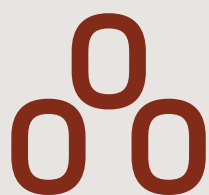




ANNUAL  
REPORT  
2016  
年報



**TCC International Holdings Limited**  
**台泥國際集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：1136

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# Corporate Information and Key Dates

## 公司資料及重要日期

### BOARD OF DIRECTORS

#### Chairman and Executive Director

Chang, An-Ping, Nelson (*re-designated on 27 March 2017*)

#### Managing Director and Executive Director

Koo, Jason Kung Yi (*appointed on 27 March 2017*)

#### Non-Executive Directors

Shan Weijian

Chang, Kang-Lung, Jason

Wang, Lishin, Elizabeth

Wang, Chi-May (*appointed on 27 March 2017*)

#### Independent Non-Executive Directors

Liao Poon Huai, Donald

Chih Ching Kang, Kenneth

Shieh, Jen-Chung, Roger

### AUDIT COMMITTEE

Liao Poon Huai, Donald (*Chairman*)

Chih Ching Kang, Kenneth

Shieh, Jen-Chung, Roger

Wang, Lishin, Elizabeth

### REMUNERATION COMMITTEE

Liao Poon Huai, Donald (*Chairman*)

Chang, An-Ping, Nelson

Koo, Jason Kung Yi

Chih Ching Kang, Kenneth

Shieh, Jen-Chung, Roger

### NOMINATION COMMITTEE

Chang, An-Ping, Nelson (*Chairman*)

Koo, Jason Kung Yi

Liao Poon Huai, Donald

Chih Ching Kang, Kenneth

Shieh, Jen-Chung, Roger

### COMPANY SECRETARY

Chan Wai Ling, FCIS, FCS (PE) (*appointed on 1 January 2017*)

### 董事會

#### 主席及執行董事

張安平 (於二零一七年三月二十七日獲調任)

#### 董事總經理及執行董事

辜公怡 (於二零一七年三月二十七日獲委任)

#### 非執行董事

單偉建

張剛綸

王立心

王琪玫 (於二零一七年三月二十七日獲委任)

#### 獨立非執行董事

廖本懷

池慶康

謝禎忠

### 審核委員會

廖本懷 (主席)

池慶康

謝禎忠

王立心

### 薪酬委員會

廖本懷 (主席)

張安平

辜公怡

池慶康

謝禎忠

### 提名委員會

張安平 (主席)

辜公怡

廖本懷

池慶康

謝禎忠

### 公司秘書

陳蕙玲 · FCIS, FCS (PE)

(於二零一七年一月一日獲委任)

# Corporate Information and Key Dates

## 公司資料及重要日期

### REGISTERED OFFICE

P.O. Box 309, Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

16th Floor  
Hong Kong Diamond Exchange Building  
8-10 Duddell Street  
Central  
Hong Kong

### LEGAL ADVISER

Sullivan & Cromwell (Hong Kong) LLP

### AUDITOR

Deloitte Touche Tohmatsu

### STOCK CODE

The Stock Exchange of Hong Kong Limited: 1136

### COMPANY WEBSITE

<http://www.tcchk.com>

### SHARE REGISTRARS

#### Principal share registrar

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

#### Branch share registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### 註冊辦事處

P.O. Box 309, Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

### 總辦事處及主要營業地點

香港  
中環  
都爹利街8-10號  
香港鑽石會大廈  
16樓

### 法律顧問

蘇利文•克倫威爾律師事務所(香港)  
有限法律責任合夥

### 核數師

德勤•關黃陳方會計師行

### 股份代號

香港聯合交易所有限公司: 1136

### 本公司網站

<http://www.tcchk.com>

### 股份過戶登記處

#### 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

#### 股份過戶登記分處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心17樓1712-1716號舖

# Corporate Information and Key Dates

## 公司資料及重要日期

### PRINCIPAL BANKERS

Australia and New Zealand Banking Group Ltd.  
Bank of China Limited  
Bank of Taiwan  
Bank Sinopac  
BNP Paribas (China) Ltd  
Chang Hwa Commercial Bank, Ltd.  
Citibank, N.A.  
Credit Agricole Corporate and Investment Bank  
CTBC Bank Co., Ltd  
DBS Bank Ltd.  
E. Sun Commercial Bank  
First Commercial Bank, Ltd  
Hua Nan Commercial Bank, Ltd.  
JP Morgan  
Land Bank of Taiwan, Co., Ltd.  
Mega International Commercial Bank Co., Ltd.  
Mizuho Corporate Bank Ltd.  
Standard Chartered Bank (Taiwan) Ltd  
Sumitomo Mitsui Banking Corporation  
Taipei Fubon Commercial Bank Co. Ltd.  
Taishin International Bank Co. Ltd.  
Taiwan Cooperative Bank, Ltd.  
Taiwan Shin Kong Commercial Bank Co., Ltd.  
The Shanghai Commercial & Savings Bank, Ltd.  
Yuanta Commercial Bank Co Ltd

### 主要往來銀行

澳新銀行集團有限公司  
中國銀行股份有限公司  
台灣銀行股份有限公司  
永豐商業銀行股份有限公司  
法國巴黎銀行(中國)有限公司  
彰化商業銀行股份有限公司  
花旗銀行  
法商東方匯理銀行股份有限公司  
中國信託商業銀行股份有限公司  
星展銀行有限公司  
玉山商業銀行股份有限公司  
第一商業銀行股份有限公司  
華南商業銀行股份有限公司  
摩根大通  
台灣土地銀行股份有限公司  
兆豐國際商業銀行股份有限公司  
瑞穗實業銀行  
渣打銀行(台灣)有限公司  
日商三井住友銀行  
台北富邦商業銀行股份有限公司  
台新國際商業銀行股份有限公司  
合作金庫商業銀行股份有限公司  
台灣新光商業銀行股份有限公司  
上海商業儲蓄銀行股份有限公司  
元大商業銀行股份有限公司

# Corporate Information and Key Dates

## 公司資料及重要日期

### KEY DATES

KEY DATES		重要日期	
Annual Results Announcement	27 March 2017	全年業績公佈	二零一七年三月二十七日
Despatch of Annual Report to Shareholders	26 April 2017	向股東寄發年報	二零一七年四月二十六日
Latest time to lodge transfers (for attending and voting at the Annual General Meeting)	4:30 p.m. on 25 May 2017	截止辦理股份過戶 (就出席股東週年大會 及於會上投票而言)	二零一七年五月二十五日 下午四時三十分
Closure of Register of Members (for attending and voting at the Annual General Meeting)	26 May 2017 – 2 June 2017	暫停辦理股份過戶 登記手續(就出席 股東週年大會及 於會上投票而言)	二零一七年 五月二十六日至 二零一七年六月二日
Annual General Meeting	2 June 2017	股東週年大會	二零一七年六月二日
Shares trade ex-dividend	8 June 2017	股份除息買賣	二零一七年六月八日
Latest time to lodge transfers (for final dividend)	4:30 p.m. on 9 June 2017	截止辦理股份過戶 (就末期股息而言)	二零一七年六月九日 下午四時三十分
Record Date of Final Dividend	9 June 2017	末期股息記錄日期	二零一七年六月九日
Payment of Final Dividend	26 June 2017	派付末期股息	於二零一七年六月二十六日

# Definitions

## 釋義

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings:

於本年報內，除文義另有所指外，以下詞彙具有下列涵義：

“associate(s)”	has the same meaning ascribed thereto under the Listing Rules	「聯繫人」	指	具有上市規則所賦予之相同涵義
“Board”	the board of Directors	「董事會」	指	董事會
“Chia Hsin Cement”	Chia Hsin Cement Corporation, a parent company of a substantial shareholder of the Company, CHPL	「嘉新水泥」	指	嘉新水泥股份有限公司，本公司之主要股東CHPL之母公司
“CHPL”	Chia Hsin Pacific Limited, a company incorporated in the Cayman Islands and a substantial shareholder of the Company	「CHPL」	指	Chia Hsin Pacific Limited，一間於開曼群島註冊成立之公司，並為本公司之主要股東
“Company”	TCC International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Ordinary Shares of which are listed on the Main Board of the Stock Exchange	「本公司」	指	台泥國際集團有限公司，一間於開曼群島註冊成立之有限公司，其普通股於聯交所主板上市
“Convertible Preference Shares”	the restricted voting convertible preference shares of HK\$0.10 each in the share capital of the Company	「可轉換優先股」	指	本公司股本中每股面值0.10港元之有限制投票之可轉換優先股
“Director(s)”	the director(s) of the Company	「董事」	指	本公司董事
“Group”	the Company and its subsidiaries	「本集團」或「集團」	指	本公司及其附屬公司
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong	「港元」	指	港元，香港法定貨幣
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	指	中國香港特別行政區

## Definitions 釋義

“Independent Third Party(ies)”	person(s) or company(ies) which is (are) independent of the directors, supervisors, controlling shareholder, substantial shareholder and the chief executive (such terms as defined in the Listing Rules) of the Company or any of its subsidiaries or an associate of any of them	「獨立 第三方」	指	獨立於本公司或其任何附屬公司之董事、監事、控股股東、主要股東及主要行政人員（該等詞彙之定義見上市規則）或任何彼等之聯繫人士之人士或公司
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange	「上市規則」	指	聯交所證券上市規則
“Ordinary Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company	「普通股」	指	本公司股本中每股面值0.10港元之普通股
“PRC”	the People’s Republic of China, which for the purposes of this annual report excludes Hong Kong, the Macao Special Administrative Region and Taiwan	「中國」	指	中華人民共和國，就本年報而言，不包括香港、澳門特別行政區及台灣
“RMB”	Renminbi Yuan, the lawful currency of PRC	「人民幣」	指	人民幣元，中國法定貨幣
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)	「證券及 期貨 條例」	指	香港法例第571章證券及期貨條例
“Shareholder(s)”	a registered holder(s) of Ordinary Shares	「股東」	指	普通股之登記持有人
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指	香港聯合交易所有限公司



# Definitions

## 釋義

“subsidiary”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time and “subsidiaries” shall be construed accordingly	「附屬公司」	指	具有公司條例（香港法例第622章）（經不時修訂、補充或以其他方式修改）賦予該詞之涵義，而「該等附屬公司」須據此詮釋
“substantial shareholders”	has the same meaning ascribed thereto in the Listing Rules	「主要股東」	指	具有上市規則賦予該詞之相同涵義
“T’Cement”	Taiwan Cement Corporation, a company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange and which, through its wholly owned subsidiary, is holding approximately 63.05% of the issued share capital of the Company	「T’Cement」	指	台灣水泥股份有限公司，一間於台灣註冊成立之公司，其股份於台灣證券交易所上市，並透過其全資附屬公司持有本公司已發行股本約63.05%
“TCC Cement Companies”	for the purposes of the Environmental and Social Responsibility Report included in this annual report, has the meaning ascribed thereto on page 65 of this annual report	「台泥水泥公司」	指	就本年報所載的環境及社會責任報告而言，具有本年報第65頁賦予該詞之涵義
“TCC Group”	for the purposes of the Environmental and Social Responsibility Report included in this annual report, T’Cement and our Group collectively	「台泥集團」	指	就本年報所載的環境及社會責任報告而言，T’Cement及本集團的統稱
“TCCI”	TCC International Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company	「TCCI」	指	TCC International Limited，一間於英屬處女群島註冊成立之公司並為本公司之主要股東
“US\$”	United States Dollars, the lawful currency of the United States	「美元」	指	美元，美國法定貨幣
“%”	per cent	「%」	指	百分比

## CHAIRMAN'S STATEMENT 主席報告



This is my first message to members of the Company in my capacity as the Chairman of the Board. You should have learned of the tragic news regarding the passing away of the late Chairman Koo, who was not just a long-time colleague but also a close friend of mine. It is with deep regret that I have to assume the lead position of the Group under such an unexpected and unfortunate circumstance.

Under the leadership of the late Mr. Leslie Koo, the Group has developed from its humble beginning in Southern China to become one of Mainland China's top cement manufacturers. The Group's status in the Mainland China is not merely earned from a massive scale and extensive market coverage, it is respected and recognised by its peers for its advanced production technology and outstanding operation efficiency.

這是我作為董事會主席首次向各位公司股東作出報告。各位應已得悉已故主席辜成允先生離世的噩耗。故主席辜先生不僅是我的多年同事，亦是我的摯友。我需要在這種意想不到且不幸的情況下，接掌領導本集團的職位，讓我感到深切哀慟。

在故辜主席領導下，我們集團從華南地區的小規模經營，發展成中國大陸其中一家最大的水泥生產商。本集團在中國大陸今天的地位不僅是建基於其龐大的規模及廣泛的市場覆蓋，集團先進的生產技術及卓越的營運效率均備受同業的尊崇與認可。

## CHAIRMAN'S STATEMENT 主席報告

What late Mr. Koo has left to us is more than the legacy of transforming the Group into a leading player in the world's single largest cement market, he has also laid the foundation for the Group's sustainable development in its core business and a platform for vertical and horizontal extension of its value chain. The strategic distribution of facilities in key geographical locations and the well-tested operational mechanism and management and control systems, laid down under the guidance of the late Chairman Koo, have formed the backbone of our Group's continued development.

Following years of organic expansion and mergers and acquisitions, the Group has already established an efficient operations portfolio in the cement sector in Mainland China. I believe our Group is ready to move on to the next level of expansion to attain qualitative transformation, on top of our ongoing quantitative growth.

故辜主席不僅將我們集團締造成世界最大的水泥市場上的領先企業，他更為本集團核心業務的可持續發展奠定了基礎，並構建了平台讓集團價值鏈可實現縱向及橫向延伸。在故辜主席的引領下，集團的設施完成了在中國大陸的主要區域市場戰略佈局，同時擁有一套行之有效的營運機制及管控系統。這些已成為支撐集團持續發展的支柱。

經過多年的內涵式擴張及兼併收購，本集團已於國內水泥行業建立了高效的業務組合。我相信集團已具備條件讓發展步上新的台階，在維持原來的規模增長的同時，追求可帶來營運素質提升的業務轉型。



## CHAIRMAN'S STATEMENT 主席報告

In addition to generating tangible value for our shareholders, it is also our obligation as a corporate citizen to commit resources to preserve and enhance the environment of our world. Our parent company in Taiwan has been utilising cement manufacturing facilities and state-of-the-art technologies to resolve a range of environmental issues since the early 1980's. In light of the worsening global climate change and the deteriorating eco-condition in certain parts of Mainland China, we as a corporation, equipped with the necessary know-how and facilities, are obliged to extend our contribution to environmental protection in the communities we operate.

In the last Chairman's Statement, the late Mr. Koo had drawn the blueprint for our Group's transformation into an integrated eco-solutions provider, capitalising on its established enormous cement operations. Driven by the vision of the late Chairman Koo, we have embarked on the establishment of a one-stop environmental solution within integrated operations. Within our Group's facilities, the heat generated from high temperature kiln during the process of cement production could be used to generate electricity, as well as to incinerate urban and industrial wastes.

The Group laid its first step in the provision of eco-solutions through the inauguration of its waste treatment plant in Anshun, Guizhou province. The plant, with a daily capacity of handling 200 metric tons of household waste, has been running smoothly since its commencement at the end of 2015. A second waste treatment project is being planned in Shaoguan, Guangdong province, alongside the development of the Group's clinker and cement production line. This will be the Group's first greenfield cement project integrated with a waste treatment facility from the initial design.

The success of these projects will provide a solid showcase for the Group to convince government authorities to engage our cement plants in similar environmental solutions in the various regions in which we have a presence.

集團作為一個企業公民，除了為股東創造有形價值，我們亦有義務提供資源以保護及改善我們所處的環境。我們在台灣的母公司自八十年代初開始就利用水泥生產設施及最先進的技術去解決一系列環境問題。鑒於全球氣候變化日趨嚴重，以及部分大陸地區的生態環境惡化，我們作為一個擁有所需專業技術及設備的企業，有責任在我們業務營運的社區為當地環境保護做出貢獻。

在上一份主席報告中，故辜主席為本集團勾劃出未來發展藍圖，通過利用現有的龐大水泥業務，轉型成為一個綜合的生態解決方案供應商。在故辜主席的構想引導下，我們已經開始在綜合運營業務平台內建立一站式環境解決方案。在我們集團的設施內，水泥生產過程中高溫窯產生的高熱可以用於發電以及焚燒城市及工業廢物。

在貴州省安順成立廢棄物處理廠，標誌著本集團於提供生態解決方案邁出的第一步。該工廠每天可以處理200公噸的生活垃圾，自2015年底投產以來運行暢順。集團第二個廢棄物處理項目計劃伴隨在廣東省韶關開發的熟料及水泥生產線而建設。這將是本集團首個於初始設計時已兼具廢物處理設施的新建水泥項目。

這些項目的成效將為本集團提供有力的展示範例，以供促使地方政府讓我們的水泥廠在其所在地區參與類似的環境解決方案。

## CHAIRMAN'S STATEMENT

### 主席報告

Given the extensive experience and know-how of our parent company in eco-solutions, the processing of household waste is only the first on a long list of services that can be rendered by our cement facilities and proven technologies. Our highly efficient cement kiln is capable of handling a range of industrial residue from various industries, such as waste solvent and calcium fluoride sludge, as well as construction wastes. The high temperature generated by our cement kiln can also vaporise sludge from waste treatment plants and coal ash from power plants, thus minimising harmful emission to the environment.

Apart from capitalising on existing cement facilities for waste treatment, it is also possible for the Group to develop and operate stand-alone waste incineration plants and sewage treatment plants in different parts of Mainland China, to complete our strategic deployment along the eco-solutions industrial chain. Some of our shareholders may not be aware that our parent company in Taiwan is one of the island's major operators of waste incineration plants and sewage treatment plants, servicing close to one third of the population on the island.

The transformation of cement plants from a source of pollutants to a provider of eco-solutions, on one hand allows the Group to contribute to the local community and the Earth's ecosystem; on the other hand, it offers an opportunity for the Group to venture into a new business segment catering to the Mainland China's recent State policies of promoting a cleaner environment and green production.

Apart from exploring new business opportunities, the Group is also aggressively strengthening its operation efficiency and revolutionising its customer relationship management through the application of latest information technologies. When the Group launched its e-commerce platform at the end of 2015, it might not have gained the attention it deserved. However, the platform has proven to be an invaluable asset in the Group's logistics control and customer services.

基於我們母公司在環境解決方案領域的豐富經驗及技術，處理生活垃圾僅是我們的水泥設備及成熟技術可以提供的眾多服務之一。我們高效的水泥窯能夠處理一系列工業殘渣，如廢溶劑及氟化鈣污泥以至建築廢料。我們的水泥窯產生的高溫亦可將從廢物處理廠排出的污泥及發電廠的煤灰氧化，以減低對環境的有害排放。

除了利用現有的水泥設備進行廢物處理外，本集團亦可於中國大陸不同地區開發及營運獨立的廢物焚化廠及污水處理廠，從而實現集團圍繞生態解決方案產業鏈的戰略部署。我們的部分股東或許有所不知，我們在台灣的母公司是其中一家島上主要的廢物焚燒廠及污水處理廠的營運商，為全島接近三分之一的人口提供服務。

我們將水泥廠從污染源轉化為生態解決方案供應商，讓集團不僅可以為當地社區及地球生態環境作出貢獻，亦為集團提供開拓新業務的機遇，以配合中國大陸近年推動清潔環保及綠色生產的國家政策。

除了探索新商機，本集團亦通過應用最新的信息科技以積極加強營運效率及改革客戶關係管理。本集團於二零一五年底推出電子商務平台時，該平台也許並未獲得其應有的關注。然而，該平台投入運行後引證了其對集團物流管控及客戶服務的重大價值。

## CHAIRMAN'S STATEMENT 主席報告

Our e-commerce platform performs far more functions than its name indicates. It is in effect an intelligent management system integrating online purchases, shipment tracking, production, and sales monitoring on a single platform. The system has been adopted by a vast majority of our customers providing them with the latest information on their order placement. The platform also offers the Group's management mobile access to most up-to-date statistics on material procurement, production progress and sales. Furthermore, the system generates sales analysis and customer credit information to facilitate sales promotion and credit control. The e-commerce platform is able to analyse big data generated from the Group's operations, thereby providing a multi-dimensional perspective of the Group's activities, and is becoming an instrumental tool in assisting the management's decision making. Such capability places the Group in an advantageous position in identifying market opportunities and formulating business strategies.

The Group's performance in 2016 demonstrated that our management's dedication to optimise operational efficiency had enabled the Group to ride on the tide of market rebound and generated favourable results for our shareholders.

Learning a hard lesson from the devaluation of Renminbi against US dollars in 2015, our financial team managed to revamp our debt structure, by reducing two-thirds of our foreign currency loan in 2016, so as to minimise our foreign exchange exposure.

Our strong market presence in the Southern region had been a major impetus for the Group's encouraging performance during the year under review. Our business in this region will continue to be an important driver of the Group's performance in 2017. The Group's operations in the Southwestern region also displayed healthy improvement in 2016. Given the continued enhancement in cost-effectiveness and operational efficiency in our various plants within the region, we expect the Southwestern operations to provide more significant contribution to the Group's bottom line in 2017.

我們電子商務平台的功能遠超過其名稱所包含的涵意。它實際上是一個智能管理系統，把在線採購、貨物運送追蹤、生產及銷售監控整合在一個平台上。我們大多數的客戶已經採用該系統，讓其為彼等提供最新的貨單信息。該平台亦讓集團管理層通過移動遙距處理有關物料採購、生產進度及銷售的最新數據。該系統亦可提供銷售分析及客戶信用信息以配合促銷及貨款追收。該電子商務平台能夠分析集團營運產生的大數據，可全方位透視集團的業務，其已成為協助管理層制定決策的重要工具。上述功能使集團在識別市場機遇及制定業務策略方面能早著先機。

我們集團於二零一六年度的業績反映管理層致力優化運營效率，讓集團能抓住市場反彈的升浪契機，並為股東創造良好業績。

在汲取了二零一五年人民幣兌美元貶值帶來的沉重教訓後，我們的財務團隊於二零一六年調整了我們的債務結構，通過削減三分之二的外匯貸款，有效地大幅降低了我們的外匯風險。

本集團在華南地區的強大市場佔有率是我們在回顧年度取得驕傲人業績的重要因素。我們在該地區業務將繼續於二零一七年作為支持集團業務表現的重要動力。集團在西南地區的業務於二零一六年亦錄得理想的改善。鑒於該地區各工廠的成本效益及營運效率持續提升，我們預期西南地區業務將於二零一七年度為集團提供更大貢獻。

## CHAIRMAN'S STATEMENT 主席報告

Our traditional business of cement manufacturing has developed a sizeable portfolio with mature and effective operational mechanism. Our cement operations are already in the forefront of the industry. The advanced facilities and extensive local connections of our cement operations offer a concrete foundation for our transformation into an eco-solutions provider in the near future. I am confident that our commitment to the “green value chain strategy” will lead our Group to a new era of growth and development. This approach will not only broaden our earnings base and income sources, but more importantly, it will align the interest of our operations with the well-being of the local communities. I believe the best way for us to pay our tribute to the late Chairman is to realise his vision of optimising the Group's resources to contribute to a circular economy.

我們傳統的水泥生產業務已發展成極具規模的產業組合，具備成熟及有效運營機制。我們的水泥業務處於行業的領先地位，其先進的設備及廣泛的當地人脈關係為我們未來朝著生態解決方案供應商轉型提供堅實的基礎。我相信，我們對「綠色價值鏈戰略」的投入將帶領集團邁向成長與發展的新紀元。該戰略不僅可擴大我們的盈利基礎及收益來源，更重要的是，它將我們業務利益與當地社區的福祉連為一體。我認為向故辜主席致敬的最佳方式，就是實現故主席透過充分利用集團資源以構建循環經濟的願景。



**Chang, An-Peng, Nelson**  
*Chairman*

Hong Kong  
27 March 2017

張安平  
主席

香港  
二零一七年三月二十七日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### MARKET OVERVIEW

Total cement output in Mainland China for the year ended 31 December 2016 only mildly increased by 2.5 per cent year-on-year and amounted to approximately 2,403 million metric tons. Following a significant plunge in 2015, cement average selling price (“ASP”) gradually recovered from the second quarter of the year and began to rebound sharply from September 2016 onwards. In December 2016, nationwide cement ASP rose 31.2 per cent from its lowest level in February of that year.

During the year, the State Council of the PRC pushed forward the supply-side structural reform on the construction material sector with an aim to secure steady growth in the industry. The State’s promotion of higher concentration in the cement market had fostered intensified cooperation among leading players. Effective self-disciplined effort in maintaining stable supply, in particular in Southern China, resulted in strong cement ASP during the second half of the year under review.

Despite Mainland China’s maintenance of a 6.7 per cent year-on-year growth in GDP, uncertainty in global economic environment, sluggish domestic demand and excess industrial capacity had hindered the growth in fixed asset investment during 2016. Fixed asset investment in Mainland China in 2016 reported a 8.1 per cent growth to RMB59.65 trillion, representing a 1.9 percentage points retreat from that of 2015. However, fixed asset investment in infrastructure development reported a strong growth of 17.4 per cent year-on-year and reached RMB11.89 trillion. Driven by relaxation of austerity measures, the property market recovered in 2016 from a challenging year in 2015. Real estate investment in 2016 enjoyed a year-on-year growth of 6.9 per cent, compared to a mere 1.0 per cent growth in 2015, and reached RMB10.26 trillion. Robust infrastructure and property investments offered solid supports to the cement demand during the year under review.

### 市場概況

於截至二零一六年十二月三十一日止年度，中國大陸水泥總產量達約2,403,000,000公噸，同比溫和增長2.5%。水泥平均售價繼二零一五年大幅下跌之後，逐漸從年內第二季度回升，並從二零一六年九月開始大幅反彈。於二零一六年十二月，全國水泥平均售價較當年二月的最低水平上漲了31.2%。

年度內，中國國務院推動建築材料行業供應側結構改革，以確保行業穩定增長。中央政府鼓勵水泥市場加強集中度促使行業領先企業深化彼此之間的協作。有效的市場自律促使水泥維持穩定供應，令年度內下半年水泥平均售價表現強勁，情況在華南地區尤為明顯。

儘管大陸國內生產總值維持在6.7%的同比增長，但全球經濟環境不明朗、疲弱的內地需求以及過剩的工業產能都窒礙了二零一六年固定資產投資的增長。二零一六年，中國大陸固定資產投資增長8.1%至人民幣59.65萬億元，相較二零一五年增幅倒退了1.9個百分點。但是，基建固定資產投資同比卻增長17.4%，達到人民幣11.89萬億元。二零一六年，在調控措施放鬆的驅動下，房地產市場從二零一五年度的困難境況恢復過來。二零一六年房地產投資同比增長6.9%至人民幣10.26萬億元，而二零一五年則僅增長1.0%。年度內，蓬勃的基建及房地產投資對水泥需求提供了強有力的支持。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### REVIEW OF OPERATIONS

The Group reported a sales volume of 53.3 million metric tons for the year ended 31 December 2016, representing a 11.2 per cent year-on-year growth. The growth in the Group's sales volume was mainly driven by healthy demand from both the private and public sectors. The Group's cement ASP started from a relatively low level at the beginning of the year and remained steady till May 2016, when cement ASP started to gradually pick up. The Group's cement ASP soared in the fourth quarter of 2016, rising by approximately 22.0 per cent quarter-on-quarter. At the end of 2016, the Group's cement ASP rose by approximately 39.0 per cent from the beginning of the year. Mirroring the performance of cement ASP, the Group's unit profitability recovered from the bottom in the first quarter of 2016 to reach its peak in the fourth quarter.

For the year ended 31 December 2016, the Group reported a revenue of HK\$11,412.8 million, up by 4.6 per cent from that of the previous year. Gross profit and gross profit margin of the Group stood at 2,390.5 million and 20.9 per cent, representing year-on-year increases of 42.7 per cent and 5.6 percentage points, respectively. The significant improvement in both gross profit and gross profit margin was mainly attributed to strong cement ASP, in particular in Southern region in which the Group enjoyed a dominant position.

### 業務回顧

本集團於二零一六年十二月三十一日止年度錄得銷量53,300,000公噸，同比增長11.2%。銷售增長主要得益於私營和公營部門的穩健需求。本集團的水泥平均售價於年初處於較低水平，並一直維持至二零一六年五月，水泥平均售價開始逐步回升。本集團的水泥平均價格在二零一六年第四季度大幅上揚，與前一季度相比上升約22.0%。截至二零一六年底，本集團的水泥平均售價較年初上升約39.0%。本集團的單位盈利因水泥平均售價回升亦從二零一六年第一季度的谷底回升，至第四季度達到頂峰。

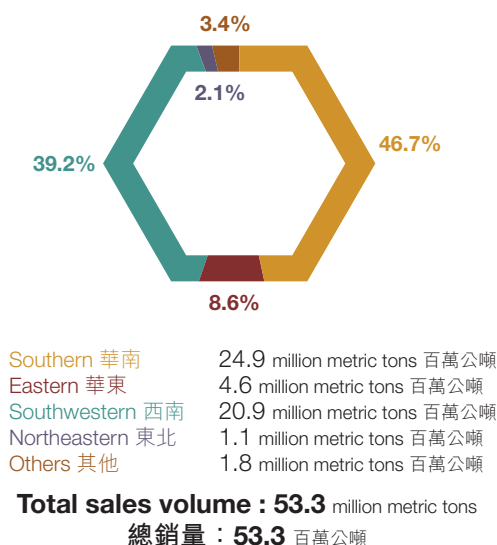
截至二零一六年十二月三十一日止年度，本集團錄得收入港幣11,412,800,000元，較去年度增加4.6%。本集團年度內毛利及毛利率分別為港幣2,390,500,000元及20.9%，較去年同期分別增加42.7%及5.6個百分點。穩健的水泥平均售價促使毛利及毛利率均明顯改善，情況於本集團享有領先市場優勢的華南地區尤為顯著。



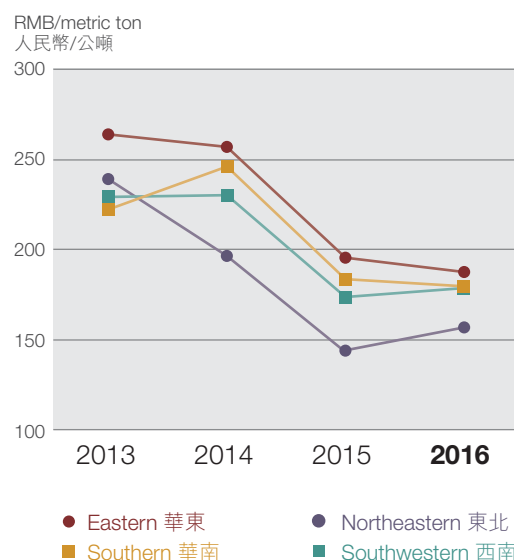
# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### SALES VOLUME OF CEMENT, CLINKER AND SLAG POWDER IN 2016 BY REGION 二零一六年按地區劃分之水泥、熟料及礦渣粉銷量分析



### CEMENT AND CLINKER ASP BY REGION 按地區劃分之水泥及熟料平均售價



One of the causes for the Group's loss in 2015 was significant foreign exchange loss incurred from devaluation of Renminbi against US dollars, since US dollar-denominated loan accounted for a significant portion of the Group's debt portfolio. To minimize its foreign exchange exposure, the Group radically replaced its US dollar-denominated loan by domestically sourced funding. Further reduction in US dollar-denominated loan was achieved through premature repayment and capitalisation of debts at the subsidiary level. Such efforts resulted in significant slicing of foreign exchange loss in 2016.

Fueled by strong cement ASP and enhanced operation efficiency along with effective Renminbi hedging strategies, the Group managed to resume profitability to report a profit attributable to owners of the Company of HK\$193.8 million, against a loss of HK\$249.4 million in the previous year.

As of the end of 2016, the Group operated a total of 32 clinker production lines and was equipped with 59 cement grinding mills with overall clinker and cement capacities of 48,411,000 metric tons and 58,642,000 metric tons, respectively.

於二零一五年度本集團錄得虧損的其中一個原因是，由於以美元為單位貸款佔本集團債務組合的相當大比重，人民幣兌美元貶值導致匯兌虧損。為降低外匯風險，本集團採用大陸獲取的資金大幅度替代以美元為單位的貸款。此外，本集團通過提前償還債務及於附屬公司層面實行債轉股進一步降低了以美元為單位貸款。這些舉措使得二零一六年外匯匯兌虧損得已顯著削減。

受惠於強勁的水泥平均售價、營運效率的提升以及有效的人民幣對沖策略，本集團得以扭虧為盈錄得本公司擁有人溢利港幣193,800,000元，而上年虧損港幣249,400,000元。

於二零一六年底，本集團共營運32條熟料生產線和配置59水泥粉磨設施。本集團截至期末的熟料和水泥的總產能分別為48,411,000公噸和58,642,000公噸。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Southern Region

The Group's operations in the Southern region reported a sales volume of 24.9 million metric tons for the year 2016, representing a year-on-year growth of 12.5 per cent. The Group's plants in Guangdong and Guangxi provinces reported sales volumes of 15.3 million metric tons (excluding 194,157 metric tons of clinker shipped to Fuzhou) and 9.5 million metric tons (excluding 185,244 metric tons of intercompany sales to Fuzhou) respectively.

The Southern region contributed 46.6 per cent of the total sales volume of the Group, making it the Group's largest market in 2016. The Group's effort in improving cost-effectiveness in the region resulted in reduction in unit cost during the year. Driven by enhanced operational efficiency and higher cement ASP, the Southern region operations experienced substantial upsurge in operating profit and offered significant contribution to the Group's favourable performance during the year.

### 華南地區

本集團華南地區業務於二零一六年錄得銷量24,900,000公噸，同比增長12.5%。本集團位於廣東省及廣西省的廠房分別錄得銷量15,300,000公噸（不含運往福州的194,157公噸熟料）及9,500,000公噸（不含售予福州的185,244公噸集團內部銷售）。

華南地區於二零一六年度為本集團最大的市場，其銷量佔集團總銷量的46.6%。本集團於該地區提高成本效益方面的努力令單位成本於年度內有所下降。受惠於營運效率的提升及水泥平均售價上漲，本集團於華南地區的經營利潤大幅上升，這是本集團年度內取得理想業績的一個重要因素。



## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

High market concentration in the Southern region, evidenced by domination of more than half of the market's share by a handful of large cement enterprises, led to effective cooperation in maintaining disciplined supply. The concerted effort of leading players in the region contributed to strong ASP for most part of 2016. The Group's plants in Guangdong recorded a 40-50 per cent hike during the year in cement ASP, while its plants in Guangxi experienced a 20 per cent surge in ASP during the year.

Unlike the previous year when a sizeable portion of the output from the Group's Guigang plant in Guangxi was shipped to the Pearl River Delta, strong local demand had consumed almost all of the output from the Guigang plant. Reduced cement supply to the Guangdong market served to strengthen the cement ASP and sales of the Group's two plants in Yingde Guangdong.

少數幾家大型水泥企業於華南地區佔有超過五成市場份額，市場集中度高有利於通過有效協同維持市場有序供應。該地區的主導企業的協作令二零一六年度大部分時間的水泥平均售價維持強勁。年度內，本集團位於廣東廠房的水泥平均售價錄得40%至50%的漲幅，而廣西的廠房的平均售價增長為約20%。

於上年度，本集團位於廣西省貴港的廠房產出的相當大的部分水泥運往了珠江三角洲；而於回顧年度，廣西當地強勁的需求基本上將貴港廠房的產出全部消化。減少了對廣東市場的水泥供應，亦有利於本集團位於廣東省英德的兩個廠房的水泥平均售價及銷量提升。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Southwestern Region

Most of the Group's facilities in the Southwestern region which comprised Chongqing municipality, Sichuan, Guizhou and Hunan provinces, completed their run-in period and began to operate up to their desired efficiency. However, improvement in cement ASP in the region was relatively modest compared to that of the Southern region, as the region's coordination on market discipline was not as effective as that in the Southern region among cement manufacturers, due to lack of dominant players. There had been noticeable variation in ASP movement among the various provinces and municipality within the region.

The Group's Guizhou operations experienced a significant upsurge in cement ASP during the last quarter of 2016, while the Sichuan province only registered modest ASP recovery due to demand constraint.

#### 西南地區

本集團西南地區的設施分佈於重慶直轄市、四川省、貴州省及湖南省，其中大部分設施都於回顧年度完成了設備磨合期並開始達致理想營運效率。但是，因該地區缺少主導企業，市場協同效果不如華南地區，導致該地區的水泥平均售價的調整幅度相對與華南地區較為溫和。在該地區內不同省份及直轄市的平均售價的走勢有明顯差異。

本集團貴州省業務的水泥平均售價於二零一六年第四季度顯著上升，而四川省因需求有限，其平均售價只有小幅反彈。



## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

As a result of improvement in overall operation efficiency and enhancement in cement ASP, the Group's Southwestern operations reported a healthy operating profit in 2016 as opposed to a loss in the previous year.

The region reported a sales volume of 20.9 million metric tons, up 17.8 per cent year-on-year. The Group's production lines in Chongqing municipality and Sichuan province together generated a sales volume of 10.5 million metric tons. TCC Huaihua Cement Company Limited, which demonstrated enhanced operational efficiency during the year under review, reported a sales volume of 3.3 million metric tons, representing 78.6 per cent year-on-year increase. The aggregate sales volume of the Group's Guizhou plants amounted to 7.1 million metric tons during the year.

The Group's urban waste treatment project in Anshun Guizhou province became fully operational during the year. The Anshun plant processed 33,400 metric tons of household wastes in 2016, being its first year of operation. Applying mature and proven technologies developed by the Group's parent company in Taiwan, the plant is serving as a pilot showcase for the Group's exploration of the eco-solution market in Mainland China.

受惠於整體營運效率的提升及水泥平均售價的上漲，本集團西南地區的業務於二零一六年度錄得理想的經營利潤，而上年度本集團於該地區則錄得虧損。

於回顧年度，該地區錄得銷量20,900,000公噸，同比增長17.8%。本集團位於重慶直轄市及四川省的生產線合共銷量為10,500,000公噸。台泥（懷化）水泥有限公司在回顧年度提高了營運效率，錄得銷量3,300,000公噸，同比增長78.6%。年度內本集團貴州省廠房合共銷量為7,100,000公噸。

本集團位於貴州省安順的城市廢物處理項目於年度內開始全面運作。安順廠房採用台灣母公司成熟及經過驗證的技術，在二零一六年（廠房投入運營的第一年）處理了33,400公噸的家居廢物，為本集團開拓大陸生態解決方案市場提供先導範例。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Eastern Region

During the year, the Group's operations in the region reported a sales volume of 4.7 million metric tons, down 1.5 per cent as compared to that of the previous year. The sales volume of the plant in Jurong recorded a slight increase, while there was a modest decline in sales volume for the Fuzhou plant.

Cement ASP in the Eastern region remained volatile due to severe competition. Although the region's operations failed to resume profitability, the Group's Jurong plant began to break even in the last quarter of the year under review, and thus managed to significantly narrow its loss for the year. The Fuzhou plant, which mainly relied on clinker supply from the Southern region operations, suffered widened loss due to higher raw material cost.

#### 華東地區

年度內，集團在華東區域的業務錄得總銷量為4,700,000公噸，較上年下跌1.5%。句容廠房的銷量略有增長，而福州廠的銷量則有所下調。

由於競爭激烈，華東地區的水泥平均價格於回顧年度仍顯波動。儘管本集團於該地區的業務尚未扭虧為盈，但本集團的句容廠房已於年度內第四季度開始實現收支平衡，全年虧損亦大幅收窄。福州廠房因需依賴華南地區的熟料供應，受到原材料成本上漲影響而錄得虧損。



## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析



### Northeastern Region

The Group's Liaoning plant reported a sales volume of 1.1 million metric tons, down by 15.5 per cent year-on-year. Despite the local government's effort in stabilizing cement ASP, it has yet to see any noticeable improvement in the market condition.

### 東北地區

本集團遼寧的廠房錄得銷量1,100,000公噸，同比下降15.5%。儘管當地政府致力穩定水泥平均售價，但市場狀況尚未見明顯改善。





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Hong Kong

The Group's operations in Hong Kong generated a sales volume of approximately 530,000 metric tons, down by 15.2 per cent as compared with that in 2015. The retreat in sales volume was due partly to the Group insistence on maintaining a reasonable price in tendering for public sector projects and the overhaul of its cement plant in the territory. Despite the drop in sales volume, the Hong Kong operations continued to generate a decent profit for the year.

### Others

The Group's two slag powder non-wholly owned subsidiaries in Anhui and Guangxi provinces together generated a sales volume of 1.3 million metric tons, up 17.0 per cent year-on-year.

## OTHER SIGNIFICANT INVESTMENTS HELD

As at 31 December 2016, a net increase in fair value of HK\$373,000 (2015: net decrease in fair value of HK\$11,550,000) was recognised for held-for-trading investments upon stating them at market prices. As at 31 December 2016, the carrying amount of held-for-trading investments was HK\$38.2 million (2015: HK\$37.8 million).

### 香港

本集團在香港的業務實現銷量約為530,000公噸，較二零一五年下降15.2%。銷量減少的原因為本集團在參與公營部門項目投標過程中堅持維持合理價格以及本港水泥廠的翻修。雖然銷量有所下降，但香港業務繼續在年度內錄得理想盈利。

### 其他

本集團在安徽省及廣西省的兩個礦渣粉非全資附屬公司的銷量合計達1,300,000公噸，同比增長17.0%。

## 其他所持重大投資

於二零一六年十二月三十一日，按市場價格呈列後，就持作交易用途之投資確認之公平值淨增加約373,000港元（二零一五年：公平值淨減少11,550,000港元）。於二零一六年十二月三十一日，持作交易用途之投資之賬面值約為38,200,000港元（二零一五年：37,800,000港元）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### LIQUIDITY, FINANCIAL RESOURCES, CAPITAL STRUCTURE AND NET GEARING RATIO

The Group adopts prudent treasury policies in managing cash resources and bank borrowings.

The current ratio of the Group as at 31 December 2016 are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	9,204,277	10,660,416
Current liabilities	流動負債	4,981,771	8,574,624
Current ratio	流動比率	1.85	1.24

The Group's current ratio as at 31 December 2016 was 1.85 (2015: 1.24). The liquidity position is maintained at a healthy level.

Total cash and bank balances of the Group as at 31 December 2016 amounted to HK\$4,341.8 million (2015: HK\$5,802.6 million), including time deposits, pledged bank deposits and restricted bank deposits of HK\$83.2 million, HK\$17.3 million and HK\$68.8 million (2015: HK\$382.0 million, HK\$19.3 million and HK\$70.6 million) respectively. Highly liquid short term investments, classified as held-for-trading investments, with a market value of HK\$38.2 million as at 31 December 2016 (2015: HK\$37.8 million), were also held by the Group.

### 流動資金、財務資源、資本架構及淨資產負債比率

本集團採用審慎之庫務政策以管理現金資源及銀行借貸。

本集團於二零一六年十二月三十一日之流動比率如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	9,204,277	10,660,416
Current liabilities	流動負債	4,981,771	8,574,624
Current ratio	流動比率	1.85	1.24

本集團於二零一六年十二月三十一日之流動比率為1.85(二零一五年:1.24)。流動資金狀況維持於穩健水平。

於二零一六年十二月三十一日，本集團之現金及銀行結餘總額為4,341,800,000港元(二零一五年:5,802,600,000港元)，包括定期存款、已抵押銀行存款及受限制銀行存款分別為83,200,000港元、17,300,000港元及68,800,000港元(二零一五年:382,000,000港元、19,300,000港元及70,600,000港元)。於二零一六年十二月三十一日，本集團亦持有市值為38,200,000港元(二零一五年:37,800,000港元)分類為持作交易用途之投資之高流動性短期投資。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The maturity profile of the Group's bank loans as at 31 December 2016 are repayable as follows:

於二零一六年十二月三十一日，本集團銀行貸款之到期還款概況如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	於一年內	2,295,456	6,028,147
More than one year but not exceeding two years	超過一年但不超過兩年	1,458,000	2,236,200
More than two years but not exceeding five years	超過兩年但不超過五年	5,664,800	3,468,536
<b>Total bank loans</b>	<b>銀行貸款總計</b>	<b>9,418,256</b>	<b>11,732,883</b>

There was no material effect of seasonality on the Group's borrowing requirement. As at 31 December 2016, HK\$177.6 million of the bank loans was denominated in HK\$, HK\$7,216.8 million in US\$ and HK\$2,023.9 million in RMB. All of the bank loans are of floating rate structures.

本集團之借貸需要並未受到重大季節性影響。於二零一六年十二月三十一日，銀行貸款中的177,600,000港元以港元為貨幣單位、7,216,800,000港元以美元為貨幣單位及2,023,900,000港元以人民幣為貨幣單位。所有銀行貸款均為浮動利率模式。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The net gearing ratio of the Group as at 31 December 2016 are as follows:

本集團於二零一六年十二月三十一日之淨資產負債比率如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total bank loans	銀行貸款總額	9,418,256	11,732,883
Less: Cash and bank balances, time deposits, pledged bank deposits and restricted bank deposits	減：現金及銀行結餘、定期存款、已抵押銀行存款及受限制銀行存款	(4,341,753)	(5,802,552)
Net borrowings	借貸淨額	5,076,503	5,930,331
Equity attributable to owners of the Company	本公司擁有人應佔權益	18,548,856	19,960,552
Net gearing ratio	淨資產負債比率	27.4%	29.7%

As at 31 December 2016, the Group's net gearing ratio, which was calculated as the ratio of net borrowings divided by equity attributable to owners of the Company, was 27.4% (2015: 29.7%), and maintained at a healthy level.

於二零一六年十二月三十一日，本集團之淨資產負債比率（其計算方法為借貸淨額除以本公司擁有人應佔權益所得之比率）為27.4%（二零一五年：29.7%）。本集團之淨資產負債比率變動乃主要由於年內借貸淨額因巨額銀行貸款還款淨額而大幅減少所致。於二零一六年十二月三十一日，淨資產負債比率維持在穩健水平。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS

During the year, the Group acquired property, plant and equipment, prepaid lease payments and mining rights of approximately HK\$168.1 million, HK\$18.3 million and HK\$19.2 million respectively.

Save for aforesaid, the Group had no other significant investments, material acquisitions or disposals.

### FUND RAISING ACTIVITIES

On 1 June 2015, the Company announced a fully underwritten one-for-two rights issue of 1,647,821,617 ordinary shares at the issue price of HK\$2.20 per share. The rights issue became unconditional on 9 July 2015 and net proceeds of HK\$3,608.1 million were raised by the Company, which were applied towards the intended use of funding as stated in the circular to the Shareholders of the Company dated 22 June 2015.

### 重大投資、重大收購或出售事項

年內，本集團購入物業、廠房及設備、預付租賃款項及採礦權分別約為168,100,000港元、18,300,000港元及19,200,000港元。

除上文所述者外，本集團概無其他重大投資、重大收購或出售事項。

### 集資活動

於二零一五年六月一日，本公司公佈全面包銷按二供一之基準以每股2.20港元之發行價供股發行1,647,821,617股普通股。供股已於二零一五年七月九日成為無條件，而本公司籌集所得款項淨額約為3,608,100,000港元，其已按本公司於二零一五年六月二十二日向股東發出之通函所述之擬定資金用途動用。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### USE OF PROCEEDS

As stated in the circular to the Shareholders of the Company dated 22 June 2015, the Group had plans to use the proceeds obtained from the rights issue. The proceeds have been partially utilised. The amount used during the year ended 31 December 2016 and the residual balance to be used as at 31 December 2016 are as follows:

### 所得款項用途

誠如本公司於二零一五年六月二十二日向股東發出之通函所述，本集團已計劃動用供股所得之款項。所得款項已被動用部份。於截至二零一六年十二月三十一日止年度已動用之所得款項及於二零一六年十二月三十一日有待動用之餘額如下：

		Residual balance to be used as at 1 January 2016 於二零一六年 一月一日 有待動用餘額 HK\$ million 百萬港元	Used during the year 於年內動用 HK\$ million 百萬港元	Residual balance to be used as at 31 December 2016 於二零一六年 十二月三十一日 有待動用餘額 HK\$ million 百萬港元
(i) Repayment of some of the bank borrowings of the Group	(i) 償還本集團之部份銀行借貸	33.5	(33.5)	-
(ii) Finance commitments under previously agreed acquisitions and any future acquisitions	(ii) 為先前協定收購項下之承諾及任何未來收購提供資金	538.7	(6.9)	531.8
(iii) General working capital	(iii) 一般營運資金	14.9	(14.9)	-
		587.1	(55.3)	531.8

### CHARGE ON ASSETS

As at 31 December 2016, bank deposits amounting to HK\$17.3 million have been pledged by the Group as performance guarantee in relation to certain mining contracts.

### 質押資產

於二零一六年十二月三十一日，17,300,000港元之銀行存款已由本集團抵押作為就若干採礦合約之履約保證。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FOREIGN CURRENCY EXPOSURES

The Group's sales and purchases during the reporting period were mostly denominated in RMB. However, most of the Group's bank borrowings were denominated in currencies other than RMB.

RMB is not a freely convertible currency. Future exchange rates of RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally as well as the demand and supply of RMB. The appreciation or devaluation of RMB against foreign currencies may have an impact on the operating results of the Group.

The Group currently does not maintain a foreign currency hedging policy. However, the Group's management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

In addition, the Group enters into short-term forward foreign currency contracts (less than 3 months) for hedging purpose. The Group utilises a variety forward foreign currency contracts to hedge its exposure to foreign currencies on a regular basis.

As at 31 December 2016, major outstanding forward foreign exchange contracts that the Group has committed is buying US\$ and selling RMB at rates from 7.0265 to 7.0275. Their fair value is estimated to be an asset of HK\$396,000 and is included as derivative financial instruments at the end of the reporting period. The contracts will mature in the first quarter of 2017.

### 外幣風險

本集團於報告期間之銷售額及採購額大部份以人民幣列值。然而，本集團大部份銀行借貸以除人民幣外之貨幣列值。

人民幣並非可自由兌換之貨幣。人民幣未來匯率或會因中國政府可施加之管制而較現時或過往匯率出現大幅變動。匯率亦可能受國內及國際之經濟發展及政治變動以及人民幣供求影響。人民幣兌外幣之升值或貶值或會對本集團經營業績構成影響。

本集團現時並無外幣對沖政策。然而，本集團管理層監控外匯風險，並將於需要時考慮對沖重大外匯風險。

此外，本集團訂立短期的遠期外匯合同（少於3個月）作對沖用途。本集團經常利用多種遠期外匯合同以對沖其外匯風險。

於二零一六年十二月三十一日，本集團承擔的主要尚未完成的遠期外匯合約乃按匯率7.0265至7.0275買入美元及出售人民幣，其公平值預計約達396,000港元，並於報告期末計為衍生金融工具。合約將於下一年第一季度到期。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### MAJOR CAPITAL COMMITMENTS

As at 31 December 2016, the Group's capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements amounted to HK\$473.4 million. The Group anticipates funding those commitments from its internal resources and bank borrowings.

### CONTINGENT LIABILITIES

As at 31 December 2016, the Group provided a corporate guarantee jointly with other shareholders of an associate to a bank in respect of banking facilities granted to that associate in aggregate amounted to RMB400,000,000 (equivalent to HK\$448,000,000), of which RMB300,000,000 (equivalent to HK\$336,000,000) has been utilised by the associate. Pursuant to the corporate guarantee agreement, the Group has provided the guarantee amount proportioned to its equity interest in the associate, which represents RMB90,000,000 (equivalent to HK\$100,800,000).

Save as disclosed above, the Group had no other material contingent liabilities as at the end of the reporting period.

### EMPLOYEES

As at 31 December 2016, the Group had 9,683 full-time employees. Total expenses in wages and salaries of the Group for the year ended 31 December 2016 amounted to HK\$808.2 million. The Group ensures that the pay levels of its employees are competitive and in line with market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. In addition, the Directors may invite employees, including executive Directors (in which case approval of independent non-executive Directors is required), of the Company or any of its subsidiaries and associates to take up options to subscribe for shares of the Company. During the year, no share options were granted to Directors or employees.

### 主要資本承擔

於二零一六年十二月三十一日，本集團就購買物業、廠房及設備之已訂約但未於綜合財務報表撥備之資本支出約為473,400,000港元。本集團預期以其內部資源及銀行借貸撥付該等承擔。

### 或然負債

於二零一六年十二月三十一日，本集團連同一間聯營公司之其他股東就該聯營公司獲授之總額為人民幣400,000,000元（相等於約448,000,000港元）之銀行融資（其中人民幣300,000,000元（相等於約336,000,000港元）已獲該聯營公司動用）而向一家銀行提供企業擔保。根據企業擔保協議，本集團已按其於該聯營公司之股權比例提供擔保金額，即為人民幣90,000,000元（相等於約100,800,000港元）。

除上述披露者外，於報告期末，本集團概無其他重大或然負債。

### 僱員

於二零一六年十二月三十一日，本集團共有9,683名全職僱員。本集團於截至二零一六年十二月三十一日止年度之工資及薪金開支總額達808,200,000港元。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。此外，董事可邀請本公司或其任何附屬公司及聯營公司之僱員，包括執行董事（在此情況下須由獨立非執行董事批准），接納可認購本公司股份之購股權。年內，董事或僱員並無獲授任何購股權。



## PROSPECTS AND FUTURE PLANS 展望及未來計劃

It is generally expected that Mainland China's GDP growth rate will stay at around 6.5 per cent in 2017, meaning that the State is going to maintain a modest but steady economic growth.

In the year 2017, the cement market is expected to experience deepened supply-side structural reform, which is an important component of the State's 13th Five-Year Plan. The implementation of the State Council's No. 34 document (Guiding Opinions on Promoting Steady Growth, Structural Adjustments and Efficiency Enhancement of the Building Material Industry) will lead to accelerated elimination of obsolete capacity, as well as inefficient operators failing to comply with the State's stringent environmental requirement. Gradual realisation of the abolition of PC32.5 grade cement and strict restriction on new capacity expansion until 2020 will help to improve the balance in the market's supply and demand.

The State's prohibition of new capacity development has forced large conglomerates to escalate their merger and acquisition efforts to achieve scale and geographical expansion. Further industry consolidation driven by a handful of nationwide or regional market leaders will result in intensified market concentration. This will in turn translate into better coordination among key players to maintain market order.

According to Digital Cement's forecast, cement market demand in 2017 will basically remain the same or slightly below that of 2016. The State's continued commitment in infrastructure development, in particular, transportation network and hydraulic engineering projects, and the introduction of Private Public Participation projects ("PPP") will become the impetus for further implementation of civil engineering works in the public sector.

中國大陸的生產總值預計於二零一七年維持於約6.5%的增幅，意味著大陸將保持溫和但穩定的經濟增長。

於二零一七年，作為中國第十三個五年計劃重點推動的水泥市場供應側結構改革預期將會進一步深化。國務院「關於促進建材工業穩增長調結構增效益的指導意見」第34號文件的落實將加速淘汰落後產能以及未能符合國家嚴格環保要求的低效率運營商。此外，中國大陸於二零二零年前逐步實現淘汰32.5級別的復合水泥以及嚴格限制新增產能將有助於改善市場供需平衡。

國家限制新產能建設促使大型水泥企業加強通過併購以實現規模及地域擴張。由少數全國性或區域性的領先企業帶動的進一步行業整合將強化市場集中度。這將有利促進佔有主導地位的領先企業之間協作，以維持市場秩序。

根據數字水泥網的預測，二零一七年水泥市場需求將基本保持不變或略低於二零一六年。中國大陸對基礎設施建設的投入，尤其是於交通網絡及水利工程項目的投放，以及引入公營私營合作制，將成為進一步落實公營部門土木工程工作的動力。

## PROSPECTS AND FUTURE PLANS 展望及未來計劃

Property development, which is the most important driver of private sector demand, continues to prosper, evidenced by record high land premium in first tier cities. Although there are signs of reinstatement of tighter austerity measures in those cities due to heightened property prices, construction works commenced or committed earlier are expected to continue to fuel private sector demand.

Given the aforementioned favourable factors, cement ASP in 2017 is expected to maintain a stable or steadily upward trend.

However, the cement industry is not without challenge in 2017. The significant hike in coal price since late 2016 is expected to continue in the current year. Energy expenses accounted for a substantial portion of cement manufacturers' cost structure. Surging coal price will inevitably exert pressure on cement plants' profit margins. In addition, rising labour and transportation costs, as well as the State's tightened pollution control requirements are all going to impact on the bottom line of cement manufacturers.

As for the Group's performance in 2017, the management maintains a relatively optimistic view. The Group's Southern region operations are expected to continue to enjoy a healthy growth from strong demand and stable ASP at a relatively high level. In addition to massive private and public sector construction works in the Guangdong province, the commencement of construction of Hong Kong International Airport's third runway is likely to tighten cement supply in the region. The project would also tie up substantial logistic resources due to its engagement of massive transportation means such as barges, and is thus expected to add further pressure on cement supply.

The enormous cement consumption generated by the construction of Hong Kong International Airport's third runway will also contribute to strong demand and healthy ASP for the Group's Hong Kong operations.

房地產開發是推動私營市場需求最重要的動力，從一線城市的土地成交價屢創新高，可引證市況仍然興旺。雖然由於物業價格上升，這些城市出現恢復實施調控政策的跡象，但已開始施工或已簽訂的建造工程將有望繼續推動私營部門的需求。

鑒於上述有利因素，二零一七年水泥平均售價預計將保持穩定，或穩中有升。

然而，水泥行業在二零一七年亦面對一定的挑戰。自二零一六年末開始煤炭價格顯著上漲，有關趨勢預計將延續至現年度。能源支出佔水泥生產商成本的相當一部分。煤炭價格的飆升無可避免地將對水泥廠商的利潤率造成壓力。此外，勞工成本及運輸成本的上升以及中國對控制污染日趨嚴格的要求，都將對水泥生產商的業績造成影響。

至於本集團於二零一七年的表現，管理層保持相對樂觀的態度。受惠於強勁需求及水泥平均售價穩定於較高水平，本集團華南地區的業務預期將繼續維持穩健增長。除了於廣東省內的大型私營及公營部門建造工程外，香港國際機場第三條跑道的興建亦將促使該地區的水泥供應趨於緊張。該項目亦需動用大量運輸工具（如駁船等），其將佔用大量物流資源，預計將進一步增加水泥供應的壓力。

香港國際機場第三條跑道建設需消耗大量水泥，亦為本集團在香港業務帶來強勁的需求及理想的水泥平均售價。

## PROSPECTS AND FUTURE PLANS 展望及未來計劃

The Group's Southwestern region is likely to further improve its profitability, in particular, in Chongqing and Guizhou due to enhancement in operational efficiency. The Group's plants in Hunan are aimed to provide positive contribution to the Group in 2017, although the release of new capacity in the province may hinder its sales and product ASP.

The Group's Shaoguan plant, with one clinker and cement production line of 2 million metric tons, is scheduled for inauguration by the end of 2017/early 2018. The plant will act as the bridgehead for the Group's market extension to the northern part of Guangdong province. It also constitutes a strategic linkage between the Group's plants in Yingde, Guangdong and the Hunan province, filling in the market gap in between.

Following years of expansion under the leadership of the late Chairman Koo, the Group is now among the top tier cement conglomerates in Mainland China. The Group is formulating its development strategy for the next five to ten years with an emphasis on social contribution and operation transformation, capitalizing on its established portfolio. The Group's parent company in Taiwan is a pioneer in the utilization of cement facilities for waste treatment and environmental preservation. The Group's urban waste treatment project in Anshun, Guizhou is aimed as a stepping stone for the Group's entry into the arena of eco-solution. The application of proven and mature technologies from the Group's parent company can serve to address Mainland China's pressing environmental concern. The Group is seeking to extend its collaboration with local governments in handling urban waste as well as industrial pollution.

由於營運效率的提升，本集團西南地區預計將可進一步提高其盈利能力，尤其是在重慶及貴州等地的設施。儘管本集團的湖南廠房的銷量及產品平均售價可能會受到該地區的新增產能的影響，該地區的廠房致力於二零一七年為本集團作出盈利貢獻。

本集團韶關廠房預計於二零一七年底或二零一八年初投產，該廠房備有一條年產能2,000,000公噸的熟料和水泥生產線。該廠房將作為本集團向粵北市場延伸的橋頭堡，它亦為本集團廣東英德與湖南省廠房之間的戰略佈點，填補兩地之間的市場空缺。

在已故主席辜成允先生的領導下，經過多年的擴張，本集團現已成為中國大陸領先的水泥企業。本集團正在制訂未來五至十年的發展策略，並將利用現有的業務組合，著眼於實現對社會的貢獻及營運轉型。本集團在台灣的母公司為利用水泥設施進行廢物處理及環境保育的先驅。本集團在貴州省安順的城市廢物處理項目旨在作為本集團進入生態解決方案領域的跳板。利用集團母公司所開發的成熟及經驗證的技術，可以解決中國大陸備受關注的環境問題。本集團正在尋求擴大與地方政府在處理城市廢物及工業污染方面的合作。

## PROSPECTS AND FUTURE PLANS 展望及未來計劃

A second waste treatment plant is being planned in Shaoguan, Guangdong. Under the Group's strategy of integrating cement production, power generation and eco-solution within its cement operations, the Group will seek to gradually widen its exposure in waste and emission treatment, initially in areas with its facilities to optimise synergetic benefit.

The Group's extension of its operation to eco-solution, in one way, will offer it a diversified income source and create a new earning base in the long run. It is also the Group's ongoing strategy to apply innovative technology to fine-tune its business model and to service the communities in which it has a significant presence. After equipping all of its cement plants with residual heat power generation units, the Group intends to gradually install waste treatment facilities within its various cement operations. Negotiations with local governments are underway for the establishment of a network of eco-solution projects to steer the Group's sustainable and environmentally friendly development.

集團正在計劃廣東省韶關市建設第二個廢物處理廠。根據本集團將水泥生產、發電及生態解決方案整合為一體的戰略，本集團將逐步加強其在廢物及排放物處理方面的參與度。本集團將首先在其設施所在的區域開展工作，以發揮最佳協同效益。

長遠而言，本集團將其業務延伸至生態解決方案，一方面可為其提供多元化的收入來源並創造新的盈利基礎。應用創新技術以優化業務模式，並為其擁有重要業務的社區提供服務亦是本集團的持續發展戰略。目前本集團所有水泥廠房均已裝備餘熱發電機組，本集團擬在其各個水泥生產基地逐步安裝廢物處理設施。本集團正與地方政府進行磋商，擬建立一系列生態解決方案的項目，以驅動本集團朝著可持續及環保的方向發展。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層簡歷

### DIRECTORS

#### Executive Directors

##### *Mr. Chang, An-Ping, Nelson*

Mr. Nelson Chang, aged 64, has been the Chairman since 23 January 2017 and an executive Director since 27 March 2017. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. He served as a non-executive Director from January 2008 until 26 March 2017. Mr. Nelson Chang is the uncle of two non-executive Directors, Mr. Chang, Kang-Lung, Jason and Ms. Wang, Lishin, Elizabeth, and the uncle of Mr. Koo, Jason Kung Yi, an executive Director. Mr. Nelson Chang graduated from New York University with a Master Degree in Business Administration. He was a director of and vice chairman of Chia Hsin Cement until June 2016. Mr. Nelson Chang is also a director of Hong Kong Concrete Company Limited, Quon Hing Concrete Company Limited and Yargoan Company Limited, all being associated companies of the Group since 27 March 2017. He is currently an independent director of Synnex Technology International Corporation, and a director of T'Cement, China Synthetic Rubber Corporation and Taiwan Prosperity Chemical Corporation. Since 23 January 2017, Mr. Nelson Chang has been appointed as the chairman and president of T'Cement and China Synthetic Rubber Corporation; and the chairman of Taiwan Prosperity Chemical Corporation. Since 24 January 2017, he has been appointed as the chairman and president of Ho-Ping Power Company. Since 3 February 2017, he has been appointed a director of TCC International Limited. Chia Hsin Cement, Synnex Technology International Corporation, T'Cement, China Synthetic Rubber Corporation and Taiwan Prosperity Chemical Corporation are companies listed on the Taiwan Stock Exchange.

##### *Mr. Koo, Jason Kung Yi*

Mr. Koo, aged 33, has been appointed as the managing Director, an executive Director, and a member of both the Remuneration Committee and the Nomination Committee of the Company since 27 March 2017. Mr. Koo is the nephew of Mr. Chang, An-Ping, Nelson, an executive Director. He holds a Bachelor Degree in Economics from the National Central University and a Master Degree in Business Administration from the Wharton School of the University of Pennsylvania, USA. He is the deputy managing director of Hong Kong Concrete Company Limited and a director of Quon Hing Concrete Company Limited and Yargoan Company Limited, all being associated companies of the Group, since 27 March 2017. Mr. Koo has been a director of T'Cement, China Synthetic Rubber Corporation and Taiwan Prosperity Chemical Corporation, companies listed on the Taiwan Stock Exchange, since 23 January 2017. Mr. Koo was a vice president at Morgan Stanley before joining the Group in September 2016.

### 董事

#### 執行董事

##### *張安平先生*

張安平先生現年64歲，自二零一七年一月二十三日起為主席及自二零一七年三月二十七日起為執行董事。彼亦為本公司提名委員會主席以及薪酬委員會成員。彼曾於二零零八年一月至二零一七年三月二十六日擔任非執行董事。張安平先生為兩名非執行董事張剛綸先生之叔父及王立心女士之舅父，亦為執行董事辜公怡先生之姑父。張安平先生畢業於紐約大學，持有工商管理碩士學位。直至二零一六年六月，彼擔任嘉新水泥之董事兼副主席。自二零一七年三月二十七日起，張安平先生亦為港九混凝土有限公司、港興混凝土有限公司及翼冠有限公司之董事，該等公司均為本集團之聯營公司。彼現為聯強國際股份有限公司之獨立董事，及為T'Cement、中國合成橡膠股份有限公司及信昌化學工業股份有限公司之董事。自二零一七年一月二十三日起，張安平先生獲委任為T'Cement及中國合成橡膠股份有限公司之主席兼總經理，以及信昌化學工業股份有限公司之董事長。自二零一七年一月二十四日起，彼獲委任為和平電力股份有限公司之董事長兼總經理。自二零一七年二月三日起，彼獲委任為TCCI之董事。嘉新水泥、聯強國際股份有限公司、T'Cement、中國合成橡膠股份有限公司及信昌化學工業股份有限公司均為於台灣證券交易所上市之公司。

##### *辜公怡先生*

辜先生現年33歲，自二零一七年三月二十七日起獲委任為本公司董事總經理、執行董事，以及薪酬委員會及提名委員會之成員。辜先生為執行董事張安平先生之侄兒。彼持有國立中央大學之經濟學學士學位及美國賓夕凡尼亞大學華頓學院之工商管理碩士學位。自二零一七年三月二十七日起，彼為港九混凝土有限公司之副董事總經理，以及港興混凝土有限公司及翼冠有限公司之董事，該等公司均為本集團之聯營公司。自二零一七年一月二十三日起，辜先生為於台灣證券交易所上市之T'Cement、中國合成橡膠股份有限公司及信昌化學工業股份有限公司之董事。於二零一六年九月加入本集團前，辜先生為摩根士丹利之副總裁。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層簡歷

### Non-executive Directors

#### *Dr. Shan Weijian*

Dr. Shan, aged 63, has been a non-executive Director since August 1997. Dr. Shan is the chairman and chief executive officer of PAG, an investment firm. He is also a Governor of China Venture Capital and Private Equity Association. He was a senior partner of TPG, co-managing partner of Newbridge Capital, managing director of J.P. Morgan, an assistant professor at the Wharton School of the University of Pennsylvania and an investment officer at the World Bank in Washington DC. Dr. Shan graduated from the Beijing Institute of Foreign Trade with a major in English in 1979. He obtained a Master Degree in Business Administration from the University of San Francisco in 1981, and received a Masters of Arts Degree in Economics and a PhD Degree in Business Administration from the University of California at Berkeley in 1984 and 1987 respectively. Dr. Shan was an independent non-executive director of BOC Hong Kong (Holdings) Limited, a company listed on the Stock Exchange, from 2002 to June 2016.

#### *Mr. Chang, Kang-Lung, Jason*

Mr. Jason Chang, aged 45, has been a non-executive Director since January 2008. Mr. Jason Chang is the nephew of Mr. Chang, An-Ping, Nelson, an executive Director and the cousin of Ms. Wang, Lishin, Elizabeth, a non-executive Director. Mr. Jason Chang graduated from the Massachusetts Institute of Technology, Boston, the United States with a Master Degree in Management of Technology. He also holds a Bachelor Degree of Arts from Carroll College, Helena, the United States. Mr. Jason Chang is the director of Chia Hsin Cement Corporation since 2001 and the chairman since June 2013, and a director of T'Cement since June 2015, both companies are listed on the Taiwan Stock Exchange. He is also a director of CHPL since May 2012.

### 非執行董事

#### 單偉建博士

單博士現年63歲，自一九九七年八月起為非執行董事。單博士現任太盟投資集團（一間投資公司）之主席兼首席執行官，彼亦為中華股權投資協會的理事。彼曾為德州太平洋集團資深合夥人、美國新橋投資集團聯席執行合夥人、J.P. Morgan之董事總經理、賓夕凡尼亞大學華頓學院助理教授及於華盛頓之世界銀行之投資管理人員。單博士於一九七九年畢業於北京對外貿易學院，主修英語。彼於一九八一年取得三藩市大學工商管理碩士學位，並分別於一九八四年及一九八七年取得美國加州大學（柏克萊）經濟學文學碩士學位及工商管理博士學位。單博士曾於二零零二年至二零一六年六月擔任聯交所上市公司中銀香港（控股）有限公司之獨立非執行董事。

#### 張剛綸先生

張剛綸先生現年45歲，自二零零八年一月起為非執行董事。張剛綸先生為執行董事張安平先生之侄兒及亦為非執行董事王立心女士之表哥。張剛綸先生畢業於美國波士頓麻省理工學院，持有技術管理碩士學位。彼亦持有美國海倫娜市卡洛學院之文學學士學位。張剛綸先生自二零零一年起為嘉新水泥股份有限公司之董事及自二零一三年六月起為其董事長，及自二零一五年六月起為T'Cement之董事，該兩間公司均於台灣證券交易所上市。彼自二零一二年五月起亦為CHPL之董事。

## Biographical Details of Directors and Senior Management 董事及高級管理層簡歷

### *Ms. Wang, Lishin, Elizabeth*

Ms. Elizabeth Wang, aged 43, has been a non-executive Director and a member of the Audit Committee of the Company since January 2008. Ms. Elizabeth Wang is the niece of Mr. Chang, An-Ping, Nelson, an executive Director and the cousin of Mr. Chang Kang-Lung, Jason, a non-executive Director. Ms. Elizabeth Wang graduated from the Waseda University, Tokyo, Japan with a Master Degree in Organization Restructuring. She also holds a Bachelor Degree of Science in Finance from Boston College, Boston, the United States. Ms. Elizabeth Wang is a director and the chairperson of CHPL. She was a director of Chia Hsin Cement Corporation, a company listed on the Taiwan Stock Exchange, until June 2016.

### *Ms. Wang, Chi-May*

Ms. C. Wang, aged 59, has been appointed as a non-executive Director since 27 March 2017. She holds a Bachelor Degree in Accounting from The State University of New Jersey, USA. She has over 27 years of experience in general operations and human resource management. Ms. C. Wang joined the Group in 2001 and has been the senior vice president of operations of T'Cement since April 2012. She is also a director of Ho-Ping Power Company, Ta-Ho Maritime Corporation and TCC Information Systems corporation since March 2005, April 2006 and August 2008 respectively.

### **Independent non-executive Directors**

#### *Dr. Liao Poon Huai, Donald C.B.E., J.P.*

Dr. Liao, aged 87, has been an independent non-executive Director since August 1997. He is also the chairman of both the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee of the Company. He was educated at The University of Hong Kong and the University of Durham, United Kingdom. He received a degree of Doctor of Science from the University of Durham, United Kingdom, in 2011. He is a senior advisor to Mitsui & Company (Hong Kong) Limited. He retired from the Hong Kong civil service in 1989 and was the former Secretary for District Administration and the Secretary for Home Affairs. He served as a non-executive director for The Hongkong and Shanghai Banking Corporation Limited and The HSBC China Fund Limited. He had served on the Council of the Stock Exchange between 1991 and 1995. Dr. Liao was also appointed as an Official Member of the Hong Kong Legislative Council in 1980 and of the Hong Kong Executive Council in 1985.

### *王立心女士*

王立心女士現年43歲，自二零零八年一月起為本公司非執行董事及審核委員會之成員。王立心女士為執行董事張安平先生之外甥女及亦為非執行董事張剛綸先生之表妹。王立心女士畢業於日本東京早稻田大學，持有組織架構重組碩士學位。彼亦持有美國波士頓波士頓學院金融理學學士學位。王立心女士為CPHL之董事兼主席。直至二零一六年六月，彼為於台灣證券交易所上市之公司嘉新水泥股份有限公司之董事。

### *王琪玫女士*

王琪玫女士現年59歲，自二零一七年三月二十七日起獲委任為非執行董事。彼持有美國新澤西州立大學會計學學士學位。彼於一般營運及人力資源管理方面擁有逾二十七年經驗。王琪玫女士於二零零一年加入本集團並自二零一二年四月起擔任T'Cement之營運資深副總經理。彼亦分別自二零零五年三月、二零零六年四月及二零零八年八月起為和平電力股份有限公司、達和航運公司及台泥資訊股份有限公司之董事。

### **獨立非執行董事**

#### *廖本懷博士 C.B.E., J.P.*

廖博士現年87歲，自一九九七年八月起為獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會之主席，以及提名委員會之成員。彼肄業於香港大學及英國達勒姆大學。彼於二零一一年獲得英國達勒姆大學之理學博士學位。廖博士現任三井物產(香港)有限公司之高級顧問。彼於一九八九年退任香港公務員官職，並為前政務司及民政事務司。彼曾出任香港上海滙豐銀行有限公司及滙豐中國基金有限公司之非執行董事。彼亦於一九九一年至一九九五年間服務於聯交所理事會。廖博士亦於一九八零年獲委任為香港立法局之官守議員及於一九八五年獲委任為香港行政局官守議員。

## Biographical Details of Directors and Senior Management 董事及高級管理層簡歷

### *Dr. Chih Ching Kang, Kenneth*

Dr. Chih, aged 62, has been an independent non-executive Director since September 2006. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Dr. Chih had been a Chief Architect Global Purchasing and Supply Chain of General Motors Corporation (“GM”) in Detroit, the United States, from 2007 to 2009. Before joining GM in 2007, Dr. Chih was the director and Chief Information Officer of Orient Overseas Container Line Ltd., a subsidiary of Orient Overseas (International) Limited (“OOCL”) which is listed on the main board of the Stock Exchange. He also served as executive committee member of the board of OOCL and was globally responsible for IT strategy, information systems development, information technology infrastructure, business process and ISO9000 facilitation. Dr. Chih also served as director of several OOCL subsidiary companies such as Cargo Smart Limited and IRIS Systems Limited. Before joining OOCL in 1993, Dr. Chih was the Senior Principal at American Airlines Decision Technologies. Dr. Chih also had extensive consulting experience in the United States railroad transportation industry. Dr. Chih received an M.A. and a Ph.D. from Princeton University, an M.S. from the University of Texas at Austin and a B.S. from National Taiwan University. He is an independent director of China Synthetic Rubber Corporation, a company listed on the Taiwan Stock Exchange, since June 2012.

### *Mr. Shieh, Jen-Chung, Roger*

Mr. Shieh, aged 59, has been an independent non-executive Director since January 2007. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Shieh started his career with Ogilvy & Mather Advertising Taiwan since 1982. In 1999, he became managing director of Enterprise IG, a consultancy company and a subsidiary of one of the world’s largest communications groups, WPP Group plc. In 2001, Mr. Shieh was relocated to Shanghai to set up Enterprise IG China and further develop its business and operations in the Greater China Region. He retired from WPP Group plc in 2005. Mr. Shieh has over 20 years of experience in advertising, public relations, corporate image and identity management. He is currently an independent director of China Synthetic Rubber Corporation, a company listed on the Taiwan Stock Exchange, since June 2012.

### *池慶康博士*

池博士現年62歲，自二零零六年九月起為獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會之成員。池博士於二零零七年至二零零九年間曾任職於美國底特律之通用汽車公司（「通用汽車」）之全球採購以及供應鏈管理之總建築師。池博士於二零零七年加盟通用汽車之前，曾為東方海外貨櫃航運有限公司董事兼資訊總裁，該公司為聯交所主板上市公司東方海外（國際）有限公司（「東方海外」）之附屬公司。彼亦曾擔任東方海外董事會執行委員會成員，並整體負責資訊科技策略、資訊系統發展、資訊科技基礎建設、業務流程及促成獲取ISO9000認證。池博士亦曾擔任東方海外多間附屬公司之董事，包括貨訊通有限公司及IRIS Systems Limited。池博士於一九九三年加盟東方海外之前，曾為American Airlines Decision Technologies之高級主管。池博士亦於美國鐵路運輸業擁有豐富諮詢經驗。池博士持有普林斯頓大學碩士及博士學位、奧斯汀德州大學理科學士學位及國立台灣大學理科學士學位。彼自二零一二年六月起為於台灣證券交易所上市之公司中國合成橡膠股份有限公司之獨立董事。

### *謝禎忠先生*

謝先生現年59歲，自二零零七年一月起為獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會之成員。謝先生於一九八二年加入台灣奧美廣告公司，並於一九九九年出任全球最大行銷傳播集團之一WPP Group plc旗下顧問附屬公司Enterprise IG之董事總經理。謝先生於二零零一年調任往上海成立Enterprise IG China，以進一步發展該公司在大中華地區之業務及營運。彼於二零零五年自WPP Group plc退休。謝先生於廣告、公共關係、企業形象及身份識別管理方面擁有逾二十年經驗。彼自二零一二年六月起為於台灣證券交易所上市之公司中國合成橡膠股份有限公司之獨立董事。



# Biographical Details of Directors and Senior Management

## 董事及高級管理層簡歷

### SENIOR MANAGEMENT

#### Mr. Huang, Yi-Meng

*President of TCC Yingde Cement Co., Ltd*

Mr. Huang, aged 49, holds an Associate Degree in Electrical Engineering from National Taipei Institute of Technology in Taiwan, and joined T'Cement in 1991. He has over 20 years of experience in electrical and automation engineering businesses in cement industry. Between 2002 and April 2008, he had joined the Group as a leader of electrical sect in construction department in TCC Yingde Cement Co., Ltd and TCC Fuzhou Cement Co., Ltd. and was responsible for electrical and automation related fields during plants construction phase. He serviced in TCC (DongGuan) Cement Company Limited since November 2009. Mr. Huang then joined TCC (Guigang) Cement Ltd. as a leader of electrical department in September 2010 and was appointed as President of the plant in July 2011. He was then transferred to TCC Yingde Cement Co., Ltd as President in May 2015.

#### Mr. Song, Chen-Chia

*President of TCC (Guigang) Cement Ltd.*

Mr. Song, aged 38, holds a Master Degree in Engineering Management from University of Technology, Sydney in Australia, and joined T'Cement in 2006. He has more than 10 years of experience in project management in cement industry. Between 2011 and July 2014, he had joined the Group as a leader of equipment operation sect in TCC (Guigang) Cement Ltd., and was responsible for supervising equipment operation and maintenance. He then rejoined the Group as President in May 2015.

#### Mr. Wu, Hai-Hua

*President of Jurong TCC Cement Co., Ltd.*

Mr. Wu, aged 41, holds a Bachelor Degree in Silicate Engineering from Southwest University of Science and Technology. He has more than 18 years of experience in production and engineering construction management of cement industry. He joined the Group in October 2010.

### 高級管理層

#### 黃義孟先生

*台泥(英德)水泥有限公司總經理*

黃先生現年49歲，持有台灣台北工業專科學校電機電力組大專學歷。彼於一九九一年加入T'Cement，在水泥業之電氣及自動化業務方面擁有逾二十年經驗，及於二零零二年至二零零八年四月加入本集團，期間擔任台泥(英德)水泥有限公司及福州台泥水泥有限公司之擴建處電務組主管，負責該等廠籌建電氣及自動化業務工作。後於二零零九年十一月加入台泥(東莞)水泥有限公司，於二零一零年九月加入台泥(貴港)水泥有限公司擔任電務處長，二零一一年七月升任該廠總經理及後於二零一五年五月轉任台泥(英德)水泥有限公司總經理。

#### 宋辰嘉先生

*台泥(貴港)水泥有限公司總經理*

宋先生現年38歲，持有澳洲悉尼科技大學工程管理碩士學位。彼於二零零六年加入T'Cement，在水泥業之工程管理擁有逾十年經驗，及於二零一一年至二零一四年七月期間加入本集團，期間擔任台泥(貴港)水泥有限公司設備保全處主管，負責該廠設備運營及維護工作。彼其後於二零一五年五月重新加入本集團為總經理。

#### 吳海華先生

*句容台泥水泥有限公司總經理*

吳先生現年41歲，持有西南科技大學矽酸鹽工程學系學士學位。彼擁有逾十八年水泥行業的生產及工程建設管理經驗。彼於二零一零年十月加入本集團。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層簡歷

### Mr. Peng, Chih-Hang

*President of TCC Fuzhou Cement Co., Ltd.*

Mr. Peng, aged 42, graduated from the Mechanical Engineering Department of National Taipei University of Technology in Taiwan, and joined T'Cement in 2006. He has more than 10 years of experience in cement-related engineering. He joined the Group in October 2009.

### Mr. Zou Pengfei

*Vice President of Anhui King Bridge Cement Ltd.*

Mr. Zou, aged 54, graduated from Anhui Open University, and received training programs in University of Science and Technology of China, Beijing Building Materials Industry School (北京建材學校), Sichuan Jiangyou Vocational School (四川江油技校) and Central School of China Youth League. He started his career with a large-scale cement group since 1984, worked in various cement companies in the PRC as principal, responsible for overseas expansion projects and was the person-in-charge for overseas project expansion. Mr. Zou has more than 32 years of relevant working experience in cement manufacturing. He joined the Group in September 2015.

### Mr. Wu, Chih-Feng

*President of TCC Liuzhou Construction Materials Company Limited*

Mr. Wu, aged 58, graduated in Marine Engineering from National Taiwan Ocean University. Mr. Wu has joined T'Cement since 1988. He has acquired practical experience through holding various posts responsible for plant construction planning, product dispatching management, storage and transportation management, standardized plant operation and advanced plant management. He joined the Group in October 2007.

### Mr. Lin, Po-Chun

*President of TCC (DongGuan) Cement Company Limited*

Mr. Lin, aged 40, holds a Bachelor Degree in Business Administration from Dayeh University. He joined the Group in September 2009.

### 彭志航先生

*福州台泥水泥有限公司總經理*

彭先生現年42歲，畢業於台灣台北科技大學機械工程系。彼於二零零六年加入T'Cement，擁有逾十年水泥相關工程經驗。彼於二零零九年十月加入本集團。

### 鄒鵬飛先生

*安徽朱家橋水泥有限公司副總經理*

鄒先生現年54歲，畢業於安徽廣播電視大學，並在中國科技大學、北京建材學校、四川江油技校及中央團校培訓深造。自一九八四年起加入一間大型水泥集團工作，在多間中國水泥公司擔任主要負責人，負責海外拓展項目，擔任海外項目拓展負責人。鄒先生在水泥製造方面擁有逾三十二年相關工作經驗。彼於二零一五年九月加入本集團。

### 吳志峰先生

*柳州台泥新型建材有限公司總經理*

吳先生現年58歲，畢業於國立台灣海洋大學輪機工程學系專業。吳先生自一九八八年起加入T'Cement。彼通過擔任多項職務（負責工廠建設規劃、發貨管理、儲運管理、標準化工廠運作及先進工廠管理等工作）而獲得實際工作經驗。彼於二零零七年十月加入本集團。

### 林柏君先生

*台泥（東莞）水泥有限公司總經理*

林先生現年40歲，持有大葉大學企業管理學系學士學位。彼於二零零九年九月加入本集團。

## Biographical Details of Directors and Senior Management 董事及高級管理層簡歷

### Mr. Hu Zhiquan

*Executive Vice President of Yingde Dragon Mountain Cement Co, Ltd*

Mr. Hu, aged 53, graduated from Anhui Finance and Trade College (安徽財貿學院). He started his career with a large-scale cement group since 1982, had many years of materials supply and logistics management expertise, and worked in a large-scale cement group as director of supply department and was executive vice president in various cement companies in the PRC. Mr. Hu has extensive experience in the operation and management of the cement industry. He joined the Group in October 2015.

### Mr. Chiang, Cheng-Tao

*President of TCC Liaoning Cement Company Limited*

Mr. Chiang, aged 49, holds an Associate Degree in Chemical Engineering from National Taipei Institute of Technology in Taiwan, and joined T'Cement in 1989. He has more than 26 years of experience in cement production management. He joined the Group in August 2008.

### Mr. Yao Chengfu

*President of TCC New (Hangzhou) Management Company Limited*

Mr. Yao, aged 47, graduated from Xiangtan Mining Institute in Hunan province specialised in Mining Engineering. Mr. Yao had held senior management positions in large-scale cement companies in the PRC and has more than 20 years of experience in corporate operation management, human resource management, plants operational control and planning and construction of cement plants. He joined the Group in April 2008.

### 胡智全先生

*英德龍山水泥有限責任公司常務副總經理*

胡先生現年53歲，畢業於安徽財貿學院，自一九八二年起加入一間大型水泥集團工作，有多年物資供應、物流管理專長，在大型水泥集團擔任供應部部長，在多家中國水泥公司擔任常務副總經理。胡先生在水泥行業的經營、管理方面擁有豐富的經驗。彼於二零一五年十月加入本集團。

### 蔣政道先生

*台泥(遼寧)水泥有限公司總經理*

蔣先生現年49歲，持有台灣台北工業專科學校化學工程大專學歷。彼於一九八九年加入T'Cement，擁有逾二十六年水泥生產管理經驗。彼於二零零八年八月加入本集團。

### 姚成府先生

*新台泥(杭州)企業運營管理有限公司總經理*

姚先生現年47歲，畢業於湖南省湘潭礦業學院採礦工程專業。姚先生曾在中國大型水泥公司擔任高級管理職務，在企業經營管理、人力資源管理、工廠運行管理及水泥工廠規劃與建設等方面擁有逾二十年的豐富經驗。彼於二零零八年四月加入本集團。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層簡歷

### Mr. Wang Zhaowen

*Executive Vice President of TCC Chongqing Cement Company Limited*

Mr. Wang, aged 36, graduated from Xi'an University of Science and Technology specialised in Mining Engineering. Mr. Wang has more than 10 years of experience in cement and mine exploitation, engineering construction, equipment operation management and external public relations co-ordination. He joined the Group in September 2007.

### Mr. Yang Zhonghong

*President of TCC Huaihua Cement Company Limited and TCC Jingzhou Cement Company Limited*

Mr. Yang, aged 45, graduated from Huaibei Coal Industry Teachers College specialised in Foreign Language, and holds an university diploma qualification. Mr. Yang had held management positions in large-scale cement groups in the PRC and has more than ten years of experience in cement manufacturing and production operation. He joined the Group in September 2013.

### Mr. Yang Tao

*Executive Vice President of TCC Guangan Cement Company Limited*

Mr. Yang, aged 34, graduated from Luoyang Industrial College, specialized in Cement Silicate Technology. He has more than 10 years of working experience in cement manufacturing, technology management and quality control. He joined the Group in November 2007.

### 汪兆文先生

台泥(重慶)水泥有限公司常務副總經理

汪先生現年36歲，畢業於西安科技大學採礦工程專業。汪先生於水泥礦山開採、工程建設、裝備運行管理及對外公共關係協調等方面擁有十多年經驗。彼於二零零七年九月加入本集團。

### 楊中紅先生

台泥(重慶)水泥有限公司及靖州台泥水泥有限公司總經理

楊先生現年45歲，畢業於淮北煤炭師範學院外語專業，本科學歷。楊先生曾在中國大型水泥集團擔任管理職務，在水泥製造及生產經營等方面擁有十多年的經驗。彼於二零一三年九月加入本集團。

### 楊濤先生

台泥(廣安)水泥有限公司常務副總經理

楊先生現年34歲，畢業於洛陽工業高等專科學校，水泥矽酸鹽工藝專業。在水泥製造、工藝技術管理、品質管理等方面有十多年工作經驗。彼於二零零七年十一月加入本集團。

## Biographical Details of Directors and Senior Management 董事及高級管理層簡歷

### Mr. Wang Shiming

*Executive Vice President of Guizhou Kong On Cement Company Limited*

Mr. Wang, aged 35, graduated from HuaiNan Union University, specialized in Accounting. Mr. Wang had held management positions in large-scale cement companies in the PRC, and has more than 10 years of working experience in cost calculations of cement manufacturing and cement plant operation. He joined the Group in March 2012.

### Mr. Xie Yubing

*President of TCC Anshun Cement Company Limited*

Mr. Xie, aged 49, graduated from Anhui Building Materials Industrial School specialised in Cement Technology. Mr. Xie had held technical management positions in large-scale cement companies in the PRC and has more than 10 years of experience in cement manufacturing, production operation and engineering construction. He joined the Group in September 2012.

### Mr. Qiao Shengtao

*President of Guizhou Kaili Rui An Jian Cai Co., Ltd.*

Mr. Qiao, aged 36, graduated from Luoyang Industrial College specialised in Cement Silicate Technology. He has more than 10 years of working experience in cement manufacturing, technology management and quality control. He joined the Group in October 2007.

### Mr. Dong Guoying

*President of Scitus Naxi Cement Co., Ltd. and Executive Vice President of Scitus Luzhou Cement Co., Ltd.*

Mr. Dong, aged 35, graduated from Anhui University of Architecture, specialized in Inorganic Non-metal Study. Mr. Dong had worked in large-scale cement companies in the PRC, and has more than 10 years of experience in cement manufacturing and quality control. He joined the Group in December 2010.

### 汪世明先生

*貴州港安水泥有限公司常務副總經理*

汪先生現年35歲，畢業於淮南聯合大學會計專業。汪先生曾在中國大型水泥公司擔任管理職務，在水泥製造成本核算、水泥工廠經營方面有十多年工作經驗。彼於二零一二年三月加入本集團。

### 謝玉兵先生

*台泥(安順)水泥有限公司總經理*

謝先生現年49歲，畢業於安徽省建材工業學校水泥工藝專業。謝先生曾在中國大型水泥公司擔任技術管理職務，在水泥製造、生產經營及工程建設等方面擁有十多年的經驗。彼於二零一二年九月加入本集團。

### 喬勝濤先生

*貴州凱里瑞安建材有限公司總經理*

喬先生現年36歲，畢業於洛陽工業高等專科學校，水泥矽酸鹽工藝專業。在水泥製造、工藝技術管理、品質管理等方面有十多年工作經驗。彼於二零零七年十月加入本集團。

### 董高營先生

*瀘州納溪賽德水泥有限公司總經理及瀘州賽德水泥有限公司之執行副總經理*

董先生現年35歲，畢業於安徽建築工業學院無機非金屬專業。董先生曾在中國大型水泥公司任職，在水泥製造、品質管理等方面擁有十多年的經驗。彼於二零一零年十二月加入本集團。

# Biographical Details of Directors and Senior Management

## 董事及高級管理層簡歷

### Mr. Wang Daoping

*Executive Vice President of TCC Huaying Cement Company Limited*

Mr. Wang, aged 33, graduated from Anhui University of Science & Technology, specialized in Ammunition Engineering, and has more than 10 years of working experience in mine exploitation, engineering construction, cement manufacturing and management. He joined the Group in August 2009.

### OTHERS

#### Ms. Chan Wai Ling, FCIS, FCS (PE)

*Company Secretary*

Ms. Chan is the company secretary of the Company. She is a director of Corporate Services of Tricor Services Limited and a fellow member of both The Hong Kong Institute of Chartered Secretaries (HKICS) and The Institute of Chartered Secretaries and Administrators (ICSA) in the United Kingdom. She has more than 20 years of experience in the corporate secretarial field. Ms. Chan is currently the joint company secretary of IMAX CHINA HOLDING INC. (HKSE Stock Code: 1970) and SITC International Holdings Company Limited (HKSE Stock Code: 1308) as well as the company secretary of China Polymetallic Mining Limited (HKSE Stock Code: 2133), Sun Art Retail Group Limited (HKSE Stock Code: 6808) and China Maple Leaf Educational Systems Limited (HKSE Stock Code: 1317).

### 王道平先生

*華瑩台泥水泥有限公司常務副總經理*

王先生現年33歲，畢業於安徽理工大學彈藥工程專業，在礦山開採、工程建設、水泥製造管理等方面擁有十多年工作經驗。彼於二零零九年八月加入本集團。

### 其他

#### 陳蕙玲女士，FCIS, FCS (PE)

*公司秘書*

陳女士為本公司之公司秘書。彼為卓佳專業商務有限公司企業服務部董事，並為香港特許秘書公會及英國特許秘書及行政人員公會資深會員。彼於公司秘書領域擁有逾二十年經驗。陳女士現時為IMAX CHINA HOLDING, INC. (聯交所股份代號：1970)及海豐國際控股有限公司(聯交所股份代號：1308)之聯席公司秘書；以及中國多金屬礦業有限公司(聯交所股份代號：2133)、高鑫零售有限公司(聯交所股份代號：6808)及中國楓葉教育集團有限公司(聯交所股份代號：1317)之公司秘書。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE CODE

The Company recognises the value and importance of achieving good corporate governance standards to enhance corporate performance, sound internal control, transparency and accountability to its Shareholders. The Board and the management of the Company are committed to adhere to the principles of corporate governance and adopt good corporate governance practices and procedures to meet the legal and commercial standards by focusing on areas such as internal control, fair disclosure and accountability to all Shareholders.

The Board is of the view that the Company has fully complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2016, except for the following deviations:

#### Code provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors are not appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision to the Company's Articles of Association, and their appointment will be reviewed when they are due for re-election.

#### Code provision D.1.4

Pursuant to the Code Provision D.1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letter of appointment for all the existing Directors. However, they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision to the Company's Articles of Association. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under applicable laws, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

### 企業管治守則

本公司認同實現高標準的企業管治以提高企業業績、健全之內部監控、以及對股東之透明度及問責性的價值及重要性。本公司董事會及管理層致力於遵守企業管治原則及採納有效的企業管治常規及程序，如專注於內部監控、公平的披露及對全體股東的問責性等範疇，以達到法律上及商業上的標準。

董事會認為，於截至二零一六年十二月三十一日止整個年度，本公司已全面遵守企業管治守則所載之所有守則條文，惟以下偏離情況除外：

#### 守則條文第A.4.1條

守則條文第A.4.1條規定，非執行董事的委任應有特定任期，並須接受重新選舉。非執行董事無特定任期，惟須根據本公司的組織章程細則條文於本公司股東週年大會上輪值告退及重選連任，且於彼等到期重選連任時將檢討其委任。

#### 守則條文第D.1.4條

根據守則條文第D.1.4條，本公司應有正式的董事委任書，訂明有關委任的主要條款及條件。本公司全體現任董事均無正式之委任書。然而，彼等須根據本公司的組織章程細則條文於本公司股東週年大會上輪值告退及重選連任。此外，董事在履行董事之責任及職責時須參照公司註冊處發出的《董事責任指引》，以及香港董事學會刊發的《董事指引》及《獨立非執行董事指南》（如適用）當中所載之指引。此外，董事須遵守適用法例、上市規則、法律及其他監管規定之要求，以及本公司業務及管治政策。

### Code provision F.1.2

Code provision F.1.2 stipulates that the appointment of the company secretary should be dealt with by a physical board meeting rather than a written resolution. The appointment of the current company secretary of the Company was dealt with by way of passing a written resolution duly signed by all the Directors in December 2016. Prior to such appointment, all Directors were consulted with no dissenting opinion on the proposed matter. It was considered that a physical Board meeting is not necessary for approving the said appointment.

### CODES OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealings (the "Code of Conduct") based on the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Model Code, including the Directors, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities. Having made specific enquiry, all Directors confirmed that they had complied with the required standard set out in the Model Code and the Code of Conduct throughout the year 2016 and up to the date of this annual report.

### 守則條文第F.1.2條

守則條文第F.1.2條規定，公司秘書之委任應是舉行董事會會議而非以書面決議處理。本公司現任公司秘書乃經全體董事於二零一六年十二月以書面決議案方式簽署通過其委任。於上述委任獲通過前，全體董事均已就建議委任事項獲徵詢意見，而彼等並無任何反對意見，故此認為毋須就批准上述委任事項而舉行董事會會議。

### 董事進行證券交易之操守守則

本公司已根據上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）採納一套證券交易及買賣操守守則（「操守守則」）。操守守則之條款不遜於標準守則之標準，而操守守則適用於標準守則所界定之所有相關人士，包括董事、本公司任何僱員，或本公司之附屬公司或控股公司之董事或僱員，而彼等因其職務或受聘可能獲得有關本公司或其證券之未公佈股價敏感資料。經作出特定查詢後，全體董事確認彼等於二零一六年全年及截至本年報日期期間已遵守標準守則及操守守則所載之規定標準。



# Corporate Governance Report

## 企業管治報告

### BOARD OF DIRECTORS

#### Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and performances and is responsible for promoting the success of the Company by directing and supervising its affairs. In practice, the Board takes responsibilities for decision making in all major matters of the Company include approving and monitoring of all policy matters, setting of objectives, annual budgets and overall strategies, material transaction, appointment of Directors and other significant financial and operational matters. The Board delegates its authority and responsibilities to the senior management for the day-to-day management, administration and operation of the Group. These responsibilities include the implementation of decisions of the Board, the co-ordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by these senior executives and the Board has the full support of them to discharge its responsibilities.

#### Corporate Governance Functions

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance and continuous training and development of directors and senior management etc.

### 董事會

#### 職責

董事會負責領導及監控本公司以及監管本集團之業務、策略決定及表現，並透過指導及監督本公司事務，負責引領本公司邁向成功。實質上，董事會負責本公司所有主要事務之決策，包括批准及監察所有政策事項、設定目標、年度預算及整體策略、重大交易、董事委任及其他重要財務及營運事宜。董事會授予高級管理層執行本集團日常管理、行政及營運之權力及責任。此等職責包括實行董事會決策、根據董事會審批之管理層策略及計劃協調及指引本公司日常營運及管理。此等高級行政人員於訂立任何重要交易前均將獲得董事會之批准，而董事會於履行其職責時亦獲彼等之全力支持。

#### 企業管治職能

並無設立企業管治委員會，而董事會負責履行企業管治職能，例如制定及檢討本公司之政策、企業管治常規以及董事及高級管理人員之持續培訓及發展等。

### Board Composition

As at 31 December 2016 and up to the date of this annual report, the Board comprised two executive and seven non-executive Directors of whom three are independent as defined by the Stock Exchange. To enhance independence and accountability, the role and responsibility of the Group Chairman and the Group Managing Director is separated. The Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. All Directors have given sufficient time and attention to the Company's affairs. The Board believes that the ratio of executive Directors to non-executive Directors is reasonable and adequate to provide checks and balances that safeguard the interests of the Shareholders and the Company as a whole. The profiles of each Director are set out in the "Biographical Details of Directors and Senior Management" section in this annual report.

Throughout the year and up to the date of this annual report, the Company had three independent non-executive Directors representing not less than one-third of the Board. One of the three independent non-executive Directors has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each independent non-executive Director an annual confirmation of his independence and considers that all the independent non-executive Directors are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The family relationships among the Board members, if any, have been disclosed under "Biographical Details of Directors and Senior Management" section in this annual report.

Through the insurance plan of the Company's parent company, T'Cement, the Company has arranged appropriate Directors' and Officers' Liability Insurance for the directors and officers of the Company for indemnifying their liabilities arising from corporate activities.

### 董事會組成

於二零一六年十二月三十一日及截至本年報日期，董事會由兩名執行董事及七名非執行董事組成，其中三名具有聯交所定義之獨立性。為加強獨立性及問責性，集團主席與集團董事總經理之角色及職責已作區分。董事（包括獨立非執行董事）所具備廣泛而寶貴之業務經驗、知識及專業精神，有助董事會有效及高效地履行其職責。全體董事均付出充足時間及精力處理本公司事務。董事會相信，執行董事對非執行董事之比例誠屬合理，並足以發揮互相監察及制衡之作用，以保障股東及本公司之整體利益。各董事之履歷載於本年報「董事及高級管理層簡歷」一節。

於全年及截至本年報日期，本公司有三名獨立非執行董事，不少於董事會之三分之一。根據上市規則第3.10條，三名獨立非執行董事當中一名具有適當專業資格或會計或相關財務管理專才。董事會已接獲各獨立非執行董事之年度獨立性確認書，並認為根據上市規則第3.13條所載之指引，所有獨立非執行董事均屬獨立。

董事會各成員之間之家族關係（如有）已於本年報「董事及高級管理層簡歷」一節披露。

透過本公司之母公司T'Cement之保險計劃，本公司已為本公司董事及高級人員安排合適之責任保險以保障因企業活動產生之責任。

# Corporate Governance Report

## 企業管治報告

### Appointments, re-election and removal

According to the Articles of the Company, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board. The nomination should be taken into consideration of the nominee's qualification, ability and potential contributions to the Company.

In accordance with the Articles, all Directors appointed to fill a causal vacancy should be subject to election by Shareholders at the first general meeting after their appointment. At every annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation.

The non-executive Directors are not appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision to the Company's Articles of Association, and their appointment will be reviewed when they are due for re-election.

### Board Meetings

The Board meets in person or through other electronic means of communication at least four times every year. The Board is responsible for overseeing the Group's businesses and development, formulating long term strategies and policies. The Board also monitors and controls operating and financial performance in pursuit of the Group's strategic objectives. At least 14 days' notice of regular Board meeting are given to all Directors, who are all given an opportunity to attend and include matters in the agenda for discussion. Apart from regular meetings, senior management from time to time provides Directors information on activities and development of the businesses of the Group. The company secretary takes detailed minutes of the meetings and keeps records of matters discussed and decision resolved at the meetings. Individual attendance records of each Directors at the respective Board and committee meetings are set out in the table on page 52 of this annual report. All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense if they require it. The Board has delegated the day-to-day management and operation of the Group's businesses to management.

### 委任、重選連任及罷免

根據本公司之細則，董事會有權不時及隨時委任任何人士為董事以填補臨時空缺或增加董事會人數。提名應考慮獲提名人士之資格、能力及對本公司之潛在貢獻。

根據細則，所有獲委任以填補臨時空缺之董事須於獲委任後之首次股東大會上由股東選任。於每屆股東週年大會上，三分之一之董事（倘人數並非三或三之倍數，則以最接近但不少於三分之一之人數為準）須輪值告退。

非執行董事無特定任期，惟須根據本公司的組織章程細則條文於本公司股東週年大會上輪值告退及重選連任，且於彼等到期重選連任時將檢討其委任。

### 董事會會議

董事會每年至少舉行四次會議，董事可親身出席或透過其他電子通訊途徑參與。董事會負責監督本集團之業務及發展，制定長遠策略及政策。董事會亦監察及控制營運及財務表現，務求達至本集團之策略性目標。如召開董事會例會則會向全體董事發出最少14日之通知，讓彼等藉此機會出席及提出事項加入討論議程中。除例會外，高級管理層亦不時向董事提供有關本集團業務活動及發展之資料。公司秘書會就會議作出詳盡會議記錄，並就會上之討論事項及議決決定保留記錄。各董事於有關董事會及委員會會議之個人出席記錄載於本年報第52頁之表格內。全體董事及董事委員會均可在彼等有需要時尋求外聘法律顧問及其他專業人士之獨立意見，費用由本集團承擔。董事會已將本集團業務之日常管理及營運交予管理層處理。

### Directors' Continuous Training and Development Programme

Pursuant to the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Company has provided timely regulatory and technical updates to all Directors, including those in relation to the Group's business and latest developments of the Listing Rules and regulatory environment. All Directors have confirmed that such updates were reviewed by them.

### Board Diversity Policy

The Board has adopted a board diversity policy effective on 1 September 2013. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. Selection of candidates will be based on merit and contribution which the selected candidates will bring to the Board with the consideration of the above diversity attributes.

As at the date of this annual report, the Board comprises nine directors of which two are women. The Board is characterised by significant diversity, whether considered in terms of gender, nationality, professional experience, skills and knowledge.

Pursuant to the requirements of the CG Code, three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, were established to oversee particular aspects of the Group's affairs.

### 董事之持續培訓及發展計劃

根據企業管治守則，全體董事應參加持續專業發展以發展及更新其知識及技能，以確保彼等向董事會作出知情及相關之貢獻。董事持續獲提供法定及監管制度及營商環境方面之更新發展資料以促進履行其職責。本公司已及時向全體董事提供監管及技術更新資料，包括與本集團業務及上市規則之最新發展及監管環境有關之情況。全體董事已確認彼等已審閱有關更新資料。

### 董事會多元化政策

董事會已採納董事會多元化政策，於二零一三年九月一日生效。本公司尋求透過考慮多項因素（包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務期限）達致董事會多元化。對候選人之挑選將在考慮上述多元化屬性情況下，根據所選定候選人將為董事會帶來之價值及貢獻作出。

於本年報日期，董事會包括九名董事，其中兩名為女性。董事會不論於考慮性別、國籍、專業經驗、技能及知識方面均相當多元化。

根據企業管治守則之規定，本公司已成立三個董事委員會（即審核委員會、薪酬委員會及提名委員會），負責監督本集團事務之特定範疇。

# Corporate Governance Report

## 企業管治報告

### Directors' Attendance Record at Meetings

Details of the attendance of individual Directors at the meetings of the Board and Board Committees, and the Annual General Meeting during the year are set out in the table below:

### 董事出席會議記錄

各董事於年內於董事會及董事委員會會議及股東週年大會之出席率詳情載於下表：

		Meetings Attended/Held				Annual General Meeting
		Board	Audit Committee	Remuneration Committee	Nomination Committee	
		董事會	審核委員會	薪酬委員會	提名委員會	股東週年大會
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Chang, An-Ping, Nelson <sup>(1)</sup>	張安平先生 <sup>(1)</sup>	2/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Wu Yih Chin <sup>(2)</sup>	吳義欽先生 <sup>(2)</sup>	2/2	N/A 不適用	2/2	2/2	1/1
Mr. Koo, Cheng-Yun, Leslie <sup>(3)</sup>	辜成允先生 <sup>(3)</sup>	4/4	N/A 不適用	2/2	2/2	1/1
Mr. Hung, Jin-Yang <sup>(4)</sup>	洪進揚先生 <sup>(4)</sup>	2/2	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
<b>Non-executive Directors</b>	<b>非執行董事</b>					
Dr. Shan Weijian	單偉建博士	1/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Chang, Kang-Lung, Jason	張剛綸先生	4/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Ms. Wang, Lishin, Elizabeth	王立心女士	3/4	2/2	N/A 不適用	N/A 不適用	0/1
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>					
Dr. Liao Poon Huai, Donald	廖本懷博士	4/4	2/2	2/2	2/2	1/1
Dr. Chih Ching Kang, Kenneth	池慶康博士	4/4	2/2	2/2	2/2	0/1
Mr. Shieh, Jen-Chung, Roger	謝禎忠先生	4/4	2/2	2/2	2/2	1/1

#### Notes:

- (1) Mr. Chang, An-Ping, Nelson was appointed as the chairman of the Nomination Committee and a member of the Remuneration Committee on 23 January 2017. He was subsequently re-designated as an executive Director on 27 March 2017.
- (2) Mr. Wu Yih Chin resigned as an executive Director and ceased to be a member of the Remuneration Committee and the Nomination Committee on 25 May 2016.
- (3) Mr. Koo, Cheng-Yun, Leslie passed away on 23 January 2017.
- (4) Mr. Hung, Jin-Yang was appointed as an executive Director, a member of the Remuneration Committee and the Nomination Committee on 25 May 2016, and resigned from such positions on 27 March 2017.

#### 附註：

- (1) 張安平先生於二零一七年一月二十三日獲委任為提名委員會主席及薪酬委員會成員。彼隨後於二零一七年三月二十七日獲調任為執行董事。
- (2) 吳義欽先生於二零一六年五月二十五日辭任執行董事，且不再為薪酬委員會及提名委員會成員。
- (3) 辜成允先生已於二零一七年一月二十三日離世。
- (4) 洪進揚先生於二零一六年五月二十五日獲委任為執行董事、薪酬委員會及提名委員會成員，並於二零一七年三月二十七日辭任有關職務。

### BOARD COMMITTEES

To oversee particular aspects of the Company's affairs and to assist in the execution of its responsibilities, the Board has established three Board Committees, namely Audit Committee, Remuneration Committee and Nomination Committee. Independent non-executive Directors play an important role in these committees to ensure independent and objective views are expressed and to promote critical review and control.

#### Audit Committee

The Audit Committee was established in 1999 and currently comprises three independent non-executive Directors and a non-executive Director:

Dr. Liao Poon Huai, Donald (Chairman of the Committee)  
Dr. Chih Ching Kang, Kenneth  
Mr. Shieh, Jen-Chung, Roger  
Ms. Wang, Lishin, Elizabeth

All committee members possess diversified industry experiences and appropriate professional qualifications as required under the Listing Rules.

The Audit Committee held two meetings during the year, with the attendance rate of 100%. Their major duties and responsibilities are set out in the terms of reference and the work conducted by the Audit Committee included the following matters:

1. Reviewed and approved the audit scope and fees proposed by the external auditor in respect of the final audit for the year of 2016;
2. Reviewed the Group's 2015 annual and 2016 interim reports, internal controls and corporate governance issues, financial and accounting policies and practices and made recommendations to the Board;

### 董事委員會

為監察本公司各範疇之整體事務及協助履行職責，董事會已設立三個董事委員會，分別為審核委員會、薪酬委員會及提名委員會。獨立非執行董事在該等委員會中發揮重要作用，以確保獨立及客觀意見得到充分表達，並擔當重要審查及監控角色。

#### 審核委員會

審核委員會於一九九九年成立，成員現時為三名獨立非執行董事及一名非執行董事，包括：

廖本懷博士 (委員會主席)  
池慶康博士  
謝禎忠先生  
王立心女士

所有委員會成員均擁有多種行業經驗及上市規則所要求之適當專業資格。

審核委員會於年內舉行兩次會議，出席率為100%。其主要責任及職責載於職權範圍，而審核委員會之工作包括以下事宜：

1. 審閱及批准外聘核數師就二零一六年度之末期審核建議之審核範圍及費用；
2. 審閱本集團之二零一五年年報及二零一六年中期報告、內部監控及企業管治事項、財務及會計政策與常規以及向董事會作出建議；

## Corporate Governance Report 企業管治報告

3. Recommended to the Board on the re-appointment of Messrs. Deloitte Touche Tohmatsu as auditor and to develop policy on the engagement of an external auditor to supply non-audit services;
  4. Discussed with the external auditor their independence and the nature and scope of the audit; and
  5. Discussed with the external auditor any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response.
3. 就續聘德勤·關黃陳方會計師行為核數師向董事會提出建議，並制定委聘外聘核數師以提供非審計服務之政策；
  4. 與外聘核數師討論其獨立性及核數之性質及範圍；及
  5. 與外聘核數師討論其就有關會計記錄、財務賬目或監控系統及管理層回應而向管理層作出之任何重大查詢。

The Audit Committee reviewed the Group's internal control based on the information obtained from the external auditor and Company's management and was of the opinion that there are adequate internal controls in place in the Group.

審核委員會根據自外聘核數師及本公司管理層獲取之資料檢討本集團之內部監控，並認為本集團已設有足夠之內部監控。

To comply with the requirement under the CG Code in respect of the responsibilities for performing the corporate governance duties, the Board has delegated its responsibilities to the Audit Committee to develop and review the policies and practices of the Company on corporate governance and make recommendations to the Board; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the code of conduct applicable to the Directors and employees; to review and monitor the training and continuous professional development of Directors and senior management and to review the Company's compliance with the code provisions set out in the CG Code contained in the Listing Rules and disclosures in the corporate governance report.

為符合企業管治守則有關履行企業管治責任之規定，董事會已委派其職能予審核委員會，以制定及檢討本公司之企業管治政策及常規，並向董事會提出建議；檢討及監察本公司遵守法律及監管規定之政策及常規；制定、檢討及監察適用於董事及僱員之操守準則；檢討及監察董事及高級管理人員之培訓及持續專業發展，及檢討本公司遵守上市規則所載企業管治守則之守則條文之情況及企業管治報告之披露。

New terms of Reference of the Audit Committee were adopted by the Board on 27 March 2017.

審核委員會之新職權範圍已於二零一七年三月二十七日獲董事會採納。

### Remuneration Committee

The Remuneration Committee was established in 2005 and currently comprises three independent non-executive Directors and two executive Directors:

Dr. Liao Poon Huai, Donald (Chairman of the Committee)  
Mr. Chang, An-Ping, Nelson  
Mr. Koo, Jason Kung Yi  
Dr. Chih Ching Kang, Kenneth  
Mr. Shieh, Jen-Chung, Roger

Its major terms of reference are summarised as follows:

1. To formulate and recommend to the Board the policy for the remuneration of the executive Directors and other senior executives as designated by the Board;
2. To determine the individual remuneration package of each executive Director including basic salary, annual bonus plans and allocation of share options;
3. To consider and recommend to the Board any payment or compensation commitment to be made to an executive Director on termination of his contract;
4. In formulating its policy, the Committee shall give due regard to the contents of the Listing Rules and shall also consider market forces and compare between different remuneration packages paid to directors of other companies of a similar size in comparable industries. The executive Directors may attend meetings of the Remuneration Committee when invited to do so, but not when their own remuneration is being discussed; and
5. To determine any performance related remuneration schemes and executive share option schemes.

### 薪酬委員會

薪酬委員會於二零零五年成立，成員現時為三名獨立非執行董事及兩名執行董事，包括：

廖本懷博士 (委員會主席)  
張安平先生  
辜公怡先生  
池慶康博士  
謝禎忠先生

其主要職權範圍概述如下：

1. 制定及向董事會建議由董事會指定之執行董事及其他高級行政人員之薪酬政策；
2. 釐定各執行董事之個別薪酬組合，包括基本薪金、年度花紅計劃及分配購股權；
3. 考慮及向董事會建議就終止合約向執行董事支付之任何付款或補償性承擔；
4. 在制定其政策時，委員會應充分考慮上市規則之內容，亦應考慮市場力量及比較可資比較行業類似規模之其他公司支付予其董事之不同薪酬組合。執行董事可在獲邀時出席薪酬委員會會議，惟於討論其本身薪酬之時除外；及
5. 釐定任何與表現掛鈎之薪酬計劃及行政人員購股權計劃。



# Corporate Governance Report

## 企業管治報告

The Remuneration Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

In connection with its duties, the Remuneration Committee is required by the Board to select, set terms of reference for and appoint remuneration consultants, at the Company's expense as the Remuneration Committee deems necessary in order to perform its duties.

The Remuneration Committee sets the remuneration policy for the executive Directors and senior management. Specifically, the Remuneration Committee agrees their service contracts, salaries, other benefits, including bonuses and other terms and conditions of employment. It also agrees terms for their cessation of employment.

Two meetings were held in 2016, with the attendance rate of 100%. No executive Director takes part in any discussion about his own remuneration. During the year, remuneration of the Directors has been discussed and no significant change has been proposed to the remuneration policy and the directors' remuneration.

### Nomination Committee

The Nomination Committee was established in 2012 and currently comprises three independent non-executive Directors and two executive Directors:

Mr. Chang, An-Ping, Nelson (Chairman of the Committee)  
Mr. Koo, Jason Kung Yi  
Dr. Liao Poon Huai, Donald  
Dr. Chih Ching Kang, Kenneth  
Mr. Shieh, Jen-Chung, Roger

薪酬委員會獲董事會授權向本公司任何僱員索取任何所需資料，以履行其職責。

就其職責而言，薪酬委員會須於其認為履行其職責必須時按董事會要求選擇、制定職權範圍及委任薪酬顧問，費用由本公司承擔。

薪酬委員會制定執行董事及高級管理層之薪酬政策。尤其是薪酬委員會同意彼等之服務合約、薪金、其他福利，包括花紅及其他聘任之條款及條件。其亦同意彼等終止聘任之條款。

薪酬委員會於二零一六年已經召開兩次會議，出席率為100%。概無執行董事參與任何有關其本身薪酬之討論。年內，董事薪酬已予討論，而並不建議對薪酬政策及董事薪酬作出重大變動。

### 提名委員會

提名委員會於二零一二年成立，成員現時為三名獨立非執行董事及兩名執行董事，包括：

張安平先生 (委員會主席)  
辜公怡先生  
廖本懷博士  
池慶康博士  
謝禎忠先生

Its major terms of reference are summarised as follows:

1. To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. To assess the independence of independent non-executive Directors; and
4. To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the managing Director.

The Nomination Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

The Nomination Committee shall have the authority delegated by the Board to engage independent professional advisors, at the Company's expense, to assist the Nomination Committee in order to perform its duties.

其主要職權範圍概述如下：

1. 至少每年審閱董事會之架構、規模及組成（包括技能、知識及經驗）並就董事會之任何建議變更作出推薦建議以補充本公司之公司策略；
2. 物色具備合適資格成為董事會成員之個人，並選擇或就選擇提名為董事之個人向董事會作出推薦建議；
3. 評核獨立非執行董事之獨立性；及
4. 就委任或續聘董事及董事（尤其是主席及董事總經理）之繼任計劃向董事會作出推薦建議。

提名委員會獲董事會授權向本公司任何僱員索取任何所需資料，以履行其職責。

提名委員會獲董事會授權以委聘獨立專業顧問，以協助提名委員會履行其職責，而費用由本公司承擔。

# Corporate Governance Report

## 企業管治報告

Member of Nomination Committee can call for a meeting anytime when it is necessary by giving notice in writing to the Chairman of the Nomination Committee of not less than seven days' notice. Two meetings were held in 2016, with the attendance rate of 100%. During the year, issues concerning the structure, size and composition of the Board were discussed and no change has been proposed to the structure, size and composition. The Nomination Committee has also considered and recommended to the Board the appointment of employees and changes in compositions of the Board and Board Committees with effect from 25 May 2016.

### AUDITOR'S REMUNERATION

During the year, the fees charged to the accounts of the Company and its subsidiaries for the non-statutory audit services amounted to HK\$918,000. The non-statutory audit services consist of the professional service in relation to the rights issue, tax compliance and the interim review. The cost of statutory audit services provided by external auditor was HK\$7,623,000. The responsibilities of the external auditor with respect to financial reporting are set out in the section of headed "Independent Auditor's Report" on pages 118 to 128 of this annual report.

### FINANCIAL REPORTING

Pursuant to the code provision C.1.2 of the CG Code, it stipulates that management should provide all members of the Board with monthly updates giving balances and understandable assessment of the Company's performance, position and prospects in sufficient details.

提名委員會成員可於必要時透過向提名委員會主席發出不少於七天之書面通知要求召開會議。本公司於二零一六年已經召開兩次會議，出席率為100%。年內，涉及董事會架構、規模及組成之事宜已予以討論，而並不建議對有關架構、規模及組成作出變動。提名委員會亦已考慮並向董事會建議委任僱員，以及自二零一六年五月二十五日起生效之董事會及董事委員會組成之變動。

### 核數師酬金

年內，本公司及其附屬公司賬目內就非法定核數服務扣除之費用為918,000港元。非法定核數服務包括關於供股、稅務遵規及中期審閱的專業服務。外聘核數師提供之法定核數服務費用為7,623,000港元。外聘核數師有關對財務報告之責任載於本年報第118至128頁「獨立核數師報告書」一節。

### 財務報告

根據企業管治守則之守則條文第C.1.2條，其規定管理層應每月向所有董事會成員提供更新資料，載列有關本公司之表現、狀況及前景詳情之公正及易於理解之評估。

During the year ended 31 December 2016, the management of the Company has provided to all Directors (including non-executive Directors and independent non-executive Directors) monthly reports which provided sufficient details in relation to the Company's performance, position and prospects. In addition, the management has also provided all Directors, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board.

The Directors acknowledge their responsibility to prepare the Company's accounts for the year ended 31 December 2016, which give a true and fair view and are in accordance with generally accepted accounting standards published by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies are selected and applied consistently; judgments and estimates made are prudent and reasonable.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such 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 Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee, assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

於截至二零一六年十二月三十一日止年度，本公司管理層已向所有董事（包括非執行董事及獨立非執行董事）提供載列有關本公司之表現、狀況及前景詳情之每月報告。此外，管理層亦適時地向所有董事提供有關本公司表現、狀況及前景之任何重大變動之更新資料並就向董事會匯報之事項提供足夠資料。

董事確認其有責任根據香港會計師公會頒佈之公認會計準則編製真實公平之本公司截至二零一六年十二月三十一日止年度之賬目。於編製過程中已選用適當會計政策並貫徹應用；作出之判斷及估計乃審慎合理。

### 風險管理及內部監控

董事會確認其須對風險管理及內部監控系統負責，並有責任檢討其成效。該等系統旨在管理而非消除未能達成業務目標之風險，且僅能就不會有重大錯誤的失實陳述或損失作出合理而非絕對之保證。

董事會有整體責任評估及釐定本公司為達成策略性目標所願承擔的風險性質及程度，並建立及維持適當及有效的風險管理及內部監控系統。

審核委員會協助董事會領導風險管理及內部監控系統之管理及監督其設計、實施及監察情況。

## Corporate Governance Report 企業管治報告

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, provided treatment plans, monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2016.

The Company entered into a service agreement with T'Cement for the provision of services to the Group on an on-going basis, including financial management (including budgeting, monitoring financial performance and formulating treasury policies) and internal audit. The Internal Audit Department of T'Cement is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Internal Audit Department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2016, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

所有部門均定期進行內部監控評估，以識別可能對本集團業務及各方面（包括主要營運及財務流程、監管合規及信息安全）產生影響之風險。

管理層配合部門主管評估發生風險之可能性、提供處理計劃及監察風險管理進度，並向審核委員會及董事會匯報所有發現及該等系統之成效。

截至二零一六年十二月三十一日止年度，管理層已向董事會及審核委員會確認有關風險管理及內部監控系統之成效。

本公司與T'Cement就按持續基準向本集團提供服務，包括財務管理（包括預算、監察財務表現及制定庫務政策）以及內部審計訂立一份服務協議。T'Cement之內部審計部負責提供內部審計職能及對風險管理及內部監控系統之充足性及成效進行獨立檢討。內部審計部審查有關會計常規及所有重大控制之關鍵事宜，並向審核委員會提供其發現及改進建議。

截至二零一六年十二月三十一日止年度，在審核委員會以及管理層報告及內部審計發現之支持下，董事會檢討風險管理及內部監控系統，包括財務、營運及合規監控，並認為有關系統屬有效及充足。年度審閱亦涵蓋財務報告及內部審計職能及員工資歷、經驗及相關資源。

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

### DIRECTORS' REMUNERATION

The Directors' fees and all other reimbursements and emoluments paid or payable to the Directors during the year are set out, on an individual and named basis, in Note 11 to the consolidated financial statements of this annual report on pages 196 and 197.

### COMPANY SECRETARY

On 7 September 2016, Mr. Ho Kam Fung was appointed as the company secretary of the Company in place of Ms. Leung Ka Kay. On 1 January 2017, Ms. Chan Wai Ling of Tricor Services Limited (an external service provider), was appointed as the company secretary of the Company in place of Mr. Ho Kam Fung. Her main contact person at the Company is Mr. Koo, Jason Kung Yi, an executive Director. Ms. Leung and Mr. Ho have confirmed that during the year ended 31 December 2016, they undertook not less than 15 hours of relevant professional trainings.

The biographical details of Ms. Chan is set out in the section headed "Biographical Details of Directors and Senior Management" on page 45 of this annual report.

本公司已制定其披露政策，為本公司董事、高級人員、高級管理層及相關僱員在處理機密資料、監察資料披露及回應查詢時提供一般指引。

監控程序已獲實施以確保嚴禁未經授權查閱及使用內幕資料。

### 董事酬金

年內已付或應付董事之董事袍金及所有其他補償及酬金乃按個別及指名基準載於本年報第196和197頁之綜合財務報表附註11。

### 公司秘書

於二零一六年九月七日，何錦豐先生獲委任為本公司之公司秘書以接替梁嘉琪女士之有關職務。於二零一七年一月一日，卓佳專業商務有限公司（外部服務供應商）之陳蕙玲女士獲委任為本公司之公司秘書以接替何錦豐先生之有關職務。彼於本公司之主要聯絡人為執行董事辜怡先生。梁女士及何先生已確認，於截至二零一六年十二月三十一日止年度，彼等已參加不少於十五個小時之相關專業培訓。

陳女士之簡歷載於本年報第45頁「董事及高級管理層簡歷」一節。

# Corporate Governance Report

## 企業管治報告

### SHAREHOLDERS' RIGHTS

Pursuant to the Articles, any two or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meeting of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. The requisition must be lodged with the Company's principal place of business in Hong Kong.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company at the Company's office in Hong Kong at 16th Floor, Hong Kong Diamond Exchange Building, 8-10 Duddell Street, Central, Hong Kong.

### CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2016, there is no change in the Company's constitutional documents.

### INVESTOR RELATIONS

The Company has established a wide range of communication channels between itself and its shareholders, investors and other stakeholders. These include the annual general meeting, the annual and interim reports, notices, announcements and circulars and the Company's website at [www.tcchk.com](http://www.tcchk.com).

### 股東權利

根據細則，於遞呈要求日期持有不少於本公司繳足股本（賦予本公司股東大會之投票權）十分之一之任何兩名或多名股東隨時有權透過向董事會或本公司之公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項。該等要求須遞交至本公司之香港主要營業地點。

股東可隨時以書面形式將向董事會提出之查詢及關注之事項郵寄至本公司香港辦事處，地址為香港中環都爹利街8-10號香港鑽石會大廈16樓。

### 公司組織章程文件

於截至二零一六年十二月三十一日止年度，本公司的公司組織章程文件概無變動。

### 投資者關係

本公司已在本身與其股東、投資者及其他持份者之間建立廣泛溝通渠道。該等渠道包括股東週年大會、年度及中期報告、通告、公佈及通函以及本公司網站([www.tcchk.com](http://www.tcchk.com))。

### CHANGES IN INFORMATION OF DIRECTORS

Subsequent to the date of the 2016 interim report of the Company and up to the date of this annual report, changes in the information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

#### On 22 January 2017:

- (a) Mr. Chang, An-Ping, Nelson was appointed as the acting Chairman.

#### On 23 January 2017:

- (b) Mr. Koo, Cheng-Yun, Leslie, the Chairman and an executive Director of the Company, the Chairman of the Nomination Committee and a member of the Remuneration Committee, passed away on 23 January 2017.

- (c) Mr. Chang, An-Ping, Nelson was appointed as the Chairman, the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company in place of Mr. Leslie Koo, Cheng-Yun, Leslie.

#### On 27 March 2017:

- (d) Mr. Hung, Jin-Yang resigned from his position as the managing Director and an executive Director, a member of the Remuneration Committee and the Nomination Committee, and the authorised representative of the Company.

- (e) Mr. Koo, Jason Kung Yi was appointed as the managing Director and an executive Director, a member of the Remuneration Committee and the Nomination Committee, and the authorised representative of the Company in place of Mr. Hung, Jin-Yang.

- (f) Ms. Wang, Chi-May was appointed as a non-executive Director.

- (g) Mr. Chang, An-Ping, Nelson was re-designated as an executive Director.

### 董事資料之變動

於本公司二零一六年中期報告日期後及截至本年報日期，根據上市規則第13.51B(1)條須予披露之董事資料之變動如下：

#### 於二零一七年一月二十二日：

- (a) 張安平先生獲委任為代理主席。

#### 於二零一七年一月二十三日：

- (b) 本公司主席兼執行董事辜成允先生（兼提名委員會主席及薪酬委員會成員）於二零一七年一月二十三日離世。

- (c) 張安平先生獲委任為本公司主席、提名委員會主席及薪酬委員會成員，以接替辜成允先生之有關職務。

#### 於二零一七年三月二十七日：

- (d) 洪進揚先生辭任本公司之董事總經理及執行董事、薪酬委員會及提名委員會成員以及授權代表之職務。

- (e) 辜公怡先生獲委任為本公司之董事總經理及執行董事、薪酬委員會及提名委員會成員以及授權代表以接替洪進揚先生之有關職務。

- (f) 王琪玫女士獲委任為非執行董事。

- (g) 張安平先生獲調任為執行董事。



# Environmental and Social Responsibility Report

## 環境及社會責任報告

### MESSAGE FROM THE CHAIRMAN

“Environmental protection is a responsibility but not a cost” has always been the motto of the Group’s environmental protection outlook. For environmental protection, we keep on exploring with innovation. Faced with intensifying global competition, the environmental and climatic issues brought by economic development are becoming more serious. How to balance between sustainable operation and a sustainable environment in a responsible manner is the responsibility of every enterprise.

With the Group’s in-depth experience, and strict adherence to the mentality of “Ensuring brand quality with unrelenting effort”, besides producing high quality cement and being dedicated in business development, the Group treasures environmental resources with improving competitiveness, maximising resources recycling, lowering unit energy consumption, and reducing wastages as the core objectives during the production process. For the counteracting strategies that are relevant to the impact of climatic changes to the environment, apart from conducting energy conservation measures and endeavoring to lower factory greenhouse gas, the Group also continues to conduct resources recycling to replace original materials to safeguard environmental resources.

We believe “What is taken from society should be used in the interests of society”. Besides facilitating operation management, we actively promote resource investments and environmental practices, establish “green industry” and implement sustainable development and environmental protection with real actions, devote to enterprise social responsibility wholeheartedly, and enforce a reform policy of “Welcoming changes and learning with passion”, adopt an ever-innovative attitude to create a win-win platform for enterprise sustainability and shareholder interest maximisation.

**CHANG, An-Ping, Nelson**

*Chairman*

Hong Kong

27 March 2017

### 主席的話

「環保是責任，不是成本」一直都為本集團的環保責任觀。對於環保，我們不斷在探索，堅持創新，面對全球競爭越來越激烈，經濟發展帶來的環保與氣候問題也越加嚴峻，如何用負責的方式以永續經營與永續環保是每個企業主的責任。

本集團除憑藉深厚之經驗為基礎，以「堅持品質、一以貫之」的堅持，生產高品質的水泥致力深耕產業外，在生產過程中尊重環境資源，以提升競爭力、資源再利用最大化、降低單位能源耗量、減少廢棄物為主軸。在面對氣候變遷對環境影響的因應策略，除進行節約能源措施，致力於工廠溫室氣體減量外，本集團還持續進行再利用資源取代原始原料以尊重環境資源。

本著「取之社會，用之社會」之精神，我們在促進經營管理之同時積極投入能源、環保工作，打造「綠色產業」，以實際行動落實永續發展及環境保護，善盡企業社會責任，勵行「擁抱改變、熱情學習」的變革管理，以不斷創新，為企業之永續、股東之最高利益創造雙贏局面。

主席

張安平

香港

二零一七年三月二十七日

# Environmental and Social Responsibility Report

## 環境及社會責任報告

### ABOUT THIS REPORT

This is the third year for the Group to prepare the Environmental and Social Responsibility Report in order to demonstrate our continuous commitment to transparency and accountability to our stakeholders.

### SCOPE OF THE REPORT

This Environmental and Social Responsibility Report is prepared according to the principles and provisions of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 of the Listing Rules, with the plants of the Group in the PRC as the targets. The scope covers 16 (2015: 16) subsidiaries of the Company in total that are principally engaged in the manufacture and distribution of cement and clinker but excludes associates and joint ventures (collectively referred to as “TCC Cement Companies”).

This report sets out the environmental and social strategies of TCC Cement Companies and their implementation. Through this report, shareholders, investors and the public will be given a more comprehensive and thorough understanding regarding the governance and culture of the Group, which is a channel to review the performance of the Group in the environmental and social responsibility aspects.

### STAKEHOLDERS' FEEDBACK

We welcome stakeholders' feedback on our environmental and social responsibility approach and performance. Please give your suggestions or share your views with us via [ir@tcchk.com](mailto:ir@tcchk.com).

### 關於本報告

此乃本集團第三年編製環境及社會責任報告，以展示本集團對持份者作出之透明度及問責性方面之持續承擔。

### 報告呈報範圍

本環境及社會責任報告依據上市規則附錄二十七所載之環境、社會及管治報告指引之原則及條文編制，以本集團位於中國的廠房為對象，範圍為本公司之主要從事製造及分銷水泥及熟料的附屬公司，不包括聯營及合營公司（統稱為「台泥水泥公司」），合共16間（二零一五年：16間）附屬公司。

本報告載列了台泥水泥公司於環境及社會兩個主要範疇的策略與實踐。通過本報告，股東、投資者及公眾人士可對本集團的治理與文化有更加全面、深刻的瞭解，是回顧本集團於環境及社會責任方面成效的渠道。

### 持份者意見

本集團歡迎持份者就本集團之環境及社會責任方針及表現提供意見。謹請閣下透過電郵（郵箱地址為[ir@tcchk.com](mailto:ir@tcchk.com)）向本集團提出建議或分享閣下之意見。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

### ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT

#### A. Environmental

##### 1. Emissions

TCC Cement Companies stringently comply with the applicable prevention and control laws promulgated by the State Government on wastage, waste gas, sewage emission and noise pollution in the PRC, inter alia:–

- Environmental Protection Law of the PRC
- Law of the PRC on the Prevention and Control of Atmospheric Pollution
- Emission Standard of Air Pollutants for Cement Industry
- Water Pollution Prevention and Control Law of the PRC
- Law of the PRC on Prevention and Control of Pollution From Environmental Noise

To maintain an environmentally friendly production environment, for each of the years ended 31 December 2015 and 2016, the pollutants discharged by TCC Cement Companies were monitored and inspected regularly by a certified environmental supervisory department. Most of TCC Cement Companies hold the Pollutant Emission Permit (污染排放許可證) and regularly engage independent certified environment supervisory institutions to conduct emission monitoring quarterly or annually. The inspection results have complied with the requirements of the relevant national standards.

### 環境及社會責任報告

#### A. 環境

##### 1. 排放物

台泥水泥公司均嚴格遵守中國國家適用規定之廢物、廢氣、廢水排放及噪音污染之防治法，其中包括：

- 中華人民共和國環境保護法
- 中華人民共和國大氣污染防治法
- 水泥工業大氣污染物排放標準
- 中華人民共和國水污染防治法
- 中華人民共和國環境噪聲污染防治法

為維持環保生產環境，截至二零一五年及二零一六年十二月三十一日止各年度，台泥水泥公司排放的污染物均有進行日常監督和委托通過計量認證的環境監測部門進行定期檢測，大部份台泥水泥公司均持有《污染排放許可證》及有定期委任獨立認證環境監測機構進行季度或年度排放監測。檢測結果均符合有關國家標準的規定。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

For dust pollution and waste gas emission, TCC Cement Companies invested heavily in purchasing advanced equipments at the time of plants construction, so as to maintain the emission level to be under national standards. The emission information of waste gas emissions of TCC Cement Companies for the year ended 31 December 2016 is as follows:

對於粉塵污染及廢氣排放，台泥水泥公司均於建廠之時即投下鉅資購置精良設備，使排放量控制在國家標準以下。截至二零一六年十二月三十一日止年度，台泥水泥公司就有關廢氣排放量之排放數據如下：

		Average emission intensity 平均排放密度	Emissions in total 總排放量
<b>2016</b>	<b>二零一六年</b>		
Nitrogen oxide	氮氧化物	278 mg/m <sup>3</sup>	24,099 tonnes噸
Oxysulphide	硫氧化物	36 mg/m <sup>3</sup>	3,826 tonnes噸
Smoke dust	煙塵	14 mg/m <sup>3</sup>	1,816 tonnes噸
<b>2015</b>	<b>二零一五年</b>		
Nitrogen oxide	氮氧化物	290 mg/m <sup>3</sup>	21,292 tonnes噸
Oxysulphide	硫氧化物	68 mg/m <sup>3</sup>	3,394 tonnes噸
Smoke dust	煙塵	22 mg/m <sup>3</sup>	2,744 tonnes噸

The emission information of greenhouse gases emissions of TCC Cement Companies for the year ended 31 December 2016 is as follows:

截至二零一六年十二月三十一日止年度，台泥水泥公司就溫室氣體排放量的排放數據如下：

		2016 二零一六年 Tonnes 噸	2015 二零一五年 Tonnes 噸
Carbon dioxide-directly	二氧化碳－直接	36,267,451	32,404,828
Carbon dioxide-indirectly	二氧化碳－間接	1,914,334	1,778,527

# Environmental and Social Responsibility Report

## 環境及社會責任報告

TCC Cement Companies have successively established new Selective Non-Catalytic Reduction technology (SNCR) smoke and gas denitration engineering systems, so that the nitrogen oxide emission concentration can be reduced significantly. As at 31 December 2016, 13 (2015: 13) cement plants had completed the installation of the denitration engineering systems. The harmful and harmless wastes were collected universally and recycled by qualified entities. For the year ended 31 December 2016, the penalty payable by TCC Cement Companies due to environmental pollution was approximately HK\$351,860 (2015: HK\$383,000).

### 2. Use of Resources

TCC Cement Companies put great emphasis on energy and water resources conservation. Each of the TCC Cement Companies has formulated its system for energy saving, rational utilisation of energy and energy management to control the energy and resources used in its production, operation and management activities, thereby increasing utilisation rate and economic efficiency of energy and resources to avoid pollution.

Most of the plants of TCC Cement Companies are equipped with residual heat power generation to reduce energy consumption. Furthermore, each company has always adopted the recycling use of recycled water, from which plenty of water resources were recycled for use in production process and pre-agitating truck cleaning. Over the years, huge amounts of capital have been invested to gradually improve the water utilisation plan and related equipments to reduce environment pollution caused by water discharge.

台泥水泥公司陸續新建選擇性非觸媒還原技術(SNCR)煙氣脫硝工程系統，使氮氧化物的排放濃度大大降低。於二零一六年十二月三十一日，已有13間(二零一五年：13間)水泥廠完成安裝脫硝工程系統。於處理有害及無害廢棄物時，會統一收集並交予有資格的單位作回收處理。截至二零一六年十二月三十一日止年度，台泥水泥公司因環境污染而被罰款約351,860港元(二零一五年：383,000港元)。

### 2. 資源使用

台泥水泥公司對能源及水資源的節約極為重視，各台泥水泥公司均制定節約與合理利用能源及能源管理制度，對生產、經營及管理活動中使用的能源、資源進行控制，提高能源及資源利用率和經濟效益，以防污染。

台泥水泥公司大部份的廠房均配備餘熱發電，以減少能源消耗。此外，各公司一直遵循水循環回收利用，大量回收水資源利用於生產工序及預拌車洗車。歷年來亦投入不少資金，逐步改善用水計劃及相關設備，以達到減少水排放對環境的污染。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

The consumption data of TCC Cement Companies for the year ended 31 December 2016 is set out as follows:

截至二零一六年十二月三十一日止年度，台泥水泥公司之耗量數據載列如下：

			2016 二零一六年	2015 二零一五年
			Total volume 總量	Total volume 總量
		Unit 單位		
Total power consumption (including residual heat power generation)	總耗電量 (含餘熱發電)	kwh/1,000" 每千秒千瓦時	3,885,972,569	3,759,162,000
Total water consumption	總耗水量	m <sup>3</sup> 立方米	23,582,606	18,274,000
Total paper bags for packaged cement	袋裝水泥紙袋的 總用量	piece 條	319,585,946	244,643,000

### 3. Environmental and Natural Resources

#### Residual Heat Power Generation

Besides striving continuously to optimise cement production processes to reduce product unit heat consumption and power consumption to reduce greenhouse gases emission per tonne, TCC Cement Companies also take energy saving and environmental protection into account. All clinker production lines of TCC Cement Companies are NSP production lines which are equipped with residual heat power generation systems. They are able to recycle the heat in waste gases discharged by pre-heaters and coolers during the cement rotary kiln process and use the heat for power generation. This will achieve the purpose of energy saving and emission reduction, recover the maximum heat volume and generate optimal benefits. For the year ended 31 December 2016, residual heat power generation units of TCC Cement Companies generated a net power volume of approximately 1,546,964,900 kilowatts (2015: 1,296,032,147 kilowatts) in total, converting into carbon dioxide reduction of approximately 986,809 tonnes (2015: 826,739 tonnes).

### 3. 環境及天然資源

#### 餘熱發電

台泥水泥公司除不斷致力於優化水泥生產製程降低每噸產品單位耗熱、耗電減少溫室氣體排放外，另兼顧節能與環保。台泥水泥公司的熟料生產線均為新型乾法生產線並配置餘熱發電系統，以回收水泥旋窯生產時預熱器及冷卻機所排放廢氣中的熱量用於發電，以達節能減排的目的及充份回收最多的熱量，發揮最大的效益。截至二零一六年十二月三十一日止年度，台泥水泥公司餘熱發電設備共計產出約達1,546,964,900千瓦（二零一五年：1,296,032,147千瓦）的淨發電量、換算二氧化碳減量約為986,809噸（二零一五年：826,739噸）。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

### Mine Management

TCC Cement Companies care deeply about water and soil conservation and ecology conservation as ways to reduce barren lands in mining regions, increase water and soil conservation functionality, create a local wildlife ecology and promote the overall aesthetics in the mining area of plants. TCC Cement Companies always conduct garden greening works, which have contributed significantly to the enhancement of environmental performance.

### Waste Management

For many years, TCC Cement Companies have been integrating and recycling renewable resources, including desulphurization gypsum, flyash, coal cinder, slag and blaster furnace slag. The cement kiln is not only the method currently used to utilise resources for handle operation wastage, but also the best and eventual handling facility. TCC Cement Companies bring into play their own “core competence in environmental protection” for waste materials and garbage handling and continue to contribute to environmental protection. The handling volume of renewable resources by TCC Cement Companies for the year ended 31 December 2016 is set out as follows:

### 礦山處理

台泥水泥公司對於水土保持及生態保育極為關切，以降低礦區裸露面積、增加水土保持功能、營造本土鄉土動植物生態及促進礦區整體美感。台泥水泥公司一直在各廠礦區進行植生綠化工作，對環境績效之提升有相當大的助益。

### 廢棄物處理

台泥水泥公司多年來整合利用的再生資源包括脫硫石膏、粉煤灰、煤渣、礦渣及爐底渣等。水泥窯是當下能利用作資源處理廢棄物，最好也是最終處理設施，台泥水泥公司以發揮本身對產廢材料與垃圾處理具有之「環保核心能力」，持續為環保盡一份心力。截至二零一六年十二月三十一日止年度，台泥水泥公司之再生資源的處理用量載列如下：

		2016 二零一六年 Tonnes 噸	2015 二零一五年 Tonnes 噸
Desulphurization gypsum	脫硫石膏	1,609,231	1,283,000
Flyash	粉煤灰	686,977	651,000
Coal cinder	煤渣	1,060,985	1,042,000
Slag	礦渣	333,313	346,000
Blaster furnace slag	爐底渣	41,700	285,000

# Environmental and Social Responsibility Report

## 環境及社會責任報告

### Actively Coordinating with Carbon Emissions Trading

The quota management in carbon emissions is an important government measure to promote low-carbon development. In order to coordinate with the local governments to reduce carbon emissions and control atmospheric pollution, TCC Cement Companies vigorously coordinate with and actively participate in carbon emissions trading. The emission volume and the amount of carbon emissions trading for the year ended 31 December 2016 are set out as follows:

### 積極配合碳排放權交易

對碳排放進行配額管理是政府推動低碳發展的重要舉措。為配合地方政府降低碳排放量、控制大氣污染，台泥水泥公司大力配合並積極參與碳排放權交易工作。截至二零一六年十二月三十一日止年度，有關碳排放權交易排放量及金額載列如下：

		Unit 單位	2016 二零一六年	2015 二零一五年
Emission volume of carbon emissions rights sold	碳排放權交易 出售排放量	tonnes 噸	180,000	58,000
Amount of carbon emissions rights sold	碳排放權交易 出售金額	HK\$'000 千港元	2,624.4	1,071



# Environmental and Social Responsibility Report

## 環境及社會責任報告

### *Urban Waste Treatment Project*

In 2014, one of the Anshun plants of TCC Cement Companies in Guizhou Province signed a project with the local government to invest in and construct a household garbage incineration handling line that is synergistic with the cement kiln, with a household garbage handling capacity of 200 tonnes per day, which commenced operation in 2015. From 1 January 2016 to 31 December 2016, the plant assisted the local government to handle household garbage of approximately over 34,400 tonnes in total, with an average monthly handling capacity of approximately over 2,869 tonnes. The plant in Shaoguan, Guangdong Province is constructing a household garbage incineration handling line that is synergistic with the cement kiln, with a garbage handling capacity of 200 tonnes per day, which is expected to commence formal operation in 2018. Compared with traditional incineration methods, co-disposal in cement kilns leverages on high temperature of cement rotary kiln to absorb and handle toxic gases such as dioxin gas and penetrant fluid that are generated from the gasification of garbage incineration, and uses combustible matter in household garbage as alternative materials for cement production, which has accordingly improved the “reductive, bio-safe and recyclable” treatment of household garbage. Through this, the operation philosophy of “Environmental protection being responsibility but not a cost” is manifested and the impact on environment reduced by virtue of adopting the “recycling economy” structure, which will not bring secondary pollution to the environment. TCC Cement Companies will continue to cooperate with local governments and seek to provide urban waste treatment services in the plants of other subsidiaries.

### *城市廢物處理項目*

台泥水泥公司其中一間位於貴州省安順市之廠房，與當地政府於二零一四年簽署投資建設一條日處理生活垃圾量200噸的水泥窯協同生活垃圾焚燒處理線，已於二零一五年投入運作。自二零一六年一月一日至二零一六年十二月三十一日止，協助當地政府處理生活垃圾共計約達三萬四千四百餘噸，處理月均量約達兩千八百六十九餘噸。並於廣東省韶關市之廠房，正興建一條日處理量200噸之水泥窯協同生活垃圾焚燒處理線，預計二零一八年正式投入運作。對比傳統的焚燒法，水泥窯協同處置利用水泥迴轉窯高溫吸收和處理垃圾氣化產生的二噁英等有害氣體及滲漏液，並將生活垃圾中的可燃燒物作為水泥生產的替代原料，提高了生活垃圾處理的「減量化、無害化、資源化」，將台泥的「環保是責任，不是成本」經營理念之延伸，以「循環經濟」之架構降低對環境衝擊，不會帶來二次污染。並積極繼續與當地政府合作，繼續於其他子公司廠房提供城市廢棄物處理服務。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

TCC Anshun Plant is the first project of co-disposal of household garbage established by TCC Cement Companies in Mainland China, followed by TCC Shaoguan Plant which is about to complete construction and commence operation. The aforesaid projects show that TCC Cement Companies actively employ a green environmental value chain strategy, and are devoted to fulfilling social responsibilities and protecting the environment wholeheartedly in achieving the objective of sustainable operation.

### *Environmental Certification*

From 2013, three of the Yingde, Guigang and Jurong plants of TCC Cement Companies commenced product certification operation one after another and were awarded the “China Environmental Labelled Product” and the product certification in relation to compliance with the low-carbon requirements under China Environmental Label in 2014. From 2014 onwards, the plants of TCC Cement Companies in Liaoning, Guangan, Anshun, Kong On and Chongqing also obtained the relevant product certifications successively. The obtaining of relevant certificates shows that not only the quality of the related products from the plants are in line with national requirements, they are also in line with the environmental protection requirements in terms of the relevant procedures in production, utilisation and disposal, and possess the merits energy saving and emission reduction. Leveraging on clean production processes, they achieved the dual target of environmental protection and economic development.

台泥安順廠為台泥水泥公司在大陸首個協同生活垃圾處置項目，接由台泥韶關廠即將興建完成投入運作，即代表台泥水泥公司積極建置一個綠色環保價值鏈的策略，善盡社會責任及保護環境以達永續經營目的。

### *環保認證*

台泥水泥公司自二零一三年開始，其中三間廠房位於英德、貴港、句容陸續展開產品認證作業，於二零一四年獲頒《中國環境標誌產品》及中國環境標誌中符合低碳要求產品的認證。且並於二零一四年起，台泥水泥公司位於遼寧、廣安、安順、港安及重慶等廠房，也陸續取得相關之產品認證。取得有關認證表示該廠出廠的相關產品不僅質量符合國家要求，而且在生產、使用和處理相關程序上均能符合環境保護的要求，具有「節能減排」的環保優勢。並以清潔生產的工藝，達成環境保護與經濟發展並進的目標。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

China Environmental Labeling Product Certification  
(complying with environmental and low-carbon requirements)  
中國環境標誌產品認證(符合環境及低碳要求)

Plant 廠別	Certificate No. 證書編號	Complying Models 符合型號	Date of Issue 發證日期	Expiry Date 有效期限	Remarks 備註
Yingde 英德	CEC08775368815-3	PII42.5R、PO42.5、PO42.5R	2014.01.20	2017.01.19	Under certification renewal 續證作業中
Guigang 貴港	CEC08777174969-3	PII52.5R、PO42.5、PO42.5R	2014.01.20	2017.01.19	Passed the certification renewal review 已通過續證審核
Jurong 句容	CEC 08791320000608930716F	PII52.5R、PII52.5	2017.02.09	2020.02.08	
Liaoning 遼寧	CEC08766729432-6	PII52.5、PO42.5	2014.11.02	2017.11.01	
Guangan 廣安	CEC08769228896-4	PO42.5R	2014.11.20	2017.11.19	
Anshun 安順	CEC08767540336-9	PO42.5	2014.11.30	2017.11.29	
Kong On 港安	CEC08768841788-2	PO42.5	2014.11.24	2017.11.23	
Chongqing 重慶	CEC 08 67610563-8	PO42.5R	2014.09.26	2017.09.25	

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## 環境及社會責任報告

As at 31 December 2016, 13 cement plants (2015:11) of TCC Cement Companies had obtained the Environmental Management System Certification and the certificate for occupational health and safety management, showing that the production operating management of these plants have fulfilled the requirements of the environmental management system and occupational health and safety management system respectively.

As at 31 December 2016, TCC Cement Companies gradually carried out the establishment of Cement Base National Safety Production Standardisation Class II Standard Enterprise, of which 8 (2015: 7) cement plants have passed the National Safety Production Standardisation Class II Enterprise evaluation. The total number of cement plants that have passed the Class II Safety Standard evaluation was 50% (2015: 44%) of the total number of cement plants under the TCC Cement Companies. The remaining cement plants are also actively facilitating the rectification and establishment of Class II Safety Production Standardisation.

For the year ended 31 December 2016, 16 (2015: 13) companies among the TCC Cement Companies would conduct regular customer satisfaction research every year, the results of which will be used as the bases for enhancement and supervision, in order to understand current market trends and customer needs in depth, and to adjust various transaction conditions depending market conditions to shorten the discrepancy between the targeted level of customer attention and the current level customer satisfaction, and achieve mutual and complementary support between customers and the company to enhance the overall profitability of the company.

並於二零一六年十二月三十一日，台泥公司已有13間（二零一五年：11間）水泥廠取得《環境管理體系認證證書》及職業健康安全管理體系認證證書，表示該些廠房於生產經營管理均分別符合環境管理體系及職業安全體系之要求。

台泥水泥公司陸續展開水泥基地國家安全生產標準化二級達標企業創建工作，於二零一六年十二月三十一日已有八間（二零一五年：七間）通過了國家安全生產標準化二級達標企業評審，通過二級安標評審的水泥廠數量合計於台泥水泥公司總水泥廠數量佔比50%（二零一五年：44%），其餘各水泥廠也正在積極推進二級安全達標企業創建工作。

截至二零一六年十二月三十一日止年度，台泥水泥公司其中有16間（二零一五年：13間）每年均會定期辦理客戶滿意度調查，以此作為改善及督導之依據，並深入了解目前市場趨勢及客戶需求所在，隨時衡量市場情況，適時調整各項交易條件，縮短目標（客戶重視程度）與現況（客戶滿意程度）間的差距，達到客戶與公司相輔相成，提升公司整體利潤。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

### B. Social

#### I. Employment and Labour Practices

##### 1. Employment

TCC Cement Companies provide market competitive salaries and favorable performance bonuses, which are distributed according to the equitable and incentive based performance bonus measures by linking up the overall operational profitability of the Company with individual staff performance, thereby rewarding staff who have excellent performances.

TCC Cement Companies prepared and implemented staff management measures, which set out the human resources policies covering compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity, other benefits and welfares. Basically, every rule set out in the management measures is prepared according to the relevant laws and regulations, including but not limited to “Labour Law” and “Labour Contract Law” in the PRC. During the year, TCC Cement Companies have stringently complied with the aforesaid standards, rules and regulations.

### B. 社會

#### 一、僱傭及勞工常規

##### 1. 僱傭

台泥水泥公司提供具市場競爭性的薪資水準以及優渥的績效獎金，績效獎金依公平與激勵的績效獎金辦法，將公司整體營運獲利與員工個人績效表現充份連結，回饋績效表現卓越的員工。

台泥水泥公司有編製兼實施員工管理辦法，該辦法載有有關人力資源的政策，涵蓋補償及解僱、招聘及晉升、工時、休息時期、多元性、其他利益及福利等範疇。基本上，該管理辦法所載的每項規則乃按照所有有關法律及法規所制定，包括但不限於中國《勞動法》及《勞動合同法》。台泥水泥公司年內嚴格遵守上述有關準則、規則及規例。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

The total employees breakdown of TCC Cement Companies by employment category, age group, region and gender as at 31 December 2016 are set out as follows:

於二零一六年十二月三十一日，台泥水泥公司按僱傭類別、年齡組別、地區及性別劃分總僱員人數載列如下：

Employment category	僱傭類別	By age group						Total
		按年齡組別						
		16-20 years old	21-30 years old	31-40 years old	41-50 years old	51-59 years old	Over 60 years old	
		16-20歲	21-30歲	31-40歲	41-50歲	51-59歲	60歲以上	合計
2016	二零一六年							
Long-term	長期	102	2,490	3,180	2,867	337	3	8,979
Short-term	短期	6	51	33	31	9	-	130
		108	2,541	3,213	2,898	346	3	9,109

2015	二零一五年							
Long-term	長期	210	2,963	3,211	2,549	276	1	9,210
Short-term	短期	10	56	20	1	-	-	87
		220	3,019	3,231	2,550	276	1	9,297

Employment category	僱傭類別	By staff hometown region							Total	
		按員工家鄉地區								
		Guangdong Province	Guangxi Province	Sichuan Province	Guizhou Province	Jiangsu Province	Liaoning Province	Fujian Province	Others	
		廣東省	廣西省	四川省	貴州省	江蘇省	遼寧省	福建省	其他	合計
2016	二零一六年									
Long-term	長期	1,641	1,280	1,273	1,540	22	465	547	2,211	8,979
Short-term	短期	1	1	13	1	64	2	-	48	130
		1,642	1,281	1,286	1,541	86	467	547	2,259	9,109

2015	二零一五年									
Long-term	長期	2,169	1,110	1,459	1,036	565	401	109	2,361	9,210
Short-term	短期	-	-	-	-	-	76	-	11	87
		2,169	1,110	1,459	1,036	565	477	109	2,372	9,297

# Environmental and Social Responsibility Report

## 環境及社會責任報告

Employment category	僱傭類別	By gender		
		Male	Female	Total
		男	女	合計
<b>2016</b>		<b>二零一六年</b>		
Long-term	長期	6,925	2,054	8,979
Short-term	短期	100	30	130
		<b>7,025</b>	<b>2,084</b>	<b>9,109</b>
<b>2015</b>		<b>二零一五年</b>		
Long-term	長期	7,120	2,090	9,210
Short-term	短期	61	26	87
		<b>7,181</b>	<b>2,116</b>	<b>9,297</b>

The staff turnover rate of TCC Cement Companies by age group, region and gender for the year ended 31 December 2016 are as follows:

截至二零一六年十二月三十一日止年度，合泥水泥公司按年齡組別、地區及性別劃分僱員流失率：

Category	類別	By age group						Total
		16-20 years old	21-30 years old	31-40 years old	41-50 years old	51-59 years old	Over 60 years old	
		16-20歲	21-30歲	31-40歲	41-50歲	51-59歲	60歲以上	合計
<b>2016</b>		<b>二零一六年</b>						
Staff turnover	離職人數	70	875	564	282	35	9	1,835
Staff turnover percentage	離職率	0.9%	10.9%	7.0%	3.5%	0.4%	0.1%	22.8%
<b>2015</b>		<b>二零一五年</b>						
Staff turnover	離職人數	114	1,203	643	350	37	11	2,358
Staff turnover percentage	離職率	1.2%	12.9%	6.9%	3.8%	0.4%	0.1%	25.3%

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Category	類別	By staff hometown region 按員工家鄉地區劃分								
		Guangdong Province 廣東省	Guangxi Province 廣西省	Sichuan Province 四川省	Guizhou Province 貴州省	Jiangsu Province 江蘇省	Liaoning Province 遼寧省	Fujian Province 福建省	Others 其他	Total 合計
2016	二零一六年									
Staff turnover	離職人數	408	23	349	341	48	51	73	542	1,83
Staff turnover percentage	離職率	5.1%	0.3%	4.3%	4.2%	0.6%	0.6%	0.9%	6.7%	22.8%
2015	二零一五年									
Staff turnover	離職人數	471	230	450	332	66	67	31	711	2,358
Staff turnover percentage	離職率	5.1%	2.5%	4.8%	3.6%	0.7%	0.7%	0.3%	7.6%	25.3%

Category	類別	By gender 按性別		
		Male 男	Female 女	Total 合計
2016	二零一六年			
Staff turnover	離職人數	1,450	385	1,835
Staff turnover percentage	離職率	18.0%	4.8%	22.8%
2015	二零一五年			
Staff turnover	離職人數	1,893	465	2,358
Staff turnover percentage	離職率	20.3%	5.0%	25.3%

### 2. Health and Safety

TCC Cement Companies put great emphasis on staff health and safety. Therefore, each company has established its own rules on safety production operation. In order to enhance staff's daily safety awareness and prevent the occurrence of serious occupational hazards, TCC Cement Companies have implemented hazard identification and risk assessment measures, encouraged self-management to eliminate potential risks and prevent occupational hazards, implemented stringent standards emphasizing on the importance of industry safety in plants and advocated management measures in handling industrial safety issues. Such measures are aimed to eradicate the occurrence of industrial safety incidents. If such incident occurs, the reporting system should be switched on immediately and such incident be reported to the relevant department and the general manager. All new members are required to participate in new staff safety training.

### 2. 健康及安全

台泥水泥公司非常重視員工的健康及安全，因此各公司均建立了安全生產作業的守則。為強化員工日常安全意識及預防發生嚴重的職業災害，台泥水泥公司實施危害鑑別及風險評估，並執行自主管理以消除潛在危害，預防職業災害發生，及以嚴格尺度執行廠內工安重要性並宣導工安事件處置管理辦法，以杜絕工安事件發生，並於發生工安事件第一時間，應立即啟動通報系統向相關單位及總經理進行回報。新入職的員工均需參與新員工安全培訓。



# Environmental and Social Responsibility Report

## 環境及社會責任報告

Environmental safety and hygiene policies of TCC Cement Companies:

- (1) To continue green gardening and conservation of water and soil in mining areas for natural landscape preservation in the mining area of plants.
- (2) To comply with the relevant requirements of environmental protection laws and regulations and continue to prevent, control and improve the pollution situation for the enhancement of environmental performance.
- (3) To practise waste reduction and resource recycling diligently.
- (4) To promote fraternity with neighbors and promote communication with neighboring residents.
- (5) To comply with laws, regulations and other requirements on safety and hygiene to prevent staff injury and sickness.
- (6) To implement hazard identification and risk assessment measures, and practice self-management to eliminate potential risks and prevent occupational hazards.
- (7) To establish and maintain a safe and healthy work environment and continuously improve it in order to enhance the safety and hygiene performance.

台泥水泥公司之環安衛政策：

- (1) 持續進行植生綠化與礦區水土保持，以維護廠礦區自然景觀。
- (2) 符合環保法規之相關規定，並持續預防、控制與改善污染情況，以提昇環境績效。
- (3) 力行減廢及資源再利用。
- (4) 敦親睦鄰，加強與鄰近居民的溝通。
- (5) 遵守安全衛生法規及其他要求事項，預防人員傷害與患病。
- (6) 實施危害鑑別及風險評估，並執行自主管理以消除潛在危害，預防職業災害發生。
- (7) 建立及維持安全及健康的工作環境，並持續改善，以提昇安全衛生績效。

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As at 31 December 2016, TCC Cement Companies gradually carried out the establishment of Cement Base National Safety Production Standardisation Class II Standard Enterprise, of which 7 (2015: 6) cement plants have passed the National Safety Production Standardisation Class II Enterprise evaluation. The total number of cement plants that have passed the Class II Safety Standard evaluation is over 43% (2015: 46%) of the total number of cement plants under the TCC Cement Companies. The remaining cement plants are also actively facilitating the rectification and establishment of Class II Safety Production Standardisation.

The information in relation to staff injury or fatality (including numbers and percentages) due to work, as well as safety training in terms of person-time, of TCC Cement Companies for the year ended 31 December 2016 are set out as follows:

台泥水泥公司陸續開展水泥基地國家安全生產標準化二級達標企業創建工作，於二零一六年十二月三十一日，已有7間（二零一五年：6間）水泥廠通過了國家安全生產標準化二級企業評審。通過二級安標評審的水泥廠數量合計於台泥水泥公司總水泥廠數量之佔比超過43%（二零一五年：46%），其餘各水泥廠也正在積極推進二級安全生產標準化整改和創建。

截至二零一六年十二月三十一日止年度，台泥水泥公司員工因工作關係而受傷或死亡的人數、比率及參與安全培訓人次等資料載列如下：

		Unit 單位	2016 二零一六年	2015 二零一五年
Number of employees' occupational injury incidents	員工工傷事故次數	No. of incidents 次數	56	65
Number of occupationally injured employees	員工工傷人數	No. of persons 人數	57	65
Percentage of occupationally injured employees	員工工傷人數比率	%	0.63%	0.70%
Number of working days lost due to employees' occupational injury	員工因工傷損失工作日數	Days 日數	4,188	5,139

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## 環境及社會責任報告

		Unit 單位	2016 二零一六年	2015 二零一五年
Compensation amount in relation to employees' occupational injury	員工因工傷賠償金額	HK\$'000 千港元	538	686
Number of employees' fatal incidents due to work	員工因工作關係死亡事故次數	No. of incidents 次數	0	1
Number of deceased employees due to work	員工因工作關係死亡人數	No. of persons 人數	0	1
Percentage of deceased employees due to work	員工因工作關係死亡人數比率	%	0.00%	0.01%
Compensation amount in relation to employees' occupational fatality	員工因工死亡賠償金額	HK\$'000 千港元	0	1,012
Number of times of safety emergency drilling	安全應急演練次數	No. of incidents 次數	118	66
Participation in safety emergency drilling in terms of person-time	參與安全應急演練人次	Person-time 人次	2,750	3,073
Participation in safety training in terms of person-time	參與安全培訓人次	Person-time 人次	6,198	10,741

### 3. Development and Training

TCC Cement Companies always attach great importance to staff training and talent development. Through a series of results-oriented professional trainings and tailor-made cement specialist career development plans for individual employees, our enterprise is able to maintain its continuous competitive professionalism in the cement industry. TCC Cement Companies actively cultivate cement specialists to meet future development needs, and regularly organize various managerial and professional training courses for staff, or cooperate with other training institutions and schools for commissioned training.

### 3. 發展及培訓

台泥水泥公司一向重視員工的培訓及人才發展，透過一系列以成果導向為目標的專業訓練，及為員工個人量身定作水泥專才的職涯發展計劃，使台泥水泥公司在水泥產業中，持續保持具競爭力的專業。台泥水泥公司積極培訓水泥專才以因應未來發展之需，並且定期舉辦員工各項管理及專業培訓課程，或與其他訓練機構、學校合作委託訓練。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

The trainings offered to TCC Cement Companies staff include:

- introductory and safety training for new employees;
- technical training for on-the-job employees and transferees;
- professional job skills improvement training;
- external professional training in relation to laws and regulations, professional knowledge, managerial knowledge as well as professional training and academic research classes for key positions; and
- regular safety training.

Average training hours completed per employee and percentage of employees trained (by employee category and gender) in TCC Cement Companies for the year ended 31 December 2016 are set out as follows:

台泥水泥公司向員工提供的培訓包括：

- 新員工入職及安全培訓；
- 在崗員工或轉崗員工技能培訓；
- 專業崗位技能提升培訓；
- 公司外派參加法律法規及各類專業知識、管理知識與重要崗位的專業培訓以及學術研討培訓班的學習；及
- 定期的安全培訓。

截至二零一六年十二月三十一日止年度，台泥水泥公司按僱員類別及性別劃分的每名僱員完成受訓的平均時數及受訓僱員百分比載列如下：

Category	類別	By employee category 按僱員類別						Total 合計
		Management 管理層	Electrical technician 電氣技術人員	Machinery technician 機械技術人員	Marketing 業務人員	Ancillary administration 後勤行政	Other departments 其他部門	
<b>2016</b>	<b>二零一六年</b>							
Number of employees at end of period	期末僱員人數	357	850	1070	695	899	5,238	9,109
Average training hours completed	完成受訓平均時數	8.44	15	13	5	25	25	21
Percentage of employees trained	受訓僱員百分比	70%	78%	78%	95%	74%	83%	81%
Charges for education training (HK\$'000)	教育訓練費用(千港元)							32
<b>2015</b>	<b>二零一五年</b>							
Number of employees at end of period	期末僱員人數	449	1,862	2,843	243	1,290	2,610	9,297
Average training hours completed	完成受訓平均時數	22	41	48	18	20	42	40
Percentage of employees trained	受訓僱員百分比	76%	78%	79%	93%	54%	83%	77%
Charges for education training (HK\$'000)	教育訓練費用(千港元)							607

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Category	類別	By gender 按性別		
		Male 男	Female 女	Total 合計
<b>2016</b>	<b>二零一六年</b>			
Number of employees at end of period	期末僱員人數	7,025	2,084	9,109
Average training hours completed	完成受訓平均時數	21.36	19.70	20.96
Percentage of employees trained	受訓僱員百分比	79%	83%	80%
<b>2015</b>	<b>二零一五年</b>			
Number of employees at end of period	期末僱員人數	7,181	2,116	9,297
Average training hours completed	完成受訓平均時數	39	42	40
Percentage of employees trained	受訓僱員百分比	78%	72%	77%

#### 4. Labour Standards

Through recruitment channels and proper selection process, TCC Cement Companies assign appropriate work to employees based on their knowledge, experience, personal characteristics and work experience. Remuneration does not commensurate with gender, religion, race or political party background. Other than providing excellent remuneration package, TCC Cement Companies also strictly comply with the relevant national and local labour regulations and requirements, and no employee under 16 are recruited. Each of the TCC Cement Companies will review the overall recruitment practices from time to time to prevent child labour, forced labour and other potential illegal incidents. Employees must truthfully fill in the "Basic Information Sheet for Staff" when an employment is commenced. If someone is found to be holding forged certificate or filling in untrue personal resume, he/she will be immediately dismissed by TCC Cement Companies and it will be handled as a serious violation of the rules and regulations of the company.

#### 4. 勞工準則

台泥水泥公司透過招募管道及適當遴選方式，依其學識、經驗、人格特質及工作經歷派任適當之工作。不因性別、宗教、種族或政黨等而有不同待遇。台泥水泥公司除提供優渥的薪酬待遇外，並恪遵相關國家和地方勞動法規要求，且未僱用未滿十六歲之員工。各台泥水泥公司會不時檢討整體的僱用實務，以防止童工或強制勞工以及其他潛在違規事宜。員工入職時必須如實填寫《員工基本資料表》，如持假證件、謊填個人簡歷，一經發現，台泥水泥公司將按嚴重違反該公司規章制度處理，將其即時解僱。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

### II. Operating Practices

#### 1. Supply Chain Management

In order to meet target costs, TCC Cement Companies adhere to the principle of “Develop locally and source nearby” to actively cultivate local suppliers to create local employment opportunities and economic prosperity.

The key raw materials for cement manufacturing include limestone, clay, silica, scum and gypsum with coal as auxiliary fuel. The Group utilises limestone manufactured internally, supplemented by domestic quality mineral manufacturers.

TCC Cement Companies cultivate new suppliers through investigation, review, verification and completion of the supplier list for operation purpose. We conduct regular evaluation regarding the quality, delivery schedule, pricing and service of qualified suppliers and delist unqualified suppliers. The performance management on suppliers includes market research, formulation and implementation of raw material procurement strategy, utilisation of cheap materials and risk management, etc. Risk management includes the risk control of procurement channels, parity purchase, bidding management, business management and contract management, payment settlement, factory acceptance, inventory safety inspection and sale of waste and obsolete goods. The procurement department conducts reassessment on every supplier each year to ensure compliance with all the requirements.

### 二、營運慣例

#### 1. 供應鏈管理

台泥水泥公司在符合目標成本的前提下，秉持「就地開發、就近供應」的原則，積極開發當地供應商，以創造地方的就業機會與經濟繁榮。

水泥生產主要原料包含石灰石、黏土、矽砂、鐵渣與石膏。輔助燃料為煤炭。其中石灰石自產自用再以國內優良礦商為輔。

台泥水泥公司於開發新供應商時，以實施調查、評審、核定及完成建立名錄作業，並對合格供應商定期評核其品質、交期、價格及服務，對不合格供應商撤銷其名錄。對供應商之績效管理包括，市場調研、原燃材料採購策略制定與執行、廉價材料利用及風險管理等。風險管理包括採購管道、比價採購、招議標管理、業務管理及合同管理、付款結算、廠家驗收、庫存物資安全檢查、廢舊物資出售等風險管控。採購部門每年會對每名供應商重新進行評核，確保供應商符合所有規定。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

The number of suppliers of TCC Cement Companies by region for the year ended 31 December 2016 is set out as follows:

截至二零一六年十二月三十一日止年度，台泥水泥公司按地區劃分的供應商數目載列如下：

		Guangdong Province 廣東省	Guangxi Province 廣西省	Sichuan Province 四川省	Guizhou Province 貴州省	Jiangsu Province 江蘇省	Liaoning Province 遼寧省	Fujian Province 福建省	Others 其他	Total 合計
2016	二零一六年									
Number of suppliers	供應商數目	23	15	70	42	8	18	14	48	238
2015	二零一五年									
Number of suppliers	供應商數目	112	28	88	100	75	24	579	399	1,405

### 2. Product Responsibility

Customer satisfaction is always the highest goal of TCC Cement Companies. TCC Cement Companies have excellent management teams and when it comes to quality and services, they adhere to the operation philosophy to “ensure brand quality with unrelenting effort” and make certain that our quality will beat competitors and that the cement manufactured will meet 100% qualification rate. By this, TCC Cement Companies adopt advanced instruments and equipments, manage and control raw materials, optimise raw materials, ingredients and processes to provide customers with stable quality and professional services. Meanwhile, it also helps enhance product quality and product image to customers and suppliers, which in turn improves profits. It is only when you create maximum value for customers and win their trust and support, can you continuously expand the customer base. With integrity and professional enthusiasm, TCC Cement Companies attain customer satisfaction through delivery exquisite services which surpass customer expectations. Our paramount objective is to establish good relationships with suppliers and customers, and pursue sustainable operation and growth for the enterprise.

### 2. 產品責任

客戶滿意一直是台泥水泥公司最大的心願，台泥水泥公司擁有優秀的經營團隊，在品質與服務上，秉持著「堅持品質、一以貫之」的經營理念，並以品質優於同業的信念，為確保出廠水泥合格率100%，除採用先進儀器設備，針對原料管控、生料配料及制程優化，以提供顧客品質穩定、專業的服務，同時也能讓供應商及顧客的產品品質及形象提升，進而提高其利潤。唯有為顧客創造最大價值，得到他們的信賴與支持，才能不斷創造、累積顧客。秉持誠信與服務熱忱、以精緻服務超越顧客期望，來實現「顧客滿意」。建立與供應商及顧客間的良好關係，追求企業永續經營及成長，為台泥水泥公司最大的宗旨。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

TCC Cement Companies actively construct the sales and services platform, integrate group resources and strive to provide comprehensive pre-sales, sales and after-sales services. We focus on improving professional techniques and service efficiency, implementing customer relationship management, recruiting and accumulating human resources and experience, enhancing our core strengths and continuing to expand our service limits to surpass client expectations, thereby creating higher customer satisfaction.

For the year ended 31 December 2016, 16 (2015: 13) companies of the TCC Cement Companies would conduct regular customer satisfaction research every year, the results of which will be used as the bases for enhancement and supervision, in order to understand current market trends and customer needs, and to adjust various transaction conditions depending on market conditions to shorten the discrepancy between the targeted level of customer attention and the current level of customer satisfaction, and achieve mutual and complementary support between customers and the company to enhance the overall profitability of the company.

According to the analysis of the research results of customer satisfaction conducted annually, in terms of company goodwill, cement brand name, and cement quality stability, TCC Cement Companies generally obtained high scores in terms of level of attention and satisfaction. In the overall satisfaction level, customers are satisfied with our products and services, showing that our performances are being recognised.

台泥水泥公司積極建構行銷與服務平台，整合集團資源，全力提供完善的售前、售中與售後服務；更專注提升專業技術及服務速度，落實顧客關係管理，累積人才與經驗，強化核心專長，以持續擴大服務極限，超越顧客期望，創造更高的顧客滿意度。

截至二零一六年十二月三十一日止年度，台泥水泥公司其中有16間（二零一五年：13間）公司每年均會定期辦理客戶滿意度調查，作為改善及督導依據並以了解目前市場趨勢及客戶的需求所在，隨時衡量市場情況，適時調整各項交易條件，縮短目標（客戶重視程度）與現況（客戶滿意程度）間的差距，達到客戶與公司相輔相成、提升公司整體利潤。

根據每年辦理客戶滿意度調查結果分析，於公司商譽、水泥品牌、水泥品質穩定性等各項目下，台泥水泥公司於重視及滿意程度普遍獲得高分，於整體滿意度上，客戶對產品及服務均抱持滿意的態度，顯示為客戶所肯定。



# Environmental and Social Responsibility Report

## 環境及社會責任報告

The technical teams of TCC Cement Companies do not only deliver services such as providing customers with trial samples, plant visits, sample testing meetings, trial blending and technical consultation, they also provide matching support services at construction sites to allow customers to feel in person our superior and stable quality over our competitors. TCC Cement Companies formulate customer service and customer complaint measures to provide customers with product quality service, set up exclusive laboratories to complement the various production and business units and provide “cocktail-style customized services” together with customer complaint solutions.

Customer service statistics of TCC Cement Companies for the year ended 31 December 2016 are set out as follow:

台泥水泥公司的技術團隊除了為客戶提供樣品試用、訪廠參觀、會同取樣抽驗、試拌及技術諮詢等服務之外，還會到施工現場提供配比支援，讓客戶真正領略到我們優於同行的穩定質量。台泥水泥公司訂有客服及客訴辦法對客戶提供產品品質服務，設有專屬研究室配合各生產及業務單位，並提供「雞尾酒式客製服務」及客訴解決方案。

截至二零一六年十二月三十一日止年度，台泥水泥公司的顧客服務統計載列如下：

		2016 二零一六年 Concluded cases 已結案宗數	2015 二零一五年 Concluded cases 已結案宗數
Samples provided	樣品提供	343	353
Plant visits	訪廠參觀	103	94
Sample testing meetings	會同抽驗	60	42
Others	其他	88	289
Total	合計	470	778

# Environmental and Social Responsibility Report

## 環境及社會責任報告

Most of the TCC Cement Companies have their own laboratories, which are equipped with various new inspection and testing instruments and are able to carry out inspection and testing works in accordance with different standards, thus ensuring the superiority and stability of each company's cement quality.

For the years ended 31 December 2015 and 2016, none of the sold or shipped products were recalled due to safety and health reasons.

Product complaints received and the quantities recalled by TCC Cement Companies for the year ended 31 December 2016 are set out as follows:

大部份台泥水泥公司設有實驗室配備了各種新型檢測儀器，能根據不同標準要求進行檢測工作，確保各公司水泥品質的優越性和穩定性。

截至二零一五年及二零一六年十二月三十一日止年度，並無已售或裝運產品因安全及健康理由須回收。

截至二零一六年十二月三十一日止年度，台泥水泥公司接獲關於產品的投訴及回收數目載列如下：

		<i>Unit</i>	2016	2015
		<i>單位</i>	二零一六年	二零一五年
Number of product complaints received	接獲關於產品的投訴數目	<i>cases</i> 宗	119	104
Number of related complaints settled	已解決有關投訴之數目	<i>cases</i> 宗	119	104
Number of cases received requesting product recall	接獲關於要求產品回收宗數	<i>cases</i> 宗	0	1
Number of settled cases regarding recall	已解決有關回收之宗數	<i>cases</i> 宗	0	1
Quantity of recalled products: Cement	已回收產品之數量：水泥	<i>tonne</i> 噸	0	20

# Environmental and Social Responsibility Report

## 環境及社會責任報告

TCC Cement Companies formulate non-compliance control measures and customer complaints administration manuals to establish control and preventive procedures in connection with non-compliances discovered during the administration of quality, environment and safety hygiene. This ensures that defected products will not flow into the next production stage, such that non-compliances can be handled immediately and effectively. To ensure the shipped cement and clinker will meet the quality, environment and occupational health and safety administration requirements, TCC Cement Companies fully manage the production from source to end. From the intake of raw materials to plants production, to the delivery of cement and clinker, every stage of production is placed under stringent and specific identification standards to be monitored against quality control indicators. Should non-compliance be discovered at any production stage, there are corresponding isolating measures and handling methods.

台泥水泥公司均制定不符合管制辦法及顧客抱怨處理作業說明書，以建立因品質、環境和安全衛生管理而產生之不符合情形之控制和預防程序，確保不合格品不會流入下個流程，且能迅速有效地處理不符合情形。為確保出貨之水泥及熟料能符合產品質量、環境和職業健康安全之要求，台泥水泥公司均從源頭至終端全線管理，從進廠之原料、生產之過程及出貨之水泥及熟料均有嚴格特定的鑒別基準以控管每個流程之質量指標，若任何一個流程發現有不符合情形，亦有制定相應隔離措施及處理方法。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

In 2016, National Quality Supervision And Testing Centre for Cement of China organised “The 15th CTC National Cement Chemical Analysis Comparison Conference (CTC全國第十五次水泥化學分析大對比)”. Several factories under TCC Cement Companies were enlisted. Among which TCC Huaihua Cement Company Limited and TCC Liaoning Cement Company Limited were honored with the grand prize; TCC Yingde Cement Co., Ltd and TCC (Guigang) Cement Ltd. were honored with the title of Qualified Entity; TCC Chongqing Cement Company Limited, TCC Fuzhou Cement Co., Ltd, TCC Jingzhou Cement Company Limited and TCC Guangan Cement Company Limited were honored with the Outstanding Award. TCC Huaying Cement Company Limited, Jurong TCC Cement Co., Ltd. and TCC Anshun Cement Company Limited won the honor. In addition, we emphasized the foremost importance of quality and the cultivation of elite inspectors. TCC Huaihua Cement Company Limited and TCC Liaoning Cement Company Limited were honored with Best Operators Award in The 15th National Cement Chemical Analysis Comparison Conference.

The awards presented to many of the Company's subsidiaries demonstrate the recognition given towards the Group's unrelenting persistence and belief in the implementation of “bedrock-strong” quality in its production of high-quality products and its professionalism in the training of its personnel who stringently control and audit the high-quality products manufactured by TCC Cement Companies.

於二零一六年，國家水泥質量檢驗中心所舉辦的「CTC杯全國第十五次水泥化學分析大對比」中，台泥水泥公司多間廠房獲得金榜題名。其中：台泥（懷化）水泥有限公司、台泥（遼寧）水泥有限公司榮獲特等獎榜單；台泥（英德）水泥有限公司及台泥（貴港）水泥有限公司榮獲全優單位榮譽稱號；台泥（重慶）水泥有限公司、福州台泥水泥有限公司、靖州台泥水泥有限公司及台泥（廣安）水泥有限公司獲得優良單位之殊榮；華鑿台泥水泥有限公司、句容台泥水泥有限公司及台泥（安順）水泥有限公司獲頒榮譽。另外，強調質量至上進而培育優秀之質量檢驗人員，在此次大對比中，由台泥（懷化）水泥有限公司及台泥（遼寧）水泥有限公司榮獲全國第十五次水泥化學分析大對比操作能手獎項。

此次多間子公司的獲獎實為本集團一貫生產高質量產品以「堅持品質、一以貫之」的堅持與落實「磐石級的質量」的信念予以肯定，並肯定人員培訓的專業性，對台泥水泥公司生產高質量的產品嚴格控管審核。

# Environmental and Social Responsibility Report

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For the years ended 31 December 2015 and 2016, there was neither any intellectual property rights litigation nor proceedings regarding the divulgence of customer privacy.

### 3. *Anti-corruption*

According to TCC Cement Companies Staff Management Measures, no one is allowed to presume upon his position to demand and receive bribery or use improper measures to obtain benefits, nor is anyone allowed to blackmail, cheat and conduct money laundering activities. Once identified, the staff will be dismissed permanently. Serious cases will be reported to the police or judicial authority.

TCC Cement Companies also encourage the reporting of any act that is illegal or in violation of any ethical standards and advocate moral behaviours. They also encourage staff to report to managers, internal audit director and other appropriate personnel when they suspect or discover any act that is either illegal or in violation of ethical standards, and provide sufficient information to enable the company to manage any subsequent matters properly. The company shall handle the reported incident in strict confidence and let the staff be aware that the company will strive to safeguard the security of the staff who has reported the incident in good faith.

For the years ended 31 December 2015 and 2016, neither the TCC Cement Companies nor any of their employees were involved in any legal cases involving corruption.

截至二零一五年及二零一六年十二月三十一日止年度，台泥水泥公司未發生知識產權訴訟及未發生洩露客戶私隱的訴訟。

### 3. 反貪污

據台泥水泥公司的員工管理辦法，任何人不得利用職權索賄、受賄，以不正當手段謀取私利，不得進行勒索、欺詐及洗黑錢活動。一經發現，將其除名永不錄用，案情重大者，將送公安局或司法機關處理。

台泥水泥公司亦鼓勵呈報任何非法或違反道德行為準則之行為，加強宣導道德觀念，鼓勵員工於懷疑或發現有違反法令規章或道德行為準則之行為時，向經理人、內部稽核主管或其他適當人員呈報，並提供足夠資訊使公司得以適當處理後續事宜。公司將以保密方式處理呈報案件，並讓員工知悉公司將盡全力保護善意呈報者的安全。

截至二零一五年及二零一六年十二月三十一日止年度，台泥水泥公司或其僱員並無牽涉任何貪污活動之法律案件。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

### III. Community

#### 1. Community investment

The “Virtue” Education Hall is the TCC Group’s children education social welfare project. It demonstrates the spirit and practical implementation of our philosophy - “What is taken from society should be used in the interests of society”. The project began in 2012 in Taiwan and was replicated successfully in 2014 in Mainland China. The project is aimed at providing disadvantaged students studying in the primary schools within the vicinity of our plants with learning resources and nutritious meals. As at 2016, the project has benefitted eleven schools on both shores, covering areas including Taiwan, Guangdong, Sichuan, Chongqing, Guizhou, Liaoning, Guangxi, Fujian and Anhui.

2016 marked the 70th anniversary of the TCC Group. At this important historical juncture, our headquarters have decided to integrate resources from both shores, and re-organized the “Virtue” Education Hall project to be put under the social welfare brand of the Group, “Wisdom”. The TCC Group has adopted the handwriting of “Wisdom Hall Education” from its previous managing Director, the late Mr. Leslie Koo, as its logo, and hopes that this brand will continue to pass on love from generation to generation. The three core philosophies of “Wisdom” Education Hall are: Virtues, Industry, and Quality. The project provides poor, single-family, orphaned and unattended children between grades four to six with nutritious meals and extra-curricular activities, thereby improving their health conditions, expanding diversified learning resources and promoting the overall physical and mental development of students who are frail and poor.

### 三、社區

#### 1. 社區投資

「品」學堂是台泥集團針對兒童教育議題的公益專案，體現台泥集團的精神及實踐“取之社會，用之社會”核心理念於二零一二年於臺灣首次啟動，二零一四年成功複製到大陸。該項目旨在幫助台泥廠區周邊小學的弱勢學童在學習資源與營養健康方面獲得更完善的照顧，截至二零一六年惠及海峽兩岸共十一所學校，涵蓋臺灣、廣東、四川、重慶、貴州、遼寧、廣西、福建、安徽等地區。

二零一六年正適逢台泥集團成立70周年，在這一重要的歷史時刻，台泥總部整合兩岸資源，將原來的「品學堂」助學專案納入人文公益類專案名為“士敏”品牌下。台泥自前任董事長辜振甫先生手跡中，提取「士敏學堂」四個字作為新標識，將這個品牌及愛心更好、更長遠地傳承下去。「士敏學堂」三大核心理念是“品德、品學、品質”。該項目主要面向貧困、單親、孤兒或留守的四至六年級學生，通過為他們提供營養餐食及課外興趣班，目標在改善兒童營養，拓展多樣化學習資源，促進弱勢貧困學生的身心全面發展。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

The “Wisdom” Education Hall project is the TCC Group’s first children education social welfare project in the PRC in a decade. The launch of this project is not only a reflection of the practical implementation of our development philosophy – “What is taken from society should be used in the interests of society”, it demonstrates the determination of the TCC Group to strive to assimilate into the community and to develop hand-in-hand with it. Today, the rural areas are in poverty with many vulnerable and unattended children. Many of them have received poor education, and malnutrition is a serious problem. Through donating nutritious meals and providing English and computer classes, as well as other extra-curricular activities, to these children, the TCC Group helps alleviate their malnutrition problems and perfect the learning resources to facilitate local human resources development.

The beginning of 2016 has seen the “Wisdom” Hall Education project organizing numerous visits and communications, and receiving high recognition and assistance from school management and local education bureau. This year the “Wisdom” Hall Education project has included six new cooperative schools, covering areas such as Fujian Fuzhou, Sichuan Xuyong, Liaoning Dengta, Guangxi Guigang, Anhui Maanshan and Taiwan Kaohsiung. TCC Group’s children education social welfare projects has not flourished in Mainland China, Taiwan and Hong Kong, and has gradually expanded to other places of demand in which the TCC Group has operations. It is expected that the project will involve more schools in the count of dozens, which will benefit even more disadvantaged children, increase their competitiveness and living quality and enable them to grow healthily and happily.

「士敏學堂」項目是台泥集團在中國十年來首個項目針對兒童教育的公益活動，這項目的啟動不僅體現出台泥集團「取之社會、用之社會」的發展理念落到實處，也進一步彰顯了台泥集團致力於融入社區、共同發展的決心。當前全國農村貧困、弱勢及留守兒童數量眾多，其中大多數受教育狀況比較差，同時營養不良問題下較為顯主。台泥集團通過向當地貧困、弱勢或留守兒童捐助營養餐食，並提供「英語」及「電腦」課程為主，輔以課外興趣班，以豐富學童的學習領域，同時幫助改善兒童營養不良問題，完善學習資源，幫助當地人才發展。

台泥集團於二零一六年初，「士敏學堂」公益項目持續行動進行多次的走訪與溝通，得到眾多學校領導及當地教委對於該公益項目的高度認可與支援。今年度「士敏學堂」助學公益項目新增6所合作學校，覆蓋福建福州、四川敘永、遼寧燈塔、廣西貴港、安徽馬鞍山以及臺灣高雄等地。台泥集團的兒童教育公益項目現已在兩岸三地遍地開花，也逐步擴大到台泥集團所在業務區域內其他有需求的地區。預計未來將會推動增加至數十所學校，使更多弱勢兒童從中受益，增加競爭力，提升生活品質、健康快樂地成長。

# Environmental and Social Responsibility Report

## 環境及社會責任報告

Every year, the TCC Group would invite students from “Wisdom” Hall Education to visit their plants, so that the teachers and students would not only better understand the TCC Group’s rationale behind this project, but also further their understanding of the TCC Group. In the future, the TCC Group will continue to promote this project to benefit more disadvantaged children.

### 2. Social Welfare

To support social welfare, the Group actively participates in community development and the related activities of charitable social welfare organizations, helps the nearby community repair and build bridges and roads, perfects infrastructure facilities, donates cash and goods to poverty regions and those in need and solves their practical problems. For the year ended 31 December 2016, the Group donated externally a total of 4,600 metric tons of cements (2015: 5,400 metric tons), with a total amount of approximately HK\$914,000 (2015: HK\$1,209,000). Furthermore, the Group also supports and sponsors disaster relief and local social welfare organizations, and approximately HK\$1,328,000 (2015: HK\$1,764,000) in aggregate donations were made.

每一年台泥集團都熱情邀請「士敏學堂」的學生到水泥廠參觀及到訪，從而使師生更加瞭解集團對此項目之用心與關心，也幫助學生進一步認識台泥集團。未來台泥集團將持之以恆推廣該項目，使更多弱勢兒童從中受益。

### 2. 社會公益

為維護社會公益，本集團積極參與社區發展及慈善公益團體相關活動，幫助周邊社區修橋築路，完善基礎設施，為貧困地區、幫助困難家庭捐贈現金或實物，解決他們的實際困難。截至二零一六年十二月三十一日止年度，本集團對外捐贈水泥共4,600公噸（二零一五年：5,400公噸），總額約達914,000港元（二零一五年：1,209,000港元）。另外，本集團亦參與賑災、地方公益團體、廟宇活動等以示支持贊助，捐贈款項合共約1,328,000港元（二零一五年：1,764,000港元）。



# Environmental and Social Responsibility Report

## 環境及社會責任報告

### CONCLUSION:

In the future, the TCC Group will be focusing on our environmental works:

- (1) Enhancing equipment operation management, staff training, inspecting repair works and improving dust collection system to ensure all environmental equipments are operating normally.
- (2) Improving environmental cleaning and the control and management of sewage treatment and emission, stringently controlling wastage treatment procedures and enhancing the management of sub-contractors, mechanical cleaning motor vehicle tyres and greening factory environment.
- (3) Adding more air pollution prevention and control equipments to reduce pollution to the environment.
- (4) Continuously promoting the energy and resource integration and utilisation, reducing natural minerals utilization, striving to perform to its best enterprise social responsibility to reduce wastage and emissions.

Environmental protection and economic development should be mutually complementary. This can form a virtuous cycle of improving the quality of life of our communities. Therefore, adhering to the vision of “What is taken from society should be used in the interests of society”, while we promote our operations, we are also committed to environmental improvement. TCC Cement Companies give top priority to energy saving and environmental protection during its production, including protection of the environment we live in, following the circular economic strategy, lowering the unit energy consumption, and reducing wastage. TCC Cement Companies will target the six objectives of “high productivity, high customer satisfaction, high innovation, high co-operation, high culture and high internationalization”, coupled with the goals of environmental protection and economic development, propelled by social environmental momentum. Our improvement will mainly focus on “escalating competitiveness, maximising resource recycling, lowering unit energy consumption, reducing wastage and utilizing cement kiln to assist other enterprises in wastage treatment”, which is expected to establish a virtuous environmentally-friendly economics cycle to achieve the objective of enterprise sustainable operation.

### 總結：

台泥集團今後環保重點工作為：

- (1) 加強設備操作管理、人員訓練、檢查維修工作及改善收塵系統使能確保所有環保設備正常運作。
- (2) 加強環境清掃和廢水處理與排放之控管，嚴控廢棄物處理程序，及加強委外承攬商管理，機動清洗車輛輪胎和綠化廠區環境。
- (3) 增設空氣污染防治設備，降低對環境污染。
- (4) 持續推動能資源整合利用，減少天然礦物質源使用，盡企業最大利廢減排的責任。

環保與經濟發展應該相輔相成，構成一個提升社會生活品質的良性循環。因此，秉持著「取之社會、用之社會」的理念，在促進經營管理的同時，不斷積極投入環保改善工作。台泥水泥公司把節能、環保放在生產的首位，保護我們所身處的環境，遵循循環型經濟策略，降低單位能源消耗量、減少廢棄物。台泥水泥公司將以「高生產力、高顧客滿意度、高創新、高合作、高文化、高國際化」之六大方向為經以環保經濟為緯，配合社會環境脈動，以「提升競爭力、資源再利用極大化、降低單位能源消耗量、減少廢棄物、利用水泥窯協助其他企業處理廢棄物」改善為主軸，期望建立環保經濟的良性循環，達到企業永續經營的目標。

# Report of the Directors

## 董事會報告書

The Directors are pleased to present their annual report together with the audited financial statements of the Group for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES

The principal activities of the Group consist of the import and distribution of cement in Hong Kong and the manufacture and distribution of cement, clinker, concrete and other cement related products in other areas of the PRC. Through its associates, the Group is also engaged in the production and distribution of ready-mixed concrete in Hong Kong. There were no significant changes in the nature of the Group's principal activities during the year.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 129 to 130 of this annual report. The Directors now recommend the payment of a final dividend of HK1.0 cent per ordinary share and preference share to the shareholders whose names appear on the register of members of ordinary shares or the register of members of preference shares of the Company on 9 June 2017, estimated to be HK\$54,378,000.

### BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2016 is set out in the sections headed "Management Discussion and Analysis" and "Prospects and Future Plans" on pages 15 to 35 of this annual report.

Further discussion on the environmental policies and performance together with the compliance with the relevant laws and regulations of the Group, together with the discussion on the relationship with the employees, customers and suppliers, are set out in the section headed "Environmental and Social Responsibility Report" on pages 64 to 96 of this annual report.

董事謹此欣然呈報本集團截至二零一六年十二月三十一日止年度之年報以及經審核財務報表。

### 主要業務

本集團之主要業務包括在香港經營水泥進口及分銷業務及在中國其他地區經營水泥、熟料、混凝土及其他水泥相關產品製造及分銷業務。本集團亦透過其聯營公司在香港從事生產及分銷預拌混凝土。本集團於本年度之主要業務性質並無任何重大變動。

### 業績及股息

本集團截至二零一六年十二月三十一日止年度之業績載於本年報第129頁至130頁之綜合損益及其他全面收益表。董事現建議向於二零一七年六月九日名列本公司普通股股東名冊或優先股股東名冊之股東派付末期股息每股普通股及優先股1.0港仙，預計將為54,378,000港元。

### 業務回顧

本集團截至二零一六年十二月三十一日止年度之業務回顧載於本年報第15至35頁「管理層討論及分析」以及「展望及未來計劃」章節內。

有關本集團之環境政策及表現以及遵守有關法律及規例方面之進一步討論，連同有關與僱員、客戶及供應商之關係之討論載於本年報第64至96頁之「環境及社會責任報告」內一節。

# Report of the Directors

## 董事會報告書

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

Details of movements during the year in the ordinary share capital and non-redeemable convertible preference share capital of the Company are set out in Notes 37 and 38 to the consolidated financial statements respectively.

### CHARITABLE DONATIONS

During the year, the Group made charitable donations in cash and in the form of cement finished goods in the total amount of approximately HK\$2,242,000.

### PRE-EMPTIVE RIGHTS

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

### RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 134 of this annual report.

As at 31 December 2016, the Company's reserve, including the share premium and contributed surplus accounts, available for cash distribution and/or distribution in specie, computed in accordance with the Companies Law (2004 Revision) of the Cayman Islands, amounted to HK\$16,668,998,000. Under the laws of the Cayman Islands, a company may make distributions to its members from the share premium and contributed surplus accounts under certain circumstances.

### 物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註15。

### 股本

本公司於本年度之普通股股本及不可贖回可轉換優先股股本之變動詳情分別載於綜合財務報表附註37及附註38。

### 慈善捐助

於本年內，本集團以現金及水泥成品方式作出的慈善捐助總額約為2,242,000港元。

### 優先購股權

本公司之公司組織章程細則或開曼群島法例並無載有本公司須按比例向現有股東發售新股份之優先購股權規定。

### 儲備

本集團於本年度之儲備變動詳情載於本年報第134頁之綜合權益變動表內。

於二零一六年十二月三十一日，本公司可供現金分派及／或實物分派之儲備（包括股份溢價及繳入盈餘賬），根據開曼群島公司法（二零零四年修訂本）計算，達16,668,998,000港元。根據開曼群島法例，在若干情況下，公司可動用股份溢價及繳入盈餘賬向股東作出分派。

# Report of the Directors

## 董事會報告書

### DIRECTORS

The Directors of the Company during the year ended 31 December 2016 and up to the date of this annual report are:

#### Executive Directors:

KOO, Cheng-Yun, Leslie

*(Chairman; passed away on 23 January 2017)*

CHANG, An-Ping, Nelson *(Chairman since 23 January 2017;*

*re-designated from a non-executive Director*

*as an executive Director on 27 March 2017)*

KOO, Jason Kung Yi

*(Managing Director; appointed on 27 March 2017)*

WU Yih Chin *(resigned on 25 May 2016)*

HUNG, Jin-Yang

*(appointed on 25 May 2016; resigned on 27 March 2017)*

#### Non-executive Directors:

SHAN Weijian

CHANG, Kang-Lung, Jason

WANG, Lishin, Elizabeth

WANG, Chi-May

*(appointed on 27 March 2017)*

#### Independent non-executive Directors:

LIAO Poon Huai, Donald

CHIH Ching Kang, Kenneth

SHIEH, Jen-Chung, Roger

The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors as independent.

### 董事

於截至二零一六年十二月三十一日止年度及截至本年報日期止任職本公司之董事如下：

#### 執行董事：

辜成允

*(主席：於二零一七年一月二十三日離世)*

張安平 *(自二零一七年一月二十三日起*

*出任主席；於二零一七年三月二十七日*

*自非執行董事調任為執行董事)*

辜公怡

*(董事總經理；於二零一七年三月二十七日獲委任)*

吳義欽 *(於二零一六年五月二十五日辭任)*

洪進揚 *(於二零一六年五月二十五日獲委任；*

*於二零一七年三月二十七日辭任)*

#### 非執行董事：

單偉建

張剛綸

王立心

王琪玫

*(於二零一七年三月二十七日獲委任)*

#### 獨立非執行董事：

廖本懷

池慶康

謝禎忠

根據上市規則第3.13條，本公司已取得所有獨立非執行董事之年度獨立確認書。本公司據此確認所有獨立非執行董事均為獨立。

# Report of the Directors

## 董事會報告書

In accordance with Article 97 of the Articles of Association, Mr. Koo, Jason Kung Yi and Ms. Wang, Chi-May will hold office until the forthcoming annual general meeting and will then be eligible for re-election as an executive Director and the Managing Director, and a non-executive Director, respectively. Besides, in accordance with Article 114 of the Articles of Association, Ms. Wang, Lishin, Elizabeth, Dr. Liao Poon Huai, Donald and Mr. Shieh, Jen-Chung, Roger shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 36 to 45 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

根據組織章程細則第97條，辜公怡先生及王琪玫女士將任職至應屆股東週年大會，屆時將分別符合資格重選連任為執行董事兼董事總經理及非執行董事。此外，根據組織章程細則第114條，王立心女士、廖本懷博士及謝禎忠先生須輪值告退，惟彼等合資格且願意於即將召開之股東週年大會膺選連任。

### 董事及高級管理層之履歷

董事及本集團高級管理層之詳細履歷載於本年報第36至45頁。

### 董事之服務合約

擬於即將召開之股東週年大會膺選連任之董事概無與本公司或其任何附屬公司訂立不可由委聘公司在一年內毋須補償（法定補償除外）而予以終止之服務合約。

## PERMITTED INDEMNITY PROVISION

During the year and the time when the Report of the Directors are approved, a permitted indemnity provision that meets the requirements specified in section 469(2) of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) for the benefit of all the Directors were in force.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

There were no transactions, arrangements or contracts of significance to which the Company, its holding companies, any of its fellow subsidiaries or subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

## SHARE OPTION SCHEME

Pursuant to a share option scheme adopted by the Company on 23 May 2006 (the "Scheme"), the Company had on 27 May 2011 granted to certain Directors the rights to subscribe for shares at an exercise price of HK\$4.42 per share, exercisable during the period from 27 February 2012 to 26 May 2014 (both days inclusive).

As at 26 May 2014, the number of shares in respect of which options had been granted on 27 May 2011 and remained outstanding were lapsed. No other option under the Scheme was granted during the year ended 31 December 2016. As at 31 December 2016, the Scheme had expired and there was no outstanding option under the Scheme.

## 准許彌償條文

年內及董事會報告獲批准時，准許彌償條文生效，該條文符合公司條例（香港法例第622章）第469(2)條內就全體董事之利益所指明之規定。

## 董事於重大交易、安排或合約之權益

於年末或於年內任何時間，本公司、其控股公司、其任何同系附屬公司或附屬公司概無訂立或存在重大交易、安排或合約，而董事或與董事關連之實體於其中擁有直接或間接重大權益。

## 購股權計劃

根據本公司於二零零六年五月二十三日採納之購股權計劃（「該計劃」），本公司於二零一一年五月二十七日授予若干董事可於二零一二年二月二十七日至二零一四年五月二十六日（包括首尾兩日）期間行使按每股股份行使價4.42港元認購股份之權利。

於二零一四年五月二十六日，根據該計劃於二零一一年五月二十七日已授出且尚未行使之購股權所涉及之股份數目均已失效。於截至二零一六年十二月三十一日止年度內，概無根據該計劃授出其他購股權。於二零一六年十二月三十一日，該計劃已屆滿且該計劃項下概無尚未行使之購股權。

# Report of the Directors

## 董事會報告書

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under the provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(i) **Long positions in the Ordinary Shares as at 31 December 2016**

Name of Directors 董事姓名	Capacity and nature of interest 身份及權益性質	Number of Ordinary Shares held 所持普通股數目	Approximate percentage of shareholding 股權概約百分比
KOO, Cheng-Yun, Leslie <sup>(1)</sup> 辜成允 <sup>(1)</sup>	Directly beneficially owned 直接實益擁有	99,091,528 <sup>(2)</sup>	2.00%
CHANG, Kang-Lung, Jason 張剛綸	Interest of spouse 配偶權益	3,000,000 <sup>(3)</sup>	0.06%
		102,091,528	2.06%

### 董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，董事及本公司行政總裁於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉（包括其根據證券及期貨條例條文被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條須載入該條所述之登記冊之權益及淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

(i) 於二零一六年十二月三十一日，於普通股之好倉

# Report of the Directors

## 董事會報告書

### Notes:

- (1) Mr. Koo, Cheng-Yun, Leslie passed away on 23 January 2017.
- (2) 60,322,500 Ordinary Shares were directly beneficially owned by Mr. Koo, Cheng-Yun, Leslie. An additional 26,742,028 and 12,027,000 Ordinary Shares were also held by two corporations which are 49.85% and 49.45% beneficially owned by him respectively.
- (3) The shares are held by a corporation controlled by the spouse of Mr. Chang, Kang-Lung, Jason and accordingly, he is deemed to be interested in the 3,000,000 Ordinary Shares pursuant to Section 316 of the SFO.

### 附註：

- (1) 辜成允先生於二零一七年一月二十三日離世。
- (2) 辜成允先生直接實益擁有60,322,500股普通股。同時，彼分別實益擁有49.85%及49.45%權益之兩間公司持有額外26,742,028股及12,027,000股普通股。
- (3) 該等股份由張剛綸先生之配偶透過受控制法團持有，因此，根據證券及期貨條例第316條，彼被視為於3,000,000股普通股中擁有權益。

### (ii) Long positions in shares and underlying shares of associated corporations as at 31 December 2016

#### T'Cement

### (ii) 於二零一六年十二月三十一日，於相聯法團股份及相關股份之好倉

#### T'Cement

Name of Directors 董事姓名	Number of shares held, capacity and nature of interest 所持之股份數目、身份及權益性質			Total 總計	Approximately percentage of shareholding 股權概約 百分比
	Directly beneficially owned 直接實益擁有	Through spouse or minor children 透過配偶或 未成年子女	Through controlled corporation 透過 受控制法團		
KOO, Cheng-Yun, Leslie <sup>(1)</sup> 辜成允 <sup>(1)</sup>	22,427,543	91 <sup>(2)</sup>	203,538,052 <sup>(3)</sup>	225,965,686	6.12%
CHANG, An-Ping, Nelson 張安平	156,573	3,059,817 <sup>(2)</sup>	7,155,821 <sup>(4)</sup>	10,372,211	0.28%
LIAO Poon Huai, Donald 廖本懷	12,616	789,293 <sup>(2)</sup>	–	801,909	0.02%
CHANG, Kang-Lung, Jason 張剛綸	190,000	–	–	190,000	0.01%

### Notes:

- (1) Mr. Koo, Cheng-Yun, Leslie passed away on 23 January 2017.
- (2) The shares are held by the respective Directors' spouses as the registered and beneficial shareholder.
- (3) Mr. Koo, Cheng-Yun, Leslie was interested in companies controlled by him, which held an aggregate of 203,538,052 shares of T'Cement.
- (4) Mr. Chang, An-Ping, Nelson is interested in companies controlled by him, which held an aggregate of 7,155,821 shares of T'Cement.

### 附註：

- (1) 辜成允先生於二零一七年一月二十三日離世。
- (2) 股份由各董事之配偶作為登記及實益股東持有。
- (3) 辜成允先生於彼所控制之公司中擁有權益，而有關公司合共持有T'Cement之203,538,052股股份。
- (4) 張安平先生於彼所控制之公司中擁有權益，而有關公司合共持有T'Cement之7,155,821股股份。



# Report of the Directors

## 董事會報告書

Save as disclosed above, as at 31 December 2016, no person (not being a Director or chief executive of the Company) had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year, there were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by the Directors; or was the Company, or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of directors' emoluments are set out in Note 11 to the consolidated financial statements. For the year ended 31 December 2016, the emoluments of the senior management, whose biographical details are set out in the "Biographical Details of Directors and Senior Management" section of this annual report and include three of the five highest paid individuals analysis presented in Note 11 to the consolidated financial statements, fell within the following bands:

除上文所披露者外，於二零一六年十二月三十一日，概無人士（並非董事或本公司行政總裁）於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括其根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條須載入該條所述之登記冊之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

### 董事收購股份或債券之權利

本年度內，並無任何董事或彼等各自之配偶或未成年子女獲授權透過購入本公司股份或債券而得益，亦無董事行使該等權利；或本公司或其任何控股公司、同系附屬公司及附屬公司概無參與任何安排，致使董事可收購任何其他公司之該等權利。

### 董事及員工酬金

有關董事酬金之詳情載列於綜合財務報表附註11。截至二零一六年十二月三十一日止年度，高級管理層之薪酬（其履歷詳情載於本年報「董事及高級管理層履歷」一節和包括於綜合財務報表附註11呈報的五名最高薪人士分析內的三名人士）介乎以下範圍：

Emoluments of senior management by bands 高級管理層之薪酬組別		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Up to HK\$1,000,000	不多於1,000,000港元	16	17
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	–	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	–
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	1	–

### SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 31 December 2016, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as was known to the Directors or chief executive of the Company, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital were as follows:

**(i) Long positions in the Ordinary Shares as at 31 December 2016**

Name of Shareholders 股東名稱	Capacity and nature of interest 身份及權益性質	Number of Ordinary Shares held <sup>(1)</sup> 所持普通股數目 <sup>(1)</sup>	Approximate percentage of shareholding 股權概約百分比
TCCI	Directly beneficially owned 直接實益擁有	3,117,016,329(L)	63.05%
T'Cement <sup>(2)</sup>	Through a controlled corporation 透過受控制法團	3,117,016,329(L)	63.05%
CHPL	Directly beneficially owned 直接實益擁有	479,849,250(L)	9.71%
Chia Hsin Cement 嘉新水泥	Through a controlled corporation <sup>(3)</sup> 透過受控制法團 <sup>(3)</sup>	479,849,250(L)	9.71%
	Directly beneficially owned 直接實益擁有	8,829,262(L)	0.18%

### 擁有須申報權益之股東

於二零一六年十二月三十一日，根據本公司按照證券及期貨條例第336條所存置之登記冊及據董事或本公司行政總裁所知，下列人士或實體（董事或本公司行政總裁除外）於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之條文規定向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本公司或為本公司附屬公司之任何其他公司之股東大會上投票之任何類別股本面值5%或以上或擁有涉及有關股本之任何購股權之權益：

**(i) 於二零一六年十二月三十一日，於普通股之好倉**

# Report of the Directors

## 董事會報告書

*Notes:*

- (1) The letter "L" denotes a long position in such shares.
- (2) T'Cement is interested in the shares of the Company by virtue of its beneficial ownership of the entire issued share capital of TCCI.
- (3) Chia Hsin Cement is interested in the shares of the Company held by its subsidiary, CHPL.

**(ii) Long positions in the underlying shares of the Convertible Preference Shares as at 31 December 2016**

*附註：*

- (1) 英文字母「L」表示該等股份的好倉。
- (2) T'Cement因實益擁有TCCI全部已發行股本而擁有本公司股份之權益。
- (3) 嘉新水泥於其附屬公司CHPL持有之本公司股份中擁有權益。

**(ii) 於二零一六年十二月三十一日，於可轉換優先股之相關股份之好倉**

Name of Shareholders	Number of the underlying Ordinary Shares held	Percentage of the Company's total issued Ordinary Share capital 佔本公司已發行普通股股本總額之百分比
股東名稱	所持相關普通股數目	之百分比
TCCI	539,383,608	10.91%
T'Cement <sup>(1)</sup>	539,383,608	10.91%

*Note:*

- (1) T'Cement is deemed to be interested in the underlying shares of the Convertible Preference Shares held by TCCI as TCCI is wholly-owned by T'Cement.

*附註：*

- (1) T'Cement因全資擁有TCCI而被視為擁有TCCI所持有之可轉換優先股之相關股份之權益。

## Report of the Directors 董事會報告書

Save as disclosed above, as at 31 December 2016, no person (not being a Director or chief executive of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the Group's total sales revenue. Purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

None of the Directors or any of 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 any of the Group's five largest customers and suppliers during the year.

除上文所披露者外，於二零一六年十二月三十一日，概無人士（並非董事或本公司行政總裁）於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之條文規定向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本公司或為本公司附屬公司之任何其他公司之股東大會上投票之任何類別股本面值5%或以上或擁有涉及有關股本之任何購股權之權益。

### 主要客戶及供應商

於回顧年度內，向本集團五大客戶作出之銷售額佔本集團銷售收益總額30%以下。向本集團五大供應商作出之採購額佔本集團總採購額30%以下。

本年度內，董事或彼等之任何聯繫人士或據董事所深知擁有本公司股本5%以上之任何股東，概無於本集團任何五大客戶及供應商中擁有任何權益。

# Report of the Directors

## 董事會報告書

### RELATED PARTIES AND CONTINUING CONNECTED TRANSACTIONS

Related party transactions, which fall within the definition stipulated in the Hong Kong Accounting Standard 24 “Related Party Disclosures”, undertaken by the Group during the year are set out in Note 48 to the consolidated financial statements. The transactions included in Note 48 items (i) to (vi) to the consolidated financial statements also constitute continuing connected transactions as defined under Chapter 14A of the Listing Rules. Details of such transactions conducted by certain subsidiaries of the Company with connected parties during the year are summarised below. The Company also confirms that during the year ended 31 December 2016 it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

### 關連人士及持續關連交易

本集團於本年度內進行之屬於香港會計準則第24號「關連人士披露」訂明之定義之關連人士交易載列於綜合財務報表附註48。綜合財務報表附註48第(i)至(vi)項所載之交易亦同時構成上市規則第14A章所界定之持續關連交易。年內，本公司若干附屬公司與關連人士進行的有關交易的詳情概述如下。本公司亦確認，於截至二零一六年十二月三十一日止年度已根據上市規則第14A章遵守披露規定。

		Amount	Annual cap under the waiver granted by the Stock Exchange 根據聯交所 所授豁免之年度上限
		金額 '000 千股	'000 千股
1. Leasing of a site on Tsing Yi Island, Hong Kong, from a fellow subsidiary of the Company	向本公司一間同系附屬公司租賃香港青衣島一塊地皮	HKD4,968港元	HKD4,968港元
2. Purchase of cement in Hong Kong from the Company's ultimate holding company and its subsidiaries	向本公司之最終控股公司及其附屬公司在香港購入水泥	HKD26,577港元	HKD100,000港元
3. Purchase of cement and/or clinker in the PRC from the Company's ultimate holding company and its subsidiaries	向本公司之最終控股公司及其附屬公司在中國購入水泥及／或熟料	-	HKD10,000港元
4. Receive of transportation and management services from fellow subsidiaries of the Company	收取由本公司之同系附屬公司提供之運輸及管理服務	HKD224,376港元	HKD305,000港元

# Report of the Directors

## 董事會報告書

		Amount	Annual cap under the waiver granted by the Stock Exchange 根據聯交所 所授豁免之年度上限
		金額 '000 千股	'000 千股
5. Receive of maintenance service and one-off implementation service of a computer software system from fellow subsidiaries of the Company	收取由本公司之同系附屬公司提供之電腦軟件系統之維護服務及一次性導入服務	HKD19,596港元	HKD69,000港元
6. Sales of limestone in the PRC to the Company's ultimate holding company and its subsidiaries	向本公司之最終控股公司及其附屬公司在中國銷售石灰石	-	RMB50,000 人民幣50,000元
7. Payment of service fee to the Company's ultimate holding company	向本公司之最終控股公司支付之服務費	RMB102,566 人民幣102,566元	RMB160,000 人民幣160,000元

# Report of the Directors

## 董事會報告書

### 1. Leasing of a site on Tsing Yi Island, Hong Kong

On 11 September 1997, the Company entered into a lease agreement with TCC Development Limited, a fellow subsidiary of the Company, under which the Company agreed to lease that part of the property known as Tsing Yi Town Lot No. 119 on which the cement operation facilities of the Group in Hong Kong are located for a term of 30 years with effect from 11 September 1997. The rent payable was negotiated on arm's length basis between the parties with reference to the agreements signed. Details of the continuing connected transaction are set out in greater detail in the prospectus of the Company dated 23 September 1997.

### 2. Purchase of cement in Hong Kong

On 18 December 2015, the Company, on behalf of itself and its subsidiaries, entered into a purchase agreement with T'Cement, on behalf of itself and its subsidiaries, for the purchase of cement in Hong Kong. The agreement has a term commencing from 1 January 2016 to 31 December 2018. The price of the transaction was determined with reference to a price per tonne fixed semi-annually by mutual agreement following negotiations between the parties by reference to prevailing market price, on arm's length basis and on normal commercial terms or on terms no less favourable to the Group than those available from Independent Third Parties. Details of the continuing connected transaction are set out in greater detail in the announcement to the Shareholders of the Company dated 18 December 2015.

### 1. 租賃香港青衣島一塊地皮

於一九九七年九月十一日，本公司與本公司一間同系附屬公司TCC Development Limited訂立一份租賃協議，據此，本公司同意租賃本集團於香港之水泥生產設施所在地青衣市地段第119號之部份物業，年期30年，自一九九七年九月十一日起生效。應付租金乃由訂約方經參考已簽訂之協議按公平原則磋商後釐定。持續關連交易更詳盡之詳情載於本公司日期為一九九七年九月二十三日之章程內。

### 2. 於香港購入水泥

於二零一五年十二月十八日，本公司（代表其本身及其附屬公司）與T'Cement（代表其本身及其附屬公司）訂立一份採購協議，以於香港購入水泥。協議之期限由二零一六年一月一日起至二零一八年十二月三十一日止。交易之價格乃參考訂約方於參考現行市價按公平原則及按一般商業條款或按不遜於本集團可自獨立第三方取得之條款磋商後每半年經雙方同意制定的每噸價格而釐定。持續關連交易更詳盡之詳情載於本公司致股東之日期為二零一五年十二月十八日之公佈內。

### 3. Purchase of cement and/or clinker in the PRC

On 18 December 2015, the Company, on behalf of itself and its subsidiaries, entered into a purchase agreement with T'Cement, on behalf of itself and its subsidiaries, for the purchase of cement and/or clinker in the PRC. The agreement has a term commencing from 1 January 2016 to 31 December 2018. The price of the transaction was determined by reference to the prevailing market price, on arm's length basis and on normal commercial terms or on terms no less favourable to the Group than those available from Independent Third Parties. Details of the continuing connected transaction are set out in greater detail in the announcement to the Shareholders of the Company dated 18 December 2015.

### 4. Receive of transportation and management services

On 18 December 2015, the Company, on behalf of itself and its subsidiaries, entered into a transportation and management service agreement with Ta-Ho Maritime Corporation, on behalf of itself and its subsidiaries, for the transportation of cement, clinker, coal and/or gypsum and for the transportation-related services provided. The agreement has a term commencing from 1 January 2016 to 31 December 2018. The price of the transaction was determined through good faith negotiation by reference to prevailing open market prices of road transportation and shipping services and on normal commercial terms, or on terms no less favourable to the Group than those available to the Group from Independent Third Parties. Details of the continuing connected transaction are set out in greater detail in the announcement to the Shareholders of the Company dated 18 December 2015.

### 3. 於中國購入水泥及／或熟料

於二零一五年十二月十八日，本公司（代表其本身及其附屬公司）與T'Cement（代表其本身及其附屬公司）訂立一份採購協議，以於中國購入水泥及／或熟料。協議之期限由二零一六年一月一日起至二零一八年十二月三十一日止。交易之價格乃參考現行市價按公平原則及按一般商業條款或按不遜於本集團可自獨立第三方取得之條款釐定。持續關連交易更詳盡之詳情載於本公司致股東之日期為二零一五年十二月十八日之公佈內。

### 4. 收取運輸及管理服務

於二零一五年十二月十八日，本公司（代表其本身及其附屬公司）與達和航運公司（代表其本身及其附屬公司）訂立一份運輸及管理服務協議，以提供有關運輸水泥、熟料、煤炭及／或石膏及提供運輸相關服務。協議之期限自二零一六年一月一日起至二零一八年十二月三十一日止。交易之價格乃參考公路運輸及航運服務的現行公開市價按一般商業條款或按不遜於本集團可自獨立第三方取得之條款經真誠磋商後釐定。持續關連交易更詳盡之詳情載於本公司致股東之日期為二零一五年十二月十八日之公佈內。



# Report of the Directors

## 董事會報告書

### 5. Receive of maintenance service and one-off implementation service of a computer software system

On 14 November 2014, the Company, on behalf of itself and its subsidiaries, entered into a master agreement with TCC Information Systems Corporation ("TCC Info Systems"), on behalf of itself and its subsidiaries, a fellow subsidiaries of the Company, (i) for the provision of maintenance services, which include but are not limited to general management information system support, network and software consultation and hardware maintenance services, payment agency services, system virtualization and data disaster recovery services and other related services as may be agreed upon by the Company and TCC Info Systems from time to time for the operations of the Group's business; and (ii) for the one-off implementation service, which include but are not limited to one-off installation and/or integration of the information systems for the new production facilities and the newly acquired subsidiaries of the Group. The agreement has a term commencing from 1 January 2015 to 31 December 2017. The price of the transaction was determined between the parties with reference to the agreements signed. Details of the continuing connected transaction are set out in greater detail in the announcement to the Shareholders of the Company dated 14 November 2014.

### 6. Sales of limestone in the PRC

On 5 August 2014, the Company, on behalf of itself and its subsidiaries, entered into a supply agreement with T'Cement, on behalf of itself and its subsidiaries, for the supply of limestone from the PRC to Taiwan. The agreement has a term commencing from 5 August 2014 to 31 December 2016. The price of the transaction was determined by reference to the prevailing market price, and no less favourable than those available to the Group from Independent Third Parties. Details of the continuing connected transaction are set out in greater detail in the announcement to the Shareholders of the Company dated 5 August 2014.

### 5. 收取電腦軟件系統之維護服務及一次性導入服務

於二零一四年十一月十四日，本公司（代表其本身及其附屬公司）與本公司之同系附屬公司台泥資訊股份有限公司（「台泥資訊」，代表其本身及其附屬公司）(i)就提供維護服務，其包括但不限於為本集團之業務營運提供一般管理資訊系統支持、網絡及軟件諮詢及硬件維護服務、支付代理服務、系統虛擬化及數據緊急復原服務及本公司與台泥資訊可能不時協定之其他相關服務；及(ii)就一次性導入服務，其包括但不限於一次性安裝及／或整合本集團之新生產設施及新收購之附屬公司之資訊系統而訂立一份主協議。協議之期限自二零一五年一月一日起至二零一七年十二月三十一日止。交易之價格乃由訂約方經參考已簽訂之協議而釐定。持續關連交易更詳盡之詳情載於本公司致股東之日期為二零一四年十一月十四日之公佈內。

### 6. 在中國銷售石灰石

於二零一四年八月五日，本公司（代表其本身及其附屬公司）與T'Cement（代表其本身及其附屬公司）訂立一份供應協議，以從中國供應石灰石到台灣。協議之期限由二零一四年八月五日起至二零一六年十二月三十一日止。交易之價格乃經參考現行市價而釐定，且不遜於本集團可自獨立第三方取得之價格。持續關連交易更詳盡之詳情載於本公司致股東之日期為二零一四年八月五日之公佈內。

### 7. Payment of service fee

On 12 March 2015, the Company, on behalf of itself and its subsidiaries, entered into a service agreement with T'Cement, for the provision of services to the Group on an on-going basis. The services provided included but are not limited to the consultation and advisory services relating to (i) human resources (including formulating staff policies, recruiting and training, performance evaluation and formulating remuneration packages); (ii) production design and engineering (including reviewing and revising production plans, providing maintenance, enhancement and improvement, procuring of production facilities and providing technical advice on the production facilities of the targets in merger and acquisition projects); (iii) product sales, distribution and marketing; (iv) financial management (including budgeting, monitoring financial performance and formulating treasury policies); (v) internal audit; and (vi) legal (including providing advice, preparing legal documents and assessing legal risks in projects). The agreement has a term commencing from 12 March 2015 to 31 December 2017. The service fee payable by the Company to T'Cement is determined based on the total clinker production capacity, the total cement production capacity and the total residual heat generated by the Group in the immediately preceding period. Details of the continuing connected transaction is set out in greater details in the announcement to the Shareholders of the Company dated 12 March 2015.

### 7. 支付服務費

於二零一五年三月十二日，本公司（代表其本身及其附屬公司）與T'Cement就按持續基準向本集團提供服務訂立一份服務協議。所提供之服務包括但不限於與以下各項有關之諮詢及顧問服務：(i)人力資源（包括制定員工政策、招聘及培訓、表現評核及制定薪酬組合）；(ii)產品設計及工程（包括檢討及修訂產品計劃、提供生產設施維護、提升和改進、採購生產設備，並對有關併購項目目標之生產設施提供技術意見）；(iii)產品銷售、分銷及市場推廣；(iv)財務管理（包括預算、監察財務表現及制定庫務政策）；(v)內部審核；及(vi)法律（包括提供意見、編製法律文件及評估項目之法律風險）。協議之期限自二零一五年三月十二日起至二零一七年十二月三十一日止。本公司應付T'Cement之服務費將按本集團於緊接上一期間之熟料總產能、水泥總產能及總餘熱發電量釐定。持續關連交易更詳盡之詳情載於本公司致股東之日期為二零一五年三月十二日之公佈內。

## Report of the Directors 董事會報告書

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable than those available to or from Independent Third Parties; and
- (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the following findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules:

- (i) the transactions have received the approval of the Board;
- (ii) the transactions were in accordance with the pricing policies of the Group if the transactions involve provision of goods or services by the Group;

根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易並確認該等交易：

- (i) 於本集團之一般及日常業務過程中訂立；
- (ii) 按照一般商業條款訂立或（倘無足夠可比較之交易作判斷是否按一般商業條款訂立）不遜於給予或自獨立第三方獲得之條款訂立；及
- (iii) 根據有關交易之協議條款進行，而交易條款屬公平合理，並符合本公司股東之整體利益。

根據上市規則第14A.56條，本公司已聘用其核數師，遵照香港會計師公會頒佈之香港保證委聘準則第3000號「對過往財務資料進行審核或審閱以外之保證委聘」及參考實務附註第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團持續關連交易作出報告。核數師已根據上市規則第14A.56條發出無保留意見函件，當中闡述其就持續關連交易之下列調查結果及結論：

- (i) 該等交易已獲董事會批准；
- (ii) 倘該等交易涉及由本集團提供物品或服務，則該等交易乃根據本集團之定價政策而進行；

- (iii) the transactions have been entered into in accordance with the relevant agreements governing the transactions; and
- (iv) the transactions have not exceeded the cap disclosed in previous announcements.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

### DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosures are included in respect of the Company's loan agreements, which contain covenants requiring performance obligations of the controlling Shareholder of the Company.

Pursuant to a loan agreement dated 4 September 2014 between the Company and certain banks relating to a five-year term loan facility of US\$350,000,000, and a loan agreement dated 14 December 2011 between the Company and certain banks relating to a five-year term loan facility of US\$550,000,000, a termination event would arise if (i) T'Cement ceases to own legally and beneficially, at least 40% and 30% of the shares in the Company's capital respectively or (ii) the Group fails to meet the financial covenants stipulated in the loan facility.

Pursuant to a loan agreement dated 30 March 2015 between the Company and a bank relating to a three-year term loan facility of HK\$100,000,000, and a loan agreement dated 22 June 2011 between the Company and a bank relating to a three-year loan facility of US\$40,000,000 and further extended for another two years, a termination event would arise if (i) T'Cement ceases to own legally and beneficially, at least 30% of the shares in the Company's capital or (ii) the Group fails to meet the financial covenants stipulated in the loan facility.

- (iii) 該等交易已根據規管該等交易之有關協議訂立；及
- (iv) 該等交易並無超過先前公佈所披露之上限。

### 購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司概無於年內購買、出售或贖回本公司之任何上市證券。

### 根據上市規則第13.21條之規定作出披露

根據上市規則第13.21條之披露規定，以下披露有關本公司簽訂之貸款協議，其中載有本公司控股股東須予履行之責任之契約。

根據本公司與若干銀行於二零一四年九月四日訂立有關350,000,000美元之五年期貸款融資之貸款協議，以及本公司與若干銀行於二零一一年十二月十四日訂立有關550,000,000美元之五年期貸款融資之貸款協議，如(i)T'Cement終止合法及實益擁有本公司股本中至少分別40%及30%股份或(ii)本集團不能符合該等貸款融資所指定之財務契約，該等貸款協議將被視為發生終止事件。

根據本公司與一間銀行於二零一五年三月三十日訂立有關100,000,000港元之三年期貸款融資之貸款協議，以及本公司與一間銀行於二零一一年六月二十二日訂立有關40,000,000美元之三年期貸款融資及其後進一步再延期兩年之貸款協議，如(i)T'Cement終止合法及實益擁有本公司股本中至少30%股份或(ii)本集團不能符合該等貸款融資所指定之財務契約，該等貸款協議將被視為發生終止事件。

# Report of the Directors

## 董事會報告書

Pursuant to a loan agreement dated 23 December 2015 between the Company and a bank relating to a two-year loan facility of HK\$128,000,000, a termination event would arise if (i) T'Cement ceases to own legally and beneficially, at least 40% of the shares in the Company's capital or (ii) the Group fails to meet the financial covenants stipulated in the loan facility.

Pursuant to a loan agreement dated 5 May 2015 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a loan agreement dated 17 June 2013 and further extended each year between the Company and a bank relating to a one-year loan facility of US\$15,000,000, and a loan agreement dated 23 July 2012 and further extended each year between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a termination event would arise if T'Cement ceases to own legally and beneficially, at least 30% of the shares in the Company's capital.

### CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 46 to 63 of this annual report.

### EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

根據本公司與一間銀行於二零一五年十二月二十三日訂立有關128,000,000港元之兩年期貸款融資之貸款協議，如(i)T'Cement終止合法及實益擁有本公司股本中至少40%股份或(ii)本集團不能符合該等貸款融資所指定之財務契約，該等貸款協議將被視為發生終止事件。

根據本公司與一間銀行於二零一五年五月五日訂立有關40,000,000港元之一年期貸款融資之貸款協議，本公司與一間銀行在二零一三年六月十七日訂立有關15,000,000美元之一年期貸款融資及日期為二零一二年七月二十三日之貸款協議以及其後於每年進一步延期之貸款協議及本公司與一間銀行訂立有關40,000,000港元之一年期貸款融資及其後於每年進一步延期之貸款協議，如T'Cement終止合法及實益擁有本公司股本中至少30%股份，該等貸款協議將被視為發生終止事件。

### 企業管治

本公司採納之主要企業管治常規載於本年報第46至63頁之「企業管治報告」一節內。

### 酬金政策

本集團之僱員酬金政策由薪酬委員會按僱員之表現、資格及能力而訂立。

董事酬金由薪酬委員會參照本集團之經營業績、個別表現及可供比較之市場統計數字釐定。

# Report of the Directors 董事會報告書

## AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Details of the Company's Audit Committee, Remuneration Committee and Nomination Committee are set out in the section headed "Corporate Governance Report" on pages 46 to 63 of this annual report.

## SUFFICIENCY OF PUBLIC FLOAT

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

## FINANCIAL SUMMARY

A summary of the Group's results and its assets and liabilities for the past five years is set out on page 272 of this annual report.

## AUDITOR

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

By order of the Board

**CHANG, An-Ping, Nelson**

*CHAIRMAN*

Hong Kong

27 March 2017

## 審核委員會、薪酬委員會及提名委員會

本公司之審核委員會、薪酬委員會及提名委員會詳情載於本年報第46至63頁之「企業管治報告」一節內。

## 足夠公眾持股量

根據本公司所得之公開資料，並就董事所知，於截至二零一六年十二月三十一日止整個年度內，本公司符合上市規則之足夠公眾持股量規定，即本公司已發行股份不少於25%須由公眾持有。

## 財務摘要

本集團過往五年之業績、資產及負債摘要載於本年報第272頁。

## 核數師

本公司將於即將召開之股東週年大會上提呈續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

承董事會命

主席

張安平

香港

二零一七年三月二十七日

# Independent Auditor's Report

## 獨立核數師報告書

# Deloitte.

TO THE MEMBERS OF  
TCC INTERNATIONAL HOLDINGS LIMITED

台泥國際集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of TCC International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 129 to 271, 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 Hong Kong Companies Ordinance.

# 德勤

致台泥國際集團有限公司各股東

*(於開曼群島註冊成立之有限公司)*

## 意見

吾等已審核列載於第129頁至271頁台泥國際集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括於二零一六年十二月三十一日之綜合財務狀況表，以及截至該日止年度之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，以及綜合財務報表附註，包括主要會計政策摘要。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「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之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定適當編製。

# Independent Auditor's Report

## 獨立核數師報告書

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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.

### 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.

### 意見的基礎

吾等已根據香港會計師公會頒布的香港審計準則（「香港審計準則」）進行審核。在這些準則下，吾等的責任會在本報告中核數師就審核綜合財務報表須承擔的責任中進一步詳述。根據香港會計師公會之專業會計師道德守則（簡稱「守則」），吾等獨立於貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的意見提供基礎。

### 關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核本期綜合財務報表中最重要的事項。此等事項於吾等在審核整體綜合財務報表和作出意見時進行處理，而吾等不會就此等事項單獨發表意見。



# Independent Auditor's Report

## 獨立核數師報告書

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項 (續)

#### Key audit matters

#### How our audit addressed the key audit matters

##### 關鍵審核事項

##### 我們的審核如何處理關鍵審核事項

#### *Impairment of goodwill*

##### 商譽減值

We identified the estimated impairment of goodwill allocated to manufacture and distribution of cement, clinker, concrete and other cement related products segment as a key audit matter due to the complexity and significant judgement exercised by the Group's management on determining the impairment amount. 我們已識別分配至製造及分銷水泥、熟料、混凝土及其他水泥相關產品分部的商譽估計減值作為關鍵審核事項，原因是於釐定減值金額時涉及複雜性及貴集團管理層行使重大判斷。

Our procedures in relation to estimated impairment of goodwill included:

我們有關商譽估計減值之程序包括：

- Understanding how the management of the Group estimated the impairment of goodwill, including the valuation model adopted, assumptions applied and relevant estimations;
- 了解貴集團管理層如何估計商譽減值，包括採納之估值模式、應用假設及相關估計；
- Assessing the reasonableness of management's key assumptions in the cash flow forecasts with reference to historical trading performance, market expectations and industry knowledge and evaluating the appropriateness of discount rates, expected growth rates, sales volume and selling prices of the products adopted in the value in use calculation;
- 參照過往交易表現、市場預期及行業知識，評定管理層於現金流量預測方面關鍵假設之合理性，並評估於使用價值方面採納之折現率、預期增長率、產品銷售量及售價之恰當性；

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項 (續)

#### Key audit matters

#### How our audit addressed the key audit matters

#### 關鍵審核事項

#### 我們的審核如何處理關鍵審核事項

#### *Estimated impairment of goodwill (Continued)*

#### 商譽之估計減值 (續)

As detailed in the Notes 4, 17 and 18 to the consolidated financial statements, the Group has goodwill amounting to HK\$3,332 million as at 31 December 2016 which is allocated to manufacture and distribution of cement, clinker, concrete and other cement related products segment as at 31 December 2016. Determining the amount of impairment for goodwill requires an estimation of the recoverable amount, which is the value in use of the cash-generating units ("CGUs") or groups of CGUs to which goodwill is allocated. The value in use calculation uses cash flow projections based on financial budgets approved by the management and requires key assumptions including the discount rates, expected growth rates, sales volume and selling prices of the products.

誠如綜合財務報表附註4、17及18所詳述，貴集團於二零一六年十二月三十一日之商譽為3,332,000,000港元，並已分配至於二零一六年十二月三十一日之製造及分銷水泥、熟料、混凝土及其他水泥相關產品分部。釐定商譽減值金額要求估計可收回金額，其為已獲分配商譽之現金產生單位（「現金產生單位」）或現金產生單位組別之使用價值。使用價值計算使用根據管理層批准之財務預算作出之現金流量預測並須作出關鍵假設，包括折現率、預期增長率、產品銷售量及售價。

During the year ended 31 December 2016, the management of the Group determines that there was no impairment of any of its CGUs or groups of CGUs containing goodwill.

截至二零一六年十二月三十一日止年度，本集團管理層釐定概無任何含有商譽之現金產生單位或現金產生單位組別出現減值。

- Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets by comparing the actual results with the forecasts made in previous years; and
- 將輸入數據與支持憑證（如已核准預算）對賬，並透過將實際結果與於上個年度內所作出預測進行比較而考慮該等預算之合理性；及
- Performing sensitivity analysis on key assumptions provided by the management and assessing the impact on the value in use calculation.
- 對管理層提供之主要假設進行敏感度分析及評估對使用價值計算之影響。

# Independent Auditor's Report

## 獨立核數師報告書

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項 (續)

#### Key audit matters

#### How our audit addressed the key audit matters

#### 關鍵審核事項

#### 我們的審核如何處理關鍵審核事項

#### *Valuation of trade receivables, loan receivables and other receivables*

#### 應收貿易賬款、應收貸款及其他應收款項之估值

We identified valuation of trade receivables, loan receivables and other receivables as a key audit matter due to the use of judgment and estimates by the management on the recoverability of trade receivables, loan receivables and other receivables.

我們已識別應收貿易賬款、應收貸款及其他應收款項之估值作為關鍵審核事項，原因是管理層就應收貿易賬款、應收貸款及其他應收款項之可收回性使用判斷及估計。

As detailed in the Notes 22, 27 and 28 to the consolidated financial statements, included in the balances of other financial assets, prepayments, deposits and other receivables and trade receivables, the Group has recorded (i) loan receivables due from various government sectors of HK\$38 million, (ii) advances to independent third parties of HK\$140 million and (iii) trade receivables of HK\$66 million which are past due but not impaired as at 31 December 2016.

誠如綜合財務報表附註22、27及28所詳述，計入其他金融資產、預付款項、按金及其他應收款項以及應收貿易賬款內，本集團於二零一六年十二月三十一日錄得(i)應收多個政府部門貸款38,000,000港元；(ii)給予獨立第三方墊款140,000,000港元及(iii)已逾期但尚未減值之應收貿易賬款66,000,000港元。

Our procedures in relation to valuation of these balances included:

我們有關該等結餘之估值程序包括：

- Understanding the allowance policy of trade receivables, loan receivables and other receivables and evaluating management's process of reviewing the recoverability of these balances;
- 了解應收貿易賬款、應收貸款及其他應收款項之撥備政策，並評估管理層審閱該等結餘之可收回性的程序；
- Testing the aging analysis of the trade receivables, on a sample basis, to the source documents;
- 對源文件按抽樣基準測試應收貿易賬款之賬齡分析；
- Evaluating the reasonableness of the allowance policy and estimated allowance by comparing the aged analysis and the historical settlement patterns of trade receivables;
- 通過比較應收貿易賬款的賬齡分析和過往結算模式評估撥備政策和估計撥備的恰當性；

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項 (續)

#### Key audit matters

#### 關鍵審核事項

#### How our audit addressed the key audit matters

#### 我們的審核如何處理關鍵審核事項

#### *Valuation of trade receivables, loan receivables and other receivables (Continued)*

#### 應收貿易賬款、應收貸款及其他應收款項之估值 (續)

In determining the recoverability and allowance amount of trade receivables, the management considers the credit quality of individual trade receivables, including default or delay in payments, settlement records, subsequent settlements and ageing analysis of the trade receivables.

於釐定應收貿易賬款之可收回性及撥備時，管理層會考慮個別應收貿易賬款之信貸質素（包括應收貿易賬款之拖欠或延遲付款、結算記錄、其後結算及賬齡分析）。

In determining the recoverability and allowance amount of other receivables and loan receivables, the management considers any significant financial difficulty of the counterparty, breach of contract such as default or delinquency in interest or principal payments or possibility that the borrower will enter bankruptcy or financial re-organisation.

於釐定其他應收款項及應收貸款之可收回性及撥備金額時，管理層考慮交易對手是否出現任何重大財務困難、違反合約（例如拖欠或違約支付利息或本金）或借款人陷入破產或財務重組之可能性。

- Assessing the reasonableness of allowance for doubtful debts for loan and other receivables without settlement by reference to financial ability and any breach of contract by the counterparty such as default or delinquency in interest or principal payments or it is becoming probable that the borrower will enter bankruptcy or financial re-organisation;
- 根據交易對手之財務能力及是否違反任何合約（例如拖欠或違約支付利息或本金）或借款人是否將可能陷入破產或財務重組，評估應收貸款及其他應收款項呆賬撥備之合理性而並不計及結算；
- Assessing available information for the rationale behind the non-payment of overdue trade receivables with reference to the credit quality and settlement records; and
- 參照信貸質素及結算記錄評估逾期應收貿易賬款未付後依據之可用資料；及

# Independent Auditor's Report

## 獨立核數師報告書

### KEY AUDIT MATTERS (Continued)

### 關鍵審核事項 (續)

#### Key audit matters

#### How our audit addressed the key audit matters

#### 關鍵審核事項

#### 我們的審核如何處理關鍵審核事項

#### *Valuation of trade receivables, loan receivables and other receivables (Continued)*

#### 應收貿易賬款、應收貸款及其他應收款項之估值 (續)

At 31 December 2016, the carrying amount of trade receivables being overdue are HK\$66 million, advances to independent third parties are HK\$140 million (net of accumulated impairment loss of HK\$106 million) and loan receivables due from various government sectors are HK\$38 million (net of accumulated impairment loss of HK\$86 million).

於二零一六年十二月三十一日，逾期應收貿易賬款之賬面值為66,000,000港元、給予獨立第三方墊款為140,000,000港元（扣除累計減值虧損106,000,000港元）及應收多個政府部門之貸款為38,000,000港元（扣除累計減值虧損86,000,000港元）。

- Evaluating the historical accuracy of the allowance estimation by the management by comparing historical allowance made to these balances against the actual settlement and actual loss incurred.
- 通過將對該等結餘作出之過往撥備與產生之實際結算及實際損失進行比較，評估管理層過往作出撥備估計之準確性。

### 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.

### 其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但不包括綜合財務報表及吾等就此發出的核數師報告書。

吾等對綜合財務報表作出的意見並未涵蓋其他資料。吾等不對其他資料發表任何形式的核證結論。

# Independent Auditor's Report

## 獨立核數師報告書

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 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.

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，從而考慮其他資料是否與財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已完成的工作認為該等其他資料出現重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

### 董事及治理層就綜合財務報表須承擔之責任

貴公司董事須根據由香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實與公平之綜合財務報表，並負責採取董事認為必要之有關內部監控，以使該等綜合財務報表不存在重大失實陳述（不論是因欺詐或錯誤導致）。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

治理層須負責監督貴集團的財務報告流程。

# Independent Auditor's Report

## 獨立核數師報告書

### 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.

### 核數師就審核綜合財務報表須承擔的責任

吾等的目標是合理確定整體上綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並根據協定之委聘條款，僅向全體股東發出包含吾等意見的核數師報告，除此以外，本報告不可用作其他用途。吾等概不就本報告內容向任何其他人士負上或承擔任何責任。合理確定屬高層次的核證，但不能擔保根據香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

吾等根據香港審計準則進行審核的工作之一，是運用專業判斷，在整個審核過程中保持職業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯報風險，因應這些風險設計及執行審核程序，獲得充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯報風險比未能發現由於錯誤而導致的重大錯報風險更高。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團的內部控制的有效性發表意見。

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - 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.
- 核數師就審核綜合財務報表須承擔的責任 (續)**
- 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。
  - 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若吾等總結認為有重大不確定因素，吾等需要在核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致 貴集團不再具有持續經營的能力。
  - 評估綜合財務報表的整體列報、架構和內容，包括披露資料，以及綜合財務報表是否已公平地反映及列報相關交易及事項。
  - 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督和執行 貴集團的審核工作。吾等須為吾等的審核意見承擔全部責任。



# Independent Auditor's Report

## 獨立核數師報告書

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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.

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 Mak Chun Bon.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
27 March 2017

### 核數師就審核綜合財務報表須承擔 的責任 (續)

吾等就審核工作的計劃範圍和時間、在審核過程中的主要發現，包括內部控制的重大缺失及其他事項與治理層進行溝通。

吾等亦向治理層作出聲明，確認吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響核數師獨立性的關係和其他事宜以及適用的相關保障措施，與審核委員會進行溝通。

吾等通過與治理層溝通，確定那些是本期綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則吾等會在核數師報告中描述此等事項。

負責此審核項目與簽發獨立核數師報告的項目合夥人為麥振邦。

**德勤•關黃陳方會計師行**  
*執業會計師*  
香港  
二零一七年三月二十七日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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

		NOTES	2016	2015
		附註	二零一六年	二零一五年
			HK\$'000	HK\$'000
			千港元	千港元
Revenue	收益	6	11,412,814	10,911,069
Cost of sales	銷售成本		(9,022,356)	(9,236,140)
Gross profit	毛利		2,390,458	1,674,929
Investment income	投資收入	7	55,861	88,092
Other income, gains and losses	其他收入、收益及虧損	8	(373,176)	(281,067)
Selling and distribution expenses	銷售及分銷開支		(654,485)	(665,693)
General and administrative expenses	一般及行政開支		(876,163)	(926,084)
Finance costs	融資成本	9	(262,169)	(277,871)
			280,326	(387,694)
Share of profits of associates	應佔聯營公司之溢利		172,795	122,050
Share of loss of a joint venture	應佔一間合營公司之虧損		(10,470)	(1,324)
Profit (loss) before tax	除稅前溢利(虧損)	10	442,651	(266,968)
Income tax (expense) credit	所得稅(支出)抵免	12	(225,219)	20,806
Profit (loss) for the year	本年度溢利(虧損)		217,432	(246,162)
Other comprehensive expense, net of income tax	其他全面開支·扣除所得稅			
Items that will not be reclassified to profit or loss:	不會重新分類至損益之項目:			
Exchange differences arising on translation to presentation currency	換算為呈列貨幣產生之匯兌差額		(1,494,485)	(1,261,455)
Gain on revaluation of a property	重估一項物業收益		2,119	4,975
Income tax relating to revaluation of a property	有關重估一項物業之所得稅		(310)	(610)
Share of other comprehensive income (expense) of associates	應佔聯營公司之其他全面收益(開支)		937	(377)
Other comprehensive expense for the year, net of income tax	本年度其他全面開支·扣除所得稅		(1,491,739)	(1,257,467)
Total comprehensive expense for the year	本年度全面開支總額		(1,274,307)	(1,503,629)

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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

		NOTE 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit (loss) for the year	應佔本年度溢利(虧損):			
attributable to:				
Owners of the Company	本公司擁有人		193,840	(249,391)
Non-controlling interests	非控股權益		23,592	3,229
			<b>217,432</b>	<b>(246,162)</b>
Total comprehensive (expense)	應佔全面(開支)收益總額:			
income attributable to:				
Owners of the Company	本公司擁有人		(1,278,718)	(1,491,596)
Non-controlling interests	非控股權益		4,411	(12,033)
			<b>(1,274,307)</b>	<b>(1,503,629)</b>
			2016 二零一六年	2015 二零一五年
Earnings (loss) per share	每股盈利(虧損)	14		
- Basic	- 基本		HK3.1 cents 港仙	HK(6.5) cents 港仙
- Diluted	- 攤薄		HK3.1 cents 港仙	HK(6.5) cents 港仙

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		NOTES	2016	2015
		附註	二零一六年	二零一五年
			HK\$'000	HK\$'000
			千港元	千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	15,009,306	17,102,276
Prepaid lease payments	預付租賃款項	16	1,794,820	1,957,979
Intangible assets	無形資產	17	3,424,323	3,667,443
Mining rights	採礦權	19	420,741	465,128
Interests in associates	聯營公司權益	20	1,416,528	1,516,419
Interest in a joint venture	一間合營公司權益	21	-	10,627
Other financial assets	其他金融資產	22	20,041	44,575
Deposits paid for acquisition of property, plant and equipment and other assets	就收購物業、廠房及設備及其他資產支付之訂金		421,704	204,169
Available-for-sale investments	可供出售投資	23	34,453	37,377
Pledged bank deposits	已抵押銀行存款	24	15,834	17,746
Deferred tax assets	遞延稅項資產	25	114,455	143,294
			<b>22,672,205</b>	<b>25,167,033</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	26	1,175,793	1,082,570
Prepaid lease payments	預付租賃款項	16	55,587	59,967
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	27	713,475	820,056
Trade receivables	應收貿易賬款	28	2,874,063	2,836,770
Tax recoverables	可收回稅項		20,851	38,427
Held-for-trading investments	持作交易用途之投資	29	38,193	37,820
Derivative financial instruments	衍生金融工具	30	396	-
Restricted bank deposits	受限制銀行存款	24	68,826	70,635
Pledged bank deposits	已抵押銀行存款	24	1,457	1,543
Time deposits	定期存款	24	83,159	381,990
Cash and bank balances	現金及銀行結餘	24	4,172,477	5,330,638
			<b>9,204,277</b>	<b>10,660,416</b>

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		NOTES	2016	2015
		附註	二零一六年	二零一五年
			HK\$'000	HK\$'000
			千港元	千港元
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易賬款	31	1,136,922	1,024,255
Other payables and accrued liabilities	其他應付款項及應計負債	32	1,437,130	1,498,886
Tax payables	應付稅項		112,263	23,336
Bank loans	銀行貸款	33	2,295,456	6,028,147
			4,981,771	8,574,624
<b>Net current assets</b>	<b>流動資產淨值</b>		4,222,506	2,085,792
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		26,894,711	27,252,825
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred income – government grants	遞延收入—政府補貼	34	14,783	–
Bank loans	銀行貸款	33	7,122,800	5,704,736
Amount due to immediate holding company	應付直屬控股公司款項	35	620,800	930,000
Deferred tax liabilities	遞延稅項負債	25	343,029	405,289
			8,101,412	7,040,025
			18,793,299	20,212,800

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		NOTES	2016	2015
		附註	二零一六年	二零一五年
			HK\$'000	HK\$'000
			千港元	千港元
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital – ordinary shares	股本 – 普通股	37	494,347	494,347
Share capital – non-redeemable convertible preference shares	股本 – 不可贖回可轉換優先股	38	49,433	49,433
Reserves	儲備		18,005,076	19,416,772
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		<b>18,548,856</b>	<b>19,960,552</b>
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>244,443</b>	<b>252,248</b>
			<b>18,793,299</b>	<b>20,212,800</b>

The consolidated financial statements on pages 129 to 271 were approved and authorised for issue by the board of Directors on 27 March 2017 and are signed on its behalf by:

載於第129頁至271頁之綜合財務報表已於二零一七年三月二十七日獲董事會批准及授權發表，並由以下人士代為簽署：

**CHANG, AN-PING, NELSON**

張安平

CHAIRMAN

主席

**KOO, JASON KUNG YI**

辜公怡

MANAGING DIRECTOR

董事總經理

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

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

	Attributable to owners of the Company 本公司擁有人應佔											
	Share capital – ordinary shares 股本 – 普通股 HK\$'000 千港元	Share capital – convertible preference shares 股本 – 可轉換優先股 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元 (附註40)	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Land and building revaluation reserve 土地及樓宇重估儲備 HK\$'000 千港元	Exchange fluctuation reserve 外匯浮動儲備 HK\$'000 千港元	Statutory reserve fund 法定儲備基金 HK\$'000 千港元 (附註40)	Other reserve 其他儲備 HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元
At 1 January 2015	329,555	49,433	10,547,971	205,263	5,130	62,573	1,628,014	403,733	5,230,869	18,360,949	280,703	18,641,652
(Loss) profit for the year	-	-	-	-	-	-	-	-	(249,391)	(249,391)	3,229	(246,162)
Exchange differences arising on translation to presentation currency	-	-	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of a property	-	-	-	-	-	4,975	(1,246,193)	-	-	(1,246,193)	(15,262)	(1,261,455)
Income tax relating to revaluation of a property	-	-	-	-	-	(610)	-	-	-	4,975	-	4,975
Share of other comprehensive income (expense) of associates	-	-	-	-	-	-	-	-	-	(610)	-	(610)
Total comprehensive income (expense) for the year, net of tax	-	-	-	-	-	-	278	(655)	-	(377)	-	(377)
Issue of new shares upon rights issue	164,762	-	3,460,426	-	-	4,365	(1,245,915)	(655)	(249,391)	(1,491,596)	(12,033)	(1,503,629)
Transaction costs attributable to issue of ordinary shares	-	-	(17,089)	-	-	-	-	-	(482,697)	(499,786)	-	(499,786)
Payment of dividends	-	-	-	-	-	-	-	-	(24,222)	(24,222)	-	(24,222)
Preferred distribution to convertible preference shareholders	-	-	-	-	-	-	-	-	(20,860)	(20,860)	-	(20,860)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve fund	-	-	-	-	-	-	-	20,880	-	-	-	-
At 31 December 2015	494,317	49,433	13,991,308	205,263	5,130	66,938	382,099	424,613	4,443,678	19,960,552	282,248	20,242,800
Profit for the year	-	-	-	-	-	-	-	-	193,840	193,840	23,592	217,432
Exchange differences arising on translation to presentation currency	-	-	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of a property	-	-	-	-	-	2,119	(1,475,304)	-	-	(1,475,304)	(19,181)	(1,494,485)
Income tax relating to revaluation of a property	-	-	-	-	-	(310)	-	-	-	2,119	-	2,119
Share of other comprehensive income (expense) of associates	-	-	-	-	-	-	-	-	-	(310)	-	(310)
Total comprehensive income (expense) for the year, net of tax	-	-	-	-	-	1,809	(1,476,501)	2,184	193,840	(127,662)	4,411	(123,251)
Payment of dividends	-	-	-	-	-	-	-	-	(108,756)	(108,756)	-	(108,756)
Preferred distribution to convertible preference shareholders	-	-	-	-	-	-	-	-	(24,222)	(24,222)	-	(24,222)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve fund	-	-	-	-	-	-	-	85,073	(85,073)	-	-	-
At 31 December 2016	494,317	49,433	13,991,308	205,263	5,130	68,747	(1,094,402)	(103,123)	4,419,467	18,548,856	244,443	18,793,299

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating activities	經營活動		
Profit (loss) before tax	除稅前溢利 (虧損)	442,651	(266,968)
Adjustments for:	經以下調整:		
Interest expenses	利息開支	262,169	277,871
Interest income	利息收入	(55,174)	(86,985)
Dividend income from listed equity investments	上市股本投資股息收入	(687)	(1,107)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,179,238	1,223,662
Amortisation of prepaid lease payments	預付租賃款項攤銷	59,956	62,719
Amortisation of intangible assets	無形資產攤銷	19,623	13,877
Amortisation of mining rights	採礦權攤銷	36,850	41,249
Allowance for doubtful debts of trade receivables	應收貿易賬款之呆賬撥備	88,478	297
Gain from changes in fair value of financial assets designated as at FVTPL	按公平值透過損益列賬之金融資產公平值變動之收益	(88,354)	-
Release of deferred income – government grants	撥回遞延收益 – 政府補助	(455)	-
Impairment loss of available-for-sale investments	可供出售投資之減值虧損	2,928	2,588
Impairment loss of inventories	存貨之減值虧損	6,325	7,040
Impairment loss of property, plant and equipment	物業、廠房及設備之減值虧損	120,079	-
Impairment loss of prepaid lease payments	預付租賃款項之減值虧損	801	-
Impairment loss of other receivables	其他應收款項之減值虧損	95,756	-
Net impairment loss (reversal of impairment loss) recognised in respect of loan receivables	有關應收貸款之已確認減值虧損 (減值虧損撥回)淨額	5,862	(15,415)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	8,290	8,765
Share of profits of associates	應佔聯營公司之溢利	(172,795)	(122,050)
Share of loss of a joint venture	應佔一間合營公司之虧損	10,470	1,324
Exchange adjustments	匯兌調整	77,304	218,972



# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	<b>2,099,315</b>	1,365,839
(Increase) decrease in inventories	存貨(增加)減少	<b>(99,548)</b>	358,981
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	<b>15,459</b>	211,424
(Increase) decrease in trade receivables	應收貿易賬款(增加)減少	<b>(123,188)</b>	1,312,188
(Increase) decrease in held-for-trading investments	持作交易用途之投資(增加)減少	<b>(373)</b>	11,550
Increase (decrease) in trade payables	應付貿易賬款增加(減少)	<b>112,667</b>	(582,156)
Increase (decrease) in other payables and accrued liabilities	其他應付款項及應計負債增加(減少)	<b>100,370</b>	(501,756)
Cash generated from operations	經營所得現金	<b>2,104,702</b>	2,176,070
Income taxes paid	已付所得稅	<b>(123,344)</b>	(379,403)
Withholding tax paid on dividends/ interest received from associates/ subsidiaries	就收取聯營公司/附屬公司股息/利息所付之預扣稅	<b>(12,576)</b>	(24,779)
Net cash from operating activities	經營活動所得之現金淨額	<b>1,968,782</b>	1,771,888

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		NOTE 附註		
Investing activities	投資活動			
Net cash outflows from acquisition of subsidiaries	收購附屬公司之現金流出淨額	36	-	(1,684,635)
Interest received	已收利息		60,250	80,377
Dividends received from associates	已收聯營公司股息		177,335	325,344
Dividends received from listed equity investments	已收上市股本投資股息		687	1,107
Proceeds from realisation of derivative financial instruments	變現衍生金融工具之所得款項		87,958	-
Government grants received	已收政府補助		15,798	-
Purchase of property, plant and equipment	購買物業、廠房及設備		(364,923)	(407,234)
Payment for prepaid lease payments	支付預付租賃款項		(25,923)	(20,524)
Purchase of intangible assets	購買無形資產		(6,660)	(8,199)
Purchase of mining rights	購買採礦權		(185,795)	(106,261)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項		934	17,307
Advance to a joint venture	墊支一間合營公司		(53)	(78)
Repayment of loan and other receivables	償還應收貸款及其他應收款項		16,257	152,204
Placement of restricted bank deposits	存置受限制銀行存款		(1,319)	(147,604)
Withdrawal of restricted bank deposits	提取受限制銀行存款		-	74,180
Placement of pledged bank deposits	存置已抵押銀行存款		(1,205)	(85)
Withdrawal of pledged bank deposits	提取已抵押銀行存款		973	137,837
Withdrawal (placement) of time deposits	提取(存置)定期存款		298,831	(217,567)
Net cash from (used in) investing activities	投資活動所得(所用)之現金淨額		73,145	(1,803,831)

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financing activities	融資活動		
Repayment of bank loans	償還銀行貸款	(11,221,260)	(7,988,648)
Repayment to immediate holding company	向直屬控股公司還款	(931,200)	(1,937,500)
Interest paid	已付利息	(262,084)	(287,293)
Dividends paid to owners of the Company	已付本公司擁有人股息	(108,756)	(492,697)
Preferred distribution paid to convertible preference shareholders	已付可轉換優先股股東優先分派	(24,222)	(24,223)
Dividends paid to non-controlling shareholders	已付非控股股東股息	(12,216)	(16,422)
Repayment of long term and other payables	償還長期及其他應付款項	(7,034)	(43,478)
New bank loans raised	新增銀行貸款	8,932,856	6,178,867
Advance from immediate holding company	直屬控股公司墊款	620,800	1,937,500
Proceeds from issue of new shares	發行新股份之所得款項	-	3,625,208
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	-	(17,089)
Net cash (used in) from financing activities	融資活動(所用)所得之現金淨額	(3,013,116)	934,225
Net (decrease) increase in cash and cash equivalents	現金及現金等值(減少)增加淨額	(971,189)	902,282
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值	5,330,638	4,624,719
Effect of foreign exchange rate changes	外匯匯率變動之影響	(186,972)	(196,363)
Cash and cash equivalents at 31 December, represented by Cash and bank balances	於十二月三十一日之現金及現金等值·即現金及銀行結餘	4,172,477	5,330,638

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Company and its subsidiaries (the “Group”) consist of the import and distribution of cement in Hong Kong and the manufacture and distribution of cement, clinker, concrete and other cement related products in other areas of the People’s Republic of China (the “PRC”). Through its associates, the Group is also engaged in the production and distribution of ready-mixed concrete in Hong Kong. There were no significant changes in the nature of the Group’s principal activities during the year.

The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information and Key Dates” section to the Annual Report.

The parent company of the Company is TCC International Limited (incorporated in the British Virgin Islands and a wholly-owned subsidiary of Taiwan Cement Corporation). In the opinion of the directors of the Company (the “Directors”), Taiwan Cement Corporation (“T’Cement”), a company incorporated and whose shares are listed in Taiwan, is the Company’s ultimate holding company.

The functional currency of the Company and its major subsidiaries and associates is Renminbi (“RMB”). However, the consolidated financial statements of the Group are presented in Hong Kong Dollars (“HK\$”) as the Directors consider this presentation is more useful for its current and potential investors.

### 1. 一般資料

本公司為一家於開曼群島註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。

本公司及其附屬公司（「本集團」）之主要業務包括在香港經營水泥進口及分銷業務及在中華人民共和國（「中國」）其他地區經營水泥、熟料、混凝土及其他水泥相關產品製造及分銷業務。本集團亦透過其聯營公司在香港從事生產及分銷預拌混凝土。年內本集團主要業務性質概無重大變動。

本公司之註冊辦事處及主要營業地點已於本年報「公司資料及重要日期」一節披露。

本公司之母公司為TCC International Limited（於英屬處女群島註冊成立並為台灣水泥股份有限公司之全資附屬公司）。本公司之董事（「董事」）認為，在台灣註冊成立及其股份在台灣上市之台灣水泥股份有限公司（「T’Cement」）為本公司之最終控股公司。

本公司及其主要附屬公司及聯營公司之功能貨幣為人民幣（「人民幣」）。然而本集團之綜合財務報表以港元（「港元」）呈列，是因為董事認為此等呈列對現有及潛在之投資者更為適用。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 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 (the “HKICPA”) for the first time in the current year.

Amendments to HKFRS 11	Accounting for acquisitions of interest 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

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本

#### 於本年度強制生效之香港財務報告準則之修訂本

本集團已於本年度首次應用由香港會計師公會（「香港會計師公會」）頒佈之以下香港財務報告準則之修訂本。

香港財務報告準則第11號（修訂本）	收購合營業務權益之會計處理
香港會計準則第1號（修訂本）	披露主動性
香港會計準則第16號及香港會計準則第38號（修訂本）	折舊及攤銷可接受方法之澄清
香港會計準則第16號及香港會計準則第41號（修訂本）	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（修訂本）	投資實體：應用合併豁免
香港財務報告準則（修訂本）	香港財務報告準則二零一二至二零一四年週期的年度改進

於本年度應用上述香港財務報告準則之修訂本不會對本集團本年度及過往年度之財務表現及狀況及／或載於該等綜合財務報表之披露造成任何重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial instruments <sup>1</sup>
HKFRS 15	Revenue from contracts with customers and the related amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments, with HKFRS 4 Insurance contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture <sup>3</sup>
Amendments to HKAS 7	Disclosure initiative <sup>4</sup>
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses <sup>4</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 cycle <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2017.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

#### 已頒佈但尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提早應用以下已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	來自客戶合約的收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>2</sup>
香港財務報告準則第2號（修訂本）	以股份支付款項之交易之分類與計量 <sup>1</sup>
香港財務報告準則第4號（修訂本）	應用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號（修訂本）	投資者與其聯營公司或合營公司之間的出售或出資資產 <sup>3</sup>
香港會計準則第7號（修訂本）	披露主動性 <sup>4</sup>
香港會計準則第12號（修訂本）	就未變現虧損確認遞延稅項資產 <sup>4</sup>
香港財務報告準則（修訂本）	香港財務報告準則二零一四至二零一六年週期的年度改進 <sup>5</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零一九年一月一日或之後開始之年度期間生效。

<sup>3</sup> 於將予釐定之日期或之後開始之年度期間生效。

<sup>4</sup> 於二零一七年一月一日或之後開始之年度期間生效。

<sup>5</sup> 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 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 which are relevant to the Group are:

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

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（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號引入了有關金融資產、金融負債、一般對沖會計法的分類和計量新要求及金融資產減值的要求。

香港財務報告準則第9號與本集團有關之主要規定如下：

- 所有屬香港財務報告準則第9號範圍內確認之金融資產其後均須按攤銷成本或公平值計量。具體而言，運作模式以收取合同指定的現金流為目的、根據合同指定的現金流只有支付本金和欠款餘額之利息而持有的債務投資，於隨後的會計年度一般需以攤銷成本計量。於目的同時以收回合同現金流及出售金融資產的業務模式內持有的債務工具，及在其合同條款中令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的債務工具，其計量乃一般按公平值計量且其變動計入其他全面收益中。所有其他債務投資及權益投資均於其後報告期末按公平值計量。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（並非作為買賣）其後之公平值變動，只有股息收入於損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### HKFRS 9 Financial instruments (Continued)

- 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. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

### 香港財務報告準則第9號金融工具（續）

- 關於金融資產減值，香港財務報告準則第9號規定按預期信用損失模式計算，與香港會計準則第39號按已發生的信用損失模式計算相反。該預期信用損失模式規定實體須計算其預期信用損失及在每個期末的預期信用損失之變動以反映自初始確認時所產生的信用風險。換言之，現已毋須再待發生信用事件即可確認信用損失。
- 新的對沖通用會計規定保留現行香港會計準則第39號容許的三類對沖會計機制。然而香港財務報告準則第9號為符合對沖會計處理的交易類型引入更大的靈活性，尤其是擴闊符合對沖工具的工具類型及符合對沖會計處理的非財務項目的風險組成部分的類型。此外，亦取消效益量化的追溯測試。當中亦引入有關實體風險管理活動的強化披露規定。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 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, the Directors of the Company considered that the application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group’s financial assets. The Group’s available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

#### HKFRS 15 Revenue from contracts with customers

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

### 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

#### 香港財務報告準則第9號金融工具（續）

根據本集團於二零一六年十二月三十一日的金融工具及風險管理政策，本公司董事認為，於日後應用香港財務報告準則第9號或會對本集團的金融資產分類及計量產生重大影響。本集團的可供出售投資（包括目前按成本扣減值列賬者）可按公平值列賬並計入損益，或指定為按公平值列賬並於其他全面收益確認（須符合指定標準）。此外，預期信用損失模式可能導致本集團按攤銷成本計量的金融資產在尚未產生信用損失前作出提早撥備。

#### 香港財務報告準則第15號來自客戶合約的收益

香港財務報告準則第15號為實體將自客戶合約產生的收益入賬方法制定單一全面模式。香港財務報告準則第15號生效後，將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋的收益確認指引。

香港財務報告準則第15號的核心原則為實體應以可反映該實體預期就交換該等貨品或服務有權獲得的代價，確認向客戶轉讓承諾貨品或服務的收益。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立的合約

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### HKFRS 15 Revenue from contracts with customers (Continued)

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

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

Furthermore, extensive disclosures are required by HKFRS 15.

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

The Directors 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.

## 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

### 香港財務報告準則第15號來自客戶合約的收益（續）

- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於實體完成履約責任時（或就此）確認收益

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收益，即與特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。

此外，香港財務報告準則第15號要求更廣泛的披露資料。

二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、委託人及代理人之考慮及發牌的應用指引。

董事預期日後應用香港財務報告準則第15號或需作出更多披露，但本公司董事預期應用香港財務報告準則第15號不會對於各個報告期間確認的收益的時間及金額產生重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### 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.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use 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.

## 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

### 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。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關的詮釋。

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

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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### HKFRS 16 Leases (Continued)

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$53,009,000 as disclosed in note 46. 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 complete a detailed review.

The Directors do not anticipate that the application of the other new and amendments to HKFRSs will have material impact on the consolidated financial statements of the Group.

## 2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

### 香港財務報告準則第16號租賃（續）

根據香港會計準則第17號，本集團已確認租賃土地（本集團為承租人）的預付租賃款項。應用香港財務報告準則第16號可能導致該等資產在分類上的潛在變動，取決於本集團是否獨立呈列使用權資產，或包含於其相關資產類別內。

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於二零一六年十二月三十一日，本集團不可撤銷的經營租賃承擔為53,009,000港元（如附註46所披露）。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，在董事進行詳細審閱前，對財務影響作出合理估計並不可行。

董事預計，應用其他新訂香港財務報告準則及其修訂本不會對本集團的綜合財務報表造成重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“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 properties and financial instruments, that are measured at revalued amounts or fair values at the end of each reporting period, 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.

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 “Share-based payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of assets”.

### 3. 主要會計政策

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表已載入香港聯合交易所有限公司（「聯交所」）證券上市規則及香港公司條例（「公司條例」）規定之適用披露。

該等綜合財務報表乃按歷史成本法編製，惟若干物業及金融工具如下文所載主要會計政策所述乃於各報告期末按重估金額或公平值計算。

歷史成本一般根據貨物及服務交換代價之公平值而釐定。

公平值指於計量日期之市場參與者之間之有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格，不論該價格是否可直接觀察或採用另一項估值技術作出估計。於估計一項資產或負債之公平值時，本集團會考慮市場參與者於計量日期對資產或負債定價時所考慮之該資產或負債之特性。於該等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟香港財務報告準則第2號「以股份支付款項」範圍內之以股份支付款項之交易、香港會計準則第17號「租賃」範圍內之租賃交易、以及與公平值存在若干相似之處但並非公平值（例如香港會計準則第2號「存貨」內之可變現淨值或香港會計準則第36號「資產減值」內之使用價值）之計量除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

The principal accounting policies are set out below.

### 3. 主要會計政策 (續)

非金融資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

此外，就財務報告目的而言，公平值計量根據公平值計量之輸入資料可觀察程度及公平值計量之輸入資料對其整體之重要性分類為第一、二或三級，詳情如下：

- 第一級輸入數據為該實體於計量日期可獲得之相同資產或負債在活躍市場之報價（未經調整）；
- 第二級輸入數據為第一級所包括之報價以外而就資產或負債而言屬可直接或間接觀察之輸入數據；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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 component 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.

### 3. 主要會計政策 (續)

#### 綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制之實體之財務報表。當本公司符合以下各項時，即取得控制權：

- 擁有對被投資方之權力；
- 因其參與被投資方而承擔可變回報之風險或享有權利；及
- 有能力行使其權力以影響其回報。

倘有事實及情況顯示上述三項控制權因素中有一項或以上出現變化，本集團會重新評估其是否對被投資方擁有控制權。

綜合一間附屬公司於本集團取得附屬公司之控制權時開始，並於本集團失去該附屬公司之控制權時終止。具體而言，於本年度內收購或出售之附屬公司之收入及開支，自本集團取得控制權之日起至本集團失去控制之日計入綜合損益及其他全面收益表。

損益及其他全面收益各個組成部份歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益呈現虧絀結餘。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### **Basis of consolidation** *(Continued)*

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

#### **Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 3. 主要會計政策 (續)

#### **綜合基準 (續)**

如有需要，附屬公司之財務報表會作出調整，以使其會計政策與本集團之會計政策一致。

與本集團旗下成員公司之間之交易有關之所有集團內部資產及負債、權益、收入、開支及現金流量，將於綜合賬目時悉數對銷。

#### **本集團於現有附屬公司的擁有權權益的變動**

本集團於現有附屬公司之擁有權權益之變動並無導致本集團對附屬公司失去控制權，會作為權益交易入賬。本集團之相關權益部分（包括儲備）及非控股權益之賬面值經調整以反映彼等於附屬公司之有關權益變動。非控股權益於重新分配權益部分後經調整的金額與已付或已收代價的公平值間任何差額直接於權益中確認，並歸屬於本公司之擁有人。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Basis of consolidation (Continued)

#### Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### 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.

### 3. 主要會計政策 (續)

#### 綜合基準 (續)

#### 本集團於現有附屬公司的擁有權權益的變動 (續)

倘本集團失去附屬公司之控制權，則收益或虧損會於損益確認，並按(i)所收代價之公平值及任何保留權益之公平值之總額與(ii)本公司擁有人應佔該附屬公司之資產(包括商譽)及負債之賬面值間之差額計算。先前於其他全面收益就該附屬公司確認之所有金額，會按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則所訂明/允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留之任何投資之公平值，根據香港會計準則第39號被視為其後入賬初步確認之公平值，或(如適用)初步確認於聯營公司或合營公司之投資成本。

#### 業務合併

收購業務以收購法入賬。業務合併所轉讓之代價乃按計算本集團轉讓資產收購日期的公平值、本集團轉嫁予被收購方前擁有人之負債與本集團為換取被收購方控制權而發行之股本權益總和之公平值計值。收購相關成本一般於產生時在損益中確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Business combinations (Continued)

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income taxes” and HKAS 19 “Employee benefits”, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or the 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; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount 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.

### 3. 主要會計政策 (續)

#### 業務合併 (續)

於收購日期，所收購可識別資產及所承擔負債乃按公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份支付款項之安排有關或為取代被收購方以股份支付款項之安排而訂立之本集團以股份支付款項之安排有關之負債或權益工具，乃於收購日期按香港財務報告準則第2號「以股份支付款項」計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產（或出售組別）根據該準則計量。

商譽是以所轉讓之代價、非控股權益於被收購方中所佔金額、及收購方以往持有之被收購方股權之公平值（如有）之總和，減所收購可識別資產及所承擔負債於收購日期之淨值後，所超出之差額計值。倘經過重新評估後，所收購可識別資產與所承擔負債於收購日期之淨額高於轉讓之代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方權益之公平值（如有）之總和，則差額即時於損益內確認為議價收購收益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Business combinations (Continued)

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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### 3. 主要會計政策 (續)

#### 業務合併 (續)

屬現時擁有權益並賦予其持有人權利，於清盤時按比例分佔相關附屬公司之淨資產的非控股權益，可初步按非控股權益應佔被收購方可識別資產淨值已確認金額的比例計量。計量基準乃視乎每項交易而定。

當業務合併分階段實現，本集團過往持有之被收購方股權須按其收購日期（即本集團取得控制權之日期）公平值重新計量，而由此產生之收益或虧損（如有）須於損益中確認。於收購日期前自被收購方權益產生且過往已於其他全面收益中確認之金額，均重新分類至損益（該處理方法在出售該權益時亦適用）。

倘業務合併之初步會計處理於合併發生之報告期末前尚未完成，則本集團報告未完成會計處理之項目臨時數額。該等臨時數額會於計量期間予以調整，及確認額外資產或負債，以反映於收購日期已存在而據所知可能影響該日已確認金額之事實與情況所取得之新資訊。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Business combinations (Continued)

##### Acquisition of a subsidiary not constituting a business

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

#### Goodwill

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

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

### 3. 主要會計政策 (續)

#### 業務合併 (續)

收購一間附屬公司 (並無構成一項業務)  
在收購一組資產及負債並無構成一項業務的情況下，本集團識別及確認個別所收購的可識別資產及所承擔負債，方法為首先按彼等各自公平值將收購價分配至金融資產及金融負債，然後基於彼等於收購日期的相關公平值將餘下收購價分配至其他個別可識別資產及負債。該交易並無給商譽或議價收購收益帶來風險。

#### 商譽

收購一項業務所產生之商譽按於業務收購日期確立之成本減累計減值虧損 (如有) 入賬。

就減值測試而言，商譽乃被分配到預期從合併之協同效應中受益之本集團各現金產生單位 (「現金產生單位」) (或現金產生單位組別)，代表由集團基於內部管理的目的監控商譽的最小單元，且不大於經營分部。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Goodwill (Continued)

A CGU (or group of CGUs) 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 CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

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

#### Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

### 3. 主要會計政策 (續)

#### 商譽 (續)

已獲分配商譽之現金產生單位 (或現金產生單位組別) 每年或當單位有可能出現減值之跡象時更頻繁地進行減值測試。就於某個報告期間之收購所產生之商譽而言，已獲分配商譽之現金產生單位於該報告期末前進行減值測試。當 (或現金產生單位組別) 可收回數額少於賬面值，則減值虧損將先削減任何分配到該單位之商譽之賬面值，及其後以單位 (或現金產生單位組別) 各資產之賬面值為基準按比例分配到其他資產。

於出售有關現金產生單位時，釐定出售損益時會計入商譽應佔金額。

本集團有關收購聯營公司產生之商譽之政策詳述於下文。

#### 於聯營公司及合營公司之投資

聯營公司是指本集團對其有重大影響之實體。重大影響乃指擁有參與該投資對象之財務及經營決策之能力，惟並不控制或共同控制該等政策。

合營公司指一項合營安排，對安排擁有共同控制權之訂約方據此對合營安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有之控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and joint ventures (Continued)

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

### 3. 主要會計政策 (續)

#### 於聯營公司及合營公司之投資 (續)

聯營公司或合營公司之業績及資產與負債以權益會計法計入此等綜合財務報表內。就類似情況下之交易及事件而言，用作權益會計目的之聯營公司及合營公司財務報表乃按與本集團會計政策一致者編製。根據權益法，於聯營公司或合營公司之投資初步在綜合財務狀況表按成本確認，並於其後就確認本集團應佔該聯營公司或合營公司之損益及其他全面收入而作出調整。當本集團應佔一間聯營公司或合營公司之虧損超越本集團於該聯營公司或合營公司之權益（包括任何實質上構成本集團於該聯營公司或合營公司之投資淨額之長期權益）時，本集團終止確認其應佔之進一步虧損。當本集團產生法定或推定責任或代表該聯營公司或合營公司付款時，方會確認額外虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and joint ventures (Continued)

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

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

### 3. 主要會計政策 (續)

#### 於聯營公司及合營公司之投資 (續)

於被投資方成為一間聯營公司或合營公司當日，於聯營公司或合營公司之投資採用權益法入賬。於收購一間聯營公司或合營公司之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值之任何部份乃確認為商譽，並計入該投資之賬面值。倘本集團所佔可識別資產及負債於重新評估後之公平淨值高於投資成本，則會於投資被收購期間即時在損益確認。

香港會計準則第39號的規定被應用以釐定是否需要就本集團於聯營公司或合營公司的投資確認任何減值虧損。於需要時，該項投資的全部賬面值（包括商譽）會根據香港會計準則第36號「資產減值」以單一資產的方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本的較高者）與其賬面值。任何已確認的減值虧損構成該項投資的賬面值的一部份。有關減值虧損的任何撥回乃於該項投資的可收回金額其後增加的情況下根據香港會計準則第36號確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Investments in associates and joint ventures (Continued)

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

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 3. 主要會計政策 (續)

#### 於聯營公司及合營公司之投資 (續)

當本集團對聯營公司及合營公司不再有重大影響時，則入賬列為出售該被投資公司之全數權益，產生之收益或虧損於損益中確認。當本集團保留於前聯營公司或合營公司之權益，且保留權益為香港會計準則第39號範圍內之金融資產時，則本集團於當日按公平值計量保留權益，而公平值則被視為首次確認時之公平值。聯營公司或合營公司之賬面值與任何保留權益之公平值及出售聯營公司或合營公司相關權益之任何所得款項之間的差額，乃計入釐定出售聯營公司或合營公司之損益。此外，倘該聯營公司或合營公司直接出售相關資產或負債，則本集團可能需要按相同基準計入有關該聯營公司或合營公司的以往於其他全面收益確認的所有金額。因此，倘聯營公司或合營公司以往於其他全面收益確認之損益重新分類為出售相關資產或負債之損益賬，則本集團將於終止使用權益法時將盈虧自損益重新分類至損益（列作重新分類調整）。

倘一間集團實體與本集團的聯營公司或合營公司交易，與該聯營公司或合營公司交易所產生的損益僅會在有關聯營公司或合營公司的權益與本集團無關的情況下，才會在本集團的綜合財務報表確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts, returns and sales related taxes.

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

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

### 3. 主要會計政策 (續)

#### 收益確認

收益按已收或應收代價的公平值計算。收益扣除折扣、退貨及銷售相關稅項。

當收入金額能夠可靠計量；當未來經濟利益很有可能流入本集團及當本集團各項活動均符合具體條件時，本集團將確認收入，詳情如下。

銷售貨物的收益於貨物運送及所有權移交時確認。

服務收入於提供服務時確認。

利息收入按未償還本金額及適用的實際利率以時間比例計算。有關利率指將於初步確認時金融資產的估計未來所收現金在估計可使用期內折現至資產帳面淨值的利率。

投資所得股息收入於股東收取股息之權利確定時入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment

Leasehold land and office buildings held for use in the production or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on revaluation of such land and buildings is recognised in other comprehensive income and accumulated in land and building revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the land and building revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the land and building reserve is transferred directly to retained earnings.

Property, plant and equipment (other than leasehold land and office building and construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

### 3. 主要會計政策 (續)

#### 物業、廠房及設備

持作生產或行政用途之租賃土地及辦公室樓宇按其重估金額(即於重估日期之公平值減其後任何累計折舊及其後任何累計減值虧損)於綜合財務狀況表中列賬。重估將會定期進行,以使賬面值不會與於報告期末採用之公平值所釐定之金額相差過大。

任何重估該等土地及樓宇所產生之重估增值均於其他全面收益確認並於土地及樓宇重估儲備累計,惟其撥回該資產先前於損益賬確認之重估減值除外,在此情況下,重估增值按先前已扣除之重估減值計入損益賬。重估該等土地及樓宇所產生之賬面值減少若超過該項資產於先前之有關重估土地及樓宇重估儲備之餘額(如有),則於損益賬確認。其後出售或棄用一項重估資產時,土地及樓宇儲備內餘下之應佔重估盈餘將直接撥入保留盈利中。

物業、廠房及設備(租賃土地及辦公室樓宇以及在建工程除外)乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment (Continued)

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 assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than properties under construction) less their residual values over their useful lives, using 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.

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 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.

#### 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.

### 3. 主要會計政策 (續)

#### 物業、廠房及設備 (續)

在建中以供生產、供應或管理之物業乃按成本減任何已確認減值虧損列賬。成本包括專業費用及按本集團會計政策於合資格資產被資本化借貸成本。該等物業於竣工及可作擬定用途時分類為適當之物業、廠房及設備類別。該等資產於可作擬定用途時，按與其他資產之相同基準作出折舊。

除在建物業外，折舊乃按資產之可用年期減其殘值後以直線法撇銷其成本或估值。估計可使用年期、殘值及折舊方法於各報告期末審查，而任何變動之影響以預期基準列賬。

物業、廠房及設備項目於出售或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生之任何收益或虧損乃按銷售所得款項與該資產賬面值之差額釐定，並於損益確認。

#### 租約

倘租約之條款實質上將擁有權之絕大部份風險及回報轉移至承租人，租約被分類為融資租約。所有其他租約被分類為經營租約。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leasing (Continued)

##### *The Group as lessee*

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

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.

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.

### 3. 主要會計政策 (續)

#### 租約 (續)

##### 本集團作為承租人

經營租賃款項(包括收購根據經營租約持有土地次成本)按直線基準在各租賃期間確認為費用。

倘訂立經營租約可獲得租賃優惠，則有關優惠確認為負債。優惠的利益總額按直線基準確認為租金支出減少。

##### 租賃土地及樓宇

倘租約包括土地及樓宇部份，則本集團根據對各部份的擁有權所附帶的絕大部份風險及回報是否已轉讓予本集團的評估，獨立將各部份分類評估為融資或經營租約，除非兩部份明顯為經營租約，在該情況下，則整份租約分類為經營租約。具體而言，最低租賃付款(包括任何一次性預付款項)乃按租賃土地部份及樓宇部份於租約開始時的租賃權益相對公平值比例於土地及樓宇部份之間分配。

倘能可靠分配租賃款項，作為經營租約入賬的租賃土地權益於綜合財務狀況表內呈列為「預付租賃款項」並按直線法於租賃期內攤銷。當租賃款項未能於土地及樓宇部份之間可靠分配時，整份租約一般分類為融資租約。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 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 (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing 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 retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong Dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (exchange fluctuation reserve). Exchange differences resulting from translation of non-foreign operations to the Group's presentation currency accumulated in equity is reclassified to retained earnings upon disposal of relevant group entity.

### 3. 主要會計政策 (續)

#### 外幣

於編製各個別集團實體之財務報表時，以功能貨幣以外貨幣（外幣）進行之交易乃按交易日期之適用匯率確認。於報告期末，以外幣列值之貨幣項目按該日之適用匯率重新換算。按公平值入賬及以外幣列值之非貨幣項目按公平值釐定當日之適用匯率重新換算。以外幣及按過往成本計算之非貨幣項目不進行重新換算。

貨幣項目結算及貨幣項目重新換算產生之匯兌差額於該等差額產生期間之損益內確認。

就綜合財務報表呈列而言，本集團業務之資產及負債乃按於各報告期末之適用匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目按該期間之平均匯率換算，除非於該期間之匯率大幅波動則除外，於此情況下，則按交易日之匯率換算。產生之匯兌差額（如有）乃於其他全面收益內確認及於權益（外匯浮動儲備）內累計。換算非海外業務為本集團之呈列貨幣所產生並累計入權益之匯兌差額於出售有關集團實體時重新分類至保留盈利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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.

#### 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 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

### 3. 主要會計政策 (續)

#### 借貸成本

收購、興建或生產合資格資產之直接應佔借貸成本，乃撥充該等資產之成本，直至有關資產大致上可作擬定用途或銷售為止，而合資格資產為需較長時間預備以用於擬定用途或銷售之資產。

借貸擬應用於合資格資產之短期投資所賺取之投資收入自合資格資本化之借貸成本中扣除。

所有其他借貸成本於發生期間在損益內確認。

#### 政府補助

政府補助乃當可合理保證本集團將符合其附帶之條件且該等補助將收取時方予確認。

政府補助按系統化基準於本集團將由政府補助補償之相關成本確認為開支之各期間在損益內確認。具體而言，主要條件為本集團應購買、興建或以其他方法收購非流動資產之政府補助金乃於綜合財務狀況表確認為遞延收益，並且在有關資產之可用年期內有系統及合理地計入損益內。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Government grants (Continued)

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.

#### Retirement benefit costs

Payments to defined contribution retirement benefits scheme including Mandatory Provident Fund Scheme and the employee's pension schemes of the respective municipal government in various places in the PRC where the Group operates are recognised as an expense when employees have rendered service entitling them to the contributions.

#### 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 income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### 3. 主要會計政策 (續)

#### 政府補助 (續)

用作補償本集團已產生開支或虧損或旨在為本集團提供即時財務資助(而無未來相關成本)的應收政府補助,乃於應收期間於損益確認。

#### 退休福利成本

界定供款退休福利計劃付款包括強制性公積金計劃及本集團經營所在之中國各地市政府之僱員退休金計劃,於僱員提供服務而享有有關供款時確認為開支。

#### 稅項

所得稅支出指現時應付稅項及遞延稅項之總額。

現時應付稅項乃按本年度應課稅溢利計算。由於在其他年度應課稅或可扣稅收入或開支及不能課稅或不可扣稅之項目,應課稅溢利與綜合損益及其他全面收益表中所報「除稅前溢利」不同。本集團之即期稅項之負債採用於報告期末已頒佈或實質頒佈之稅率計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of 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 differences arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 and interests 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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項為於綜合財務報表資產及負債賬面值與用以計算應課稅溢利相應稅基之臨時差額而確認之稅項。遞延稅項負債通常會就所有應課稅臨時差額確認。遞延稅項資產通常會在應課稅溢利足以用作抵扣該等臨時差額的限度內，才予以確認。若於一項交易中，因業務合併以外原因初次確認資產及負債而引致之臨時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等遞延稅項資產及負債。此外，若臨時差額產生自商譽之初次確認，則不會確認遞延稅項負債。

遞延稅項負債就於與附屬公司、聯營公司之投資及合營公司之權益有關之應課稅臨時差額予以確認，惟本集團有能力控制臨時差額撥回之情況除外，而臨時差額很可能不會於可見將來撥回。與該等投資及權益相關之可扣減臨時差額所產生之遞延稅項資產，僅在可能出現可利用臨時差額扣稅之足夠應課稅溢利時，並預期於可見將來撥回時確認。

遞延稅項資產之賬面值於各報告期末作檢討，並在沒可能會有足夠應課稅溢利恢復全部或部份資產價值時作調減。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

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 rates (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.

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

#### Intangible assets

##### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. 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 at any changes in estimate being accounted for on a prospective basis.

### 3. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項資產及負債乃按預期於負債獲償還或資產變現期間的適用稅率(以報告期末已生效或實質上已生效的稅率(及稅法)為基準)計算。

遞延稅項負債及資產的計量,反映本集團於報告期末所預期對收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

即期及遞延稅項於損益確認,惟當其與於其他全面收益確認或直接於權益確認的項目相關(於該情況下,即期及遞延稅項亦分別於其他全面收益確認或直接於權益確認)時除外。就業務合併初步會計處理所產生即期稅項或遞延稅項之稅務影響已計入業務合併之會計處理內。

#### 無形資產

##### 獨立收購之無形資產

獨立收購而擁有有限使用年期之無形資產按成本減累計攤銷及任何累計減值虧損呈列。擁有有限使用年期之無形資產以直線法於估計可使用年期內確認攤銷。估計可使用年期及攤銷法會於各報告期末檢討,並按未來應用基準就任何估計變動之影響入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Intangible assets (Continued)

##### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and 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 the profit or loss when the asset is derecognised.

### 3. 主要會計政策 (續)

#### 無形資產 (續)

##### 於業務合併中所收購之無形資產

於業務合併中所收購之無形資產乃自商譽分開確認，並初步確認彼等於收購日期之公平值（視為彼等之成本）。

初步確認後，於業務合併中所收購之擁有有限使用年期之無形資產按成本減累計攤銷及任何累計減值虧損呈報，基準與獨立收購之無形資產相同。擁有有限使用年期之無形資產以直線法於其估計可使用年期内確認攤銷。

無形資產於出售或當預期使用或出售時不會帶來未來經濟利益時終止確認。因終止確認無形資產而產生之損益按出售所得款項淨額與資產賬面值之差額計量，並於終止確認資產時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment 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 CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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

### 3. 主要會計政策 (續)

#### 有形及無形資產(商譽以外)之減值

於報告期末，本集團檢討其有限可使用年期之有形及無形資產之賬面值，以釐定該等資產是否錄得任何跡象顯示出現減值虧損。如有任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損(如有)之程度。倘不可能估計個別資產之可收回金額，則本集團會估計其所屬現金產生單位之可收回金額。倘可識別合理而貫徹一致之分配基準，則公司資產亦會分配至個別現金產生單位，或以其他方式分配至有可識別合理而貫徹一致之分配基準之最小組別之現金產生單位。

可收回金額乃公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，乃按稅前貼現率將估計未來現金流量貼現至其現值，有關貼現率反映有關資產特定之金錢時間價值及風險之現時市場評估，其中估計未來現金流量未經調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment on tangible and intangible assets other than goodwill (Continued)

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

### 3. 主要會計政策 (續)

#### 有形及無形資產(商譽以外)之減值虧損(續)

倘估計資產(或現金產生單位)之可收回金額低於其賬面值,則將該資產(或現金產生單位)之賬面值削減至其可收回金額。於分攤減值損失時,首先分攤減值損失削減任何商譽之賬面值(如適用),再根據單元中各項資產之賬面價值按比例削減其他資產。各項資產之賬面價值不得削減低於以下三者之中最高者:其公平價值減處置成本(如可計量)、其使用價值(如可釐定)及零。將以其他方式分攤至資產之減值損失金額按比例分攤至其他資產。減值虧損即時於損益內確認,除非相關資產根據另一項準則按重估金額入賬,在此情況下,減值虧損則根據該項準則被視為重估減少。

倘減值虧損隨後撥回,則該資產(或現金產生單位)之賬面值會增加至其可收回金額之重新估值;但增加後之賬面值不得超過該資產(或現金產生單位)於過往年度如無確認減值虧損時應確定之賬面值。減值虧損撥回即時於權益內確認,除非相關資產根據另一項準則按重估金額計值,在此情況下,減值虧損撥回則根據該項準則被視為重估增加。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost 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 the costs necessary to make the sale.

#### 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 and financial liabilities at fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in profit or loss.

### 3. 主要會計政策 (續)

#### 存貨

存貨乃按成本及可變現淨值之較低者列賬。存貨成本包括直接材料與(倘適用)直接勞工成本及將存貨運往現有地點及達致現有狀況所涉及開支。存貨成本按加權平均成本法計算。可變現淨值是根據存貨之估計售價減所有預期完工成本及作出銷售所需之成本後之價值。

#### 金融工具

倘集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。

金融資產及金融負債初步按公平值計算。因收購或發行金融資產及金融負債(不包括按公平值計入損益之金融資產及金融負債)而直接產生之交易成本，於初次確認時加入金融資產之公平值或自金融負債之公平值扣除(如適用)。因收購按公平值計入損益之金融資產或金融負債而直接產生之交易成本即時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”), available-for-sale financial assets (“AFS”) and 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 other than those financial assets classified as at FVTPL.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 金融資產

金融資產分類為以下具體分類：按公平值計入損益（「按公平值計入損益」）之金融資產、可供出售金融資產（「可供出售」）及貸款及應收款項。分類基於金融資產之性質及用途並於初步確認時釐定。所有一般性購買或銷售金融資產按交易日期基準確認或終止確認。一般性購買或銷售為按於市場規定或慣例確立之時間期限內交付資產之金融資產之購買或銷售。

##### 實際利率法

實際利率法乃計算債務工具之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃將估計日後現金收入（包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他所有溢價或折價）按債務工具之預期使用年期，或較短期間（倘適用）實際折現至於初步確認時之賬面淨值之利率。

除該等分類為按公平值計入損益之金融資產外，就債務工具而言，利息收入按實際利率基準確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**Financial instruments (Continued)**

**Financial assets (Continued)**

**Financial assets at FVTPL**

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is a part of a portfolio of identified financial instruments 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 assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial assets. Fair value is determined in the manner described in Note 43.

**AFS financial assets**

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables (b) held-to-maturity investments or (c) financial assets at FVTPL.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

### 3. 主要會計政策 (續)

**金融工具 (續)**

**金融資產 (續)**

**按公平值計入損益之金融資產**

金融資產在以下情況分類為持作買賣：

- 其主要為於不久將來出售而購買；或
- 於初步確認時，其為本集團共同管理之已識別金融工具組合之一部份，且最近有短期獲利之實際模式；或
- 其為衍生工具，但並非為指定及有效之對沖工具。

按公平值計入損益之金融資產乃以公平值列賬，因重新計量而產生之任何收益或虧損直接於損益賬確認。於損益賬確認之淨收益或虧損不包括金融資產所賺取之任何股息。公平值按附註43所述之方式釐定。

**可供出售金融資產**

可供出售金融資產為指定為可供出售或並非分類為(a)貸款及應收款項(b)持至到期投資或(c)按公平值計入損益之金融資產之非衍生工具。

就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公平值未能可靠計算，及與該等無報價股本投資掛鉤及必須透過交付該等股本投資進行結算之衍生工具，則可供出售之股本投資於各報告期末按成本值減任何已識別減值虧損計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 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 receivables, other receivables, loan receivables, time deposits, cash and bank balances and pledged bank deposits) are measured at amortised cost using the effective interest method, less any impairment.

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

*Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it is 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)*

*貸款及應收款項*

貸款及應收款項為附帶固定或可釐定付款之非衍生性質金融資產，且並無在活躍市場報價。於初步確認後，貸款及應收款項（包括應收貿易賬款、其他應收款項、應收貸款、定期存款、現金及銀行結餘及已抵押銀行存款）採用實際利率法按攤銷成本，減任何減值計量。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項除外。

*金融資產減值*

在各報告期末會評估金融資產（按公平值計入損益之金融資產除外）是否有任何減值跡象。倘若有任何客觀證據表明，由於一個或多個於初步確認金融資產後發生之事項，金融資產之估計未來現金流受到影響，則金融資產被視為減值。

就所有其他金融資產而言，減值之客觀證據可能包括：

- 發行人或交易對方出現嚴重財務困難；或
- 違反合約，如逾期或拖欠利息或本金還款；或
- 借款人很有可能將宣告破產或進行財務重組。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**Financial instruments (Continued)**

**Financial assets (Continued)**

**Impairment of financial assets (Continued)**

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, 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.

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

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

### 3. 主要會計政策 (續)

**金融工具 (續)**

**金融資產 (續)**

**金融資產減值 (續)**

應收賬款組合減值之客觀證據可能包括本集團之過往收款經驗，組合內延遲還款至超逾平均信貸期之次數增加，與應收賬款逾期有關之全國或地方經濟狀況明顯改變。

就以攤銷成本列值之金融資產而言，已確認減值虧損金額為資產賬面值與按金融資產之原實際利率對估計未來現金流量進行折現後之現值兩者之間之差額。

就以成本列值之金融資產而言，減值虧損金額按資產賬面值與按類似金融資產當時之市場回報率對估計未來現金流量進行折現後之現值兩者之間之差額計量。有關減值虧損不會在其後期間轉回。

對於所有金融資產，金融資產賬面值會直接因減值虧損而減少，但應收貿易賬款及其他應收款項除外，在此情況下，賬面值通過採用備抵賬減少。備抵賬賬面值之變動在損益中確認。當應收貿易賬款及其他應收款項視為不可收回，則會與備抵賬撇銷。先前撇銷而其後收回之款項會計入損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**Financial instruments (Continued)**

*Financial assets (Continued)*

*Impairment of financial assets (Continued)*

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 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.

*Financial liabilities and equity instruments*

Debt 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 an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 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)*

有關以攤銷成本計量之金融資產，在後續期間，如果減值虧損金額減少，而有關減少客觀上與確認減值之後發生之事項有聯繫，則以前確認之減值虧損會透過損益轉回，但該轉回不應導致該投資在減值轉回日期之賬面值超過不確認減值情況下之已攤銷成本。

*金融負債及股本工具*

由集團實體發行之債務及股本工具按合約安排性質，以及金融負債及股本工具之定義分類為金融負債或股本。

*股本工具*

股本工具為證明一間實體之資產剩餘權益（經扣除其所有負債）之任何合約。由本集團發行之股本工具按收取之款項扣除直接發行成本確認。

購回本公司自身之股本工具直接在權益中確認及扣除。購買、出售、發行或註銷本公司自身之股本工具不在損益中確認收益或虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

**Financial instruments (Continued)**

*Financial liabilities and equity instruments (Continued)*

*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.

*Financial liabilities at amortisation costs*

Financial liabilities including trade payables, other payables, bank loans and amount due to immediate holding company are subsequently measured at amortised cost, using the effective interest method.

*Non-redeemable convertible preference shares*

Non-redeemable convertible preference shares in which the Group has no contractual obligation to redeem and will be only settled by the exchange of fixed number of the Group's own equity instruments is classified as equity instruments.

The balance will be transferred to share capital and share premium once preference shares are converted. Any excess of par value of issued ordinary shares will be transferred to share premium.

### 3. 主要會計政策 (續)

**金融工具 (續)**

*金融負債及股本工具 (續)*

*實際利率法*

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息開支之方法。實際利率乃將估計日後現金付款(包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他溢價或折價)按金融負債之預期使用年期,或較短期間(倘適用)實際折現至於初步確認時之賬面淨值之利率。利息支出按實際利率基準確認。

*按攤銷成本計量之金融負債*

金融負債包括應付貿易賬款、其他應付款項、銀行貸款及應付直屬控股公司款項,其後採用實際利率法按攤銷成本計量。

*不可贖回可轉換優先股*

本集團並無合約責任贖回並將僅透過交換固定數目之本集團自身股本工具結算之不可贖回可轉換優先股分類為股本工具。

一旦轉換優先股,餘額將轉撥至股本及股份溢價。超過已發行普通股面值之部份將轉至股份溢價。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

#### **Financial instruments** *(Continued)*

##### *Financial liabilities and equity instruments* *(Continued)*

###### *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL are subsequently measured at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, contingent liabilities and contingent assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guarantee period.

###### *Derivative financial instruments*

Derivative are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to the fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### 3. 主要會計政策 (續)

#### **金融工具** (續)

##### *金融負債及股本工具* (續)

###### *財務擔保合約*

財務擔保合約乃規定發出人向持有人支付指定金額，以補償持有人由於指定欠債人未能根據債務工具原始或經修訂條款於到期時付款而蒙受之損失之合約。

由本集團發出之並非指定為按公平值透過損益列賬之財務擔保合約初步按公平值計量，其後按以下各項較高者計量：(i)合約責任金額（根據香港會計準則第37號「撥備、或然負債及或然資產」釐定）；及(ii)初步確認金額減（如適當）擔保期間確認之累計攤銷。

###### *衍生金融工具*

衍生工具初步於訂立衍生合約日期按公平值確認，其後於報告期末按其公平值重新計量。所得出之收益或虧損即時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable 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.

#### Share-based payment transactions

##### Share options granted to employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

### 3. 主要會計政策 (續)

#### 金融工具 (續)

##### 終止確認

本集團僅當於金融資產之現金流量合約權利屆滿時終止確認該資產。

終止確認金融資產時，資產賬面值與已收及應收代價總和之間之差額於損益確認。

本集團僅於其責任已被解除、註銷或屆滿時方會終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之間之差額於損益確認。

#### 以股份支付款項之交易

##### 授予僱員之購股權

就達成特定歸屬條件方可授出購股權而言，所獲服務之公平值參考購股權於授出日期之公平值釐定，且於歸屬期內以直線法支銷，並相應增加股本（購股權儲備）。

本集團於各個報告期末修訂其對預期最終歸屬之購股權數目之估計。歸屬期內修訂該等估計之影響（如有）於損益中確認，而因此累計開支反映經修訂估計，並對購股權儲備作出相應調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

*(Continued)*

**Share-based payment transactions** *(Continued)*

**Share options granted to employees** *(Continued)*

When the share options are exercised, the amount previously recognised in 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 earnings.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTIES

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

The estimates and underlying 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.

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

### 3. 主要會計政策 (續)

**以股份支付款項之交易 (續)**

**授予僱員之購股權 (續)**

購股權獲行使時，過往於購股權儲備確認之數額將轉撥至股份溢價。當購股權於歸屬日期後遭沒收或於屆滿日期仍未獲行使，則過往於購股權儲備確認之數額將轉撥至保留盈利。

### 4. 不確定估計之主要來源

於應用本集團載於附註3之會計政策時，本公司董事須對於無法從其他來源清楚得知之資產及負債之帳面金額作出判斷、估計及假設。估計及相關假設乃基於過往經驗及其他被視為相關之因素。實際結果與該等估計可能存在差異。

估計及相關假設乃以持續基準審閱。倘對會計估計之修訂只對該期間有影響，有關修訂乃於修訂有關估計之期間確認，或倘有關修訂對本期間及未來期間均有影響，則於修訂期間及未來期間確認。

以下為於報告期末所作出有關未來之主要假設及不確定因素之其他主要來源，並具有重大風險而可能導致須於下個財政年度就資產之賬面值作出重大調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTIES (Continued)

#### Impairment of goodwill

Determining the amount of impairment for goodwill requires an estimation of the recoverable amount, which is the value in use of the cash-generating units ("CGUs") or groups of CGUs to which goodwill is allocated. The value in use calculation uses cash flow projections based on financial budgets approved by the management and requires key assumptions, including the discount rates, expected growth rates, sales volume and selling prices of the products. As at 31 December 2016, the carrying amount of goodwill is HK\$3,331,809,000 (2015: HK\$3,555,995,000). Details of the recoverable amount calculation are disclosed in Note 18.

#### Valuation of trade receivables, loan receivables and other receivables

In determining the recoverability and allowance amount of trade receivables, the management considers the credit quality of individual trade receivables, including default or delay in payments, settlement records, subsequent settlements and ageing analysis of the trade receivables.

### 4. 不確定估計之主要來源 (續)

#### 商譽減值

釐定商譽的減值金額需要評估可收回金額，即已分配至商譽所屬的現金產生單位（「現金產生單位」）或現金產生單位組別的使用價值。使用價值計算使用根據管理層批准之財務預算作出之現金流量預測並須作出關鍵假設，包括折現率、預期增長率、產品銷售量及售價。於二零一六年十二月三十一日，商譽之賬面值約為3,331,809,000港元（二零一五年：3,555,995,000港元）。可收回金額計算之詳情乃於附註18披露。

#### 應收貿易賬款、應收貸款及其他應收款項之估值

於釐定應收貿易賬款之可收回性及撥備金額時，管理層會考慮個別應收貿易賬款的信貸質素，包括拖欠或延遲付款、償付記錄、後續償付及應收貿易賬款賬齡分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTIES (Continued)

#### Valuation of trade receivables, loan receivables and other receivables (Continued)

Where there is objective evidence of impairment of other receivables and loan receivables, the management determines the recoverability and allowance amount of other receivables and loan receivables by considering any significant financial difficulty of the counterparty, breach of contract such as default or delinquency in interest or principal payments or possibility that the borrower will enter bankruptcy or financial re-organisation.

As at 31 December 2016, the carrying amount of (i) trade receivables being overdue are HK\$66,478,000; (ii) advances to independent third parties included in other receivables are HK\$139,982,000 (2015: HK\$237,452,000) (net of accumulated impairment loss of HK\$106,315,000 (2015:HK\$15,767,000)); (iii) loan receivables due from various government sectors are HK\$38,373,000 (2015: HK\$62,433,000) (net of accumulated impairment of HK\$85,655,000 (2015: HK\$85,058,000)).

### 4. 不確定估計之主要來源 (續)

#### 應收貿易賬款、應收貸款及其他應收款項之估值 (續)

倘有客觀證據顯示其他應收款項及應收貸款出現減值，管理層會釐定其他應收款項及應收貸款的可收回性及撥備金額，方式為考慮對手方的任何重大財政困難、違約（如拖欠或或未能償還利息或本金款項）或借款人陷入面臨破產或財務重組之可能性。

於二零一六年十二月三十一日，(i)逾期應收貿易賬款賬面值為66,478,000港元；(ii)向獨立第三方之墊款（計入其他應收款項）賬面值為139,982,000港元（二零一五年：237,452,000港元）（扣除累計減值虧損106,315,000港元（二零一五年：15,767,000港元））；(iii)應收多個政府部門之貸款賬面值為38,373,000港元（二零一五年：62,433,000港元）（扣除累計減值85,655,000港元（二零一五年：85,058,000港元））。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTIES (Continued)

#### Depreciation and impairment of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment to be within 5 to 50 years. The carrying amount of the Group's property, plant and equipment at 31 December 2016 was HK\$15,009,306,000 (2015: HK\$17,102,276,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment are assessed for impairment when facts and circumstances suggest that the carrying amounts of the property, plant and equipment may exceed their recoverable amounts. The Directors of the Company exercise their judgement in estimating the recoverable amount. Where the recoverable amount is less than its carrying amount, an impairment loss may arise. The Directors conducted a review of the Group's production assets and determined that the assets of certain subsidiaries were fully impaired because it is expected that these assets will not generate future benefit to the Group. During the year ended 31 December 2016, impairment loss of HK\$120,079,000 (2015: Nil) has been recognised in respect of those property, plant and equipment (see Note 15).

### 4. 不確定估計之主要來源 (續)

#### 物業、廠房及設備折舊及減值

物業、廠房及設備於其估計可用年期按直線基準計算折舊。管理層估計物業、廠房及設備之使用年限將介於5至50年之間。於二零一六年十二月三十一日，本集團物業、廠房及設備之賬面值為15,009,306,000港元（二零一五年：17,102,276,000港元）。預期使用水平及技術發展之變動可對該等資產之經濟使用年限及殘值造成影響，因此，可對日後折舊開支作出修訂。倘事實及情況表明物業、廠房及設備之賬面值可能超過其可收回金額，則就減值評估物業、廠房及設備之賬面值。本公司董事於估計可收回金額時作出其判斷。倘可收回金額低於其賬面值，則可能產生減值虧損。董事對本集團產生資產進行審閱，並因預計該等資產將不會為本集團產生未來溢利而釐定若干附屬公司資產為悉數減值。截至二零一六年十二月三十一日止年度，已就該等物業、廠房及設備確認減值虧損120,079,000港元（二零一五年：無）（見附註15）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTIES (Continued)

#### Estimated impairment of inventories

The Group makes impairment loss of inventories based on an assessment of the net realisable value of inventories. Impairment losses are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgement and estimates on the conditions and usefulness of the inventories. In cases where the net realisable value of inventories assessed are less than expected, a recognition of impairment loss of inventories may arise, which would be recognised in profit or loss in the period in which such recognition takes place. At 31 December 2016, the carrying amount of inventories is HK\$1,175,793,000 (2015: HK\$1,082,570,000) (net of accumulated impairment of HK\$60,575,000 (2015: HK\$57,941,000)).

#### Deferred tax assets

The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than or more than expected, a reversal or a recognition of deferred tax assets would be recognised on profit or loss in the consolidated statement of comprehensive income for the year in which such a reversal or recognition takes place. As at 31 December 2016, the carrying amount of deferred tax assets is HK\$114,455,000 (2015: HK\$143,294,000).

### 4. 不確定估計之主要來源 (續)

#### 存貨減值

本集團根據存貨可變現淨值的估計作出存貨減值虧損。倘出現事件或情況變動顯示可變現淨值低於存貨成本，則會對存貨作出減值虧損。陳舊存貨的識別須對存貨狀況及有效性作出使用判斷及估計。倘評估存貨的可變現淨值較預期少，或須就存貨確認減值虧損，並將於確認該減值虧損期間於損益中確認。於二零一六年十二月三十一日，存貨的賬面值為1,175,793,000港元（二零一五年：1,082,570,000港元）（扣除累計減值60,575,000港元（二零一五年：57,941,000港元））。

#### 遞延稅項資產

遞延稅項資產之可變現能力主要取決於未來可否獲得足量的溢利或應課稅暫時差額。在實際產生之未來溢利低於或高於預期的情況下，撥回或確認遞延稅項資產可於撥回或確認年度綜合全面收益表之損益中確認。於二零一六年十二月三十一日，遞延稅項資產之賬面值為114,455,000港元（二零一五年：143,294,000港元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the reportable segments are as follows:

- (i) the import, distribution and handling of cement segment which is the import, distribution and handling of cement in Hong Kong;
- (ii) the manufacture and distribution of cement, clinker, concrete and other cement related products segment which is the manufacture and distribution of cement, clinker, concrete and other cement related products in the PRC; and
- (iii) the investment holding segment which is the investments in listed and unlisted equity securities and management of exchange rate exposure through currency derivatives.

### 5. 分部資料

本集團之經營業務乃按業務之性質及該等業務所提供之產品及服務作出分類安排及管理。本集團各經營分部為一策略業務單位，所提供產品及服務之風險與回報均與其他經營分部有所不同。可呈報分部之詳情概要如下：

- (i) 進口、分銷及處理水泥分部（即於香港進口、分銷及處理水泥）；
- (ii) 製造及分銷水泥、熟料、混凝土及其他水泥相關產品分部（即於中國製造及分銷水泥、熟料、混凝土及其他水泥相關產品）；及
- (iii) 投資控股分部（即投資於上市及非上市股本證券及透過外匯衍生工具管理匯率風險）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (Continued)

#### Segment revenue and results

The following table presents revenue and results by reportable segments.

### 5. 分部資料 (續)

#### 分部收益及業績

下表呈列按可呈報分部劃分之收益及業績。

		Import, distribution and handling of cement		Manufacture and distribution of cement, clinker, concrete and other cement related products		Investment holding		Elimination		Consolidated	
		進口、分銷及處理水泥		製造及分銷水泥、熟料、混凝土及其他水泥相關產品		投資控股		抵銷		綜合	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Segment revenue	分部收益										
Sales to external customers	銷售予外部客戶	364,382	442,171	11,048,432	10,468,898	-	-	-	-	11,412,814	10,911,069
Inter-segment sales	分部間銷售	-	-	48,306	17,622	-	-	(48,306)	(17,622)	-	-
		364,382	442,171	11,096,738	10,486,520	-	-	(48,306)	(17,622)	11,412,814	10,911,069
Segment profit (loss)	分部溢利(虧損)	66,965	78,341	640,121	129,661	63,122	(21,092)	-	-	770,208	186,910
Unallocated central administration costs	未分配中央行政成本									(133,153)	(98,969)
Unallocated other income, gains and losses	未分配其他收入、收益及虧損									(94,560)	(197,764)
Finance costs	融資成本									542,495	(109,823)
Share of profits of associates	應佔聯營公司之溢利									(262,169)	(277,871)
Share of loss of a joint venture	應佔一間合營公司之虧損									172,795	122,050
										(10,470)	(1,324)
Profit (loss) before tax	除稅前溢利(虧損)									442,651	(266,968)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (Continued)

#### Segment revenue and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs (including Directors' salaries), certain other income, gains and losses, finance costs, share of profits of associates and share of loss of a joint venture. This is the measure reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market prices.

The Group has no customers that contributed over 10% of the total revenue of the Group for both years.

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the executive Directors for review.

### 5. 分部資料 (續)

#### 分部收益及業績 (續)

經營分部之會計政策與本集團於附註3所載之會計政策相同。分部溢利(虧損)乃指在未分配中央行政成本(包括董事薪金)、若干其他收入、收益及虧損、融資成本、應佔聯營公司之溢利及應佔一間合營公司之虧損之情況下,各分部所賺取之溢利(所產生之虧損)。此為向執行董事(即主要經營決策者)報告以作資源分配及表現評估之方式。

分部間銷售按現行市價收費。

兩個年度本集團均無為本集團總收益貢獻10%以上之客戶。

本集團並無作出按經營分部劃分之資產及負債之分析披露,乃因其並無定期提供予執行董事以供審閱。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (Continued)

#### Geographical information

The Group operates in three principal geographical areas – Taiwan, Hong Kong and the PRC. The following table provides an analysis of the Group's revenue by location of customers, irrespective of the origin of the goods and services:

	Taiwan 台灣		Hong Kong 香港		The PRC 中國		Elimination 抵銷		Consolidated 綜合	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue 分部收益										
Sales to external customers 銷售予外部客戶	-	7,331	364,382	442,171	11,048,432	10,461,567	-	-	11,412,814	10,911,069
Inter-segment sales 分部間銷售	-	-	48,306	17,622	-	-	(48,306)	(17,622)	-	-
	-	7,331	412,688	459,793	11,048,432	10,461,567	(48,306)	(17,622)	11,412,814	10,911,069

Analysis of the Group's non-current assets by geographical location of the assets are detailed below:

	Hong Kong 香港		The PRC 中國		Consolidated 綜合	
	2016	2015	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Non-current assets 非流動資產	63,849	64,796	21,007,045	23,332,199	21,070,894	23,396,995

note: Non-current assets excluded interests in associates, interest in a joint venture, other financial assets, available-for-sale investments, pledged bank deposits and deferred tax assets.

### 5. 分部資料 (續)

#### 地區資料

本集團於三個主要地區—台灣、香港及中國經營。下表為按客戶所在地分析之本集團之收益(不論商品及服務之原產地):

本集團按資產所在地區劃分之非流動資產分析如下:

附註: 非流動資產不包括聯營公司權益、一間合營公司權益、其他金融資產、可供出售投資、已抵押銀行存款及遞延稅項資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 5. SEGMENT INFORMATION (Continued)

#### Other segment information

### 5. 分部資料 (續)

#### 其他分部資料

		Import, distribution and handling of cement		Manufacture and distribution of cement, clinker, concrete and other cement related products		Investment holding		Consolidated	
		進口、分銷及 處理水泥		製造及分銷水泥、熟料、 混凝土及其他水泥相關產品		投資控股		綜合	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amounts included in the measure of segment results:	計量分部業績時 所計入之金額：								
Allowance for doubtful debts of trade receivables	應收貿易賬款之 呆賬撥備	-	-	88,478	297	-	-	88,478	297
(Gain) loss from changes in fair value of held-for-trading investments	來自持作交易用途之 投資之公平值變動之 (收益)虧損	-	-	-	-	(373)	11,550	(373)	11,550
Gain from changes in fair value of financial assets designated as at FVTPL	來自指定為按公平值計入 損益之金融資產之 公平值變動之收益	-	-	-	-	(88,354)	-	(88,354)	-
Depreciation and amortisation	折舊及攤銷	1,995	1,970	1,292,189	1,338,301	1,483	1,236	1,295,667	1,341,507
Dividend income from listed equity investments	上市股本投資股息收入	-	-	-	-	(687)	(1,107)	(687)	(1,107)
Impairment loss of available-for-sale investments	可供出售投資之 減值虧損	-	-	-	-	2,928	2,588	2,928	2,588
Impairment loss of inventories	存貨之減值虧損	-	-	6,325	7,040	-	-	6,325	7,040
Impairment loss of property, plant and equipment	物業、廠房及設備之 減值虧損	-	-	120,079	-	-	-	120,079	-
Impairment loss of prepaid lease payments	預付租賃款項之減值虧損	-	-	801	-	-	-	801	-
Net impairment loss (reversal of impairment loss) recognised in respect of loan and other receivables	有關應收貸款及其他應收款項 之已確認減值虧損 (減值虧損撥回)淨額	-	-	101,618	(15,415)	-	-	101,618	(15,415)
Loss on disposal of property, plant and equipment	出售物業、 廠房及設備之虧損	223	2	8,067	8,763	-	-	8,290	8,765
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results:	定期提供予主要經營決策者 但未於計量分部業績時 計入之金額：								
Bank interest income	銀行利息收入	(170)	(3,674)	(46,663)	(76,189)	(8,341)	(7,122)	(55,174)	(86,985)
Finance costs	融資成本	1	1	126,594	146,989	135,574	130,881	262,169	277,871
Share of profits of associates	應佔聯營公司之溢利	-	-	-	-	(172,795)	(122,050)	(172,795)	(122,050)
Share of loss of a joint venture	應佔一間合營公司之虧損	-	-	-	-	10,470	1,324	10,470	1,324
Income tax expense (credit)	所得稅支出(抵免)	11,056	12,561	204,806	(45,628)	9,357	12,261	225,219	(20,806)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 6. REVENUE

Revenue represents invoiced amount of sales of cement, clinker, concrete and other cement related products, net of discounts, returns and sales related taxes.

An analysis of the Group's revenue is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales of cement and clinker	銷售水泥及熟料	11,179,040	10,629,842
Sales of concrete and other cement related products	銷售混凝土及其他水泥相關產品	233,774	281,227
		<b>11,412,814</b>	<b>10,911,069</b>

### 6. 收益

收益指扣除折扣、退貨及相關銷售稅後之水泥、熟料、混凝土及其他水泥相關產品銷售發票額。

本集團的收益之分析如下：

### 7. INVESTMENT INCOME

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Dividend income from listed equity investments	上市股本投資股息收入	687	1,107
Bank interest income	銀行利息收入	55,174	86,985
		<b>55,861</b>	<b>88,092</b>

### 7. 投資收入



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 7. INVESTMENT INCOME (Continued)

Investment income earned from financial assets, analysed by category of assets, is as follows:

### 7. 投資收入 (續)

金融資產所賺取之投資收入按資產類別之分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Held-for-trading investments	持作交易用途之投資	687	1,107
Loans and receivables (including cash and bank deposits)	貸款及應收款項 (包括現金及銀行存款)	55,174	86,985
		<b>55,861</b>	<b>88,092</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 8. OTHER INCOME, GAINS AND LOSSES

### 8. 其他收入、收益及虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Gain from changes in fair value of financial assets designated as at FVTPL	來自指定為按公平值計入損益之金融資產之公平值變動之收益	88,354	-
Gain (loss) from changes in fair value of held-for-trading investments	來自持作交易用途之投資之公平值變動之收益(虧損)	373	(11,550)
Government grants (note)	政府補貼(附註)	52,403	57,046
Net exchange loss	匯兌淨虧損	(225,392)	(381,322)
Rental income	租金收入	725	271
Allowance for doubtful debts of trade receivables (Note 28)	應收貿易賬款之呆賬撥備(附註28)	(88,478)	(297)
Impairment loss of available-for-sale investments (Note 23)	可供出售投資之減值虧損(附註23)	(2,928)	(2,588)
Impairment loss of property, plant and equipment (Note 15)	物業、廠房及設備之減值虧損(附註15)	(120,079)	-
Impairment loss of prepaid lease payments	預付租賃款項之減值虧損	(801)	-
Net (impairment loss) reversal of impairment loss recognised in respect of loan and other receivables (Note 27)	有關應收貸款及其他應收款項之已確認(減值虧損)減值虧損撥回淨額(附註27)	(101,618)	15,415
Others	其他	24,265	41,958
		<b>(373,176)</b>	<b>(281,067)</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 8. OTHER INCOME, GAINS AND LOSSES

(Continued)

note: Included in the amounts are HK\$455,000 (2015: Nil) representing deferred income on government subsidies recognised during the year in relation to capital expenditure on technological research and development projects over the projects lives. The remaining amount represents the incentive subsidies provided by the PRC local authorities to the Group to encourage investments in certain specific locations. There is no specific condition attached to the latter grants, which are recognised upon receipts.

### 8. 其他收入、收益及虧損 (續)

附註：已計入金額455,000港元(二零一五年：無)指年內已確認之政府補貼之遞延收入，涉及項目年限內技術研發項目之資本開支。餘額指中國地方機關向本集團提供之獎勵補貼，藉以鼓勵若干特別地區之投資。後者之補貼概無附帶特別條件，本集團於收到補貼時予以確認。

### 9. FINANCE COSTS

### 9. 融資成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on:	以下之利息：		
Bank loans	銀行貸款	243,607	254,213
Loan from immediate holding company	來自直屬控股公司之貸款	18,562	25,740
Total borrowing costs	總借貸成本	262,169	279,953
Less: Amounts capitalised in construction in progress	減：於在建工程中資本化金額	-	(2,082)
		<b>262,169</b>	<b>277,871</b>

Borrowing costs capitalised arose on specific borrowings to finance the construction in progress for 2015.

於二零一五年，資本化之借貸成本均源自為在建工程提供資金之特定借貸。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. PROFIT (LOSS) BEFORE TAX

### 10. 除稅前溢利(虧損)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit (loss) before tax has been arrived at after charging the following:	除稅前溢利(虧損)已扣除下列各項:		
Directors' remuneration (Note 11)	董事酬金(附註11)	7,185	3,610
Other staff cost	其他員工成本		
Salaries and other benefits	薪金及其他津貼	715,740	674,266
Other pension costs and mandatory provident fund contributions	其他退休金成本及強積金供款	85,322	82,144
Total staff costs	總員工成本	808,247	760,020
Depreciation of property, plant and equipment (note)	物業、廠房及設備折舊(附註)	1,179,238	1,223,662
Amortisation of prepaid lease payments	預付租賃款項攤銷	59,956	62,719
Amortisation of intangible assets (included in cost of sales and general and administrative expenses)	無形資產攤銷(已計入銷售成本及一般行政開支)	19,623	13,877
Amortisation of mining rights (included in cost of sales)	採礦權攤銷(已計入銷售成本)	36,850	41,249
Auditor's remuneration	核數師酬金	7,623	7,292
Impairment loss of inventories (included in cost of sales)	存貨之減值虧損(已計入銷售成本)	6,325	7,040
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	8,290	8,765
Operating lease payments in respect of rented premises	租賃物業之經營租賃租金	15,151	13,417

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 10. PROFIT (LOSS) BEFORE TAX (Continued)

The Group has no forfeited contributions from the retirement benefit scheme for both years.

note: During the year, no depreciation charge (2015: HK\$1,203,000) relating to plant and machinery used in buildings under construction was capitalised under construction in progress.

### 10. 除稅前溢利(虧損)(續)

本集團於該兩個年度並無退休福利計劃之已沒收供款。

附註：本年度並無與在建樓宇所使用廠房及機器有關之折舊費用(二零一五年：1,203,000港元)於在建工程項下予以資本化。

### 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

#### Directors' emoluments

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

### 11. 董事及僱員酬金

#### 董事酬金

根據適用上市規則及公司條例的披露，本年度董事之酬金如下：

	Executive Directors (note a) 執行董事(附註a)				Non-executive Directors (note b) 非執行董事(附註b)				Independent non-executive Directors (note c) 獨立非執行董事(附註c)				Total 總計	
	KOO, Cheng-Yun, Leslie 辜成允	WU Yih Chin 吳熾欽	Hung Jin- Yang 洪達揚	Sub-total 小計	SHAN Weijian 單偉建	CHANG, An-Ping, Nelson 張安平	CHANG, Kang-Lung, Jason 張剛倫	WANG, Lishin, Elizabeth 王立心	Sub-total 小計	LIAO, Poon Huai, Donald 廖本懷	CHIH Ching Kang, Kenneth 池慶康	SHIEH Jen-Chung, Roger 謝祖忠		Sub-total 小計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
2016 Fees Other emoluments Salaries and allowances Performance related bonuses Retirement benefits Total emoluments	二一六 袍金 其他酬金 薪金及津貼 與表現掛鈎之花紅 退休福利 總酬金	220 - 841 310 - 530	- - 248 100 - 4,767	- - 1,089 410 3,926 5,645	220 - - - - 220	220 - - - - 220	220 - - - - 220	220 - - - - 220	880 - - - - 880	220 - - - - 220	220 - - - - 220	220 - - - - 220	660 - - - - 660	1,760 - 1,089 410 3,926 7,185

	Executive Directors (note a) 執行董事(附註a)				Non-executive Directors (note b) 非執行董事(附註b)				Independent non-executive Directors (note c) 獨立非執行董事(附註c)				Total 總計
	KOO, Cheng-Yun, Leslie 辜成允	WU Yih Chin 吳熾欽	Sub-total 小計	SHAN Weijian 單偉建	CHANG, An-Ping, Nelson 張安平	CHANG, Kang-Lung, Jason 張剛倫	WANG, Lishin, Elizabeth 王立心	Sub-total 小計	LIAO, Poon Huai, Donald 廖本懷	CHIH Ching Kang, Kenneth 池慶康	SHIEH Jen-Chung, Roger 謝祖忠	Sub-total 小計	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2015 Fees Other emoluments Salaries and allowances Performance related bonuses Total emoluments	二一五 袍金 其他酬金 薪金及津貼 與表現掛鈎之花紅 總酬金	220 - 1,360 310 530	- - 1,360 180 1,540	220 - 1,360 490 2,070	220 - - - 220	220 - - - 220	220 - - - 220	880 - - - 880	220 - - - 220	220 - - - 220	220 - - - 220	660 - - - 660	1,760 - 1,360 490 3,610

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

#### Directors' emoluments (Continued)

notes:

- (a) The executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. Except for the salaries and allowances of Mr. Wu Yih Chin, emoluments of other Directors and performance related incentive bonuses and retirement benefits of Mr. Wu Yih Chin were paid by the Company.
- (b) The non-executive Directors' emoluments shown above were for their services as Directors of the Company.
- (c) The independent non-executive Directors' emoluments shown above were for their services as Directors of the Company.

The performance related bonuses is determined with reference to the performance of the Group's operation.

The emoluments of Directors are determined by the remuneration committee having regard to the performance of individuals and market trends.

### 11. 董事及僱員酬金 (續)

#### 董事酬金 (續)

附註：

- (a) 上述執行董事酬金乃就彼等為管理本公司及本集團事務提供之服務而作出。除吳義欽先生之薪金及津貼外，本公司已支付其他董事之酬金及吳義欽先生之與表現掛鈎之獎勵花紅及退休福利。
- (b) 上述非執行董事酬金乃就彼等擔任本公司董事提供之服務而作出。
- (c) 上述獨立非執行董事酬金乃就彼等擔任本公司董事提供之服務而作出。

與表現掛鈎之花紅乃根據本集團營運表現而釐定。

董事酬金乃經薪酬委員會參考個人表現及市場趨勢後而釐定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

#### Employees' emoluments

During the year, the five highest paid individuals included one Director (2015: two Directors), details of whose emoluments are set out above. The emoluments of the remaining four (2015: three) highest paid individuals are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他津貼	2,001	1,541
Retirement benefits scheme contributions	退休福利計劃供款	46	69
Performance related bonuses	與表現掛鈎之花紅	2,954	1,108
		<b>5,001</b>	<b>2,718</b>

Their emoluments were within the following bands:

		Number of employee 僱員人數	
		2016 二零一六年	2015 二零一五年
Up to HK\$1,000,000	不多於1,000,000港元	3	2
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	–	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	–	–
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	1	–

During the year, no remuneration was paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2015: nil). None of the Directors has waived or agreed to waive any remuneration during the year (2015: nil).

### 11. 董事及僱員酬金 (續)

#### 僱員酬金

於本年度內，五名最高薪酬人士包括一名（二零一五年：兩名）董事，其薪酬詳情已載列於上文。其餘四名（二零一五年：三名）最高薪酬人士之薪酬載列如下：

其薪金介乎下列範圍：

於本年度內，本集團並無向任何董事或五名最高薪酬人士支付酬金，以作彼等加入或加盟本集團之獎勵或作為離職之補償（二零一五年：無）。概無董事於本年內放棄或同意放棄任何酬金（二零一五年：無）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 12. INCOME TAX EXPENSE (CREDIT)

### 12. 所得稅支出(抵免)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax:	當期稅項：		
Hong Kong	香港	11,195	13,704
PRC Enterprise Income Tax	中國企業所得稅	229,464	101,672
Withholding tax	預扣稅	69	736
		<b>240,728</b>	<b>116,112</b>
Overprovision in prior years:	過往年度撥備超額：		
Hong Kong	香港	-	(1,060)
PRC Enterprise Income Tax	中國企業所得稅	(6,761)	(37,272)
		<b>(6,761)</b>	<b>(38,332)</b>
Deferred tax (Note 25)	遞延稅項(附註25)	<b>(8,748)</b>	<b>(98,586)</b>
		<b>225,219</b>	<b>(20,806)</b>

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

香港利得稅乃根據兩個年度之估計應課稅溢利按16.5%之稅率計算。

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

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施規則，中國附屬公司之稅率由二零零八年一月一日起為25%。

Certain PRC subsidiaries of the Company are entitled to the preferential tax treatment for Western Development Policy (the "WDP Policy"). The applicable reduced preferential Enterprise Income Tax rate under the WDP Policy is 15% for an effective period up to 2020.

本公司之若干中國附屬公司有權就西部大開發政策(「西部大開發政策」)享有稅收優惠。於截至二零二零年止有效期間，根據西部大開發政策適用之經削減優惠企業所得稅率為15%。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 12. INCOME TAX EXPENSE (CREDIT) (Continued)

Taxation arising in the PRC is calculated at the rates prevailing in the relevant regions in the PRC.

The tax charge (credit) for the year can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

### 12. 所得稅支出(抵免)(續)

來自中國所產生之稅項乃根據於中國相關地區之現行稅率計算。

年內之稅項開支(抵免)與綜合損益及其他全面收益表內除稅前溢利(虧損)之對賬如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit (loss) before tax	除稅前溢利(虧損)	442,651	(266,968)
Tax at PRC Enterprise Income Tax rate of 25% (2015: 25%) (note)	以中國企業所得稅率25% (二零一五年: 25%) 計算之稅項(附註)	110,663	(66,742)
Tax effect of share of profits of associates	應佔聯營公司溢利之稅務影響	(43,199)	(30,513)
Tax effect of share of loss of a joint venture	應佔一間合營公司虧損之稅務影響	2,618	331
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	135,531	66,008
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(37,833)	(24,606)
Overprovision in prior years	過往年度撥備超額	(6,761)	(38,332)
Tax effect of tax losses not recognised	未確認之稅務虧損之稅務影響	66,451	68,641
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(1,262)	(2,602)
Income tax on concessionary rate	按優惠稅率計算之所得稅	(4,111)	1,896
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	(5,695)	(7,003)
Withholding tax on undistributed earnings	未分配盈利之預扣稅	9,361	12,189
Others	其他	(544)	(73)
Income tax expense (credit) for the year	本年度所得稅支出(抵免)	225,219	(20,806)

note: The Group's major operating subsidiaries are located in the PRC and accordingly, income tax rate of 25% is adopted.

附註: 本集團之主要經營附屬公司均位於中國, 因此採用25%之所得稅率。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 13. DIVIDENDS

### 13. 股息

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Dividends for ordinary and preference shareholders of the Company recognised the following as distribution during the year:	於本年度內，本公司已確認分派下列普通股股東及優先股股東股息：		
2015 Final – HK2.0 cents (2015: 2014 final – HK13.0 cents) per share	二零一五年末期－每股2.0港仙 (二零一五年：二零一四年末期－13.0港仙)	<b>108,756</b>	492,697

The 2016 preferred distribution to convertible preference shareholders totalling HK\$24,222,000 (2015: HK\$24,223,000) was also recognised as distribution during the year ended 31 December 2016.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2016 of HK1.0 cent (2015: HK2.0 cents) per ordinary and preference share, totalling HK\$54,378,000 (2015: HK\$108,756,000) has been proposed by the Directors to be payable to ordinary and preference shareholders and is subject to approval by the ordinary shareholders in the forthcoming annual general meeting.

於截至二零一六年十二月三十一日止年度，本公司亦已確認二零一六年優先分派予可轉換優先股股東總額24,222,000港元（二零一五年：24,223,000港元）。

於報告期末後，董事已建議向普通股股東及優先股股東派發截至二零一六年十二月三十一日止年度的末期股息每股普通股及優先股1.0港仙（二零一五年：2.0港仙），總額為54,378,000港元（二零一五年：108,756,000港元），惟須待普通股股東於應屆股東週年大會上批准後，方可作實。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 14. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to ordinary shareholders of the Company is based on the following data:

#### Earnings (loss) for the purposes of basic and diluted earnings (loss) per share

### 14. 每股盈利 (虧損)

本公司普通股股東應佔每股基本及攤薄盈利 (虧損) 乃根據以下數據計算:

#### 用以計算每股基本及攤薄盈利 (虧損) 之盈利 (虧損)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit (loss) for the year attributable to owners of the Company	本公司擁有人應佔 本年度溢利 (虧損)	193,840	(249,391)
Less: Preferred distribution in respect of convertible preference share	減: 關於可轉換優先股之 優先分派	(24,222)	(24,223)
Undistributed earnings attributed to convertible preference shareholders	可轉換優先股股東 應佔之未分派盈利	(16,689)	-
Profit (loss) for the year attributable to ordinary shareholders of the Company	本公司普通股股東應佔 本年度溢利 (虧損)	152,929	(273,614)

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 14. EARNINGS (LOSS) PER SHARE (Continued)

Number of shares

### 14. 每股盈利(虧損)(續)

股份數目

	2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Weighted average number of ordinary shares in issue for the purposes of basic and diluted earnings (loss) per share	4,943,465	4,192,814

計算每股基本及攤薄  
盈利(虧損)所用之  
已發行普通股加權平均數

The computation of diluted earnings (loss) per share does not assume the conversion of the outstanding convertible preference shares because their exercise would result in an increase in earnings per share for 2016 or a decrease in loss per share for 2015.

計算每股攤薄盈利(虧損)時並無假設兌換尚未行使之可轉換優先股(由於其行使將導致二零一六年每股盈利增加或二零一五年每股虧損減少)。

The weighted average number of ordinary shares in issue for the year ended 31 December 2015 was adjusted to reflect the effect of bonus element of the rights issue which was completed in July 2015.

已對截至二零一五年十二月三十一日止年度之已發行普通股加權平均數作出調整以反映已於二零一五年七月完成之供股產生之紅利的影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Cement plant and facilities 水泥廠 及設備	Leasehold land and office building 租賃土地 及辦公室樓宇	Plant and machinery 廠房及 機器	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備	Motor vehicles 汽車	Lighters 躉船	Construction in progress 在建工程	Total 總數
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>COST OR VALUATION</b>	<b>成本或估值</b>								
At 1 January 2015	於二零一五年一月一日	7,829,771	49,800	13,274,776	112,156	277,432	7,731	540,095	22,091,761
Additions	添置	445	-	41,993	4,592	1,204	-	325,483	373,717
Arising on acquisition of subsidiaries (Note 36)	收購附屬公司時產生 (附註36)	1,384,929	-	1,138,621	30,253	18,306	-	80,597	2,652,706
Disposals	出售	(4,473)	-	(27,193)	(5,691)	(4,365)	-	(163)	(41,885)
Transfers	轉撥	164,993	-	258,198	7,260	4,235	-	(434,686)	-
Surplus on valuation	重估盈餘	-	4,000	-	-	-	-	-	4,000
Exchange adjustments	匯兌調整	(455,453)	-	(720,640)	(8,113)	(14,277)	-	(27,313)	(1,225,796)
<b>At 31 December 2015</b>	<b>於二零一五年十二月三十一日</b>	<b>8,920,212</b>	<b>53,800</b>	<b>13,965,755</b>	<b>140,457</b>	<b>282,535</b>	<b>7,731</b>	<b>484,013</b>	<b>23,854,503</b>
Additions	添置	18,864	-	47,658	1,897	1,555	-	98,094	168,068
Disposals	出售	-	-	(25,308)	(3,721)	(4,326)	-	-	(33,355)
Transfers	轉撥	15,435	-	64,456	7,861	750	-	(88,502)	-
Surplus on revaluation	重估盈餘	-	900	-	-	-	-	-	900
Exchange adjustments	匯兌調整	(534,868)	-	(848,006)	(9,817)	(16,580)	-	(30,951)	(1,440,222)
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>8,419,643</b>	<b>54,700</b>	<b>13,204,555</b>	<b>136,677</b>	<b>263,934</b>	<b>7,731</b>	<b>462,654</b>	<b>22,549,894</b>
Comprising:	包括:								
At cost	成本值	8,419,643	-	13,204,555	136,677	263,934	7,731	462,654	22,495,194
At valuation 2016	於二零一六年估值	-	54,700	-	-	-	-	-	54,700
		8,419,643	54,700	13,204,555	136,677	263,934	7,731	462,654	22,549,894
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊及減值</b>								
At 1 January 2015	於二零一五年一月一日	1,249,154	-	4,415,052	64,557	162,753	7,653	-	5,899,169
Charge for the year	本年度支出	281,254	975	873,777	24,845	44,014	-	-	1,224,865
Elimination on revaluation	重估沖銷	-	(975)	-	-	-	-	-	(975)
Elimination on disposals	出售沖銷	(646)	-	(6,461)	(5,034)	(3,672)	-	-	(15,813)
Exchange adjustments	匯兌調整	(77,612)	-	(263,313)	(4,890)	(9,204)	-	-	(355,019)
<b>At 31 December 2015</b>	<b>於二零一五年十二月三十一日</b>	<b>1,452,150</b>	<b>-</b>	<b>5,019,055</b>	<b>79,478</b>	<b>193,891</b>	<b>7,653</b>	<b>-</b>	<b>6,752,227</b>
Charge for the year	本年度支出	278,961	1,219	855,897	15,228	27,933	-	-	1,179,238
Elimination on revaluation	重估沖銷	-	(1,219)	-	-	-	-	-	(1,219)
Elimination on disposals	出售沖銷	-	-	(17,192)	(3,047)	(3,892)	-	-	(24,131)
Impairment loss recognised in profit or loss	於損益中已確認 減值虧損	70,641	-	41,273	84	393	-	7,688	120,079
Exchange adjustments	匯兌調整	(109,240)	-	(356,106)	(6,653)	(13,607)	-	-	(485,606)
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>1,692,512</b>	<b>-</b>	<b>5,542,927</b>	<b>85,090</b>	<b>204,718</b>	<b>7,653</b>	<b>7,688</b>	<b>7,540,588</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>								
At 31 December 2016	於二零一六年十二月三十一日	6,727,131	54,700	7,661,628	51,587	59,216	78	454,966	15,009,306
At 31 December 2015	於二零一五年十二月三十一日	7,468,062	53,800	8,946,700	60,979	88,644	78	484,013	17,102,276

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Depreciation is calculated to write off the cost or fair value of items of property, plant and equipment (other than construction in progress), less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

Cement plant and facilities	30 years
Leasehold land and office building	Over the unexpired term of lease
Plant and machinery	15 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 – 10 years
Lighters	10 years

#### Impairment loss recognised during the year

During the year, the Directors conducted a review of the Group's production facilities and determined that certain assets of the Group were idle, obsolete or damaged. It is expected that those assets will not generate future benefit to the Group. Accordingly, impairment loss on the carrying amount of those assets amounting to HK\$120,079,000 (2015: Nil) was recognised in respect of those property, plant and equipment.

### 15. 物業、廠房及設備 (續)

折舊是按各物業、廠房及設備（在建工程除外）項目的預計可用年限，在扣除估計殘值（如有）後，使用直線法計算以撇銷其成本或公平值。所採用的預計可用年限如下：

水泥廠及設備	30年
租賃土地及辦公室樓宇	按租約未屆滿年期
廠房及機器	15年
傢俬、裝置及辦公室設備	5年
汽車	5至10年
躉船	10年

#### 年內已確認減值虧損

於本年度，董事對本集團的生產設施進行審核，並釐定本集團之若干資產為閒置、廢棄或受損。預期該等資產將不會為本集團產生未來利益。因此，已於該等物業、廠房及設備中就該等資產之賬面值確認減值虧損120,079,000港元（二零一五年：無）。

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## 綜合財務報表附註

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

### 15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

#### Fair value of the Group's leasehold land and office building

The leasehold land and office building is situated in Hong Kong and was revalued on 31 December 2016 at HK\$54,700,000 (2015: HK\$53,800,000) by Grant Sherman Appraisal Limited, an independent firm of qualified professional valuers, at open market value on existing use basis. The resulting surplus arising from the revaluation at 31 December 2016 of HK\$2,119,000 (2015: HK\$4,975,000) was dealt with in the land and building revaluation reserve. Had there not been any revaluation of this property, its carrying amount at cost less accumulated depreciation at 31 December 2016 would be HK\$1,261,000 (2015: HK\$1,297,000).

The fair value of the leasehold land and office building was determined on the direct comparison approach. There had been no change from the valuation technique used in prior year. The fair value is assessed by reference to the recent transactions of similar properties in the neighbourhood with no significant adjustments to the observable inputs (i.e. recent transaction price) and the fair value measurement is categorised in Level 3. In estimating the fair value of the properties, their current use equates to the highest and best use. There have been no transfers into or out of Level 3 during the year.

The significant unobservable input is price per square feet. By using direct comparison approach and taking into account of location and other individual factors such as size, building facilities, level, age of building, etc., the prices per square feet (gross floor area) of the adopted comparables ranged from HK\$20,000/sq.ft to HK\$41,000/sq.ft (2015: HK\$17,000/sq.ft to HK\$35,000/sq.ft).

### 15. 物業、廠房及設備 (續)

#### 本集團之租賃土地及辦公室樓宇之公平值

獨立合資格專業估值師行中證評估有限公司於二零一六年十二月三十一日對位於香港之租賃土地及辦公室樓宇，按其現有用途之公開市值重估為54,700,000港元（二零一五年：53,800,000港元）。於二零一六年十二月三十一日之重估盈餘為2,119,000港元（二零一五年：4,975,000港元），已於土地及樓宇重估儲備內處理。倘並無對此物業作出任何重估，於二零一六年十二月三十一日之成本賬面值減累計折舊後將為1,261,000港元（二零一五年：1,297,000港元）。

租賃土地及辦公室樓宇之公平值乃按直接比較法釐定。於上一年度採用之估值技術並無變動。公平值乃參考附近區域內類似物業之近期交易予以評估且並無對可觀察輸入數據（即近期交易價）作出重大調整，而公平值計量分類為第三級。於估計該等物業之公平值時，物業之現有用途即最高及最佳用途。於本年度內並無轉入或轉出第三級。

重大不可觀察輸入數據為每平方呎價格，使用直接比較及經考慮位置及其他個體因素，如面積、樓宇設施、樓層及樓齡等，獲採納可比較之每平方呎（建築面積）價格介乎每平方呎20,000港元至每平方呎41,000港元（二零一五年：介乎每平方呎17,000港元至每平方呎35,000港元）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

#### Fair value of the Group's leasehold land and office building (Continued)

The management reviews the valuations performed by the independent valuers for financial reporting purposes and reports to the audit committee the valuation process and result of the valuation at least every six months, in line with the Group's interim and annual reporting dates. The management will verify all major inputs to the independent valuation report, assess the property valuation movements when compared to the prior year valuation report and hold discussions with the independent valuers.

### 15. 物業、廠房及設備 (續)

#### 本集團之租賃土地及辦公室樓宇之公平值 (續)

管理層審閱獨立估值師就財務申報而進行之估值，並至少每六個月（符合本集團之中期及年度報告日期）向審核委員會報告估值過程及估值結果。管理層將核實獨立估值報告之所有重大輸入資料，評估與去年之估值報告相比之物業估值變動及與獨立估值師進行討論。

### 16. PREPAID LEASE PAYMENTS

### 16. 預付租賃款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Leasehold land in the PRC	位於中國之租賃土地	1,850,407	2,017,946
Analysed for reporting purposes as:	分析作呈報用途：		
Non-current portion	非流動部份	1,794,820	1,957,979
Current portion	流動部份	55,587	59,967
		1,850,407	2,017,946



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 17. INTANGIBLE ASSETS

### 17. 無形資產

		Goodwill 商譽 HK\$'000 千港元	Customer base 客戶基礎 HK\$'000 千港元	Computer software 電腦軟件 HK\$'000 千港元	Total 總數 HK\$'000 千港元
<b>COST</b>	<b>成本</b>				
At 1 January 2015	於二零一五年一月一日	6,840,139	83,886	64,183	6,988,208
Arising on acquisition of subsidiaries (Note 36)	收購附屬公司時產生 (附註36)	681,432	84,758	628	766,818
Additions	添置	-	-	8,199	8,199
Exchange adjustments	匯兌調整	(407,425)	(4,068)	(3,417)	(414,910)
At 31 December 2015	於二零一五年十二月三十一日	7,114,146	164,576	69,593	7,348,315
Additions	添置	-	-	6,660	6,660
Exchange adjustments	匯兌調整	(475,329)	(4,746)	(4,374)	(484,449)
At 31 December 2016	於二零一六年十二月三十一日	6,638,817	159,830	71,879	6,870,526
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	<b>累計攤銷及減值</b>				
At 1 January 2015	於二零一五年一月一日	3,773,416	83,886	26,765	3,884,067
Charge for the year	本年度支出	-	8,212	5,665	13,877
Exchange adjustments	匯兌調整	(215,265)	(312)	(1,495)	(217,072)
At 31 December 2015	於二零一五年十二月三十一日	3,558,151	91,786	30,935	3,680,872
Charge for the year	本年度支出	-	13,342	6,281	19,623
Exchange adjustments	匯兌調整	(251,143)	(1,061)	(2,088)	(254,292)
At 31 December 2016	於二零一六年十二月三十一日	3,307,008	104,067	35,128	3,446,203
<b>CARRYING VALUES</b>	<b>賬面值</b>				
At 31 December 2016	於二零一六年十二月三十一日	3,331,809	55,763	36,751	3,424,323
At 31 December 2015	於二零一五年十二月三十一日	3,555,995	72,790	38,658	3,667,443

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 17. INTANGIBLE ASSETS (Continued)

Goodwill is tested for impairment annually. Particulars regarding its impairment testing are disclosed in Note 18. All other intangible assets are amortised over their estimated useful lives, using the straight-line method, as follows:

Customer base	2-6 years
Computer software	5 years

### 17. 無形資產 (續)

商譽於每年進行減值測試。有關其減值測試詳情已於附註18披露。所有其他無形資產以直線法按其以下預計可用年限攤銷：

客戶基礎	2-6年
電腦軟件	5年

### 18. IMPAIRMENT ASSESSMENT ON GOODWILL

For the purpose of impairment assessment, goodwill arising from business combinations has been allocated to the following CGUs or groups of CGUs:

### 18. 商譽減值評估

就減值評估而言，業務合併所產生之商譽已獲分配至下列現金產生單位或現金產生單位組別：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Upper Value Investments Limited	Upper Value Investments Limited	1,606,752	1,718,111
TCC (Guigang) Cement Ltd.	台泥(貴港)水泥有限公司	709,722	758,914
Kong On Cement Holdings Limited	港安水泥控股有限公司	16,598	17,678
Mining Industrial Companies (note a)	礦業工程公司(附註a)	239,121	254,200
Scitus Luzhou Companies (note b)	瀘州賽德公司(附註b)	144,535	153,569
Anshun Xin Tai Construction Materials Company Limited* ("Anshun Xin Tai")	安順鑫台建材骨料有限公司 (「安順鑫台」)	4,518	4,800
TCC Huaying (as defined in Note 36)	華瑩台泥(定義如附註36)	58,400	62,050
TCC Huaihua (as defined in Note 36)	台泥(懷化) (定義如附註36)	552,163	586,673
		<b>3,331,809</b>	<b>3,555,995</b>

\* For identification purpose only

\* 僅供識別

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 18. IMPAIRMENT ASSESSMENT ON GOODWILL (Continued)

notes:

- (a) “Mining Industrial Companies” is a group of CGUs making up of TCC Jiangsu Mining Industrial Company Limited, TCC Guigang Mining Industrial Company Limited, TCC Yingde Mining Industrial Company Limited and three other subsidiaries, namely Jurong TCC Cement Co., Ltd., TCC (Guigang) Cement Ltd., and TCC Yingde Cement Co., Ltd.
- (b) “Scitus Luzhou Companies” is a group of CGUs making up of Scitus Naxi Cement Co., Ltd., Scitus Luzhou Cement Co., Ltd, Scitus Hejiang Cement Co., Ltd and Scitus Luzhou Concrete Co., Ltd.

All of these CGUs or groups of CGUs are operating under the segment “Manufacturing and distribution of cement, clinker, concrete and other cement related products”. During the year ended 31 December 2016, the management of the Group determined that there was no impairment of any of its CGUs or groups of CGUs containing goodwill.

### 18. 商譽減值評估 (續)

附註：

- (a) 「礦業工程公司」為一組現金產生單位，包括江蘇台泥礦業工程有限公司、貴港台泥礦業工程有限公司、英德台泥礦業工程有限公司及三間其他附屬公司，即句容台泥水泥有限公司、台泥（貴港）水泥有限公司及台泥（英德）水泥有限公司。
- (b) 「瀘州賽德公司」為一組現金產生單位，包括瀘州納溪賽德水泥有限公司、瀘州賽德水泥有限公司、合江賽德水泥有限公司及瀘州賽德混凝土有限公司。

所有該等現金產生單位或現金產生單位組別皆於「製造及分銷水泥、熟料、混凝土及其他水泥相關產品」分部下經營。截至二零一六年十二月三十一日止年度，本集團管理層認為，概無任何含有商譽之現金產生單位或現金產生單位組別出現減值。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 18. IMPAIRMENT ASSESSMENT ON GOODWILL (Continued)

The basis of the recoverable amount of the above CGUs or groups of CGUs and its major underlying assumptions are summarised below:

The recoverable amounts of these CGUs or groups of CGUs have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period with growth rate ranging from 0% to 3% (2015: of 2%) per annum, and a discount rate of 8.79% (2015: 8.21%) per annum. The cash flows beyond the 5-year period are extrapolated with zero growth rate. The key assumption for the value in use calculations is the expected selling price of the products, which is determined based on the unit's past performance in past few years and management's expectations for the market development.

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the manufacture and distribution of cement, clinker, concrete and other cement related products segment to exceed the aggregate recoverable amount of that segment.

### 18. 商譽減值評估 (續)

上述現金產生單位或現金產生單位組別之可收回數額之基準及其主要相關假設概述如下：

該等現金產生單位或現金產生單位組別之可收回數額乃根據使用價值計算方法釐定。該計算方法使用根據管理層所批准涵蓋期達五年之財務預算預測的現金流量每年介乎0%至3%之間(二零一五年:2%)之增長率以及每年8.79%(二零一五年:8.21%)之折現率計算。五年期後的現金流量採用零增長率估算。計算使用價值的主要假設乃預計產品售價,該產品售價根據該單位的過往數年的表現及管理層對市場發展的預期而釐定。

管理層相信,任何該等假設可能出現之任何合理變動不會導致製造及分銷水泥、熟料、混凝土及其他水泥相關產品分部之總賬面值超出該分部之可收回總金額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 19. MINING RIGHTS

### 19. 採礦權

		HK\$'000 千港元
<b>COST</b>		
<b>成本</b>		
At 1 January 2015	於二零一五年一月一日	539,618
Arising on acquisition of subsidiaries (Note 36)	收購附屬公司時產生(附註36)	9,823
Additions	添置	91,811
Reclassification from prepaid lease payments	從預付租賃款項重新分類	41,978
Exchange adjustments	匯兌調整	(31,457)
<hr/>		
At 31 December 2015	於二零一五年十二月三十一日	651,773
Additions	添置	19,241
Exchange adjustments	匯兌調整	(39,540)
<hr/>		
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>631,474</b>
<hr/>		
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>		
<b>累計攤銷及減值</b>		
At 1 January 2015	於二零一五年一月一日	141,625
Charge for the year	本年度攤銷	41,249
Reclassification from prepaid lease payments	從預付租賃款項重新分類	12,615
Exchange adjustments	匯兌調整	(8,844)
<hr/>		
At 31 December 2015	於二零一五年十二月三十一日	186,645
Charge for the year	本年度攤銷	36,850
Exchange adjustments	匯兌調整	(12,762)
<hr/>		
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>210,733</b>
<hr/>		
<b>CARRYING VALUES</b>		
<b>賬面值</b>		
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>420,741</b>
<hr/>		
At 31 December 2015	於二零一五年十二月三十一日	465,128
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# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 19. MINING RIGHTS (Continued)

The mining rights are amortised using the straight-line method to allocate their cost over their estimated useful lives ranging from 3 to 30 years.

### 19. 採礦權 (續)

採礦權乃以直線法於其估計可使用年期介乎3至30年內將其成本攤銷。

### 20. INTERESTS IN ASSOCIATES

### 20. 聯營公司權益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investments in unlisted associates	非上市聯營公司之投資成本	1,268,977	1,268,977
Share of post-acquisition profits, and other comprehensive income, net of dividend income	應佔收購後之溢利及其他全面收益 (扣除股息收入)	198,375	298,266
		1,467,352	1,567,243
Less: Impairment loss recognised	減：已確認減值虧損	(50,824)	(50,824)
		<b>1,416,528</b>	<b>1,516,419</b>

These associates are strategic partnership for the Group, providing access to new customers and markets in Hong Kong and specific regions in the PRC.

該等聯營公司為本集團獲得香港及中國特定地區之新客戶及進入該等地區市場之策略合作夥伴。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 20. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's principal associates at 31 December 2016 and 2015 are as follows:

### 20. 聯營公司權益 (續)

於二零一六年及二零一五年十二月三十一日，本集團之主要聯營公司之詳情載列如下：

Name of associate 聯營公司名稱	Place of incorporation and operation 註冊成立及營運地點	Proportion of ownership interest and voting power held 擁有權權益及所持投票權比例		Principal activities 主要業務
		2016 二零一六年	2015 二零一五年	
Baoshan Kungang & K. Wah Cement Construction Materials Co. Ltd 保山昆鋼嘉華水泥建材有限公司	The PRC 中國	30%	30%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
Hong Kong Concrete Company Limited 港九混凝土有限公司	Hong Kong 香港	31.5%	31.5%	Production and distribution of ready-mixed concrete 生產及分銷預拌混凝土
Prosperity Conch Cement Company Limited ("Prosperity Conch") 英德海螺水泥有限責任公司(「英德海螺」)	The PRC 中國	25%	25%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
Quon Hing Concrete Company Limited 港興混凝土有限公司	Hong Kong 香港	50%	50%	Production and distribution of ready-mixed concrete 生產及分銷預拌混凝土
Sichuan Taichang Building Material Group Company Limited* 四川泰昌建材集團有限公司	The PRC 中國	30%	30%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
Yunnan Kungang & K. Wah Cement Construction Materials Co. Ltd 雲南昆鋼嘉華水泥建材有限公司	The PRC 中國	30%	30%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料

\* For identification purpose only

\* 僅供識別

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 20. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information in respect of the Group's material associate is set out below. It represents amounts shown in the associate's financial statements after taking into account the fair value adjustments made on acquisition prepared in accordance with the accounting policies of the Group.

All of these associates are accounted for using the equity method in these consolidated financial statements.

#### Prosperity Conch

### 20. 聯營公司權益 (續)

本集團主要之聯營公司之財務資料摘要載列如下。其乃按照本集團之會計政策編製之聯營公司財務報表所示金額，乃經計及於收購時作出之公平值調整。

所有該等聯營公司均於該等綜合財務報表以權益法入賬。

#### 英德海螺

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	1,653,880	1,862,849
Non-current assets	非流動資產	1,881,630	1,943,025
Current liabilities	流動負債	(381,626)	(331,859)
Non-current liabilities	非流動負債	(168,000)	(178,500)
Revenue	收益	1,830,798	1,493,116
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	320,774	231,730
Dividends received from the associate during the year	本年度收取聯營公司股息	116,190	250,000



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 20. INTERESTS IN ASSOCIATES (Continued)

#### Prosperity Conch (Continued)

Exchange loss of HK\$41,411,000 (2015: HK\$35,273,000) arising on translation of interests in Prosperity Conch to presentation currency of the Group for the year is recognised in other comprehensive income of the Group.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

### 20. 聯營公司權益 (續)

#### 英德海螺 (續)

於本年度換算英德海螺之權益為本集團呈列貨幣產生之匯兌虧損41,411,000港元(二零一五年: 35,273,000港元)於本集團之其他全面收益內確認。

上述財務資料摘要與綜合財務報表內確認之聯營公司權益賬面值對賬如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets of Prosperity Conch	英德海螺之資產淨額	2,985,884	3,295,515
Proportion of the Group's ownership interest in Prosperity Conch	本集團於英德海螺擁有權權益之比例	25%	25%
Carrying amount of the Group's interest in Prosperity Conch	本集團於英德海螺之權益之賬面值	746,471	823,879

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 20. INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material

### 20. 聯營公司權益 (續)

非個別重大聯營公司之總計資料

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's share of profit	本集團佔溢利	92,601	64,117
The Group's share of other comprehensive income/(expenses)	本集團佔其他全面收入/(開支)	937	(377)
The Group's share of total comprehensive income	本集團佔全面收益總額	93,538	63,740
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司之權益總計賬面值	670,057	692,540
The unrecognised share of loss of an associate for the year	本年度未確認應佔一間聯營公司之虧損	4,782	4,308
Cumulative unrecognised share of loss of an associate	應佔一間聯營公司之累計未確認虧損	9,090	4,308

Exchange loss of HK\$44,815,000 (2015: HK\$28,147,000) arising on translation of interests in associates, that are not individually material, to presentation currency of the Group for the year is recognised in other comprehensive income of the Group.

於本年度換算該等非個別重大之聯營公司之權益為本集團呈列貨幣產生之匯兌虧損44,815,000港元(二零一五年: 28,147,000港元)於本集團之其他全面收益內確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 21. INTEREST IN A JOINT VENTURE

### 21. 一間合營公司權益

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investment in an unlisted joint venture	一間非上市合營公司之投資成本	12,300	12,300
Share of loss and other comprehensive expense	應佔虧損及其他全面開支	(12,300)	(1,673)
		-	10,627

Details of the Group's joint venture at 31 December 2016 and 2015 are as follows:

於二零一六年及二零一五年十二月三十一日，本集團之合營公司之詳情載列如下：

Name of joint venture 合營公司名稱	Place of incorporation and operation 註冊成立及營運地點	Proportion of ownership interest and voting power held 擁有權權益及所持投票權比例		Principal activities 主要業務
		2016 二零一六年	2015 二零一五年	
廣安鑫台建材有限公司	The PRC 中國	50%	50%	Manufacture and distribution of sand and gravel aggregate products (not yet commenced business) 製造及分銷砂石骨料產品（尚未開展業務）

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 21. INTEREST IN A JOINT VENTURE (Continued)

The joint venture is accounted for using the equity method in these consolidated financial statements.

### 21. 一間合營公司權益 (續)

該合營公司於該等綜合財務報表內採用權益法入賬。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's share of loss and total comprehensive expenses for the year	本集團應佔本年度虧損及全面開支總額	<b>(10,469)</b>	(1,324)

### 22. OTHER FINANCIAL ASSETS

### 22. 其他金融資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loan receivables due from various government sectors (note a)	應收多個政府部門之貸款 (附註a)	<b>19,213</b>	43,747
Long term rental deposits (note b)	長期租金按金 (附註b)	<b>828</b>	828
		<b>20,041</b>	44,575

notes:

- (a) Loan receivables due from various government sectors of RMB17,155,000 (2015: RMB36,762,000) (equivalent to HK\$19,213,000 (2015: HK\$43,747,000)) which are unsecured, repayable in more than one year and carry variable interest rate with reference to the benchmark loan rates of financial institutions set by the People's Bank of China.
- (b) Long term rental deposits paid to a fellow subsidiary are non-interest bearing.

附註:

- (a) 應收多個政府部門之貸款人民幣17,155,000元(二零一五年:人民幣36,762,000元)(相等於19,213,000港元(二零一五年:43,747,000港元))為無抵押,須於一年以上償還,並參考中國人民銀行所制定之金融機構基準貸款利率按浮動利率計息。
- (b) 已付同系附屬公司之長期租金按金為免息。

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## 綜合財務報表附註

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### 23. AVAILABLE-FOR-SALE INVESTMENTS

### 23. 可供出售投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted equity securities, at cost	非上市股本證券，按成本	54,021	54,021
Less: Impairment losses recognised	減：已確認之減值虧損	(19,568)	(16,644)
		<b>34,453</b>	<b>37,377</b>

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in Hong Kong and Taiwan. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably. As at 31 December 2016, accumulated impairment losses of HK\$19,568,000 (2015: HK\$16,644,000), which is recognised to the extent that the carrying amount exceeded the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Accordingly, the impairment losses of HK\$2,928,000 (2015: HK\$2,588,000) had been recognised in the year ended 31 December 2016 and included in profit or loss in the "other income, gains and losses" line item.

上述非上市投資為投資於香港及台灣註冊成立之私人實體所發行之非上市股本證券。彼等於報告期末按成本扣除減值計量，因合理之公平值估計範圍很大，故董事認為其公平值不能可靠計量。於二零一六年十二月三十一日，累計減值虧損為19,568,000港元（二零一五年：16,644,000港元），此乃按賬面值超出按類似金融資產之現時市場回報率折現之估計未來現金流量之現值之金額予以確認。因此，於截至二零一六年十二月三十一日止年度內，已確認減值虧損2,928,000港元（二零一五年：2,588,000港元），並計入「其他收入、收益及虧損」一項之損益內。

### 24. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS/TIME DEPOSITS/CASH AND BANK BALANCES

Pledged bank deposits represent deposits made as performance guarantee in relation to certain mining contracts. The pledged bank deposits will be released upon the completion of relevant mining contracts. They carry interest at fixed rates ranging from 0.30% to 0.38% (2015: 0.35% to 2.67%) per annum.

### 24. 已抵押銀行存款／受限制銀行存款／定期存款／現金及銀行結餘

已抵押銀行存款為就有關若干採礦合約之履約擔保作出之存款。已抵押銀行存款將於完成有關採礦合約後獲解除。其按固定利率介乎每年0.30%至0.38%（二零一五年：0.35%至2.67%）計息。

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## 綜合財務報表附註

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### 24. PLEDGED BANK DEPOSITS/RESTRICTED BANK DEPOSITS/TIME DEPOSITS/CASH AND BANK BALANCES (Continued)

Restricted bank deposits of RMB61,452,000 (equivalent to HK\$68,826,000) (2015: RMB59,357,000 (equivalent to HK\$70,635,000)) carry interest at fixed rates ranging from 0.35% to 1.10% (2015: 0.35% to 2.65%) per annum.

Cash and bank balances comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less, which carry interest at market interest rates. Bank balances carry interest at prevailing market rates which range from 0.01% to 2.60% (2015: 0.01% to 2.73%) per annum. Time deposits carry interest at fixed rates ranging from 1.30% to 3.30% (2015: 1.30% to 3.00%) per annum.

Majority of the cash and bank balances were denominated in RMB, of which HK\$2,730,401,000 (2015: HK\$4,004,550,000), which is not a freely convertible currency in the international market. The RMB exchange rate is determined by the Government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

Cash and bank balances that were denominated in foreign currency other than the functional currencies of the relevant group entities are set out below:

### 24. 已抵押銀行存款／受限制銀行存款／定期存款／現金及銀行結餘 (續)

受限制銀行存款人民幣61,452,000元(相等於68,826,000港元)(二零一五年:人民幣59,357,000元(相等於70,635,000港元))按固定利率介乎每年0.35%至1.10%(二零一五年:0.35%至2.65%)計息。

現金及銀行結餘包括本集團持有之現金及原為三個月或少於三個月到期並按市場利率計息之短期銀行存款。銀行結餘按現行市場利率介乎每年0.01%至2.60%(二零一五年:0.01%至2.73%)計息。定期存款按固定利率介乎每年1.30%至3.30%(二零一五年:1.30%至3.00%)計息。

大部份之現金及銀行結餘均以人民幣計值(其中2,730,401,000港元(二零一五年:4,004,550,000港元)),而人民幣不可於國際市場上自由兌換。人民幣匯率由中國政府釐定,而該等款項匯出中國境外須受中國政府實施之外匯限制所規限。

有關集團實體以功能貨幣以外的外幣計值的現金及銀行結餘載列如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
United States Dollars	美元	659,982	537,842

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### 25. DEFERRED TAX ASSETS/LIABILITIES

The following are the major deferred tax assets (liabilities) recognised by the Group and the movements thereon during the year.

### 25. 遞延稅項資產／負債

以下為本集團所確認之主要遞延稅項資產（負債）及於本年度內的變動。

		Fair value adjustments on business combinations 有關業務合併 之公平值調整	Accelerated tax depreciation 加速 稅項折舊	Revaluation of land and buildings 土地及 樓宇重估	Revaluation of mining rights 採礦權重估	Withholding tax on undistributed earnings 未分配盈利 之預扣稅	Tax losses and others 稅項虧損及 其他	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	(258,147)	37,492	(14,941)	(3,280)	(71,037)	(2,692)	(312,605)
Arising on acquisition of subsidiaries (Note 36)	收購附屬公司時產生 (附註36)	(91,810)	7,278	-	-	-	-	(84,532)
Credit (charge) to profit or loss for the year (Note 12)	於年內損益計入(扣除) (附註12)	13,886	(3,287)	365	361	(12,189)	99,450	98,586
Withholding tax paid	已付預扣稅	-	-	-	-	24,779	-	24,779
Credit to other comprehensive income	於其他全面收益計入	-	-	(610)	-	-	-	(610)
Exchange adjustments	匯兌調整	17,603	(2,054)	455	143	-	(3,760)	12,387
At 31 December 2015	於二零一五年十二月三十一日	(318,468)	39,429	(14,731)	(2,776)	(58,447)	92,998	(261,995)
Credit (charge) to profit or loss for the year (Note 12)	於年內損益計入(扣除) (附註12)	35,813	4,030	818	342	(9,361)	(22,894)	8,748
Withholding tax paid	已付預扣稅	-	-	-	-	12,576	-	12,576
Credit to other comprehensive income	於其他全面收益計入	-	-	(310)	-	-	-	(310)
Exchange adjustments	匯兌調整	18,764	(2,510)	500	148	-	(4,495)	12,407
At 31 December 2016	於二零一六年十二月三十一日	(263,891)	40,949	(13,723)	(2,286)	(55,232)	65,609	(228,574)

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## 綜合財務報表附註

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

### 25. DEFERRED TAX ASSETS/LIABILITIES

(Continued)

The analysis of the deferred tax balances for financial reporting purposes is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	114,455	143,294
Deferred tax liabilities	遞延稅項負債	(343,029)	(405,289)
		<b>(228,574)</b>	<b>(261,995)</b>

As at 31 December 2016, the Group has unused tax losses of HK\$1,412,118,000 (2015: HK\$1,305,714,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$244,613,000 (2015: HK\$386,701,000) of such losses. No deferred tax assets have been recognised in respect of the remaining tax losses of HK\$1,167,505,000 (2015: HK\$919,013,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$1,053,007,000 (2015: HK\$745,472,000) which will expire at various dates up to 2021. Other losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC companies from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$6,137,330,000 (2015: HK\$5,842,854,000) as 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.

### 25. 遞延稅項資產／負債 (續)

作財務呈報用途之遞延稅項結餘分析如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax assets	114,455	143,294
Deferred tax liabilities	(343,029)	(405,289)
	<b>(228,574)</b>	<b>(261,995)</b>

於二零一六年十二月三十一日，本集團有未動用稅項虧損1,412,118,000港元（二零一五年：1,305,714,000港元），可用於抵銷未來溢利。已就有關虧損244,613,000港元（二零一五年：386,701,000港元）確認遞延稅項資產。餘下的稅項虧損1,167,505,000港元（二零一五年：919,013,000港元）由於未來溢利來源無法預測，因此並無確認任何遞延稅項資產。未確認稅項虧損包括將於直至二零二一年前之多個日期屆滿之虧損1,053,007,000港元（二零一五年：745,472,000港元）。其他虧損可無限期結轉。

根據中國企業所得稅法，將對中國公司自二零零八年一月一日起所獲溢利而宣派之股息徵收預扣稅。由於本集團有能力控制暫時差額撥回，而暫時差額很可能不會於可見將來撥回，故中國附屬公司之累計溢利應佔之暫時差額6,137,330,000港元（二零一五年：5,842,854,000港元）並無於綜合財務報表內作出遞延稅項撥備。



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## 綜合財務報表附註

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### 26. INVENTORIES

### 26. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Raw materials and consumables	原材料及易耗品	720,710	611,877
Work in progress	在製品	229,357	236,502
Finished goods	製成品	225,726	234,191
		<b>1,175,793</b>	1,082,570

During the year, the Group recognised impairment loss of inventories in respect of long-aged consumables of HK\$6,325,000 (2015: HK\$7,040,000).

於本年度內，本集團就長期易耗品確認存貨之減值虧損6,325,000港元（二零一五年：7,040,000港元）。

### 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 27. 預付款項、按金及其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Prepayments	預付款項	361,545	248,436
Deposits	按金	124,471	170,255
Loan receivables due from various government sectors (note a)	應收多個政府部門之貸款 (附註a)	19,160	18,686
Dividend receivables from associates	應收聯營公司股息	30,000	20,000
Value-added tax recoverables	可收回增值稅	30,514	116,990
Amount due from a joint venture (note b)	應收一間合營公司款項 (附註b)	7,803	8,237
Consideration receivable for disposal of available-for-sale investments	就出售可供出售投資而 應收之代價	-	778
Other receivables (note c)	其他應收款項(附註c)	139,982	236,674
		<b>713,475</b>	820,056

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

notes:

- (a) At the end of the reporting period, loan receivables due from various government sectors with an aggregate carrying amount of HK\$38,373,000 (2015: HK\$62,433,000) are unsecured, of which HK\$19,160,000 (2015: HK\$18,686,000) are non-interest bearing and repayable within one year. The remaining balance of HK\$19,213,000 (2015: HK\$43,747,000) is interest bearing and repayable in more than one year, and shown under non-current asset in "other financial assets" line item as disclosed in Note 22.

Included in the carrying amount of loan receivables as at 31 December 2016 is accumulated impairment loss of HK\$85,655,000 (2015: HK\$85,058,000). The management has monitored the repayment of these loan receivables and assessed the recoverability of these balances regularly to determine the impairment loss. The management determined that for those balances overdue more than one year which are generally not recoverable, full provision for these balances will be made. During the year, the Group has recognised impairment loss of HK\$11,724,000 (2015: HK\$13,836,000) in respect of loan receivables that have been overdue for more than one year and reversed impairment loss of HK\$5,862,000 (2015: HK\$25,977,000) upon receipt of settlement of same amount.

- (b) Amount due from a joint venture is non-interest bearing, unsecured and repayable on demand.

### 27. 預付款項、按金及其他應收款項 (續)

附註：

- (a) 於報告期末，總賬面值為38,373,000港元（二零一五年：62,433,000港元）之應收多個政府部門之貸款為無抵押，其中19,160,000港元（二零一五年：18,686,000港元）為免息及須於一年內償還。餘額19,213,000港元（二零一五年：43,747,000港元）為計息及須於多於一年償還，並入賬至附註22所披露非流動資產之「其他金融資產」項下。

於二零一六年十二月三十一日，計入應收貸款賬面值之款項已累計減值虧損85,655,000港元（二零一五年：85,058,000港元）。管理層已監控該等應收貸款之還款並定期評估該等結餘之可收回性以確定減值虧損。管理層確定，於該等逾期一年以上一般無法收回之結餘，將作出全額計提撥備。於本年度內，本集團已就逾期一年以上之應收貸款確認減值虧損11,724,000港元（二零一五年：13,836,000港元）及就收回之有關貸款撥回減值虧損5,862,000港元（二零一五年：25,977,000港元）。

- (b) 應收一間合營公司款項為免息、無抵押及於要求時償還。

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## 綜合財務報表附註

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### 27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

notes: (Continued)

- (c) Included in the carrying amount of other receivables as at 31 December 2016 are advances to certain independent third parties with an aggregate amount of HK\$139,982,000 (2015: HK\$237,452,000) with accumulated impairment loss of HK\$106,315,000 (2015: HK\$15,767,000).

During the year, the Group made an impairment loss of HK\$95,756,000 (2015: Nil) in respect of an advance to a cement manufacturer which is also a customer of the Group. Due to the delay of scheduled repayment from the cement manufacturer to the Group as a result of its financial difficulties, the Directors considered the actual future cash flows would be less than expected. Accordingly, an impairment loss on the advance was recognised in profit or loss. The allowance for doubtful debts of trade receivables due from this cement manufacturer is included in note 28.

For the remaining balances, no impairment loss has been made by the Group as at 31 December 2016 (2015: reversed impairment loss of HK\$3,274,000 upon receipt of settlement of same amount).

In addition, the Group has not written off any other receivables during the year (2015: HK\$8,262,000).

### 27. 預付款項、按金及其他應收款項 (續)

附註：(續)

- (c) 於二零一六年十二月三十一日，其他應收款項賬面值包括若干第三方之墊款總額139,982,000港元（二零一五年：237,452,000港元）及累計減值虧損106,315,000港元（二零一五年：15,767,000港元）。

於本年度內，本集團就一間水泥製造商之墊款（其亦為本集團一名客戶）作出減值虧損95,756,000港元（二零一五年：無）。由於該水泥製造商因其財務困難而推遲預定之償還，董事認為實際未來現金流量將不如預期。因此，該墊款之減值虧損已於損益確認。應收該水泥製造商之貿易應收款項之呆賬撥備載於附註28。

於二零一六年十二月三十一日，就餘下結餘而言，本集團並無作出任何減值虧損（二零一五年：於收到同等款額之結算後撥回減值虧損3,274,000港元）。

此外，本集團年內並無撇銷任何其他應收款項（二零一五年：8,262,000港元）。

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## 綜合財務報表附註

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

### 28. TRADE RECEIVABLES

### 28. 應收貿易賬款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables from outsiders	應收外界人士之貿易賬款	2,954,194	2,840,861
Trade receivable from an associate	應收一間聯營公司之貿易賬款	14,588	12,089
Trade receivable from a related party	應收一名關連人士之貿易賬款	8,605	3,796
Less: Allowance for doubtful debts	減：呆賬撥備	(103,324)	(19,976)
		<b>2,874,063</b>	<b>2,836,770</b>

The Group's policy is to allow a credit period of 90 – 180 days to its trade customers (including the associate and related party). The following is an aged analysis of trade receivables, net of allowance for doubtful debts, based on the invoice date at the end of the reporting period:

本集團政策為給予其貿易客戶（包括聯營公司及關連人士）90至180日之賒賬期。以下為於報告期末應收貿易賬款（扣除呆賬撥備）按發票日期之賬齡分析：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 – 90 days	0至90日	1,594,477	1,631,628
91 – 180 days	91至180日	1,209,804	1,160,944
181 – 365 days	181至365日	69,782	44,198
		<b>2,874,063</b>	<b>2,836,770</b>

Before accepting any new customers with credit limit, the Group assesses their historical background and credibility which are available in the market. The credit limit will be determined with reference to the result of research and will be reviewed once a year.

於接納任何具有賒賬限額之新客戶前，本集團會評估其歷史背景及市場中可獲得之信用水平。賒賬限額將參照研究結果釐定且將會每年審閱一次。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 28. TRADE RECEIVABLES (Continued)

At the end of the reporting period, trade receivables of HK\$66,478,000 (2015: HK\$43,044,000) which have been aged over 180 days and past due as at the end of the reporting period for which the Group has not provided for impairment loss because management is of the opinion that the credit quality of these customers has not deteriorated. Hence, there is no expectation of significant recoverability problem. The Group does not hold any collateral over these balances.

#### Ageing of trade receivables which are past due but not impaired

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 – 90 days	0至90日	4,590	23,050
91 – 180 days	91至180日	38,071	824
181 – 365 days	181至365日	23,817	19,170
		<b>66,478</b>	<b>43,044</b>

The Group will provide fully for any receivables that are past due beyond 365 days because historical experience is such that those receivables are generally not recoverable.

### 28. 應收貿易賬款 (續)

於報告期末，應收貿易賬款66,478,000港元（二零一五年：43,044,000港元）的賬齡超過180日並於報告期末已逾期，但本集團並未就該等款項作出減值虧損撥備，此乃由於管理層認為該等客戶之信貸質素並無下降。因此，預期不會出現重大收回性問題。本集團並無就該等結餘持有任何抵押品。

#### 已逾期但尚未減值之應收貿易賬款之賬齡

本集團將就逾期超過365日之任何應收款項全額計提撥備，原因為根據歷史經驗，該等應收款項一般均無法收回。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 28. TRADE RECEIVABLES (Continued)

#### Movement in the allowance for doubtful debts

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
1 January	一月一日	19,976	20,684
Allowance for doubtful debts recognised in profit and loss	於損益內確認之 呆賬撥備	88,478	297
Exchange adjustments	匯兌調整	(5,130)	(1,005)
31 December	十二月三十一日	<b>103,324</b>	19,976

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### 28. 應收貿易賬款 (續)

#### 呆賬撥備之變動

本集團並無重大集中之信貸風險，其風險分散於許多交易對方及客戶。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 29. HELD-FOR-TRADING INVESTMENTS

### 29. 持作交易用途之投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Listed equity securities in Hong Kong, at market value	於香港上市之股本證券， 按市值	28,865	28,523
Quoted investment funds in Taiwan, at fair value	於台灣之有價投資基金， 按公平值	9,328	9,297
		<b>38,193</b>	37,820

The fair values of the held-for-trading investments are determined based on the quoted market bid prices available on the relevant exchanges or prices provided by counterparty financial institutions. The quoted investment funds can be disposed of at the prices provided by the counterparty financial institutions on a regular basis.

持作交易用途之投資之公平值乃根據相關交易所所報之市場買入價或對方金融機構所提供之價格釐定。有價投資基金可按對方金融機構定期提供之價格出售。

### 30. DERIVATIVE FINANCIAL INSTRUMENTS

#### Currency derivatives

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group utilises a variety of forward foreign exchange contracts to manage its exchange rate exposure. The instruments adopted are primarily to hedge the currencies used in the Group's principal markets.

During the year, a gain from changes in fair value of forward foreign exchange contracts of HK\$88,354,000 (2015: nil) was recognised in profit or loss and included in other income, gains and losses.

### 30. 衍生金融工具

#### 貨幣衍生工具

本集團利用貨幣衍生工具對沖重大未來交易及現金流量。本集團利用多種遠期外匯合約管理其匯率風險。所採用的工具主要用於對沖本集團主要市場所用的貨幣。

於本年度期間，來自遠期外匯合約之公平值變動之收益88,354,000港元（二零一五年：無）已於損益確認，並計入其他收入、收益及虧損。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 30. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

#### Currency derivatives (Continued)

At the end of the reporting period, notional amount of major outstanding forward foreign exchange contracts that the Group has committed are as below:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Buy US\$/Sell RMB at rates ranging from 7.0265 to 7.0275	按介乎7.0265至7.0275的匯率買入美元／出售人民幣	808,098	-

As at 31 December 2016, the fair value of the Group's currency derivatives is estimated to be an asset of HK\$396,000 (2015: Nil), based on the difference between the market forward rate at the end of the reporting period for the remaining duration of the outstanding contracts and their contracted forward rates at the end of the reporting period. The contracts outstanding as at 31 December 2016 will mature in the first quarter of 2017 (2015: Nil).

### 30. 衍生金融工具 (續)

#### 貨幣衍生工具 (續)

於報告期末，本集團所承擔主要未完成遠期外匯合約的名義金額如下：

於二零一六年十二月三十一日，按未完成合約剩餘年期於報告期末的市場遠期匯率與其於報告期末的合約遠期匯率之間差額計算，本集團貨幣衍生工具的公平值估計為資產396,000港元（二零一五年：無）。於二零一六年十二月三十一日的未完成合約將於二零一七年第一季度到期（二零一五年：無）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 31. TRADE PAYABLES

### 31. 應付貿易賬款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables to outsiders	應付外界人士之貿易賬款	1,083,880	995,445
Trade payable to ultimate holding company	應付最終控股公司之貿易賬款	5,308	1,073
Trade payables to fellow subsidiaries	應付同系附屬公司之貿易賬款	47,734	25,970
Trade payable to an associate	應付一間聯營公司之貿易賬款	-	1,767
		<b>1,136,922</b>	<b>1,024,255</b>

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

以下為於報告期末之應付貿易賬款按發票日期之賬齡分析：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 – 90 days	0至90日	1,039,232	905,241
91 – 180 days	91至180日	5,314	18,265
181 – 365 days	181至365日	12,530	62,690
Over 365 days	365日以上	79,846	38,059
		<b>1,136,922</b>	<b>1,024,255</b>

The trade balances due to ultimate holding company, fellow subsidiaries and the associate are unsecured, interest-free and repayable in accordance with normal trading terms.

應付最終控股公司、同系附屬公司及聯營公司之貿易結餘為無抵押、免息及須按正常貿易條款償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 32. OTHER PAYABLES AND ACCRUED LIABILITIES

### 32. 其他應付款項及應計負債

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Construction cost payables	應付建築成本	326,148	460,770
Deposits and receipts in advance from customers	來自客戶之按金及預收款	483,631	488,878
Retention moneys	留存款項	39,935	33,546
Other taxes payables	其他應付稅項	135,360	74,085
Preferred distribution payables to convertible preference shareholders	應付可轉換優先股股東之優先分派	14,130	14,130
Payables for land use rights and mining rights	土地使用權及採礦權之應付款項	-	18,505
Consideration payable for the acquisition of additional interests in subsidiaries	收購附屬公司額外權益之應付代價	8,960	16,660
Expenses accrual	應計支出	242,546	233,784
Management fee payable to ultimate holding company	應付最終控股公司之管理費	11,007	9,680
Other payables to fellow subsidiaries	應付同系附屬公司之其他應付款項	738	5,848
Refundable deposit to former shareholder of a subsidiary arising from acquisition	因收購事項產生之可退還予一間附屬公司前股東之按金	67,740	70,635
Deferred income – government grants (Note 34)	遞延收入—政府補貼 (附註34)	580	-
Other payables	其他應付款項	106,355	72,365
		<b>1,437,130</b>	<b>1,498,886</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 33. BANK LOANS

### 33. 銀行貸款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Secured	有抵押	–	69,615
Unsecured	無抵押	9,418,256	11,663,268
		<b>9,418,256</b>	<b>11,732,883</b>
The loans are repayable as follows: 貸款還款期如下：			
Within one year	於一年內	2,295,456	6,028,147
More than one year but not exceeding two years	超過一年但不超過兩年	1,458,000	2,236,200
More than two years but not exceeding five years	超過兩年但不超過五年	5,664,800	3,468,536
		<b>9,418,256</b>	<b>11,732,883</b>
Less: Amounts due for settlement within one year (shown under current liabilities)	減：須於一年內償還之款項（列於流動負債項下）	<b>(2,295,456)</b>	<b>(6,028,147)</b>
Amounts due for settlement after one year	須於一年後償還之款項	<b>7,122,800</b>	<b>5,704,736</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 33. BANK LOANS (Continued)

The Group's bank loans that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong Dollars	港元	–	159,513
United States Dollars	美元	7,216,800	9,479,129

All bank loans of the Group are variable-rate loans which carry interest with reference to Hong Kong Interbank Offered Rate ("HIBOR"), London Interbank Offered Rate ("LIBOR") and benchmark loan rates of financial institutions set by The People's Bank of China.

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Floating rate	浮動息率		
– expiring within one year	– 於一年內屆滿	4,107,105	3,580,536
– expiring beyond one year	– 於一年後屆滿	426,800	155,000
		4,533,905	3,735,536

The Group has no secured bank borrowings (2015: HK\$69,615,000) which are secured by fixed charges of certain assets of the Group, including property, plant and equipment and prepaid lease payments.

### 33. 銀行貸款 (續)

本集團以有關集團實體功能貨幣以外之貨幣計值之銀行貸款載列如下：

本集團之所有銀行貸款為浮動息率貸款，乃參考香港銀行同業拆息（「香港銀行同業拆息」）、倫敦銀行同業拆息（「倫敦銀行同業拆息」）及中國人民銀行所制定之金融機構基準貸款利率計息。

於報告期末，本集團擁有下列尚未提取之借貸額度：

本集團並無已抵押銀行借貸（二零一五年：69,615,000港元），該已抵押銀行借貸以本集團若干資產之固定押記作抵押，有關資產包括物業、廠房及設備及預付租賃款項。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 34. DEFERRED INCOME – GOVERNMENT GRANTS

### 34. 遞延收入－政府補貼

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance at 1 January	於一月一日之結餘	–	–
Received during the year	於本年度已收款項	15,798	–
Recognised in profit or loss	已於損益中確認	(455)	–
Exchange adjustments	匯兌調整	20	–
Balance at 31 December	於十二月三十一日之結餘	15,363	–
Analysed for reporting purpose as:	分析作呈報用途：		
Non-current liabilities	非流動負債	14,783	–
Current liabilities	流動負債	580	–
		15,363	–

The deferred income represents government subsidies granted to the Group in relation to the capital expenditure on technological research and development projects. During the year, the Group received these subsidies of HK\$15,798,000 (2015: Nil). The relevant conditions of these subsidies were fulfilled before recognition and such subsidies were non-recurring in nature. The amounts had been treated as deferred income and will be transferred to income over the project lives.

遞延收入指向本集團授出有關科技研發項目資本開支之政府補助。於本年度，本集團已接獲該等補助15,798,000港元（二零一五年：無）。於確認前該等補助之相關條件已獲達成，且該等補助為非經常性質。該款項已被視為遞延收入及將在項目年期內轉撥至收入。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 35. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

On 23 December 2016, the Company entered into a loan agreement with the immediate holding company for borrowings of US\$80.0 million (equivalent to HK\$620.8 million). Mr. Koo Cheng-Yun, Leslie, an executive Director, is interested in the transaction to the extent that the immediate holding company is controlled by him. The agreement has a term for one year and is further extendable for another one year. The amount due to immediate holding company is carrying interest with reference to either HIBOR or LIBOR plus a spread, unsecured and the amount as at 31 December 2016 will be repayable on 23 December 2018. During the year ended 31 December 2016, the Group has early repaid the balance as at 31 December 2015 which shall be repaid on 28 December 2017 and has recognised related interest expenses of HK\$18,562,000 (2015: HK\$25,740,000).

### 36. ACQUISITION OF SUBSIDIARIES

In order to enlarge the market share in the PRC, the Group completed the following acquisitions during the year ended 31 December 2015.

In January 2015, the Group completed the acquisition of the entire equity interest in 四川鐵路集團水泥有限責任公司 (Sichuan Railway Group Cement Company Limited\*) at a cash consideration of RMB640.5 million (equivalent to HK\$800.6 million) from an independent third party. The company name was changed to TCC Huaying Cement Company Limited ("TCC Huaying") after acquisition. TCC Huaying is principally engaged in the manufacture and distribution of cement and clinker in Sichuan province of the PRC.

\* For identification purpose only

### 35. 應付直屬控股公司款項

於二零一六年十二月二十三日，本公司與直屬控股公司就80,000,000美元（相等於620,800,000港元）之借貸訂立貸款協議。執行董事辜成允先生於該交易中擁有由彼控制之直屬控股公司所擁有之權益。該協議為期一年並進一步延期一年。應付直屬控股公司款項為參考香港銀行同業拆息或倫敦銀行同業拆息加息差計息、無抵押且於二零一六年十二月三十一日之款項將於二零一八年十二月二十三日償還。於截至二零一六年十二月三十一日止年度，本集團已提早償還於二零一五年十二月三十一日之結餘，而該結餘應於二零一七年十二月二十八日償還並已確認相關利息開支18,562,000港元（二零一五年：25,740,000港元）。

### 36. 收購附屬公司

為擴大於中國之市場份額，本集團於截至二零一五年十二月三十一日止年度內完成下列收購。

於二零一五年一月，本集團完成以現金代價人民幣640,500,000元（相等於800,600,000港元）從一名獨立第三方收購四川鐵路集團水泥有限責任公司之全部股權。該公司名稱已於收購後變更為華鑿台泥水泥有限公司（「華鑿台泥」）。華鑿台泥主要在中國四川省從事製造及分銷水泥及熟料業務。

\* 僅供識別

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 36. ACQUISITION OF SUBSIDIARIES (Continued)

In May 2015, the Group completed the acquisition of the entire equity interest in 湖南金大地材料有限責任公司 (Hunan Jindadi Materials Company Limited\*) at a cash consideration of RMB1,177.5 million (equivalent to HK\$1,465.7 million) from six independent third parties. The company name was changed to TCC Huaihua Cement Company Limited (“TCC Huaihua”) after acquisition. TCC Huaihua and its subsidiaries (the “TCC Huaihua Group”) are principally engaged in the manufacture and distribution of cement, clinker, concrete and other cement related products in Hunan province of the PRC.

Both acquisitions have been accounted for using the acquisition method. The Group has adjusted the amount of goodwill being recognised based on the final valuation of acquired identifiable assets. The amount of goodwill arising as a result of the acquisitions of TCC Huaying and TCC Huaihua Group were HK\$65,179,000 and HK\$616,253,000 respectively.

Acquisition related costs amounting to HK\$2,516,000 in aggregate have been excluded from the cost of acquisition and have been recognised as an expense in the year ended 31 December 2015, and included in the “general and administrative expenses” line item in profit or loss.

\* For identification purpose only

### 36. 收購附屬公司 (續)

於二零一五年五月，本集團完成以現金代價人民幣1,177,500,000元（相等於1,465,700,000港元）從六名獨立第三方收購湖南金大地材料有限責任公司之全部股權。該公司名稱已於收購後變更為台泥（懷化）水泥有限公司（「台泥（懷化）」）。台泥（懷化）及其附屬公司（「台泥（懷化）集團」）主要在中國湖南省從事製造及分銷水泥、熟料、混凝土及其他水泥相關產品業務。

兩項收購均已採用收購法入賬。本集團已根據所收購可識別資產之最終評估值調整經確認之商譽金額。因收購華瑩台泥及台泥（懷化）集團而產生之商譽金額分別為65,179,000港元及616,253,000港元。

截至二零一五年十二月三十一日止年度，有關收購事項之成本總計2,516,000港元並未計入收購事項之成本內，而於損益之「一般及行政開支」項目內確認為開支。

\* 僅供識別

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## 綜合財務報表附註

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

### 36. ACQUISITION OF SUBSIDIARIES (Continued)

The net assets acquired in the transactions, and the goodwill arising, are as follows:

### 36. 收購附屬公司 (續)

該等交易所收購之資產淨值及產生之商譽如下：

		TCC Huaying 華瑩台泥 HK\$'000 千港元	TCC Huaihua Group 台泥(懷化)集團 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	975,741	1,676,965	2,652,706
Prepaid lease payments	預付租賃款項	58,030	207,704	265,734
Intangible assets	無形資產	435	84,951	85,386
Mining rights	採礦權	1,255	8,568	9,823
Deposits paid for acquisition of other assets	就收購其他資產支付之訂金	-	1,875	1,875
Deferred tax assets	遞延稅項資產	-	7,278	7,278
		1,035,461	1,987,341	3,022,802
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	42,055	135,534	177,589
Prepaid lease payments	預付租賃款項	1,530	1,339	2,869
Prepayments, deposits and other receivables (note)	預付款項、按金及其他應收款項(附註)	56,344	84,545	140,889
Trade receivables (note)	應收貿易賬款(附註)	16,714	24,112	40,826
Tax recoverables	可收回稅項	625	11,546	12,171
Pledged bank deposits	已抵押銀行存款	-	137,640	137,640
Cash and bank balances	現金及銀行結餘	16,983	44,977	61,960
		134,251	439,693	573,944
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易賬款	32,300	566,280	598,580
Other payables and accrued liabilities	其他應付款項及應計負債	34,815	635,803	670,618
Bank loans	銀行貸款	356,225	248,625	604,850
		423,340	1,450,708	1,874,048
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans	銀行貸款	-	25,000	25,000
Loan term payables	長期應付款項	-	21,024	21,024
Deferred tax liabilities	遞延稅項負債	10,907	80,903	91,810
		10,907	126,927	137,834
		735,465	849,399	1,584,864



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 36. ACQUISITION OF SUBSIDIARIES (Continued)

*note:* The trade and other receivables acquired with an aggregate fair value of HK\$87,310,000 have gross contractual amounts of HK\$96,400,000. The best estimate at acquisition date of contractual cash flows not expected to be collected was HK\$9,090,000.

### 36. 收購附屬公司 (續)

*附註:* 已取得總公平值為87,310,000港元之應收貿易賬款及其他應收款項之已訂約總額為96,400,000港元。預期不可收回之已訂約現金流於收購日期之最佳估算為9,090,000港元。

		TCC Huaying 華鑿台泥 HK\$'000 千港元	TCC Huaihua Group 台泥(懷化)集團 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Goodwill arising on acquisition</b>	<b>收購事項產生之商譽</b>			
Consideration transferred	已轉讓代價	800,644	1,465,652	2,266,296
Less: Fair value of identifiable assets acquired	減: 已收購可識別資產淨值之公平值	(735,465)	(849,399)	(1,584,864)
<b>Goodwill arising on acquisition</b>	<b>收購事項產生之商譽</b>	<b>65,179</b>	<b>616,253</b>	<b>681,432</b>
<b>Net cash outflow arising on acquisition</b>	<b>收購事項產生之現金流出淨額</b>			
Cash consideration	現金代價	800,644	1,465,652	2,266,296
Less: Cash and bank balances acquired	減: 已收購之現金及銀行結餘	(16,983)	(44,977)	(61,960)
Deposit paid in prior year	去年已付之訂金	(344,793)	(174,908)	(519,701)
<b>Net cash outflow arising on acquisition</b>	<b>收購事項產生之現金流出淨額</b>	<b>438,868</b>	<b>1,245,767</b>	<b>1,684,635</b>

Goodwill arose on the acquisition of TCC Huaying and TCC Huaihua Group because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to expected synergies, revenue growth, future market development and the assembled workforce for TCC Huaying and TCC Huaihua Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

因合併成本包括控制權溢價，故收購華鑿台泥及台泥(懷化)集團產生商譽。此外，就合併支付之代價實際上包括有關預期協同效應、收益增長、未來市場發展，以及華鑿台泥及台泥(懷化)集團之裝配勞動力之金額。由於該等利益不符合可識別無形資產之確認標準，故並無與商譽分開確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 36. ACQUISITION OF SUBSIDIARIES (Continued)

#### Impact of acquisitions on the results of the Group

During the year ended 31 December 2015, TCC Huaying contributed HK\$299,644,000 to the Group's revenue and loss of HK\$61,542,000 to the Group's results for the period from the date of acquisition (in January 2015) to 31 December 2015.

During the year ended 31 December 2015, TCC Huaihua Group contributed HK\$469,899,000 to the Group's revenue and loss of HK\$44,794,000 to the Group's results for the period from the date of acquisition (in May 2015) to 31 December 2015.

If the acquisitions had been completed on 1 January 2015, the Group would record total revenue of HK\$11,184,547,000 and a pro forma loss of HK\$560,801,000 for the year ended 31 December 2015. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on 1 January 2015, nor is it intended to be a projection of future results.

### 36. 收購附屬公司 (續)

#### 收購事項對本集團業績之影響

截至二零一五年十二月三十一日止年度內，華瑩台泥自收購日期（於二零一五年一月）起至二零一五年十二月三十一日止期間為本集團之收益貢獻299,644,000港元及為本集團之業績帶來虧損61,542,000港元。

截至二零一五年十二月三十一日止年度內，台泥（懷化）集團自收購日期（於二零一五年五月）起至二零一五年十二月三十一日止期間為本集團之收益貢獻469,899,000港元及為本集團之業績帶來虧損44,794,000港元。

倘收購事項已於二零一五年一月一日完成，則本集團於截至二零一五年十二月三十一日止年度將錄得總收益11,184,547,000港元及備考虧損560,801,000港元。備考資料乃僅供說明之用，並不可作為倘收購事項已於二零一五年一月一日完成時，本集團實際能取得之收益及營運業績之指標，亦不擬作為未來業績之預測。

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## 綜合財務報表附註

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

### 37. SHARE CAPITAL – ORDINARY SHARES

### 37. 股本 – 普通股

		Number of ordinary shares	HK\$'000
		普通股數目	千港元
Authorised:	法定股本：		
Ordinary shares of HK\$0.10 each at 1 January 2015, 31 December 2015 and 31 December 2016	每股面值0.10港元之普通股 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	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足股本：		
Ordinary shares of HK\$0.10 each at 1 January 2015	每股面值0.10港元之普通股 於二零一五年一月一日	3,295,643,213	329,565
Rights issue of shares ( <i>note</i> )	供股發行股份 ( <i>附註</i> )	1,647,821,617	164,782
Conversion of non-redeemable convertible preference shares	轉換不可贖回可轉換優先股	21	–
At 31 December 2015 and 31 December 2016	於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	4,943,464,851	494,347

*note:* On 16 July 2015, the Company issued 1,647,821,617 ordinary shares, on the basis of one rights share for every two existing ordinary shares at the issue price of HK\$2.20 per share. The net proceeds of HK\$3,608.1 million were raised by the Company. The Company's issued ordinary share capital was increased to 4,943,464,851 shares.

*附註：* 於二零一五年七月十六日，本公司按每持有兩股現有普通股可獲發一股供股股份之基準，以每股2.20港元之發行價發行1,647,821,617股普通股。本公司籌集所得款項淨額3,608,100,000港元。本公司之已發行普通股本增至4,943,464,851股。

The new shares issued rank *pari passu* in all respects with the existing shares in issue.

已發行新股份在各方面與現有已發行股份享有同等權益。

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## 綜合財務報表附註

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### 38. SHARE CAPITAL – NON-REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“PREFERENCE SHARES”)

### 38. 股本 – 不可贖回可轉換優先股 (「優先股」)

		Number of convertible preference shares	HK\$'000
		可轉換優先股數目	千港元
Authorised:	法定股本：		
Preference shares of HK\$0.10 each	每股面值0.10港元之優先股		
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、二零一五年十二月三十一日及二零一六年十二月三十一日	494,344,810	49,435
Issued and fully paid:	已發行及繳足股本：		
Preference shares of HK\$0.10 each	每股面值0.10港元之優先股		
At 1 January 2015	於二零一五年一月一日	494,333,666	49,433
Conversion of preference shares	轉換優先股	(21)	-
At 31 December 2015 and 31 December 2016	於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	494,333,645	49,433

The preference shares are non-redeemable and carry no voting right. Pursuant to the terms of the preference shares and the articles of association of the Company, as a result of the rights issue of the Company, the initial conversion price of preference share, being HK\$4.90 per preference share, has been conditionally adjusted to HK\$4.49 per preference share with effect from 12 June 2015. Under the terms of the preference shares, each preference share is initially convertible into one ordinary share. As a result of the above change in the conversion price, the initial conversion rate is adjusted such that the number of ordinary shares into which each preference share is convertible will be adjusted by multiplying the rate of “4.90/4.49”. Details of which is disclosed in the Company’s announcement dated 12 June 2015.

優先股為不可贖回及不附帶任何投票權。根據優先股之條款及本公司之組織章程細則，本公司之供股導致優先股之初步轉換價（即每股優先股4.90港元）已有條件地調整至每股優先股4.49港元，自二零一五年六月十二日起生效。根據優先股之條款，每股優先股初步可轉換為一股普通股。上述轉換價變動導致初步轉換率將作出調整，以令每股優先股可予轉換之普通股數目將按乘以「4.90/4.49」之比率而予以調整。有關詳情披露於本公司日期為二零一五年六月十二日之公佈內。

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## 綜合財務報表附註

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

### 38. SHARE CAPITAL – NON-REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“PREFERENCE SHARES”) (Continued)

The preference shareholders are entitled to receive dividend pari passu with ordinary shareholders on an as converted basis. In addition, they are also entitled to preferred distribution at a rate of 1.0% per annum on the issue price, at HK\$4.9 per preference share, payable semi-annually in arrears. The preferred distribution is non-cumulative. The Directors may, in their sole discretion, elect to defer or not to pay a preferred distribution. If the board of Directors elects to defer or not to pay a preferred distribution, the Company shall not pay any dividends, distributions or make any other payment on any ordinary shares.

### 39. SHARE-BASED PAYMENT TRANSACTIONS

#### Equity-settled share option scheme

The Company operates a share option scheme (the “Scheme”) for the purpose of enabling the Directors to grant options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the Group. The Scheme shall be valid and effective for a period of 10 years commencing on the adoption date of 23 May 2006. The basis of eligibility of any of the Eligible Persons to the grant of options shall be determined by the Directors from time to time on the basis of the Directors’ opinion as to his contribution or potential contribution to the development and growth of the Group. Eligible Persons means any person falling within one of the following classes:

- (i) any Director or proposed Director (whether executive or non-executive, including any independent non-executive Director), employee of any member of the Group or any controlling shareholder, a person who controls the Company or any company controlled by a controlling shareholder (a “Category A Eligible Person”); or

### 38. 股本 – 不可贖回可轉換優先股 (「優先股」) (續)

優先股股東有權按已兌換基準與普通股股東享有同等權益地收取股息。此外，彼等亦有權按發行價每股優先股4.9港元以每年1.0%之比率收取優先分派，優先分派每半年到期時應付。優先分派不可累積。董事可全權酌情選擇延後或不支付優先分派。倘董事會選擇延後或不支付優先分派，則本公司毋須支付任何普通股之任何股息、分派或作出任何其他付款。

### 39. 以股份支付款項之交易

#### 以股本結算之購股權計劃

本公司設有購股權計劃(「該計劃」)，旨在賦予董事權力，將購股權授予指定合資格人士，作為彼等對本集團所作之貢獻或潛在貢獻之獎勵或報酬。該計劃之有效期為十年，由採納當日(即二零零六年五月二十三日)起生效。任何合資格人士獲授購股權之資格，將由董事不時根據董事對彼就本集團發展及增長所作之貢獻或潛在貢獻之意見而釐定。合資格人士指任何屬於下列其中一類之人士：

- (i) 本集團任何成員公司或任何控股股東、控制本公司之人士或任何由控股股東控制之公司之任何董事或候任董事(不論為執行或非執行，包括任何獨立非執行董事)、僱員(「A類合資格人士」)；或

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## 綜合財務報表附註

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

### 39. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity-settled share option scheme (Continued)

- (ii) any holder of any securities issued by any member of the Group or any controlling shareholder or any company controlled by a controlling shareholder (a “Category B Eligible Person”);

and, for the purposes of the Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of persons.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares in issue as at the date of adoption of the Scheme. The Company can grant share options to subscribe up to 77,292,200 shares of the Company under the Scheme. The 10% limit may be refreshed with the approval of shareholders of the Company.

The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders. Any option to be granted to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).

### 39. 以股份支付款項之交易 (續)

#### 以股本結算之購股權計劃 (續)

- (ii) 本集團任何成員公司或任何控股股東或任何由控股股東控制之公司發行之任何證券之任何持有人(「B類合資格人士」)；

而就該計劃而言，須包括屬上述任何一類之一名或多名人士控制之任何公司。

根據該計劃授出之購股權所涉及之股份總數，不得超過該計劃獲採納當日已發行股份10%。本公司可根據該計劃授出購股權，以認購最多77,292,200股本公司股份。經本公司股東批准後，該10%上限可予更新。

未經本公司股東事先批准，任何人士於任何一年內已經及可能獲授之購股權所涉及之已發行及將予發行之股份數目，不得超過本公司於任何時間已發行股份1%。凡向董事、本公司主要行政人員或主要股東(或彼等各自之任何聯繫人)授出購股權，須經獨立非執行董事(不包括本身為購股權承授人之任何獨立非執行董事)批准。

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## 綜合財務報表附註

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### 39. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity-settled share option scheme (Continued)

If a grant of options to a substantial shareholder or an independent non-executive Director (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of options already granted and to be granted to such person under the Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue; and in excess of HK\$5 million, such further grant of options is required to be approved by shareholders.

The option period commences on the Commencement Date (the date upon which the options are deemed to be granted and accepted) of such options and ends on the close of business on the day immediately preceding the tenth anniversary thereof.

The exercise price per share shall be determined by the Board, being at least the highest of (i) the closing price of the shares on the date on which an option is offered to an Eligible Person, which must be a business day ("Offer Date"); (ii) the average closing price of the shares for the five trading days immediately preceding the offer date, and (iii) the nominal value of one share.

Share options do not contain rights on the holders to dividends or vote at shareholders meetings.

### 39. 以股份支付款項之交易 (續)

#### 以股本結算之購股權計劃 (續)

倘向主要股東或獨立非執行董事(或彼等各自之任何聯繫人)授出任何購股權,將導致於截至及包括授出日期止任何12個月期間內因行使根據該計劃及本公司任何其他購股權計劃已及將向該人士授出之購股權(包括已行使、已註銷及尚未行使之購股權)而已發行及將發行之股份總數合共超過已發行股份0.1%及超過5,000,000港元,則進一步授出購股權須經股東批准。

購股權期間於該等購股權之起始日(購股權被視為已授出及已獲接納之日期)開始,並於其緊接十週年日期前一個營業日結束時屆滿。

每股股份行使價應由董事會釐定,即至少相等於以下三者中之最高者:(i)在向合資格人士提呈購股權當日(必須為營業日)(「要約日期」)之股份收市價;(ii)緊接要約日期前五個交易日之股份平均收市價;及(iii)一股股份面值。

購股權並無附帶持有人獲享股息或於股東會議上投票之權利。

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### 39. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity-settled share option scheme (Continued)

No share option was granted under the Scheme and no movement was observed during both years.

No expense was recognised in relation to share options granted under the Scheme by the Company during both years.

### 40. RESERVES

#### Contributed surplus

The contributed surplus of the Group represents the difference between the fair value of the combined net assets value of the subsidiaries involved in the Group reorganisation in September 1997 and the assets, liabilities and undertakings which relate to the import and distribution of cement carried out by Hong Kong Cement Manufacturing Company Limited prior to the Group reorganisation (the "Relevant Business"), as if they were acquired by the Group when the subsidiaries and the Relevant Business commenced operations, and the nominal value of the Company's shares issued in exchange therefor.

#### Statutory reserve fund

In accordance with the relevant PRC regulations applicable to wholly-foreign owned enterprises, certain PRC subsidiaries are required to appropriate an amount of not less than 10% of its annual after tax profit to the statutory reserve fund which may be used to increase the paid-up capital of the PRC subsidiaries.

### 39. 以股份支付款項之交易 (續)

#### 以股本結算之購股權計劃 (續)

於兩個年度內，概無根據該計劃授出任何購股權且購股權並無變動。

本公司於兩年內並無就根據該計劃授出之購股權確認開支。

### 40. 儲備

#### 繳入盈餘

本集團之繳入盈餘指本集團於一九九七年九月進行重組涉及之附屬公司之合併資產淨值，以及假設當附屬公司及本集團重組前之香港水泥有限公司從事之水泥進口及分銷業務（「有關業務」）開始投入運作後已由本集團收購關於有關業務之資產、負債及承擔之公平值，與作為換取代價之本公司已發行股份面值之差額。

#### 法定儲備基金

根據有關適用於外商獨資企業之中國法規，若干中國附屬公司須將不少於每年除稅後溢利10%之款項提撥作法定儲備基金，該筆款項可作該等中國附屬公司增加實繳資本之用。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 41. RETIREMENT BENEFITS PLANS

The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Ordinance (the "MPF Scheme") for employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries with maximum of HK\$1,500 per employee per month and are charged to the profit and loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Company's subsidiaries in the PRC are members of state-managed retirement benefit plans operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the consolidated statement of profit or loss and other comprehensive income of HK\$85,322,000 (2015: HK\$82,144,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

### 41. 退休福利計劃

本集團根據強制性公積金計劃條例，為合資格參與強積金計劃之僱員設立定額供款退休福利計劃（「強積金計劃」）。有關供款按有關僱員之基本薪金若干百分比計算，最高為每位僱員每月1,500港元，並於根據強積金計劃規則應付時自損益中扣除。強積金計劃之資產由獨立管理基金持有，與本集團資產分開管理。本集團之僱主供款一旦根據強積金計劃作出，即全數屬僱員所有，惟倘本集團之僱員在可全數收取供款前離職，則本集團之僱主自願供款將根據強積金計劃規則退還予本集團。

本公司位於中國之附屬公司之僱員為中國政府營辦之國家管理退休福利計劃之會員。該等附屬公司須按僱員薪金之某個指定百分比向退休福利計劃作出供款，為福利計劃提供資金。本集團有關退休福利計劃之唯一責任為作出指定供款。

本集團按該等計劃之規則指定之比率應付該等計劃之供款總額為85,322,000港元（二零一五年：82,144,000港元），費用總額已於綜合損益及其他全面收益表確認入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 42. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes bank loans and amount due to immediate holding company net of cash and bank balances, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings. The Directors review the capital structure on an annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debts.

### 42. 資本風險管理

本集團之資本管理乃確保本集團內各實體將可以持續方式經營，同時透過優化債務與股本平衡為股東帶來最大回報。過往年度本集團整體策略保持不變。

本集團之資本架構包括債務淨額（包括銀行貸款及應付直屬控股公司款項，扣除現金及銀行結餘）及本公司擁有人應佔權益（包括已發行股本、儲備及保留盈利）。董事每年均會檢討資本架構。作為此項檢討之一部份，董事會考慮資本成本及與各類資本有關之風險。本集團將透過支付股息、發行新股份及購回股份，以及發行新債務或贖回現有債務平衡其整體資本架構。

### 43. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

### 43. 金融工具

#### 金融工具之類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Financial assets</b>	<b>金融資產</b>		
FVTPL	按公平值計入損益		
– held-for-trading investments	– 持作交易用途之投資	38,193	37,820
Derivative financial instruments	衍生金融工具	396	–
Loans and receivables (including cash and cash equivalents)	貸款及應收款項（包括現金及現金等值）	7,431,974	8,967,444
Available-for-sale investments	可供出售投資	34,453	37,377
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	11,994,117	14,623,061

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade and other receivables, loan receivables, derivative financial instruments, bank deposits and bank balances, trade and other payables, bank loans and amount due to immediate holding company. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, interest rate risk, currency risk, other price risk and liquidity risk and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

#### Credit risk

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 discharge an obligation by the counterparties, is arising from the carrying amount of the respective financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in Note 44. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debtor at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

### 43. 金融工具 (續)

#### 財務風險管理目標與政策

本集團之主要金融工具包括股本投資、應收貿易賬款及其他應收款項、應收貸款、衍生金融工具、銀行存款及銀行結餘、應付貿易賬款及其他應付款項、銀行貸款及應付直屬控股公司款項。該等金融工具之詳情已於有關之附註披露。下文載列與該等金融工具有關之風險（包括信貸風險、利率風險、貨幣風險、其他價格風險及流動資金風險）及本集團如何減低該等風險而採用之政策。管理層監察該等風險，以確保及時及有效地實行適當措施。

#### 信貸風險

於二零一六年十二月三十一日，本集團要承受之最大信貸風險（因對方未能履行責任而令本集團蒙受財務損失）乃因綜合財務狀況表所述各金融資產之賬面值及於附註44披露之有關本集團所作出財務擔保之或然負債金額而產生。為將信貸風險降至最低，本集團管理層已委派一組人員負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進措施收回逾期之債項。此外，本集團於報告期末檢討每項個別債項之可收回數額，以確保就無法收回之數額作出足夠之減值虧損。就此而言，董事認為本集團之信貸風險已大幅降低。

流動資金之信貸風險有限，原因是對方均為具高信貸評級之銀行。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Credit risk (Continued)

The Group mainly trades on terms based on prepayments and letters of credits in most of the transactions. Thus, the management considers that the risk is adequately monitored and does not expect any counterparty to fail to meet its obligations.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for all loan receivables (2015: all) and 97.6% of the trade receivables (2015: 97.4%) as at 31 December 2016.

As at 31 December 2016, the Group has concentration of credit risk with (i) loan receivables due from three (2015: four) borrowers within the government sectors in the PRC; and (ii) financial guarantee issued by the Group to an associate.

### 43. 金融工具 (續)

#### 財務風險管理目標與政策 (續)

#### 信貸風險 (續)

在大部份交易中，本集團主要按照以預付款項及信用證為基準之條款進行交易。因此，管理層認為有關風險受到充分監控，並預期概無任何對方將不予履行其責任。

本集團之信貸風險按地區而言主要集中於中國，於二零一六年十二月三十一日佔全部應收貸款（二零一五年：全部）及應收貿易賬款之97.6%（二零一五年：97.4%）。

於二零一六年十二月三十一日，由於(i)應收三名（二零一五年：四名）來自中國政府部門借款人之應收貸款；及(ii)本集團向一間聯營公司作出之財務擔保。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk

##### (i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the pledged bank deposits, restricted bank deposits and time deposits. The Group is also exposed to cash flow interest rate risk in relation to floating-rate bank loans, amount due to immediate holding company and bank balances. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR, LIBOR and benchmark loan rates of financial institutions set by The People's Bank of China arising from the Group's bank loans and amount due to immediate holding company.

#### Sensitivity analysis

The Group's sensitivity to interest rate risk has been determined based on the exposure to variable interest rates for financial instruments at the end of the reporting period. The analysis is prepared assuming amount due to immediate holding company and bank balances net of floating-rate bank loans at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

### 43. 金融工具 (續)

#### 財務風險管理目標與政策 (續)

#### 市場風險

##### (i) 利率風險

本集團面臨與已抵押銀行存款、受限制銀行存款及定期存款有關之公平值利率風險。本集團亦面臨與浮動息率銀行貸款、應付直屬控股公司款項及銀行結餘有關之現金流利率風險。本集團現時並無利率對沖政策。然而，管理層監控利率風險，並將於需要時考慮對沖重大利率風險。由於定期存款為短期，銀行存款之公平值利率風險甚微。

本集團之現金流利率風險主要集中在本集團之銀行貸款及應付直屬控股公司款項產生之香港銀行同業拆息、倫敦銀行同業拆息及中國人民銀行所制定之金融機構基準貸款利率之波動。

#### 敏感度分析

本集團利率風險的敏感度乃基於報告期末金融工具之浮動利率風險而釐定。此分析假設於報告期末應付直屬控股公司款項及銀行結餘（扣除浮息銀行貸款）於全年並無獲償還而編製。50個基點之增減是向主要管理人員就利率風險作內部匯報時使用，而該基點代表管理層對可能合理出現之利率變動所作出之評估。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk (Continued)

##### (i) Interest rate risk (Continued)

Sensitivity analysis (Continued)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2016 would increase/decrease by HK\$22,000,000 (2015: HK\$6,823,000).

##### (ii) Currency risk

The Group is mainly exposed to United States Dollars ("US\$") and HK\$.

Amount due to immediate holding company, bank balances and bank loans of the Group are denominated in foreign currencies. The management continuously monitors the foreign exchange exposure and will consider hedging foreign currency risk should the need arise.

In addition, the Group enters into short-term forward foreign exchange contracts (less than 3 months) for hedging purpose. The Group utilises a variety forward foreign exchange contracts to hedge its exposure to foreign currencies on a regular basis.

As at 31 December 2016, major outstanding forward foreign exchange contracts that the Group has committed is buying US\$ and selling RMB at rates from 7.0265 to 7.0275 (2015: nil). Their fair value is estimated to be an asset of HK\$396,000 (2015: nil) and is included as derivative financial instruments (2015: nil) at the end of the reporting period. The contracts will mature in the first quarter of 2017.

### 43. 金融工具 (續)

#### 財務風險管理目標與政策 (續)

#### 市場風險 (續)

##### (i) 利率風險 (續)

敏感度分析 (續)

倘利率增/減50個基點且所有其他可變因素維持不變，則本集團截至二零一六年十二月三十一日止年度之除稅後溢利將增加/減少22,000,000港元 (二零一五年：6,823,000港元)。

##### (ii) 貨幣風險

本集團主要涉及美元(「美元」)及港元風險。

本集團之應付直屬控股公司款項、銀行結餘及銀行貸款以外幣列值。管理層持續監控外幣風險，並將於有需要時考慮對沖外幣風險。

此外，本集團訂立短期的遠期外匯合約(少於3個月)作對沖用途。本集團經常利用多種外匯合約以對沖其外匯風險。

於二零一六年十二月三十一日，本集團承擔的主要尚未完成的遠期外匯合約為按7.0265至7.0275的匯率買入美元並賣出人民幣(二零一五年：無)。其公平值估計為資產396,000港元(二零一五年：零)，並於報告期末列為衍生金融工具(二零一五年：無)。該等合約將於二零一七年第一季度到期。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk (Continued)

##### (ii) Currency risk (Continued)

#### Sensitivity analysis

The following table details the Group's sensitivity to a reasonably possible change of 5% in exchange rate of US\$ and HK\$ against functional currency of RMB respectively, while all other variables are held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates.

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Increase (decrease) in post-tax profit/decrease (increase) in post-tax loss for the year	本年度除稅後溢利增加(減少)／除稅後虧損減少(增加)		
– if RMB weakens against US\$	– 倘人民幣兌美元弱勢	11,858	(218,488)
– if RMB strengthens against US\$	– 倘人民幣兌美元強勢	(11,858)	218,488
– if RMB weakens against HK\$	– 倘人民幣兌港元弱勢	–	(5,982)
– if RMB strengthens against HK\$	– 倘人民幣兌港元強勢	–	5,982

##### (iii) Other price risk

The Group's equity investments and the investment funds with underlying equity investments at the end of the reporting period exposed the Group to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. The Group's equity price risk is from listed equity securities in Hong Kong and quoted investment funds. Available-for-sale investments also exposed to price risk but no sensitivity analysis is presented as the available-for-sale investments are measured at cost.

### 43. 金融工具 (續)

#### 財務風險管理目標與政策 (續)

#### 市場風險 (續)

##### (ii) 貨幣風險 (續)

#### 敏感度分析

下表詳列本集團就美元及港元分別兌功能貨幣人民幣之匯率可能有5%之合理變動之敏感度，而所有其他可變因素維持不變。此敏感度分析僅包括尚未結清之外幣列值貨幣項目及於報告期末按外幣匯率5%變動調整其換算。

##### (iii) 其他價格風險

本集團於報告期末之股本投資及具有相關股本投資之投資基金令本集團蒙受股本證券價格風險。管理層會透過維持具有不同風險程度之投資組合來管理此風險。本集團之股價風險來自香港上市股本證券及有價投資基金。可供出售投資亦承受價格風險，但由於可供出售投資乃按成本計量，故並無呈列敏感度分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Market risk (Continued)

##### (iii) Other price risk (Continued)

#### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks in respect of held-for-trading investments at the reporting date.

If the prices of the respective held-for-trading investments had been 20% higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2016 would increase/decrease by HK\$7,639,000 (2015: HK\$7,564,000) as a result of the changes in fair value of held-for-trading investments.

#### Liquidity risk

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

The Group relies on bank loans as a significant source of liquidity. As at 31 December 2016, the Group has available unutilised bank loan facilities of HK\$4,533,905,000 (2015: HK\$3,735,536,000). Details of which are set out in Note 33.

### 43. 金融工具 (續)

#### 財務風險管理目標與政策 (續)

#### 市場風險 (續)

##### (iii) 其他價格風險 (續)

#### 敏感度分析

以下敏感度分析乃根據於報告日期有關持作交易用途之投資之股價風險而釐定。

如果各項持作交易用途之投資之價格上升/下降20%且所有其他可變因素維持不變，則由於持作交易用途之投資公平值變動，致使本集團截至二零一六年十二月三十一日止年度之除稅後溢利將增加/減少7,639,000港元（二零一五年：7,564,000港元）。

#### 流動資金風險

就管理流動資金風險而言，本集團監察及保持管理層認為充足水平之現金及現金等值，以為本集團營運提供資金及減低現金流量波動之影響。管理層監控銀行貸款之動用情況，並確保符合貸款契約之規定。

本集團依靠銀行貸款作為流動資金之主要來源。於二零一六年十二月三十一日，本集團有可動用而尚未動用之銀行貸款額度為4,533,905,000港元（二零一五年：3,735,536,000港元）。其詳情載於附註33。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

#### Liquidity risk tables

		Weighted average interest rate	Repayable on demand	1 - 3 months	3 months to 1 year	1 - 5 years	Total undiscounted cash flows	Carrying amount
		加權平均利率	於要求時償還	一至三個月	三個月至一年	一至五年	未貼現現金流總額	賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元	千港元	千港元
<b>2016</b>	<b>二零一六年</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	應付貿易賬款及其他應付款項	-	1,007	860,783	1,093,271	-	1,955,061	1,955,061
Bank loans	銀行貸款	2.7	-	1,710,486	843,391	7,450,652	10,004,529	9,418,256
Amount due to immediate holding company	應付直屬控股公司款項	2.3	-	3,567	10,700	635,067	649,334	620,800
Financial guarantee contract	財務擔保合約	-	100,800	-	-	-	100,800	-
			101,807	2,574,836	1,947,362	8,085,719	12,709,724	11,994,117
<b>2015</b>	<b>二零一五年</b>							
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>							
Trade and other payables	應付貿易賬款及其他應付款項	-	838	968,632	990,708	-	1,960,178	1,960,178
Bank loans	銀行貸款	2.7	-	2,003,681	4,187,559	5,879,355	12,070,595	11,732,883
Amount due to immediate holding company	應付直屬控股公司款項	1.7	-	8,109	24,327	1,945,609	1,978,045	930,000
Financial guarantee contract	財務擔保合約	-	124,950	-	-	-	124,950	-
			125,788	2,980,422	5,202,594	7,824,964	16,133,768	14,623,061

### 43. 金融工具 (續)

#### 財務風險管理目標與政策 (續)

#### 流動資金風險 (續)

下表詳列本集團非衍生金融負債之其餘合同到期情況。該表乃根據本集團須付款之最早日期之金融負債中未折現現金流量編製。非衍生金融負債的到期日乃根據協定償還日期釐定。該表包括利息及本金現金流量。倘利息流為浮動利率，則未折現金額將根據報告期末之利率計算。

#### 流動資金風險表

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Financial risk management objectives and policies

(Continued)

#### Liquidity risk (Continued)

The amounts included above for financial guarantee contract is the maximum amount the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

#### Fair value of financial assets and financial liabilities

#### Fair value measurements of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

### 43. 金融工具 (續)

#### 財務風險管理目標與政策 (續)

#### 流動資金風險 (續)

計入上述財務擔保合約之金額乃倘擔保之對手方作出申索，則本集團根據安排可取得用作償還全數擔保金額之最高金額。根據報告期末之預期，本集團認為很大可能毋須根據安排支付款項。然而，上述估計將視乎對手方根據擔保提出申索之可能性而有變，而提出申索之可能性則取決於對手方所持獲擔保財務應收款項出現信貸虧損之可能性。

倘若浮動利率變動與報告期末釐定之利率估計不同，上文所載之非衍生金融負債的浮動利率工具金額可能有變。

#### 金融資產及金融負債之公平值

本集團的金融資產及金融負債的公平值乃以經常性基準按公平值計量

本集團若干金融資產及金融負債乃於各報告期末按公平值計量。下表為有關如何釐定該等金融資產及金融負債的公平值（特別是所使用的估值技術及輸入數據）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### Fair value of financial assets and financial liabilities

(Continued)

Fair value measurements of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

### 43. 金融工具 (續)

#### 金融資產及金融負債之公平值 (續)

本集團的金融資產及金融負債的公平值乃以經常性基準按公平值計量 (續)

Financial assets/ financial liabilities	Fair value as at 31 December 2016 於二零一六年十二月三十一日 之公平值	Fair value hierarchy	Valuation technique(s) and key input(s) 估值技術及 主要輸入資料
金融資產／金融負債		公平值層級	
<b>Financial assets</b>			
<b>金融資產</b>			
Held-for-trading investments	Listed equity securities in Hong Kong: – cement industry – HK\$28,865,000 (2015: HK\$28,523,000); and quoted investment funds in Taiwan – HK\$9,328,000 (2015: HK\$9,297,000)	Level 1	Quoted bid prices in active markets.
持作交易用途之投資	於香港上市之股本證券： 水泥行業—28,865,000港元 (二零一五年：28,523,000港元)；及 於台灣之有價投資基金—9,328,000港元 (二零一五年：9,297,000港元)	第一級	於活躍市場所報之買賣價。
Forward foreign exchange contracts as derivative financial instruments in the consolidated statement of financial position	Assets – HK\$396,000 (2015: nil)	Level 2	Discounted cash flow
綜合財務狀況表中作為衍生金 融工具之遠期外匯合約	資產— 396,000港元 (二零一五年：零)	第二級	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. 折現現金流
			未來現金流乃基於遠期 匯率 (自報告期末的可 觀察遠期匯率得出) 及 合約遠期利率估計得 出，並按可反映各交易 對手方的若干風險的 利率折

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 43. FINANCIAL INSTRUMENTS (Continued)

#### Fair value of financial assets and financial liabilities

(Continued)

*Fair value measurements of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)*

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. In addition, available-for-sale investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably.

There were no transfers between levels in both years.

### 44. CONTINGENT LIABILITIES

As at 31 December 2016, the Group provided a corporate guarantee jointly with other shareholders of an associate to a bank in respect of banking facilities granted to that associate in aggregate amounted to RMB400,000,000 (equivalent to HK\$448,000,000) (2015: RMB400,000,000 (equivalent to HK\$476,000,000)), of which RMB300,000,000 (equivalent to HK\$336,000,000) (2015: RMB350,000,000 (equivalent to HK\$416,500,000)) has been utilised by the associate. Pursuant to the corporate guarantee agreement, the Group has provided the guarantee amount proportioned to its equity interest in the associate, which represents RMB90,000,000 (equivalent to HK\$100,800,000) (2015: RMB105,000,000 (equivalent to HK\$124,950,000)).

Save as disclosed above, the Group had no other material contingent liabilities as at the end of the reporting period.

### 43. 金融工具 (續)

#### 金融資產及金融負債之公平值 (續)

本集團的金融資產及金融負債的公平值乃以經常性基準按公平值計量 (續)

董事認為，按攤銷成本於綜合財務報表內入賬之金融資產及金融負債之賬面值與其公平值相若。此外，於報告期末，可供出售投資乃按成本扣除減值計量，原因為其合理公平值估計之範圍甚廣，故董事認為彼等之公平值無法可靠計量。

於兩年度各級之間並無轉讓。

### 44. 或然負債

於二零一六年十二月三十一日，本集團連同一間聯營公司之其他股東就該聯營公司獲授之總額為人民幣400,000,000元（相等於448,000,000港元）（二零一五年：人民幣400,000,000元（相等於476,000,000港元））之銀行融資（其中人民幣300,000,000元（相等於336,000,000港元）（二零一五年：人民幣350,000,000元（相等於416,500,000港元））已獲該聯營公司動用）而向一家銀行提供企業擔保。根據企業擔保協議，本集團已按其於該聯營公司之股權比例提供擔保金額，即為人民幣90,000,000元（相等於100,800,000港元）（二零一五年：人民幣105,000,000元（相等於124,950,000港元））。

除上文所披露者外，於報告期末，本集團概無其他重大或然負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 45. CAPITAL COMMITMENTS

The Group's capital expenditure in respect of the following items contracted but not provided for in the consolidated financial statements are as follow:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Acquisition of property, plant and equipment	購買物業、廠房及設備	473,440	893,459

### 46. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases with a fellow subsidiary which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	4,968	4,968
In the second to fifth years inclusive	第二年至第五年	19,872	19,872
Over five years	超過五年	28,169	33,137
		<b>53,009</b>	<b>57,977</b>

Operating lease payments represent rentals payable by the Group for certain of its rented land based on current rental payment. Leases are negotiated for lease term of thirty years and the rental is repriced every two years based on the market rent.

### 45. 資本承擔

本集團就下列各項之已訂約但未於綜合財務報表撥備之資本支出如下：

### 46. 經營租約承擔

於報告期末，本集團就與同系附屬公司訂立之不可撤銷之經營租約之日後最低租賃款項擁有尚未履行之承擔，其屆滿期如下：

經營租約租金指本集團根據當前租金就其若干租賃土地應付之租金。租約經商議之租期為30年，而租金每兩年根據市場租金價格重新定價一次。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 47. PLEDGE OF ASSETS

As at 31 December 2016, assets with the following carrying amounts have been pledged as performance guarantee in relation to certain mining contracts (2015: or as a security for the bank loans).

### 47. 資產抵押

於二零一六年十二月三十一日，以下賬面值之資產已抵押就若干採礦合約作為履約擔保（二零一五年：或作為銀行貸款之抵押品）。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	–	529,434
Prepaid lease payments	預付租賃款項	–	62,862
Pledged bank deposits	已抵押銀行存款	<b>17,291</b>	19,289
		<b>17,291</b>	611,585

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 48. RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances set out in Notes 9, 27, 28, 31, 35 and 46, the Group entered into the following material related party transactions during the year:

### 48. 關連人士交易

除於附註9、27、28、31、35及46所述之交易及結餘外，於本年度，本集團已進行下列重大關連人士交易：

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(i)	Rental expenses payable to a fellow subsidiary	(i) 應付一間同系附屬公司之租金費用 (a)	4,968	4,968
(ii)	Purchases of cement and clinker from ultimate holding company	(ii) 向最終控股公司購買水泥及熟料 (b)	26,577	75,427
(iii)	Transportation and management services fee payable to fellow subsidiaries	(iii) 應付同系附屬公司之運輸及管理服務費 (a)	224,376	268,545
(iv)	Maintenance service and one-off implementation service fee of a computer software system payable to fellow subsidiaries	(iv) 應付同系附屬公司之電腦軟件系統之維護服務及一次性導入服務費 (a)	19,596	30,243
(v)	Sales of limestone to ultimate holding company	(v) 向最終控股公司銷售石灰石 (b)	-	7,331
(vi)	Service fee payable to ultimate holding company	(vi) 應付最終控股公司之服務費 (a & c)	120,249	86,177
(vii)	Management fee payable to a related party (note 1)	(vii) 應付一名關連人士之管理費(附註1) (a)	10,242	10,707
(viii)	Rental expenses payable to a related party (note 1)	(viii) 應付一名關連人士之租金費用(附註1) (a)	704	743
(ix)	Sales of cement to a related party (note 1)	(ix) 向一名關連人士銷售水泥(附註1) (b)	44,876	52,348
(x)	Trademark fee payable to a related party (note 2)	(x) 應付一名關連人士之商標使用費(附註2) (a)	5,432	4,766
(xi)	Purchase of raw materials from a related party (note 3)	(xi) 向一名關連人士購買原材料(附註3) (b)	262	-
(xii)	Purchase of raw materials from an associate	(xii) 向一間聯營公司購買原材料 (b)	24,086	29,209
(xiii)	Sales of cement to an associate	(xiii) 向一間聯營公司銷售水泥 (b)	75,469	90,172
(xiv)	Sales of raw materials to an associate	(xiv) 向一間聯營公司銷售原材料 (b)	17,804	31,223
(xv)	Service income from associates	(xv) 來自聯營公司之服務收入 (a)	2,341	1,576

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 48. RELATED PARTIES TRANSACTIONS

(Continued)

notes:

- (1) The related party is a non-controlling shareholder of a subsidiary of the Company.
- (2) The related party is the holding company of a non-controlling shareholder of a subsidiary of the Company.
- (3) The related party is a subsidiary of a non-controlling shareholder of a subsidiary of the Company.
- (a) The prices of these transactions were determined between the parties with reference to the agreements signed.
- (b) The prices of these transactions were determined between the parties with reference to market prices.
- (c) On 12 March 2015, the Company entered into a service agreement with the ultimate holding company for provision of services including internal services (including human resources, financial management, internal audit and legal advice) and production related and sales related services by the ultimate holding company. Mr. Koo Cheng-Yun, Leslie, an executive Director, is interested in the transaction to the extent that the ultimate holding company is controlled by him. The agreement has a term commencing from 12 March 2015 to 31 December 2017. The service fee payable by the Company is determined based on the total clinker production capacity, total cement production capacity and the total residual heat generated by the Group for the immediately preceding period. Details of the transaction are set out in the announcement of the Company dated 12 March 2015.

During the year, the remuneration of key management personnel which represents the short-term benefits of Directors remuneration is HK\$7,185,000 (2015: HK\$3,610,000) as set out in Note 11.

### 48. 關連人士交易 (續)

附註：

- (1) 該關連人士為本公司一間附屬公司之非控股股東。
- (2) 該關連人士為本公司一間附屬公司之非控股股東之控股公司。
- (3) 該關連人士為本公司一間附屬公司之非控股股東之附屬公司。
- (a) 該等交易之價格由訂約雙方參考已簽訂之協議釐定。
- (b) 該等交易之價格由訂約雙方參考市場價格釐定。
- (c) 於二零一五年三月十二日，本公司與最終控股公司就最終控股公司提供服務包括內部服務（包括人力資源、財務管理、內部審計及法律意見）以及生產及銷售相關服務訂立服務協議。執行董事辜成允先生於該交易中擁有由彼控制之最終控股公司所擁有之權益。該協議之期限自二零一五年三月十二日起至二零一七年十二月三十一日。本公司應付之服務費用乃根據本集團於緊接上一期間生產之熟料總產能、水泥總產能及總余熱而釐定。有關交易之詳情載於本公司日期為二零一五年三月十二日之公佈內。

誠如附註11所載，於本年度內，主要管理人員之薪酬（指董事酬金之短期福利）為7,185,000港元（二零一五年：3,610,000港元）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 49. SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2016 and 2015 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of paid up/ registered capital 繳足/ 註冊資本詳情	Proportion of ownership interest 應佔擁有權權益比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
<i>Shares held directly:</i> 直接持有之股份:					
Ulexite Investments Limited	British Virgin Island ("BVI")/ Hong Kong 英屬處女群島(「英屬 處女群島」)/香港	Ordinary US\$200 普通股200美元	100%	100%	Investment holding 投資控股
Upper Value Investment Limited 陞昌投資有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	100%	Investment holding 投資控股
Upper Value Investments Limited	BVI/Hong Kong 英屬處女群島/香港	Ordinary US\$12,700 普通股12,700美元	100%	100%	Investment holding 投資控股
<i>Shares held indirectly:</i> 間接持有之股份:					
Anhui King Bridge Cement Ltd.* 安徽朱家橋水泥有限公司*	The PRC 中國	Registered capital US\$15,000,000 註冊資本 15,000,000美元	60%	60%	Manufacture and distribution of slag powder 製造及分銷礦渣粉
Anshun Xin Tai* <sup>2</sup> 安順鑫台 <sup>2</sup>	The PRC 中國	Registered capital RMB15,000,000 註冊資本人民幣 15,000,000元	100%	100%	Manufacture and distribution of sand and gravel aggregate products 製造及分銷砂石骨料產品
Chiefolk Company Limited	Hong Kong 香港	Ordinary HK\$1,000,000 普通股1,000,000港元	70%	70%	Investment holding 投資控股
Guizhou Kaili Rui An Jian Cai Co., Ltd.* <sup>1</sup> 貴州凱里瑞安建材有限公司 <sup>1</sup>	The PRC 中國	Registered capital RMB389,660,500 註冊資本人民幣 389,660,500元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
Guizhou Kong On Cement Company Limited* 貴州港安水泥有限公司*	The PRC 中國	Registered capital US\$20,300,000 註冊資本 20,300,000美元	65%	65%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
HKC Investments Limited 港泥投資股份有限公司	Taiwan 台灣	Ordinary NT\$155,000,000 普通股 155,000,000新台幣	100%	100%	Investment holding 投資控股

### 49. 附屬公司

本公司於二零一六年及二零一五年十二月三十一日之主要附屬公司之詳情如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 49. SUBSIDIARIES (Continued)

### 49. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of paid up/ registered capital 繳足/ 註冊資本詳情	Proportion of ownership interest 應佔擁有權權益比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
Hong Kong Cement Company Limited	Hong Kong 香港	Ordinary HK\$164,391,013 普通股164,391,013港元	100%	100%	Import and distribution of cement 進口及分銷水泥
Jurong TCC Cement Co., Ltd.* 句容台泥水泥有限公司*	The PRC 中國	Registered capital US\$233,000,000 註冊資本 233,000,000美元	100%	100%	Mining of limestone and production and sales of cement and cement products 開採石灰石及生產及銷售 水泥及水泥產品
Koning Concrete Limited	Hong Kong 香港	Ordinary HK\$100 普通股100港元	-	100%	Investment holding 投資控股
Scitus Luzhou Cement Co., Ltd.* 瀘州賽德水泥有限公司*	The PRC 中國	Registered capital RMB395,000,000 註冊資本 人民幣395,000,000元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
Scitus Luzhou Concrete Co., Ltd.* 瀘州賽德混凝土有限公司*	The PRC 中國	Registered capital RMB25,000,000 註冊資本 人民幣25,000,000元	100%	100%	Manufacture and distribution of concrete 製造及分銷混凝土
Scitus Naxi Cement Co., Ltd.* 瀘州納溪賽德水泥有限公司*	The PRC 中國	Registered capital RMB146,510,000 註冊資本 人民幣146,510,000元	100%	100%	Manufacture and distribution of cement 製造及分銷水泥
TCC Anshun Cement Company Limited* <sup>1</sup> 台泥(安順)水泥有限公司 <sup>1</sup>	The PRC 中國	Registered capital US\$153,490,000 註冊資本 153,490,000美元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
TCC Chongqing Cement Company Limited* <sup>1</sup> 台泥(重慶)水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$118,000,000 註冊資本 118,000,000美元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 49. SUBSIDIARIES (Continued)

### 49. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of paid up/ registered capital 繳足/ 註冊資本詳情	Proportion of ownership interest 應佔擁有權權益比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
TCC (DongGuan) Cement Company Limited* <sup>1</sup> 台泥(東莞)水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$20,000,000 註冊資本 20,000,000美元	100%	100%	Transshipment cement and cement products 轉運水泥及水泥產品
TCC Fuzhou Cement Co., Ltd.* <sup>1</sup> 福州台泥水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$16,250,000 註冊資本 16,250,000美元	100%	100%	Manufacture and distribution of cement 製造及分銷水泥
TCC Fuzhou Yangyu Port Co., Ltd.* <sup>1</sup> 福州台泥洋嶼碼頭有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$5,000,000 註冊資本 5,000,000美元	100%	100%	Provision of port facility services 提供碼頭設施服務
TCC Guangan Cement Company Limited* <sup>1</sup> 台泥(廣安)水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$76,990,000 註冊資本 76,990,000美元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
TCC (Guigang) Cement Ltd.* <sup>1</sup> 台泥(貴港)水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$217,875,900 註冊資本 217,875,900美元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
TCC Guigang Mining Industrial Company Limited* 貴港台泥礦業工程有限公司*	The PRC 中國	Registered capital US\$5,000,000 註冊資本 5,000,000美元	100%	100%	Provision of limestone quarrying services 提供石灰石開採服務
TCC Hong Kong Cement Development Limited	BVI/Hong Kong 英屬處女群島/香港	Ordinary US\$10 Deferred*** US\$90 普通股10美元 遞延股***90美元	100%	100%	Property holding 持有物業
TCC Huaihua* <sup>1</sup> 台泥(懷化)* <sup>1</sup>	The PRC 中國	Registered capital RMB93,000,000 註冊資本人民幣 93,000,000元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 49. SUBSIDIARIES (Continued)

### 49. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of paid up/ registered capital 繳足/ 註冊資本詳情	Proportion of ownership interest 應佔擁有權權益比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
TCC Huaihua Concrete Company Limited* <sup>2</sup> 懷化台泥混凝土有限公司 <sup>2</sup>	The PRC 中國	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	100%	100%	Manufacture and distribution of concrete 製造及分銷混凝土
TCC Huaying* <sup>2</sup> 華瑩台泥 <sup>2</sup>	The PRC 中國	Registered capital RMB901,850,000 註冊資本人民幣 901,850,000元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
TCC Jiangsu Mining Industrial Company Limited* <sup>1</sup> 江蘇台泥礦業工程有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$4,000,000 註冊資本 4,000,000美元	100%	100%	Provision of limestone quarrying services 提供石灰石開採服務
TCC Jingzhou Cement Company Limited* <sup>2</sup> 靖州台泥水泥有限公司 <sup>2</sup>	The PRC 中國	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
TCC Liaoning Cement Company Limited* <sup>1</sup> 台泥(遼寧)水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$55,391,700 註冊資本 55,391,700美元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料
TCC Liuzhou Company Limited 台泥柳州有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	70%	70%	Investment holding 投資控股
TCC Liuzhou Construction Materials Company Limited* 柳州台泥新型建材有限公司*	The PRC 中國	Registered capital US\$13,500,000 註冊資本 13,500,000美元	42%**	42%**	Manufacture and distribution of slag powder 製造及分銷礦渣粉
TCC Shaoguan Cement Co., Limited* <sup>1</sup> 台泥(韶關)水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$40,000,000 註冊資本 40,000,000美元	100%	100%	Manufacture and distribution of cement and clinker (not yet commenced business) 製造及分銷水泥及熟料 (尚未開展業務)
TCC Yingde Cement Co., Ltd.* <sup>1</sup> 台泥(英德)水泥有限公司* <sup>1</sup>	The PRC 中國	Registered capital US\$254,400,000 註冊資本 254,400,000美元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 49. SUBSIDIARIES (Continued)

### 49. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ operation 註冊成立/營業地點	Particulars of paid up/ registered capital 繳足/ 註冊資本詳情	Proportion of ownership interest 應佔擁有權權益比例		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
TCC Yingde Mining Industrial Company Limited* 英德台泥礦業工程有限公司*	The PRC 中國	Registered capital US\$11,500,000 註冊資本 11,500,000美元	100%	100%	Provision of limestone quarrying services 提供石灰石開採服務
Yingde Dragon Mountain Cement Co., Ltd.* <sup>1</sup> 英德龍山水泥有限責任公司 <sup>1</sup>	The PRC 中國	Registered capital RMB428,110,000 註冊資本人民幣 428,110,000元	100%	100%	Manufacture and distribution of cement and clinker 製造及分銷水泥及熟料

\* Registered as equity joint venture under the PRC law.

\* 根據中國法律登記為合營公司。

\*<sup>1</sup> Registered as wholly foreign owned enterprise under the PRC law.

\*<sup>1</sup> 根據中國法律登記為外商獨資企業。

\*<sup>2</sup> Registered as domestic company under the PRC law.

\*<sup>2</sup> 根據中國法律登記為境內公司。

\*\* A subsidiary of a non wholly-owned subsidiary of the Company and, accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.

\*\* 本公司之一間非全資附屬公司之附屬公司，故此，由於本公司對其具有控制權，因此列作一間附屬公司入賬。

\*\*\* The deferred shares of TCC Hong Kong Cement Development Limited are non-voting, carry no rights to dividends and are only entitled to a return of capital when the surplus exceeds US\$1,000,000,000,000,000,000,000,000.

\*\*\* TCC Hong Kong Cement Development Limited之遞延股並不附有投票權，亦不附有獲派股息之權利，且僅在盈餘超過1,000,000,000,000,000,000,000,000美元時，方有權獲退還股本。

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results, 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.

上表列入董事認為主要影響本集團業績、資產或負債之本公司附屬公司。董事認為，載列其他附屬公司之詳情，令資料過於冗長。

In the opinion of the Directors, none of its subsidiaries that have non-controlling interests that are material to the Group.

董事認為，概無擁有非控股權益之本集團附屬公司對本集團而言屬重大。

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

各附屬公司於年終概無發行任何債務證券。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

### 50. 本公司財務狀況及儲備報表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	25,634,064	23,461,264
Intangible assets	無形資產	35	-
		<b>25,634,099</b>	<b>23,461,264</b>
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	24,095	19,930
Amounts due from subsidiaries	應收附屬公司款項	456,517	487,886
Held-for-trading investments	持作交易用途之投資	28,865	28,523
Derivative financial instruments	衍生金融工具	396	-
Cash and bank balances	現金及銀行結餘	671,241	999,355
		<b>1,181,114</b>	<b>1,535,694</b>
Current liabilities	流動負債		
Other payables and accrued liabilities	其他應付款項及應計負債	44,458	38,231
Bank loans	銀行貸款	271,600	1,874,900
Amounts due to subsidiaries	應付附屬公司款項	1,537,647	1,205,838
		<b>1,853,705</b>	<b>3,118,969</b>
Net current liabilities	流動負債淨額	<b>(672,591)</b>	<b>(1,583,275)</b>
Total assets less current liabilities	總資產減流動負債	<b>24,961,508</b>	<b>21,877,989</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

### 50. 本公司財務狀況及儲備報表 (續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current liabilities	非流動負債		
Bank loans	銀行貸款	7,122,800	3,521,750
Amount due to immediate holding company	應付直屬控股公司款項	620,800	930,000
		<b>7,743,600</b>	4,451,750
		<b>17,217,908</b>	17,426,239
Capital and reserves	股本及儲備		
Share capital – ordinary shares	股本 – 普通股	494,347	494,347
Share capital – non-redeemable convertible preference shares	股本 – 不可贖回可轉換優先股	49,433	49,433
Reserves	儲備	16,674,128	16,882,459
		<b>17,217,908</b>	17,426,239

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

#### Movement in reserves

### 50. 本公司財務狀況及儲備報表

(續)

#### 儲備變動

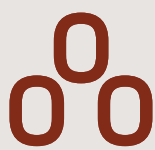
		Share premium	Contributed surplus	Capital redemption reserve	Retained earnings	Total
		股份溢價	繳入盈餘	資本贖回 儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	10,547,971	264,586	5,130	3,217,959	14,035,646
Loss and total comprehensive expense for the year	本年度虧損及全面開支總額	-	-	-	(79,604)	(79,604)
Issue of new shares upon rights issue	供股時發行新股	3,460,426	-	-	-	3,460,426
Transaction costs attributable to issue of ordinary shares	發行普通股應佔交易成本	(17,089)	-	-	-	(17,089)
Payment of dividends	支付股息	-	-	-	(492,697)	(492,697)
Preferred distribution to convertible preference shareholders	優先分派予可轉換優先股股東	-	-	-	(24,223)	(24,223)
At 31 December 2015	於二零一五年十二月三十一日	13,991,308	264,586	5,130	2,621,435	16,882,459
Loss and total comprehensive expense for the year	本年度虧損及全面開支總額	-	-	-	(75,353)	(75,353)
Payment of dividends	支付股息	-	-	-	(108,756)	(108,756)
Preferred distribution to convertible preference shareholders	優先分派予可轉換優先股股東	-	-	-	(24,222)	(24,222)
At 31 December 2016	於二零一六年十二月三十一日	13,991,308	264,586	5,130	2,413,104	16,674,128



# Financial Summary

## 財務概要

		2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Results</b>	<b>業績</b>					
Revenue	收益	11,304,232	12,970,794	13,752,863	10,911,069	11,412,814
Profit (loss) for the year attributable to owners of the Company	本公司擁有人應佔 本年度溢利(虧損)	610,000	1,674,569	2,051,156	(249,391)	193,840
<b>Assets</b>	<b>資產</b>					
Property, plant and equipment	物業、廠房及設備	16,193,824	17,045,737	16,192,592	17,102,276	15,009,306
Prepaid lease payments (non-current portion)	預付租賃款項 (非流動部份)	1,817,385	1,882,811	1,862,720	1,957,979	1,794,820
Intangible assets	無形資產	2,898,405	3,179,788	3,104,141	3,667,443	3,424,323
Mining rights	採礦權	401,163	441,630	397,993	465,128	420,741
Interests in associates	聯營公司權益	1,537,007	1,711,627	1,497,663	1,516,419	1,416,528
Interest in a joint venture	合營公司權益	21,700	12,800	12,500	10,627	-
Other non-current financial assets	其他非流動金融資產	88,203	105,798	88,231	44,575	20,041
Deposits paid for acquisition of property, plant and equipment and other assets	就收購物業、廠房及 設備及其他資產 支付之訂金	291,637	312,376	245,604	204,169	421,704
Deposits paid for acquisition of subsidiaries	就收購附屬公司支付之訂金	74,400	-	519,701	-	-
Available-for-sale investments	可供出售投資	614,167	45,193	41,459	37,377	34,453
Amounts due from investee companies	應收被投資公司款項	144,075	-	-	-	-
Pledged bank deposits	已抵押銀行存款	4,578	10,217	18,561	17,746	15,834
Deferred tax assets	遞延稅項資產	866	39,547	47,150	143,294	114,455
Other current assets	其他流動資產	9,327,449	9,919,201	11,613,300	10,660,416	9,204,277
Total assets	總資產	33,414,859	34,706,725	35,641,615	35,827,449	31,876,482
<b>Liabilities</b>	<b>負債</b>					
Current liabilities	流動負債	7,562,724	9,013,728	9,329,536	8,574,624	4,981,771
Deferred tax liabilities	遞延稅項負債	354,812	365,298	359,755	405,289	343,029
Other non-current liabilities	其他非流動負債	9,712,736	7,641,398	7,310,672	6,634,736	7,758,383
Total liabilities	總負債	17,630,272	17,020,424	16,999,963	15,614,649	13,083,183



# TCC International Holdings Limited

## 台泥國際集團有限公司

16th Floor, Hong Kong Diamond Exchange Building  
8-10 Duddell Street, Central, Hong Kong  
香港中環都爹利街8-10號香港鑽石會大廈16樓