,000.

除Yip's Chemical (BVI) Limited由本公司直接持有外，所有其它附屬公司均為間接持有。除無具體營業地點之投資控股公司外，所有上述附屬公司之主要營業地點均為其各自成立/註冊之地區。

Except for Yip's Chemical (BVI) Limited which is held directly by the Company, all other subsidiaries are indirectly held. Except for the investment holding companies which have no specific place of operation, all the above subsidiaries operate principally in their respective place of incorporation/registration.

34. 主要附屬公司 (續)

上表所列本集團之附屬公司乃董事認為會影響本集團業績或資產或負債之主要附屬公司。董事認為列載其他附屬公司之詳情將過於冗長累贅。

各附屬公司於二零一六年十二月三十一日或年內任何時間概無任何借貸證券。

下表顯示擁有重大非控股權益之本集團非全資附屬公司之詳情：

附屬公司名稱 Name of subsidiary	註冊成立地點及 主要經營地點 Place of incorporation and principal place of business	非控股權益持有之所有權 權益及投票權比例 Proportion of ownership interests and voting rights held by		分配予非控股權益之溢利 Profits allocated to non-controlling interests		累計非控股權益 Accumulated non-controlling interests	
		non-controlling interests		non-controlling interests		interests	
		二零一六年 2016	二零一五年 2015	二零一六年 2016	二零一五年 2015	二零一六年 2016	二零一五年 2015
		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
江門謙信化工發展有限公司及其附屬公司 (「江門謙信集團」) Jiangmen Handsome Chemical Development Limited and its subsidiary (the "Jiangmen Handsome Group")	中國大陸 Mainland China	25%	25%	63,888	15,394	231,514	186,877
協和化工倉儲有限公司及其附屬公司 (「協和集團」) Concord Chemical Storing Limited and its subsidiaries (the "Concord Group")	香港 Hong Kong	25%	25%	6,439	21,947	224,959	246,439

有關本集團擁有重大非控股權益之附屬公司之財務資料(根據香港財務報告準則編製)概要載列如下。以下財務資料概要為抵銷集團間交易前之數額。

34. Principal Subsidiaries (Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets or liabilities 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 any debt securities subsisting at 31 December 2016 or at any time during the year.

The table below shown details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Summarised financial information, which is prepared in accordance with HKFRSs, in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before elimination of intragroup transactions.

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34. 主要附屬公司 (續)

34. Principal Subsidiaries (Continued)

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
江門謙信集團	Jiangmen Handsome Group		
營業額	Turnover	3,286,423	2,928,431
支出	Expenses	(3,030,872)	(2,866,855)
本年純利	Profit for the year	255,551	61,576
本年全面收益總額	Total comprehensive income for the year	205,661	21,082
非流動資產	Non-current assets	255,092	274,911
流動資產	Current assets	1,180,828	1,087,003
流動負債	Current liabilities	(509,135)	(613,501)
非流動負債	Non-current liability	(728)	(905)
總權益	Total equity	926,057	747,508
經營業務之現金流入淨額	Net cash inflow from operating activities	189,553	394,064
投資業務之現金流出淨額	Net cash outflow from investing activities	(8,626)	(5,571)
融資業務之現金流出淨額	Net cash outflow from financing activities	(227,447)	(292,192)
現金(流出)流入淨額	Net cash (outflow) inflow	(46,520)	96,301
支付非控股權益股息	Dividends paid to non-controlling interests	(6,778)	(8,740)
		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
協和集團	Concord Group		
營業額	Turnover	2,037,138	2,247,772
支出	Expenses	(2,011,381)	(2,159,983)
本年純利	Profit for the year	25,757	87,789
本年全面(支出)收益總額	Total comprehensive (expense) income for the year	(38,491)	7,128
非流動資產	Non-current assets	374,771	415,153
流動資產	Current assets	1,026,691	1,029,551
流動負債	Current liabilities	(499,280)	(454,623)
非流動負債	Non-current liabilities	(2,345)	(4,325)
總權益	Total equity	899,837	985,756
經營業務之現金流入淨額	Net cash inflow from operating activities	97,907	292,373
投資業務之現金流入(流出)淨額	Net cash inflow (outflow) from investing activities	47,931	(142,228)
融資業務之現金流出淨額	Net cash outflow from financing activities	(159,919)	(107,027)
現金(流出)流入淨額	Net cash (outflow) inflow	(14,081)	43,118
支付非控股權益股息	Dividend paid to non-controlling interest	(11,857)	-

35. 本公司財務狀況表

35. Statement of Financial Position of the Company

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
非流動資產	Non-current assets		
於附屬公司之未上市投資	Unlisted investment in subsidiaries	412,014	434,115
應收一間附屬公司款項	Amount due from a subsidiary	753,742	776,153
		1,165,756	1,210,268
流動資產	Current assets		
其他應收賬款及預付款項	Other receivables and prepayments	145	145
銀行結餘及現金	Bank balances and cash	522	799
		667	944
流動負債	Current liabilities		
其他應付賬款及應計費用	Other creditors and accrued charges	3,770	3,549
應付一間附屬公司款項	Amount due to a subsidiary	10,367	234,533
金融衍生工具	Derivative financial instruments	6,715	16,941
		20,852	255,023
流動負債淨值	Net current liabilities	(20,185)	(254,079)
資產淨值	Net assets	1,145,571	956,189
資本及儲備	Capital and reserves		
股本	Share capital	56,381	56,371
儲備(附註)	Reserves (Note)	1,089,190	899,818
總權益	Total equity	1,145,571	956,189

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35. 本公司財務狀況表 (續)

35. Statement of Financial Position of the Company (Continued)

附註：

Note:

		購股權儲備	其他儲備	匯兌儲備	資本回購儲備	保留溢利	總計	
		Share options reserve	Other reserve	Translation reserve	Capital redemption reserve	Retained earnings	Total	
		千港元	千港元	千港元	千港元	千港元	千港元	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
於二零一五年一月一日	At 1 January 2015	566,986	8,836	77,700	196,149	5,416	67,588	922,675
本年純利	Profit for the year	-	-	-	-	-	167,918	167,918
因折算至呈報貨幣而產生之匯兌差額	Exchange difference arising on translation to presentation currency	-	-	-	(52,168)	-	-	(52,168)
本年全面收益總額	Total comprehensive income for the year	-	-	-	(52,168)	-	167,918	115,750
因行使購股權而發行股份之溢價	Share issued at premium upon exercise of share option	2,433	(213)	-	-	-	-	2,220
因發行股份而產生之費用	Expense incurred in connection with issue of shares	(4)	-	-	-	-	-	(4)
取消購股權及轉賬至保留溢利	Share options cancelled and transfer to retained profits	-	(1,390)	-	-	-	1,390	-
已付股息	Dividend paid	(64,876)	-	-	-	-	(75,947)	(140,823)
於二零一五年十二月三十一日	At 31 December 2015	504,539	7,233	77,700	143,981	5,416	160,949	899,818
本年純利	Profit for the year	-	-	-	-	-	303,977	303,977
因折算至呈報貨幣而產生之匯兌差額	Exchange difference arising on translation to presentation currency	-	-	-	(61,228)	-	-	(61,228)
本年全面收益總額	Total comprehensive income for the year	-	-	-	(61,228)	-	303,977	242,749
因行使購股權而發行股份之溢價	Share issued at premium upon exercise of share option	205	(20)	-	-	-	-	185
取消購股權及轉賬至保留溢利	Share options cancelled and transfer to retained profits	-	(1,278)	-	-	-	1,278	-
已付股息	Dividend paid	-	-	-	-	-	(53,562)	(53,562)
於二零一六年十二月三十一日	At 31 December 2016	504,744	5,935	77,700	82,753	5,416	412,642	1,089,190

附註：其他儲備指因一九九一年集團重組而產生的儲備。

Note: Other reserve represents the reserve arising from group reorganization in 1991.

