



# China Metal Resources Utilization Limited 中國金屬資源利用有限公司

(a company incorporated under the laws of Cayman Islands with limited liability)  
(根據開曼群島法律註冊成立的有限公司)

Stock Code 股份代號 : 1636



Annual Report 年報 2013

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# Corporate Profile

## 公司概況

China Metal Resources Utilization Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 22 February 2013. The Company and its subsidiaries (the “**Group**”) are a fast-growing manufacturer of recycled copper products, also known as copper semis, in Southwest China. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 21 February 2014 (the “**Listing Date**”).

We process recycled scrap copper and, to a lesser extent, electrolytic copper, to manufacture a range of copper products, including copper wire rods, copper wires, copper plates and copper granules. Beginning in 2013, we also sell a range of communication cables and power transmission and distribution cables using copper wire rods that we produce as the principal raw material. We are increasing our production capacity and plan to broaden our product range and pursue opportunities for further vertical integration. In light of favourable development trends in China and our advantages in raw material supply, facility location and preferential governmental policies, we believe we are well positioned to become a leading integrated recycled copper product supplier in China covering the key value-creating activities in the industry chain.

We currently own and operate three production facilities for recycled copper products. The facilities of our subsidiaries Mianyang Jinxin Copper Co., Ltd. (“**Jinxin**”) and Mianyang Tongxin Copper Co., Ltd. (“**Tongxin**”) are located in Mianyang, Sichuan Province and the facility of our subsidiary Hunan Yinlian Xiangbei Copper Co., Ltd. (“**Xiangbei**”) is located in Miluo, Hunan Province. Our Jinxin, Tongxin and Xiangbei facilities are currently in commercial production.

This annual report, in both English and Chinese versions, is available on the Company's website at <http://www.cmru.com.cn/>. Shareholders who have chosen to receive the corporate communications of the Company (the “**Corporate Communications**”) in either the English version or the Chinese version may request for a copy in the other language. The annual report in the requested language will be sent free of charge by the Company upon request.

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Hong Kong Branch Share Registrar of the Company with Computershare Hong Kong Investor Services Ltd. at 17M Floor Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

中國金屬資源利用有限公司（「**本公司**」）為一家於2013年2月22日在開曼群島註冊成立的獲豁免有限公司。本公司及其附屬公司（「**本集團**」）是中國西南部增長迅速的再生銅產品（亦稱為銅半製成品）製造商。本公司股份於2014年2月21日（「**上市日期**」）在香港聯合交易所有限公司（「**聯交所**」）主板上市。

本集團主要加工回收的廢銅，其次是電解銅，從而生產多種銅產品，包括銅線材、銅線、銅排和銅米。自2013年起，我們亦銷售多種通信電纜和送配電纜，這些電纜以我們生產的銅線材作為原材料。我們正提高產能，計劃擴大產品類型，並尋求機會進一步垂直整合。鑑於中國的有利發展趨勢及我們在原材料供應、設施所在地及利好的政府政策等方面的優勢，相信我們已具備條件成為中國領先的綜合再生銅產品供應商，涵蓋產業鏈內的主要價值創造活動。

本集團目前擁有及營運三個再生銅產品生產設施。我們的附屬公司綿陽金鑫銅業有限公司（「**金鑫**」）及綿陽銅鑫銅業有限公司（「**銅鑫**」）設施位於四川省綿陽市，而我們的附屬公司湖南銀聯湘北銅業有限公司（「**湘北**」）設施位於湖南省汨羅市。我們的金鑫、銅鑫及湘北設施現正投入商業生產。

本年報的中、英文本已登載於本公司網站 <http://www.cmru.com.cn/>。已選擇收取本公司的公司通訊（「**公司通訊**」）的英文本或中文本的股東，可要求收取另一語言版本。只要提出要求，本公司將免費發送本年報的要求語言版本。

股東可隨時更改收取公司通訊的語言版本的選擇（即英文本或中文本或中、英文本）。

股東可以書面通知本公司在香港的股份過戶登記分處，香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17M樓，提出更改收取公司通訊的語言版本的選擇。

# Chairman's Statement 主席報告

On behalf of the Board of Directors (the “**Board**”) of China Metal Resources Utilization Limited (“**CMRU**” or the “**Company**”), I hereby present the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the twelve months ended 31 December 2013. This is the Group's first annual report since the Group's listing on 21 February 2014.

China's scrap copper industry has developed rapidly with the government's increasing emphasis on environmental protection. As the recycling and metal processing industry is a key component in the development of a circular economy, the PRC government has introduced a series of supporting measures and policies designed to promote recycling in China. CMRU benefited from preferential government policies, which include preferential corporate income tax rate from China's Western Development Campaign, as well as tax refunds, government grants and subsidies etc., which have enabled the healthy development of the Group.

As a result of China's rapid economic development and urbanization, copper consumption in China continued to grow. In addition, as copper resources are relatively short in supply in China, and there exists strong demand for copper products manufactured from scrap copper, it is predicted that copper production in China will continue to fall below demand in the coming years. Further, to stimulate growth in the domestic economy, the PRC government is going to build and upgrade power transmission and distribution, communication and transportation networks etc., which will lead to substantially higher demand of cable products, and will greatly benefit the development of the Group.

In 2013, the Group made substantial progress in various businesses. In particular, the second production lines of Tongxin facility and Jinxin facility both commenced production in November 2013, raising the Group's annual production capacity for recycled copper products to 146,800 metric tons. With the substantial completion of the 30,000 metric tons annual production capacity expansion of the Xiangbei facility at the beginning of 2014, the Group's current total annual production capacity for recycled copper products is estimated to reach 176,800 metric tons, demonstrating the growth potential of the Group and management's execution capability.

本人謹此代表中國金屬資源利用有限公司（「**中國金屬資源利用**」或「**本公司**」）董事會（「**董事會**」）提呈本公司連同附屬公司（統稱「**本集團**」）截至2013年12月31日止十二個月之經審核的綜合全年業績報告。此乃本集團自2014年2月21日上市以來，首份公開刊發之年報。

中國廢銅行業在國家對環保事業日益重視下得以高速發展。由於再生及金屬加工行業是發展循環經濟重要的一環，為此中國政府在過去引入一系列支持措施及政策，以推廣循環利用。中國金屬資源利用受惠於有利政府政策，包括根據中國西部大開發戰略所得的企業所得稅率優惠，以及退稅、政府補助及補貼等，令本集團得以茁壯成長。

隨著中國迅速的經濟發展及城市化，中國的銅消耗量不斷增長，加上中國的銅資源供應相對短缺，對取材自廢銅的銅產品需求強勁，預計中國在未來數年的銅產量將繼續供不應求。此外，為刺激國內經濟增長，中國計劃建造及提升電力送配、通信及傳輸網絡等，導致電纜產品的需求大為提高，對本集團發展大為有利。

於2013年，本集團在多項業務取得重大進展，尤其是銅鑫設施及金鑫設施的第二條生產線均在2013年11月開始投產，把本集團的再生銅產品年產能大幅提升至146,800公噸。加上於2014年初湘北的30,000公噸年產能擴產項目已大致完成，現時本集團再生銅產品總估計年產能更達176,800公噸，充分印證了本集團的增長潛力及管理層的執行能力。

## Chairman's Statement

### 主席報告

CMRU was successfully listed on the Stock Exchange on 21 February 2014. Not only does this mark a new milestone in the Group's business development, funds raised from the public offering of shares will also substantially boost the future development of the Group. Since its establishment, the Group in conformity with the corporate concept of "innovation, mission, focus", has expanded its scale and product coverage through mergers and acquisitions of mid-down-stream businesses, becoming one of the few recycled copper manufacturers in China to have an integrated mid-down-stream industry chain. We believe the vertical integration business model can increase market share and reinforce the Group's position as the leading producer of recycled copper products in North-western China.

In future, apart from mergers and acquisitions of mid-down-stream businesses, the Group will also consider upstream integration opportunities to ensure a stable supply of raw materials and to reduce the risk of price fluctuation of raw materials. The Group will, through a series of strategic measures, including effective management expansion and integration of recent acquisitions, enhance operating efficiency, strengthen research and development capabilities and production capacity, grasp growth opportunities arising from the strong demand of copper products. With the implementation of strategic business development measures and propelled by new capital of the Group, management is confident with the long-term development of the Group and will strive to bring attractive returns to shareholders in the long run.

Lastly, on behalf of the Board and management, I would like to express my sincere gratitude to all employees for their effort and contributions for the Group during the year, as well as the full support of the shareholders. I would also like to express my sincere gratitude towards shareholders, investors, customers, suppliers and business partners who have provided their full support.

#### Mr. Yu Jianqiu

Chairman, Chief Executive Officer and Executive Director

27 March 2014

中國金屬資源利用於2014年2月21日成功於聯交所上市，除了標誌著本集團業務發展邁向新里程碑之外，從公開發售股份募集之資金亦將大大推動本集團未來的發展。自成立起，本集團貫徹「創新、使命、專注」之企業理念，致力透過併購進軍中下游業務，以擴充規模及產品覆蓋面，成為中國少數整合中下游產業鏈的再生銅產品製造商。我們相信此垂直整合業務模式可擴大市場份額，鞏固本集團於西北地區再生銅產品製造行業的領導地位。

未來，本集團除了積極併購中下游業務，亦會考慮上游整合的機會，以確保獲得穩定的原材料供應及降低原材料價格波動的風險。本集團將透過一系列的策略性措施，包括有效管理擴張及對整合近期的收購、提高運營效率、加強研發能力、提高產能，把握銅產品強勁需求帶來的增長機遇。隨著該等策略性業務發展舉措的施行加上本集團新資金的推動，管理層對本集團的長遠發展充滿信心，務求長遠而言為股東帶來可觀回報。

最後，本人謹代表董事會及管理層衷心感謝全體員工於年內努力不懈，全心全意為本集團作出貢獻。同時亦有賴各股東的鼎力支持。在此謹向各股東、投資者、客戶、供應商及業務夥伴的鼎力支持致以衷心謝意。

主席、行政總裁兼執行董事

俞建秋先生

2014年3月27日



# Management Discussion and Analysis

## 管理層討論及分析

### INDUSTRY REVIEW

#### China Copper Semis Industry

The copper semis industry in China has witnessed rapid development over the last two decades. Currently, the annual semis production in China is over 10.0 million metric tons. China is both the largest producer of copper semis, producing over 40% of the world's total output, and the largest consumer of copper semis.

Demand for semis is growing strongly on the back of intense industry activities. Over the past few years, domestic demand for copper semis has increased at a Compound Annual Growth Rate (“CAGR”) close to 10.0%. Among the major products, consumption of wirerod grew fastest at a CAGR over 10.0%, exceeding that of the production, as the demand is being fuelled by increases in consumption of both low voltage energy cables (e.g. building wire, appliance wire and automotive wire) and copper power wires. These are driven by the continuing economic development of China (building wire and copper power wire) and by the strengthening manufacturing base that is developing in China (appliance and automotive wire).

We expect China's semis production to grow as a result of the government promotion of investment in copper-intensive sectors under the 12th Five-Year Plan.

#### The Chinese Metallic Wire and Cable Industry

China is the largest producer of metallic wires and cables globally by volume. The Chinese metallic wire and cable market expanded at a greater rate than the world as a whole over the last decade, increasing from under 20% of global market share to over 30% during this period. The highest growth has been seen in the power cable segment, which has increased at a CAGR over 10.0% in the past few years.

### 行業概覽

#### 中國銅半製成品行業

中國銅半製成品行業在過去二十年見證了迅速的發展。現在中國半製成品年產量超過1,000萬公噸。中國既是銅半製成品的最大生產國（生產佔全球總產量逾40%），亦是銅半製成品的最大消費國。

由於工業活動頻繁，半製成品需求強勁增長。在過去幾年，銅半製成品的國內需求的複合年增長率（「複合年增長率」）接近10.0%。在多項主要產品中，線材的消耗量增長最快，複合年增長率超過10.0%，超過產量的增長，這是由於低壓能源電纜（例如建築用電線、電器用線及汽車電線）及銅電線的消耗量同時增加，帶動需求上升。而這些消耗量的增長動力是來自中國持續的經濟發展（建築用電線及銅電線）及中國發展中的製造業基地的不斷壯大（電器用線及汽車電線）。

我們預期國內半成品產量將因政府根據十二五規劃推動投資銅密集型行業而增長。

#### 中國金屬導線和電纜行業

按數量計，中國是全球最大的金屬導線和電纜生產國。於過去10年，中國金屬導線和電纜市場以快於全球整體的速度擴張，期內由佔全球市場份額不足20%增加至超過30%。電力電纜分部錄得最大的增長，於過去幾年間的複合年增長率高於10.0%。

## Management Discussion and Analysis

### 管理層討論及分析

We have a cautiously optimistic outlook for power cable usage in power infrastructure in future based on the following: 1) strong power investment will continue to boost wire and cable demand, and 2) in terms of power cables, the government will continue to improve electricity accessibility and encourage industrialization in the inland and western region of the country, which will have great potential of both consumption and production growth. China's power industry investment from 2011 to 2015 is forecasted to be RMB6.1 trillion, up 88.3% compared to the past five years, including a power generation investment of RMB3.2 trillion and a power grid investment of RMB2.9 trillion. In terms of the long-term market, we believe that the strong investment in the electric power industry will boost power cable consumption.

China accounted for 11% of the world market of copper telecom cables and this market share is anticipated to keep steady by 2016. China's demand for internal telecom/data cable has experienced a significant growth with CAGR over 25.0% by volume and by value in the past few years. They are mostly used in financial, government, transportation industries and large international firms, and the demand is expected to grow steadily going forward. However, the demand for external copper telecom cables has declined over the past few years, and is expected to continue to decline in coming years by volume. The reasons for these substantial reductions arise from the switch in China from net additions of fixed lines using traditional copper twisted pairs in all previous years to a net reduction in recent years, as families in general consider that a fixed landline is not needed in addition to mobile cellular service.

### Business review

We are a fast-growing manufacturer of recycled copper products, also known as copper semis, in Southwest China. We process recycled scrap copper and, to a lesser extent, electrolytic copper, to manufacture a range of copper products, including copper wirerods, copper wires, copper plates and copper granules. Beginning in 2013, we also sell a range of communication cables and power transmission and distribution cables using copper wirerods that we produce as the principal raw materials. We are increasing our production capacity and plan to broaden our product range and pursue opportunities for further vertical integration. In light of the favorable development trends in China and our advantages in raw materials supply, facility location and preferential governmental policies, we believe that we are well positioned to become a leading integrated recycled copper product supplier in China covering the key value-creating activities in the industry chain.

於將來年電力電纜應用於電力基礎設施的前景，我們抱持審慎樂觀的看法，原因是：1)電力行業的大量投資將繼續刺激電線與電纜的需求；及2)就電力電纜而言，政府將繼續改善供電狀況，鼓勵國家內陸和西部地區工業化，這些地區的消耗量和產量將具有龐大的增長潛力。中國電力行業從2011年至2015年的投資額預測為人民幣6.1萬億元，較過去五年上升88.3%，包括發電投資人民幣3.2萬億元和電網投資人民幣2.9萬億元。就長遠市場而言，我們相信電力行業的大量投資將刺激電力電纜的消耗量。

中國佔全球銅通信電纜市場份額11%。預計於2016年前，該市場份額將保持穩定。於過去幾年間，中國對內部通信／數據電纜的需求錄得重大增長，以數量及以價值計的複合年增長率均超過25.0%。該等電纜大多數用於金融、政府、交通運輸行業以及大型國際企業，預期需求將穩步增長。然而，於過去幾年間，外部銅通信電纜的需求有所回落，預期於未來幾年，以數量計將繼續回落。大幅回落是由於中國固話線路從過去的（使用傳統銅雙絞線電纜）淨增加轉為近年的淨減少，因為家庭用戶普遍認為不需要在移動電話服務以外使用固網電話。

### 業務回顧

本集團是中國西南部增長迅速的再生銅產品（亦稱為銅半製品）製造商。本集團主要加工回收的廢銅，其次是電解銅，從而生產多種銅產品，包括銅線材、銅線、銅排和銅米。自2013年起，我們亦銷售多種以我們自製的銅線材為主要原材料的通信電纜和送配電纜。我們正提高產能，計劃擴大產品類型，並尋求機會進一步垂直整合。鑑於中國的可利發展趨勢及我們在原材料供應、設施所在地及利好的政府政策等方面的優勢，相信我們已具備條件成為中國領先的綜合再生銅產品供應商，涵蓋產業鏈內的主要價值創造活動。

During 2013, we accomplished a number of milestones in our business history. For instance, we completed the construction of our Tongxin facility, which produces copper wire rods and wires and has an estimated annual production capacity of 100,000 metric tons of recycled copper products. After a successful run and trial production, commercial production commenced in November 2013. In addition, commercial production at the second production line at our Jinxin facility, also commenced in November 2013.

As of the date of this report, our Jinxin, Tongxin and Xiangbei facilities had a total estimated annual production capacity for recycled copper products of 176,800 metric tons (excluding copper granules). In addition, our Tongxin facility is expected to have an annual production capacity (measured by copper consumption) for enameled wires of 30,000 metric tons in the second quarter of 2014.

### Future prospects/Outlook

With the listing of the Company's shares on the Stock Exchange on 21 February 2014 and the completion of our global offering, the Group raised a total of gross proceeds of approximately HK\$600.9 million and will utilize the fund raised according to the planned usage specified in the prospectus of the Company dated 11 February 2014 (the "Prospectus"), which includes, among others, funding our planned capital expenditure in relation to additions to property, plant and equipment, and research and development projects of Mianyang Baohe Taiyue Communications Cable Co., Ltd. ("Baohe Taiyue") and Sichuan Baohe Xinshiji Cable Co., Ltd. ("Baohe Xinshiji") and expansion of production capacity at Xiangbei as well as repayment of loans.

Xiangbei's 30,000 metric tons annual production capacity expansion is substantially completed as of the date of this report, commercial production is expected to begin in the second quarter of 2014.

於2013年度，我們在業務歷史中完成了多項的里程碑。例如：我們完成了銅鑫設施的建設（生產銅線材及銅線，估計年產能為100,000公噸再生銅產品）。經過成功運作及試產後，在2013年11月份開始投入商業生產。另外，金鑫設施的第二條生產線亦在2013年11月份開始投入商業生產。

於本報告日期，我們的金鑫、銅鑫及湘北設施的再生銅產品總估計年產能為176,800公噸（不包括銅米）。此外，我們的銅鑫廠房預期於2014年第2季將安設年產能為30,000公噸（按銅消耗量計）的漆包線生產線。

### 業務展望

隨著本公司股份於2014年2月21日於聯交所上市及完成全球發售，集資總金額大約為600,900,000港元，本集團將會利用集資得來的資金按2014年2月11日刊發的招股書（「招股書」）內所披露的計劃用途而加以運用，其中包括：於綿陽保和泰越通信線纜有限公司（「保和泰越」）和四川保和新世紀線纜有限公司（「保和新世紀」）加添物業、廠房及設備和與研發有關的資本開支，湘北的擴大產能和償還貸款。

湘北的30,000公噸年產能擴產項目於本報告日期已大致完成，並預期於2014年第2季度開始商業生產。



## Management Discussion and Analysis

### 管理層討論及分析

The construction of Baohe Xinshiji's new production facility next to our Tongxin facility in the industrial park within the Youxian Economic Development Zone, Mianyang, Sichuan Province (“**Youxian Industrial Park**”) is substantially completed as of the date of this report. Baohe Xinshiji facility will have two production lines with an aggregate estimated annual production capacity (measured by copper consumption) of 21,300 metric tons of power transmission and distribution cables. Currently, a substantial part of the equipment for manufacturing power and transmission cables has been delivered to the new plant. Production in the new plant is expected to commence in the second quarter of 2014.

Baohe Taiyue's new production facility, which is next to our Tongxin facility in the Youxian Industrial Park, is presently at the planning and design phase. Baohe Taiyue's facility will have three production lines with an aggregate estimated annual production capacity (measured by copper consumption) of 16,800 metric tons of communication cables. Construction of this facility is expected to commence in the second quarter of 2014. Currently, part of the equipment for manufacturing communication cables we purchased for this facility has been transferred to us and is temporarily housed in our Tongxin facility pending completion of this facility. Some of our communication cable products are currently produced at such interim manufacturing facility.

Separately, we are in preparation for setting up a sales office and a warehouse facility in Shanghai from which our customers will be able to collect our products directly. We believe this collection option will provide an attractive alternative to our customers in the surrounding area.

In the near term, we will be focusing our efforts on the integration of Baohe Taiyue and Baohe Xinshiji, ensuring that maximum synergies and benefits can be derived from such integrations. In addition, we will also be seeking potential acquisition opportunities within the industry supply chain which can further enhance the Group's operational and financial performance.

保和新世紀的新生產廠房（坐落在四川省綿陽市游仙經濟開發區內的工業園（「游仙工業園」），鄰近銅鑫的廠房）正在建設，於本報告日期已大致完成。保和新世紀廠房將設有兩條生產線，合計估計年產能（按銅消耗量計算）為21,300公噸的送配電纜。目前，大部份用於生產送配電纜的設備已經運送到新廠房。我們預期於2014年第2季度可以開始生產。

保和泰越的新生產廠房（坐落在游仙工業園，鄰近銅鑫的廠房）正在處於籌建及設計階段。保和泰越廠房將設有三條生產線，合計估計年產能（按銅消耗量計算）為16,800公噸的通信電纜。預期此廠房的建造工程將於2014年第2季度動工。目前，我們所購買的部份通信電纜生產設備已轉讓予我們，並暫存於我們的銅鑫廠房內以待保和泰越的廠房建成。該等暫時設置的臨時製造設施也正在用於生產我們部份的通信電纜。

另外，我們亦正在籌備在上海建立一個銷售辦事處和倉庫設施，客戶將能夠在此直接收取我們的產品。預期此提取方式將成為週邊地區客戶另一具吸引力的替代選擇。

在短期內，我們將集中力量整合保和泰越和保和新世紀，以盡量發揮該等整合的協同效應。此外，我們也將會在行業供應鏈上不斷尋找有潛力的併購機會，從而進一步提升集團的營運和財務表現。

## Financial review

### Turnover

Our turnover represents the fair value of consideration received or receivable for sales of goods and services in the ordinary course of business. Turnover is shown net-of-VAT and other taxes, returns and discounts after eliminating sales within our Group.

The following table sets forth an analysis of our turnover:

		2013	2012
		RMB'000 人民幣千元	RMB'000 人民幣千元
Sales of recycled copper products	銷售再生銅產品	2,144,429	1,486,238
Sales of power transmission and distribution cables	銷售送配電纜	528,629	-
Sales of communication cables	銷售通信電纜	250,776	-
Sales of scrap materials	銷售廢棄材料	31,177	24,290
Contract manufacturing income	合同製造收入	3,993	2,605
		<b>2,959,004</b>	<b>1,513,133</b>

From 2013, turnover from sales of goods also includes sales of communication cables and power transmission and distribution cables by Baohe Taiyue and Baohe Xinshiji, respectively. Some of our customers in our communication cables business are located overseas.

Turnover for the year ended 31 December 2013 amounted to RMB2,959.0 million, representing an increase of 95.6% from RMB1,513.1 million for the year ended 31 December 2012. This increase was mainly due to the consolidation of Baohe Taiyue's and Baohe Xinshiji's results from 1 January 2013 and an increase in the sales volume of recycled copper products, partially offset by a decrease in the average selling price for recycled copper products.

## 財務回顧

### 營業額

我們的營業額指於日常業務過程中就銷售貨物及服務已收或應收代價的公平值。營業額（經扣除增值稅及其他稅項、退貨及折扣）亦已對集團內部間的銷售進行對銷。

下表載列我們的營業額的細目分類：

自2013年起，銷售貨物所得營業額亦包括保和泰越及保和新世紀分別產生的通信電纜及送配電纜銷售額。我們通信電纜業務的部份客戶位於海外。

截至2013年12月31日止年度的營業額為人民幣2,959,000,000元，較截至2012年12月31日止年度的人民幣1,513,100,000元上升95.6%。這升幅主要由於由2013年1月1日起合併計入保和泰越及保和新世紀的業績以及再生銅產品的銷量上升，有關金額被再生銅產品的平均售價減少部份抵銷。

## Management Discussion and Analysis

### 管理層討論及分析

Turnover from sales of power transmission and distribution cables amounted to RMB528.6 million, representing a sales volume of approximately 13,404 metric tons and an average selling price of RMB39,438 per metric ton for the year ended 31 December 2013. Turnover from sales of communication cables amounted to RMB250.8 million, representing a sales volume of 3,106 metric tons and an average selling price of RMB80,739 per metric ton for the year ended 31 December 2013. We did not recognize any turnover from sales of communication cables and power transmission and distribution cables for the year ended 31 December 2012 prior to the acquisitions of Baohe Taiyue and Baohe Xinshiji.

Turnover from recycled copper products amounted to RMB2,144.4 million for the year ended 31 December 2013, representing an increase of 44.3% from RMB1,486.2 million for the year ended 31 December 2012, reflecting mainly an increase of 57.6% in the sales volume of recycled copper products from 30,014 metric tons for the year ended 31 December 2012 to 47,293 metric tons for the year ended 31 December 2013. The increase in sales volume was mainly generated by an increase in our production as a result of the availability of more working capital. The overall average selling price of our recycled copper products decreased by 8.4% from RMB49,518 per metric ton for the year ended 31 December 2012 to RMB45,344 per metric ton for the year ended 31 December 2013.

#### Cost of sales

Cost of sales for the year ended 31 December 2013 totaled RMB2,828.9 million, representing an increase of 101.9% from RMB1,401.4 million for the year ended 31 December 2012. The increase was mainly due to the additional cost of sales arising from the consolidation of Baohe Taiyue's and Baohe Xinshiji's results from 1 January 2013 and an increase in the sales volume of our recycled copper products.

The cost of raw materials increased by 96.0% from RMB1,366.0 million for the year ended 31 December 2012 to RMB2,678.0 million for the year ended 31 December 2013. Direct materials cost was the largest component of the Company's cost of sales, accounting for approximately 97.5% and 94.7% of the total cost of sales for the years ended 31 December 2012 and 2013, respectively.

截至2013年12月31日止年度，送配電纜銷售的營業額為人民幣528,600,000元，銷售量為13,404公噸及平均售價為每公噸人民幣39,438元。截至2013年12月31日止年度，通信電纜銷售的營業額為人民幣250,800,000元，銷售量為3,106公噸及平均售價為每公噸人民幣80,739元。在收購保和泰越和保和新世紀前，我們概無就截至2012年12月31日止年度確認來自銷售通信電纜及送配電纜的營業額。

截至2013年12月31日止年度，再生銅產品業務的營業額為人民幣2,144,400,000元，較截至2012年12月31日止年度的人民幣1,486,200,000元增加了44.3%，主要反映再生銅產品銷量的57.6%升幅，其由截至2012年12月31日止年度的30,014公噸上升至截至2013年12月31日止年度的47,293公噸。銷量上升的主要原因是我們有增加的營運資金，因而能夠增加生產。再生銅產品的整體平均售價由截至2012年12月31日止年度的每公噸人民幣49,518元減少了8.4%至截至2013年12月31日止年度的每公噸人民幣45,344元。

#### 銷售成本

截至2013年12月31日止年度的銷售成本總額為人民幣2,828,900,000元，較截至2012年12月31日止年度的人民幣1,401,400,000元增加101.9%。這一升幅主要由於自2013年1月1日合併計入保和泰越及保和新世紀的業績及再生銅產品銷量上升，致使有額外的銷售成本。

截至2013年12月31日止年度的原材料成本為人民幣2,678,000,000元，較截至2012年12月31日止年度的人民幣1,366,000,000元增加96.0%。原材料成本是本公司的銷售成本中最大組成部份，分別佔截至2012年及2013年12月31日止年度的銷售成本總額的97.5%及94.7%。

Cost of sales, other than raw materials and finished goods purchased, was RMB150.9 million for the year ended 31 December 2013, representing an increase of 326.3% from RMB35.4 million for the year ended 31 December 2012. The increase was mainly attributable to the processing fees of RMB9.4 million paid by Baohe Taiyue to Guangzhou Taiyue Communications Cable Co., Ltd. (“**Guangzhou Taiyue**”) and RMB51.2 million paid by Baohe Xinshiji to Sichuan Xinshiji. The increase was also attributable to an increase in VAT-surtax from RMB9.1 million to RMB45.7 million. Such VAT-surtax is calculated with reference to the amounts of net VAT paid to the tax authorities. For the year ended 31 December 2013, we increased our purchases of raw materials from individual suppliers who did not provide VAT invoices, as a result, our net VAT paid after deducting input VAT increased as compared to the amount paid for the year ended 31 December 2012.

### Gross profit and gross profit margin

Our gross profit was RMB130.1 million for the year ended 31 December 2013, representing an increase of 16.5% from RMB111.7 million for the year ended 31 December 2012. Our gross profit margin for the year ended 31 December 2013 decreased to 4.4% from 7.4% for the year ended 31 December 2012.

The deterioration in gross profit margin was mainly due to the decrease in average selling price of recycled copper products by 8.4% without a comparable decrease in the average raw materials costs. Furthermore, the Group had been sourcing more of its scrap copper from vendors who did not provide VAT invoices, which resulted in higher VAT refunds to us, and on an ex-VAT basis, but these vendors generally sold scrap copper at a higher price. The decrease in gross profit margin of recycled copper business was partly offset by the increase in the relative size of cable segments, both communication cable segment and power cable segment commands higher gross profit margin than that of recycled copper products.

截至2013年12月31日止年度，除了原材料及購入製成品的成本以外的銷售成本為人民幣150,900,000元，較截至2012年12月31日止年度的人民幣35,400,000元增加326.3%。這一升幅主要由於保和泰越支付廣州市泰越通信線纜有限公司（「**廣州泰越**」）的加工費人民幣9,400,000元及保和新世紀支付四川新世紀的加工費人民幣51,200,000元所致。升幅亦因為增值稅附加稅由人民幣9,100,000元增加至人民幣45,700,000元所致。有關增值稅附加稅乃基於已付稅務機關的增值稅淨額而計算。截至2013年12月31日止年度，我們向個人供應商購買更多原材料，而彼等並無提供增值稅發票，因此，我們於扣除進項增值稅後的已付增值稅淨額較去年同期有所增加。

### 毛利及毛利率

我們於截至2013年12月31日止年度的毛利為人民幣130,100,000元，較截至2012年12月31日止年度的人民幣111,700,000元增加16.5%。毛利率由截至2012年12月31日止年度的7.4%減少至截至2013年12月31日止年度的4.4%。

毛利率減少的主要原因是再生銅產品的平均售價下跌8.4%，而原材料的平均成本並沒有同等減幅。再者，本集團向不提供增值稅發票的供應商採購更多廢銅，以獲得更多增值稅退稅，但該等供應商一般按不含增值稅基準計算以較高價格銷售廢銅。另一方面，由於通信電纜和送配電纜的毛利率較再生銅產品的毛利率高，而電纜業務的相對規模比例提高了，從而抵消了部份再生銅產品毛利率下降的影響。

# Management Discussion and Analysis

## 管理層討論及分析

### Other revenue

Other revenue increased significantly to RMB280.6 million for the year ended 31 December 2013 from RMB55.9 million for the year ended 31 December 2012. Tongxin and Xiangbei began to receive VAT refunds under the Comprehensive Utilization of Resources Policy from the third quarter of 2012 and Jinxin began to receive such VAT refunds from the third quarter of 2013 when they obtained the relevant approvals from the tax authorities. The increase in Jinxin's VAT refunds was primarily due to difference in timing of receiving such VAT refunds under the Social Welfare Enterprise Policy. During the year ended 31 December 2013, Tongxin and Baohe Xinshiji also received government grants and subsidies from the local government.

### Other net income/(loss)

Our other net income for the year ended 31 December 2013 was RMB0.4 million as compared to our other net loss of RMB1.5 million for the year ended 31 December 2012. Our other net income for the year ended 31 December 2013 mainly comprised a net gain of RMB2.4 million on copper futures contracts trading on the Shanghai Futures Exchange. Our other net loss for the year ended 31 December 2012 mainly comprised a loss of RMB2.2 million from the change in fair value of contingent consideration liabilities.

### Selling and distribution expenses

Our selling and distribution expenses for the year ended 31 December 2013 were RMB9.1 million, representing an increase of 54.2% from RMB5.9 million for the year ended 31 December 2012. The increase was primarily due to the consolidation of Baohe Taiyue's and Baohe Xinshiji's results for the year ended 31 December 2013.

### 其他收益

截至2013年12月31日止年度的其他收益大幅上升至人民幣280,600,000元，而截至2012年12月31日止年度的其他收益則為人民幣55,900,000元。銅鑫及湘北自2012年第3季度，和金鑫自2013年第3季度，取得稅務機關的有關批文起開始根據資源綜合利用政策收取增值稅退稅。金鑫的增值稅退稅增加，主要是由於根據社會福利企業政策收取有關增值稅退稅的時間不同所致。截至2013年12月31日止年度，銅鑫及保和新世紀亦獲得政府補助及補貼。

### 其他淨收入／(虧損)

截至2013年12月31日止年度的其他淨收入為人民幣400,000元，而截至2012年12月31日止年度的其他淨虧損則為人民幣1,500,000元。截至2013年12月31日止年度的其他淨收入主要包括於上海期貨交易所買賣的銅期貨合約所得淨收益為人民幣2,400,000元。截至2012年12月31日止年度的其他淨虧損主要包括由或然代價負債的公平值變動而導致的虧損人民幣2,200,000元。

### 銷售及分銷開支

截至2013年12月31日止年度，我們的銷售及分銷開支為人民幣9,100,000元，較截至2012年12月31日止年度的人民幣5,900,000元增加54.2%。該增幅是主要由於合併計入保和泰越及保和新世紀截至2013年12月31日止年度的業績。



### Administrative expenses

Our administrative expenses for the year ended 31 December 2013 were RMB63.6 million, representing an increase of 211.8% from RMB20.4 million for the year ended 31 December 2012. The increase was primarily due to the recognition of listing expenses of RMB22.3 million in connection with the listing of the Company's shares, administrative and consultancy fees of RMB2.7 million to Sichuan Baohe Fushan Resources Recycling Development Co., Ltd. (“**Baohe Fushan**”) under the management consultancy agreements Baohe Fushan entered into with Tongxin, Baohe Taiyue and Baohe Xinshiji in 2012, together with supplemental agreements entered in July 2013 and December 2013, (the “**Management Consultancy Agreements**”), amortisation of intangible assets of RMB3.7 million in relation to Baohe Taiyue and Baohe Xinshiji and consolidation of Baohe Taiyue's and Baohe Xinshiji's results from 1 January 2013.

### Capital structure

During the year ended 31 December 2013, the capital structure of the Group mainly consisted of shareholders' equity, bank and other borrowings, loans from and amounts due to related parties and finance leases.

### Liquidity and financial resources

As at 31 December 2013, the Group's bank and cash balances (excluding pledged deposits of RMB34.0 million) amounted to RMB78.6 million (as at 31 December 2012: RMB19.6 million).

The Group's inventories increased by RMB26.4 million to RMB140.2 million and our trade and bills receivables increased by RMB347.8 million to RMB677.1 million (as at 31 December 2012: RMB113.7 million and RMB329.3 million respectively). The inventory turnover days and trade and bills receivable turnover days were 16.4 days and 62.1 days respectively, compared to 29.7 days and 47.6 days in 2012. Decrease in inventory turnover days was mainly due to the synergy effect streaming from a low inventory level required to maintain by our cable business as almost all of their copper wirerods and copper wires, as the major raw materials for producing communication, power and transmission cables, were supplied internally by our recycled copper business. Increase in trade and bills receivable turnover days was mainly due to the fact that we granted the customers of our power transmission and distribution cable and communication cable businesses a longer credit period than the customers of our recycled copper business.

### 行政開支

截至2013年12月31日止年度，我們的行政開支為人民幣63,600,000元，較截至2012年12月31日止年度的人民幣20,400,000元增加211.8%。該增幅主要由於與本公司股份上市有關的上市開支為人民幣22,300,000元、根據四川省保和富山再生資源開發有限公司（「**保和富山**」）與銅鑫、保和泰越及保和新世紀於2012年訂立的管理顧問協議，連同於2013年7月及2013年12月訂立的補充協議（「**該等管理顧問協議**」）向保和富山支付的管理及顧問費人民幣2,700,000元、有關保和泰越及保和新世紀的無形資產攤銷為人民幣3,700,000元，以及由2013年1月1日起合併計入保和泰越及保和新世紀的業績所致。

### 資本結構

截至2013年12月31日止年度，本集團的資本結構主要由股東權益，銀行貸款及其他借款，關聯方貸款及應付關聯方款項，以及融資租賃所組成。

### 流動資金及財務資源

於2013年12月31日，本集團的銀行及現金結餘（不包括抵押存款人民幣34,000,000元）為人民幣78,600,000元（於2012年12月31日：人民幣19,600,000元）。

本集團的存貨增加了人民幣26,400,000元至人民幣140,200,000元，貿易應收款項及應收票據增加了人民幣347,800,000元至人民幣677,100,000元（於2012年12月31日：分別為人民幣113,700,000元及人民幣329,300,000元）。存貨周轉天數及貿易應收款項及應收票據周轉天數分別為16.4天及62.1天，而2012年則分別為29.7天及47.6天。存貨周轉天數下降主要是因為製造通信電纜和送配電纜的主要原材料均為銅線材及銅線，而且大部份是由我們的再生銅企業內部供應，所以我們的電纜企業只需要儲藏少量的存貨，從而產生協同效應。貿易應收款項及應收票據周轉天數上升主要是因為我們向送配電纜及通信電纜業務的客戶授出比再生銅業務的客戶較長的賬期。

## Management Discussion and Analysis 管理層討論及分析

Trade and bills payables increased by RMB75.6 million to RMB193.1 million as at 31 December 2013 (as at 31 December 2012: RMB117.5 million), the payable turnover days was 20.0 days, compared to 25.4 days in 2012. Decrease in the payable turnover days was due to an increase in our advance payments to suppliers which were used to offset the payment for goods upon suppliers' delivery of goods. We believe such advance payments help us to secure raw materials. We endeavor to keep our trade and bills payable turnover days relatively low mainly because our prompt payment pattern enhances our suppliers' willingness to supply raw materials to us and, therefore, helps us to secure raw materials.

The Group's total bank and other borrowings increased by RMB249.4 million to RMB424.4 million as at 31 December 2013 (as at 31 December 2012: RMB175.0 million). In respect of the Group's borrowings, the Group has to comply with certain restrictive financial covenants and certain assets were pledged as security.

Loans from and amounts due to related parties as at 31 December 2013 decreased by RMB124.9 million to RMB115.1 million (as at 31 December 2012: RMB240.0 million) mainly due to the repayments of certain loans to related parties and the exercise of share options by Mr. Yu Jianqiu on 16 October 2013 with a consideration of RMB64.0 million that was fully settled by way of setting off an equivalent amount due to Mr. Yu Jianqiu from the Group. Subsequent to 31 December 2013, the Group had obtained bridge loans to repay in full the loans from Gushan Environmental Energy Limited ("Gushan") and amounts due to Gushan, Carling Technology Limited and Mr. Yu Jianqiu prior to the listing of the Company's shares on 21 February 2014.

The following table sets forth certain financial ratios of our Group as of the dates indicated:

於2013年12月31日，貿易應付款項及應付票據款項增加了人民幣75,600,000元至人民幣193,100,000元（於2012年12月31日：人民幣117,500,000元），其付款周轉天數為20.0日，而2012年則為25.4日。應付款項周轉天數下降乃由於我們預付供應商的款項增加，有關款項用於抵銷在供應商交付貨品時支付的貨款。我們認為，該等預付款有助我們保證取得原材料。我們致力保持較低的貿易應付款項及應付票據周轉天數，主要由於我們迅速付款的模式令供應商更願意向我們供應原材料，故有助我們確保取得原材料。

於2013年12月31日，本集團的銀行貸款總額及其他貸款增加了人民幣249,400,000元至人民幣424,400,000元（於2012年12月31日：人民幣175,000,000元）。本集團須就其借貸遵守若干財務限制條款及抵押若干資產。

於2013年12月31日，關聯方貸款及應付關聯方款項減少了人民幣124,900,000元至人民幣115,100,000元（於2012年12月31日：人民幣240,000,000元），主要由於償還了部份款項予關聯人士，以及於2013年10月16日俞建秋先生行使其所獲授的購股權，該項行使應付的代價為人民幣64,000,000元，已通過抵銷本集團應付俞建秋先生的相等金額作為全數支付。於2013年12月31日後，本集團獲得過渡貸款並已於2014年2月21日上市前利用作為悉數償還來自古杉環境能源有限公司（「古杉」）的貸款及應付古杉、加寧科技有限公司及俞建秋先生款項。

下表載列於所示日期本集團的若干財務比率：

		As at 31 December 於12月31日	
		2013	2012
Current ratio	流動比率	1.2	0.9
Quick ratio	速動比率	1.1	0.7
Debt to equity ratio*	債項權益比率*	97.8%	139.1%
Net debt to equity ratio <sup>#</sup>	淨債項權益比率 <sup>#</sup>	85.0%	132.5%

\* (Total interest-bearing debts plus amounts due to related parties)/total equity

<sup>#</sup> (Total interest-bearing debts plus amounts due to related parties less cash and cash equivalents)/total equity

\* (總計息債項加應付關連方款項)/總負債

<sup>#</sup> (總計息債項加應付關連方款項減現金及現金等值項目)/總負債

The improvements of current ratio and quick ratio during the year ended 31 December 2013 were primarily attributable to (i) the Group having obtained certain long term bank loans which amounted to RMB120.0 million as at 31 December 2013; (ii) the Group having entered into a sale and finance lease-back arrangement of RMB60.0 million with a term of five years, of which RMB48.0 million was classified as non-current liability and (iii) the exercise of share options by Mr. Yu Jianqiu with a consideration of RMB64.0 million that was fully settled by way of setting off an equivalent amount due to Mr. Yu Jianqiu from the Group.

The improvements in debt to equity ratio and net debt to equity ratio during the year ended 31 December 2013 were mainly because the increase in equity was faster than the increase in total borrowings including bank loans, obligations under finance leases and loans and advances from related parties.

On 21 February 2014, the shares of the Company became listed on the Stock Exchange, pursuant to which 525,001,600 ordinary shares of HK\$0.10 each were issued at a price of HK\$1.13 per share by the Company, the total gross proceeds amounted to approximately HK\$593.2 million. On 14 March 2014, the over-allotment option described in the Prospectus was partially exercised by the sole global coordinator (on behalf of the international underwriters) in respect of an aggregate of 6,824,000 shares, representing approximately 1.1% of the offer shares initially available under the global offering. The 6,824,000 shares were issued and allotted by the Company at HK\$1.13 per share, the total gross proceeds amounted to approximately HK\$7.7 million.

### Employee and remuneration policy

As of 31 December 2013, the Group had over 600 employees in total, in which the majority are located in the PRC whilst the rest are located in Hong Kong.

Salaries, bonuses and other cash subsidies are determined with reference to the performance and length of service of individual employees.

The Company operates the Share Option Scheme (as defined below) for the purpose of providing incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of the Company. Details of the Share Option Scheme are set out in the Report of Directors.

截至2013年12月31日止年度，流動比率和速動比率有所改善主要原因是(i)本集團取得金額為人民幣120,000,000元的若干長期銀行貸款；(ii)本集團訂立一項為期五年的銷售及融資後租回安排，款項為人民幣60,000,000元，其中人民幣48,000,000元確認為非即期負債，以及(iii)俞建秋先生行使其所獲授的購股權，該項行使應付的代價為人民幣64,000,000元，已通過抵銷本集團應付俞建秋先生的相等金額作為全數支付。

截至2013年12月31日止年度間，債項權益比率和淨債項權益比率有所改善主要原因是權益的增長速度快於總借款（包括銀行貸款、融資租賃下的責任及來自關聯方的貸款及墊款）的增長速度。

於2014年2月21日，本公司於聯交所上市，據此，本公司以每股1.13港元發行了525,001,600股（每股面值0.1港元）普通股，集資所得款項總額大約為593,200,000港元。於2014年3月14日，獨家全球協調人（代表國際包銷商）部份行使招股書所載的超額配股權，當中涉及合共6,824,000股股份（佔全球發售項下初步發售股份數目約1.1%）。本公司按每股1.13港元發行及配發6,824,000股股份，集資所得款項總額大約為7,700,000港元。

### 僱員及薪酬政策

於2013年12月31日，本集團合共擁有逾600名僱員，當中大部份駐於中國，其餘則駐於香港。

薪金、花紅及其他現金補貼乃經參考個別僱員的表現及服務年期而釐定。

本公司設有購股權計劃（定義見下文），旨在對合資格人士提供獎勵及獎賞，以肯定彼等對本公司的貢獻，以及鼓勵彼等繼續致力提升本公司的利益。購股權計劃的詳情載於董事會報告。

# Management Discussion and Analysis

## 管理層討論及分析

### Property Valuation

DTZ Debenham Tie Leung Limited, an independent property valuer, has valued our property interests including land use rights as at 30 November 2013 at RMB207.5 million. The texts of its letter, summary of valuation and the detail of valuation certificates are set out in Appendix IV to the Prospectus. These properties were not stated at such valuation in the financial statements of the Group. No additional depreciation/amortisation would be charged against the income statement of the Group for the year ended 31 December 2013 had it been stated at such valuation.

### Charge on assets

The following table sets forth the net book value of assets under pledge for certain banking facilities, bills payable facilities, obligations under finance leases and outstanding futures contracts as of the dates indicated:

### 物業估值

獨立物業估值師戴德梁行有限公司已評估我們於2013年11月30日的物業權益(包括土地使用權)為人民幣207,500,000元。其函件、估值概要及估值證書詳情載於招股書附錄四。該等物業並無按估值入賬列於本集團財務報表。如以該估值列賬，無須在本集團截至2013年12月31日止年度的收益表內扣除額外折舊／攤銷。

### 抵押本集團資產

下表載列於所示日期本集團的資產淨賬面值已就授若干銀行信貸、應付票據融資、融資租賃下的責任及未到期的期貨合約作出抵押：

		As at 31 December 於12月31日	
		2013	2012
		RMB'000 人民幣千元	RMB'000 人民幣千元
Inventories	存貨	78,612	89,802
Property, plant and equipment	物業、廠房及設備	127,688	7,803
Lease prepayments	租賃預付款	35,071	4,319
Prepayment for land use rights	土地使用權的預付款	–	13,410
Government grants receivable	應收政府補助	12,766	18,041
Deposits with guarantee companies	於擔保公司的存款	2,500	2,400
Deposits with banks	於銀行的存款	26,711	12,045
Deposit with lessor of finance leases	於融資租賃公司的存款	4,800	–
Deposits with securities broker	於證券經紀的存款	–	174
		<b>288,148</b>	<b>147,994</b>

### Commodity risk

The major raw materials used in the production of the Group's products are scrap copper. The Group is exposed to fluctuations in the price of copper which are influenced by global as well as regional supply and demand conditions. Fluctuations in the prices of copper could adversely affect the Group's financial performance. The Group uses copper futures contracts to mitigate its exposure against price fluctuations of copper raw materials. The market value of futures contracts is based on quoted market price at settlement or balance sheet date. The Group does not have significant outstanding copper futures contracts as at 31 December 2013 and 2012 (as at 31 December 2012: Nil). The net realised and unrealised gains, in aggregate, of RMB2.4 million and RMB0.9 million were recognized in the years ended 31 December 2013 and 2012, respectively.

### Foreign currency risk

The functional currency of a majority of the entities within our Group is RMB and most of the transactions are settled in RMB. However, we are exposed to currency risk primarily related to amounts due to and from related parties, loans from related parties and cash balances that are denominated in US dollars and/or Hong Kong dollars. During the year ended 31 December 2013, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies. The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its foreign exchange exposure during the year ended 31 December 2013.

### Capital expenditures

Our planned future capital expenditures mainly include the purchase of additional plant, machinery and land which we believe would facilitate the growth of our business. Our capital expenditures represent additions to property, plant and equipment and payments for lease prepayments on lands of approximately RMB230.0 million for the year ended 31 December 2013. The Group will use various ways, including but not limited to cash on hand (including the proceeds from the initial public offering), cash flow from operation and bank borrowings to satisfy the capital requirement of the Group to implement its development and expansion of Xiangbei.

We plan to utilize the funds raised from the global offering to finance the capital expenditures in relation to the current expansion plans on hand.

### 商品風險

生產本集團產品所用的主要原材料為廢銅。本集團須承受因全球及地區性供求狀況而導致的原材料價格波動的風險。原材料價格波動可能對本集團的財務表現構成不利影響。本集團使用銅期貨合約減輕其所承受銅原材料價格波動的風險。期貨合約的市值是以結算或資產負債表日的市場報價為基準。於2013年及2012年12月31日，本集團並沒有重大的未平倉銅期貨合約（於2012年12月31日：零）。截至2013年及2012年12月31日止年度，已實現及未實現淨收益總額分別確認為人民幣2,400,000元及人民幣900,000元。

### 匯率風險

本集團內大部份實體的功能貨幣為人民幣，大部份交易亦以人民幣結算。然而，我們須承受主要涉及以美元及／或港元計值的應付及應收關聯方款項、關聯方貸款及現金結餘的貨幣風險。截至2013年12月31日止年度，該等貨幣的匯率變動並沒有對本集團構成重大影響。截至2013年12月31日止年度，本集團並無進行任何衍生活動，亦無使用任何財務工具對沖外匯風險。

### 資本開支

我們的已計劃未來資本開支主要包括購買額外廠房、機器及土地，我們認為此舉有助業務增長。截至2013年12月31日止年度，我們的資本開支是指物業、廠房及設備增加以及支付土地的租賃預付款，有關金額大約為人民幣230,000,000元。本集團會通過各種方式，包括但不限於以手頭現金（包括自首次公開發售所得款項）以及經營所得現金流量及銀行貸款，以滿足本集團施行其發展及擴展湘北的資金需求。

我們計劃動用由全球發售得來的資金來支付目前手頭上的擴產計劃之資本開支。



# Management Discussion and Analysis

## 管理層討論及分析

### Capital commitments

As at 31 December 2013, the capital commitments in respect of the acquisition of property, plant and equipment and land use rights contracted for but not provided in the consolidated financial statements amounted to RMB81.4 million (2012: RMB151.6 million).

### Significant investments held

Except for investments in subsidiaries, the Group did not hold any significant investment in equity interest in any other company during the year ended 31 December 2013.

### Material acquisitions and disposals of subsidiaries and affiliated companies

During the year ended 31 December 2013, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies, save as disclosed in note 36 to the financial statements.

### Contingent liabilities

As at 31 December 2012, Jinxin had entered into a cross guarantee agreement with a bank in respect of bills payable facilities totaling RMB40.0 million granted to Jinxin, a supplier and two customers of Jinxin (“**Contracted Parties**”) which remain in force so long as the Contracted Parties have drawn down under the banking facilities. According to the cross guarantee agreement, the Contracted Parties that are a party to the guarantee arrangement are jointly and severally liable for all and any of the borrowings of each of them from the bank which is the beneficiary of the guarantee.

At at 31 December 2012, the Directors did not consider it probable that a claim will be made against the Group under any of the above guarantees. The maximum liabilities of the Group as at 31 December 2012 under the cross guarantees are the aggregate amount of the facilities available for the two customers and a supplier of RMB25.0 million.

### 資本承擔

於2013年12月31日，就收購物業、廠房及設備之已訂約但未於綜合財務報表撥備的土地使用權的資本承擔為人民幣81,400,000元（2012年：人民幣151,600,000元）。

### 所持有的重大投資

除於附屬公司的投資外，本集團於截至2013年12月31日止年度並無於任何其他公司股本權益中持有任何重大投資。

### 重大收購及出售附屬公司及聯屬公司

截至2013年12月31日止年度，除財務報表附註36所披露者外，本集團並無有關附屬公司及聯屬公司的重大收購及出售。

### 或然負債

於2012年12月31日，金鑫已經與一家銀行訂立一項交叉擔保協議，涉及授予金鑫、一名供應商及兩名金鑫客戶（「**訂約方**」）的應付票據信貸合共人民幣40,000,000元。只要訂約方在銀行信貸下結欠未償還款項，交叉擔保仍一直有效。根據交叉擔保協議，擔保安排的訂約方共同及個別地對其各自向銀行（作為擔保受益人）的全部及任何部份借款承擔責任。

於2012年12月31日，董事認為在上述任何擔保下，將不可能出現針對本集團提出的申索。於2012年12月31日，本集團於交叉擔保下的最高負債為兩名客戶及一名供應商可得的信貸總額人民幣25,000,000元。

On 14 November 2013, each of the Contracted Parties entered into a supplemental agreement with the bank. Pursuant to the supplemental agreements, the Contracted Parties agreed to place deposits in an aggregate amount of RMB40.0 million to secure the bills payable facilities in full. Jinxin is responsible for RMB15.0 million and other Contracted Parties are responsible for the remaining RMB25.0 million in connection with the respective amounts of bills payable facilities available to Jinxin and other Contracted Parties. On the same day, the Contracted Parties deposited the required amounts under the supplemental agreements. As such, the Group had no contingent liabilities under the cross guarantee arrangement at 31 December 2013. The Group had no other material contingent liabilities as at 31 December 2013.

### Human resources

As at 31 December 2013, the Group had a total of 621 employees. The Group's staff costs for the year ended 31 December 2013 were approximately RMB17.6 million (2012: RMB19.4 million). The Group offers its staff competitive remuneration packages. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to nurturing a learning and sharing culture in the organization. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all functional divisions comprising skilled and motivated staff.

於2013年11月14日，各訂約方與銀行訂立補充協議。根據補充協議，訂約方同意存入總額為人民幣40,000,000元的款項以悉數擔保應付票據信貸。按各自所獲得的應付票據信貸額度，金鑫負責人民幣15,000,000元及其他訂約方負責餘下人民幣25,000,000元。同日，訂約方存入補充協議規定的金額。因此，本集團於2013年12月31日並無交叉擔保安排下的任何或然負債。本集團於2013年12月31日亦無任何其他重大或然負債。

### 人力資源

於2013年12月31日，本集團員工合共621名。截至2013年12月31日止年度，本集團的員工成本大約為人民幣17,600,000元（2012年：人民幣19,400,000元）。本集團向其員工提供具競爭力的酬金計劃。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內建立學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團重視員工的個人培訓及發展，以及建立團隊。

# Directors and Senior Management

## 董事及高級管理層

### Directors

#### Executive Directors

**Mr. Yu Jianqiu (俞建秋)**, age 49, is the founder of our Group and the Chairman, Chief Executive Officer and an executive director of our Company. Mr. Yu is primarily responsible for the overall business and strategy of our Group. He also serves as a director in all of our subsidiaries. Through his holdings in Epoch Keen Limited, Mr. Yu is a major controlling shareholder of our Company. Mr. Yu has over 20 years of experience in corporate operations and management in the petrochemical, automobile and renewable energy sectors. He was the chairman and principal executive officer of Gushan, a company whose American depositary shares were listed on the New York Stock Exchange from December 2007 to October 2012. Mr. Yu also founded a number of subsidiaries of the Gushan Group between 1996 and 2008. Mr. Yu received his degree of Executive Master of Business Administration (EMBA) from Hautes Etudes Commerciales de Paris on 13 December, 2010. In 2002, he was elected as a member of the Fuzhou Committee of the 10th Chinese People's Political Consultative Committee and a member of the Santai County Committee of the 11th Chinese People's Political Consultative Committee. He was appointed as a director of our Company on 22 February, 2013 and redesignated as an executive director on 16 August 2013.

**Mr. Liu Hanjiu (劉漢玖)**, age 49, is an executive director of our Company. He co-founded Jinxin in February 2009 and currently serves as a director and the general manager of Jinxin and Tongxin. Mr. Liu is primarily responsible for the overall operation of our Group. Mr. Liu has over 30 years of experience in the metal recycling sector in Mianyang City, Sichuan Province. In addition to Jinxin, he also founded Mianyang Changjiu Metal Processing Co., Ltd. (綿陽市長玖金屬加工有限公司), the principal business of which is the manufacture of copper granules, in 2003 and served as its general manager between 2003 and 2008. Between 2000 and 2003, Mr. Liu held the position as the general manager of Mianyang Longjiu Metal Recycling Co., Ltd. (綿陽市龍玖金屬回收有限公司), the principal business of which is the manufacture of copper granules, which was also established by him in 2000. Prior to establishing his own companies which specialized in scrap metal recycling and process, Mr. Liu was the factory chief of Mianyang Mianzhong Metal Processing and Smelting Factory (綿陽市綿中金屬加工冶煉廠), the principal business of which is the refining of copper slag, from 1990 to 2000 and Mianyang Fucheng District Jinfeng

### 董事

#### 執行董事

**俞建秋先生**，49歲，是本集團的創辦人，以及本公司主席、行政總裁兼執行董事。俞先生主要負責本集團的整體業務及策略。他亦擔任我們所有附屬公司的董事。俞先生透過於時建有限公司的股權而成為本公司的主要控股股東。俞先生於石油化工、汽車和可再生能源行業擁有逾20年的企業營運及管理經驗。他曾是古杉的主席兼首席行政總裁，該公司的美國預託股份由2007年12月至2012年10月於紐約證券交易所上市。俞先生於1996年至2008年間亦創辦古杉集團的若干附屬公司。俞先生於2010年12月13日獲巴黎高等商學院 (Hautes Etudes Commerciales de Paris) 頒授高級管理人員工商管理碩士學位。於2002年，他獲選為第10屆中國人民政治協商會議福州市委員會成員，以及第11屆中國人民政治協商會議三台縣委員會成員。他於2013年2月22日獲委任為本公司董事，並於2013年8月16日調任執行董事。

**劉漢玖先生**，49歲，是本公司的執行董事。他於2009年2月共同創辦金鑫，現為金鑫及銅鑫的董事兼總經理。劉先生主要負責本集團的整體營運。劉先生於四川省綿陽市的金屬再生行業擁有逾30年經驗。除金鑫外，他於2003年亦創辦綿陽市長玖金屬加工有限公司（其主要業務是製造銅米），並於2003年至2008年間擔任總經理。於2000年至2003年間，劉先生出任綿陽市龍玖金屬回收有限公司（其主要業務是製造銅米，亦由他於2000年成立）的總經理。劉先生在設立其若干專門回收及加工廢金屬的公司前，於1990年至2000年任職綿陽市綿中金屬加工冶煉廠（其主要業務是精煉銅渣）的廠長，以及於1986年至1990年任職綿陽市涪城區金峰冶煉廠（其主要業務是精煉銅渣）的廠長。劉先生於1979年至1983年間當學徒期間掌握了加工及冶煉

Smelting Factory (綿陽市涪城區金峰冶煉廠), the principal business of which is the refining of copper slag, from 1986 to 1990. Mr. Liu was a sole proprietor engaged in the recycling of waste and scrap materials between 1983 and 1986, after he had acquired the techniques for processing and smelting non-ferrous metal through his apprenticeship between 1979 and 1983. Mr. Liu currently serves as a people's representative to the People's Congress of Mianyang Nongke District Songya Town Committee. He was also elected as a people's representative to the People's Congress of Shitang Town, Fucheng District, Mianyang City in 2002 and 2005, respectively. Mr. Liu studied in middle school. Mr. Liu was appointed as an executive director of our Company on 16 August 2013.

**Mr. Kwong Wai Sun Wilson (鄭偉信)**, 48, is an executive director of our Company. He is in charge of our corporate and strategic development. Mr. Kwong is also a director of Engen Investments Limited (“Engen”), True Excel Holdings Limited, Alpha Legend Holdings Limited, Alpha Business Investments Limited and Alpha Universe Group Limited. Mr. Kwong was the President of Gushan. He is also an independent non-executive director of C.banner International Holdings Limited, the principal business of which is the manufacture and sale of branded fashion footwear, since 26 August, 2011 and China Outfitters Holdings Limited, the principal business of which is the design, manufacture, marketing and sale of apparel products and accessories in China with a focus on menswear, since 8 June, 2011, both of which are listed on the Stock Exchange since 23 September, 2011 and 9 December, 2011, respectively. Mr. Kwong has 12 years of experience in corporate finance and equity capital markets in Asia, having previously worked at a number of investment banks in Hong Kong. Prior to joining Gushan in 2006, he was the managing director of investment banking and he held the position as the head of Hong Kong and China equity capital markets at CLSA Equity Capital Markets Limited since March 2004. From 2002 to 2003, Mr. Kwong was a director and the head of equity capital markets for Cazenove Asia Limited, an investment bank. After graduating from University of Cambridge, England with a bachelor's degree in Arts in 1987, he qualified as a chartered accountant in the United Kingdom in 1991. Mr. Kwong is currently an associate member of the Institute of Chartered Accountant in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Chartered Secretaries. Mr. Kwong was appointed as an executive director of our Company on 16 August 2013.

有色金屬的技術後，於1983年至1986年間獨資經營廢碎材料回收。劉先生現為綿陽農科區松垵鎮委人大代表。他亦分別於2002年及2005年獲選為綿陽市涪城區石塘鎮人大代表。劉先生曾在中學就讀。劉先生於2013年8月16日獲委任為本公司執行董事。

**鄭偉信先生**，48歲，是本公司的執行董事。他主管企業及策略發展。鄭先生亦為恩金投資有限公司（「恩金」）、京盛控股有限公司、盛際控股有限公司、得揚投資有限公司及勝誠集團有限公司的董事。鄭先生曾為古杉的總裁。他亦自2011年8月26日起為千百度國際控股有限公司（其主要業務是產銷品牌時尚鞋履）及2011年6月8日起為中國服飾控股有限公司（其主要業務是在中國設計、製造、營銷及銷售服裝產品及配飾，並以男士服飾為主）的獨立非執行董事，該兩家公司分別自2011年9月23日起及2011年12月9日起於聯交所上市。鄭先生於亞洲企業融資及股票資本市場擁有12年經驗，曾於香港多家投資銀行工作。於2006年加入古杉前，他於2004年3月起曾出任里昂證券資本市場有限公司投資銀行董事總經理，以及出任香港及中國股權資本市場主管。2002年至2003年，鄭先生為投資銀行嘉誠亞洲有限公司的董事及股票資本市場主管。他於1987年畢業於英國劍橋大學並獲頒授文學士學位後，於1991年在英國成為合資格的特許會計師。鄭先生現為英格蘭及威爾士特許會計師協會、香港會計師公會及香港特許秘書公會會員。鄭先生於2013年8月16日獲委任為本公司執行董事。

## Directors and Senior Management

### 董事及高級管理層

**Mr. Huang Weiping (黃偉萍)**, age 53, is an executive director of our Company. Mr. Huang co-founded Xiangbei in 2010 and is currently a director and the general manager of Xiangbei. Mr. Huang is in charge of production technology and engineering of our Group. Mr. Huang has more than 10 years of experience in the PRC metal material industry. Prior to the establishment of Xiangbei, Mr. Huang was a manager at Fujian Lingzhi Environmental Technology Co., Ltd. (福建凌志環保科技有限公司), the principal business of which is the design and construction of environmental projects, from 2009 to 2011, Fuzhou Kebi Chemical Materials Co., Limited (福州科比化工材料有限公司), the principal business of which is the manufacture and sale of synthetic wax, from 2006 to 2009 and Tricon Chemicals Inc., the principal business of which is the trade of chemicals and metal materials, from 2001 to 2005. He is a fellow member of the Investment Casting Institute and an executive member of China Precision Casting Branch Association of China Foundry Association (中國鑄造協會精密鑄造分會). Mr. Huang also serves as an executive member of the Chinese and Foreign Entrepreneurs' Club of Fujian Province (福建省中外企業家聯誼會) and the Association of Entrepreneurs of Private Companies of Fuzhou City (福州市私營企業家協會). Mr. Huang was appointed as an executive director of our Company on 16 August 2013.

**Ms. Zhu Yufen (朱玉芬)**, age 51, is an executive director of our Company. Ms. Zhu has over 20 years of experience in accounting and financial management. She is primarily responsible for our financial reporting and accounting affairs. Ms. Zhu is also vice president in charge of finance of Jinxin, since July 2009. Prior to joining Jinxin, she was a vice general manager and the head of finance department of Mianyang Santai Vise Co., Ltd. (綿陽三台縣台鉗有限公司), the principal business of which is the manufacture and sale of vises, from 1978 to 2009. Ms. Zhu was appointed as an executive director of our Company on 16 August 2013.

**黃偉萍先生**，53歲，是本公司的執行董事。黃先生於2010年共同創辦湘北，現為湘北的董事兼總經理。黃先生主管本集團的生產技術及工程。黃先生於中國金屬材料行業擁有逾10年經驗。黃先生成立湘北前，於2009年至2011年間為福建凌志環保科技有限公司（其主要業務是環境項目的設計及建造）的經理，於2006年至2009年為福州科比化工材料有限公司（其主要業務是產銷合成蠟）的經理，以及於2001年至2005年為Tricon Chemicals Inc.（其主要業務是化學品及金屬材料貿易）的經理。他是精密鑄造協會的資深會員及中國鑄造協會精密鑄造分會的常務理事。黃先生亦是福建省中外企業家聯誼會及福州市私營企業家協會的常務理事。黃先生於2013年8月16日獲委任為本公司執行董事。

**朱玉芬女士**，51歲，是本公司的執行董事。朱女士於會計及財務管理方面擁有逾20年經驗。她主要負責財務報告及會計事務。朱女士自2009年7月亦為金鑫的副總經理，主管財務。加入金鑫前，她自1978年至2009年曾為綿陽三台縣台鉗有限公司（其主要業務是產銷虎鉗）的副總經理及財務部主管。朱女士於2013年8月16日獲委任為本公司執行董事。



### Independent Non-executive Directors

**Mr. Pan Liansheng (潘連勝)**, age 49, is an independent non-executive director of our Company. Mr. Pan is engaged in non-ferrous metal and carbon fiber composite materials research and possesses rich knowledge on the non-ferrous metal industry. Mr. Pan also worked for the Third Research Institute of the then Ministry of Astronautics of the PRC (中國航天工業部第三研究院), which is involved in the research of aerospace metals and carbon fibre composite materials, between 1990 and 1993, focusing on research relating to non-ferrous metal and carbon fiber composite materials. From 1993 to 1994, Mr. Pan was seconded to Sanwa Machinery Trading Co., Ltd., the principal business of which is the design and manufacture of electrical machinery. From 1996 to 1998, Mr. Pan worked as an assistant professor at Waseda University. From 1998 to 2008, Mr. Pan worked as a chief researcher in the research and development center of Toshiba Ceramics Co., Ltd. (東芝陶瓷株式會社), the principal business of which is the research and production of high-end electronic ceramic and silicon semi-conductors. From 2008 to April 2013, Mr. Pan worked as the general manager at Toshiba Ceramics Co., Ltd. Currently, Mr. Pan is the Chairman of Thinkon Semiconductor Technology (Shanghai) Corporation (矽康半導體科技(上海)有限公司), the principal business of which is the supply of semiconductor material technology, a position which he has held since April 2013. Mr. Pan graduated with a bachelor's degree from Beijing University of Aeronautics and Astronautics where he focused on research relating to non-ferrous metal and carbon fiber reinforced composite in 1985. He further obtained his doctorate degree from Waseda University in 1998. Mr. Pan was appointed as an independent non-executive director of our Company on 16 August 2013.

### 獨立非執行董事

潘連勝先生，49歲，是本公司的獨立非執行董事。潘先生從事有色金屬和碳纖維複合材料的研發，對有色金屬行業擁有豐富知識。潘先生亦於1990年至1993年間任職中國航天工業部第三研究院（其涉及航天金屬和碳纖維複合材料的研發），專注於有色金屬和碳纖維複合材料的相關研究。於1993年至1994年，潘先生派赴到日本三和工機株式會社（其主要業務是設計及製造電動機械）。於1996年至1998年，潘先生為早稻田大學的助理教授。於1998年至2008年，潘先生任職東芝陶瓷株式會社（其主要業務是研究及生產高端電子陶瓷和矽半導體）的首席研究員。於2008年至2013年4月，潘先生任職東芝陶瓷研究所的總經理。目前，潘先生是矽康半導體科技（上海）有限公司（其主要業務是供應半導體材料技術）的主席，他自2013年4月起一直擔任此職位。潘先生於1985年在北京航空航天大學本科畢業，期間他專注於有色金屬和碳纖維強化複合物的相關研究。他於1998年再取得早稻田大學的博士學位。潘先生於2013年8月16日獲委任為本公司獨立非執行董事。

## Directors and Senior Management

### 董事及高級管理層

**Mr. Lee Ting Bun Denny (李廷斌)**, age 46, is an independent non-executive director of our Company. He was an independent director of Gushan. He was the chief financial officer of NetEase.com Inc., one of the China's leading internet and online game service providers from 2002 to 2007. Prior to joining NetEase, Mr. Lee worked in the Hong Kong office of KPMG for more than ten years specializing in auditing international clients. Mr. Lee currently serves as an independent non-executive director on the board of NetEase.com, Inc., which is listed on the NASDAQ Global Select Market and as an independent non-executive director and the chairman of the audit committee of Qunar Cayman Islands Limited, a Chinese search-based online travel company, which is listed on NASDAQ Global Market. He also serves as an independent non-executive director of New Oriental Education & Technology Group Inc., the provider of private educational services in China, and Concord Medical Services Holdings Ltd., the principal business of which is the operation of a network of radiotherapy and diagnostic imaging centers in China, both of which are listed on the New York Stock Exchange. Mr. Lee was also an independent non-executive director of Acorn International Inc., a media and branding company in China which is listed on the New York Stock Exchange, between 2007 and 2010. Mr. Lee graduated from Hong Kong Polytechnic University and was awarded the Professional Diploma in Accounting in November 1990. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee was appointed as an independent non-executive director of our Company on 16 August 2013.

李廷斌先生，46歲，是本公司的獨立非執行董事。他曾為古杉的獨立董事。他自2002年至2007年曾為網易公司的財務總監，該公司是中國數一數二的互聯網及在線遊戲服務提供者。加入網易前，李先生於畢馬威會計師事務所的香港辦事處工作逾十年，專門為國際客戶進行審計。李先生現為網易公司（於納斯達克全球精選市場上市）董事會的獨立非執行董事，以及是Qunar Cayman Islands Limited（一家以搜尋為基礎的中國網上旅遊公司，目前於納斯達克全球市場上市）的審核委員會主席。他亦是新東方教育科技集團（中國的私人教育服務提供商）及泰和誠醫療集團有限公司（其主要業務是在中國經營放射治療和影像診斷中心）的獨立非執行董事，兩家公司均於紐約證券交易所上市。於2007年至2010年，李先生亦是橡果國際（中國一家媒體和品牌公司，於紐約證券交易所上市）的獨立非執行董事。李先生於1990年11月於香港理工大學畢業，獲頒會計專業文憑。他是特許公認會計師公會資深會員及香港會計師公會會員。李先生於2013年8月16日獲委任為本公司獨立非執行董事。

**Ms. Liu Rong (劉蓉)**, age 49, is an independent non-executive director of our Company. Ms. Liu is currently dean of the School of Public Finance and Taxation of Southwest University of Finance and Economics in China, a position she has held since 2008. Ms. Liu devoted almost her entire 25-year career to the teaching and research on taxation and fiscal science at the School of Public Finance and Taxation of Southwest University of Finance and Economics. Ms. Liu has authored or co-authored more than 10 taxation textbooks and has published a number of articles and thesis regarding taxation policy and taxation system on various nation-wide journals and publications such as Economic Perspective (《經濟學動態》) and Public Finance Research (《財政研究》). Her academic achievement has won her the Outstanding Research Achievement Award (Band II) handed down by the State Administration of Taxation of the PRC and the Chinese Tax Institute (國家稅務總局、中國稅務學會優秀科研成果二等獎) in 2003. In recognition of her contribution, she was also selected as an academic and technical leader (reserve candidate) of Sichuan Province (四川省學術技術帶頭人後備人選) in 2004. She has also received the accolade as a Famous Teacher of Sichuan Province (四川省教學名師) and as an Expert With Extraordinary Contribution of Sichuan Province (四川省有突出貢獻專家). Ms. Liu is currently a chartered PRC tax accountant and a fellow member of the China Public Finance Society (中國財政學會), the Chinese Tax Institute (中國稅務學會) and Sichuan Association of Chartered Tax Accountants (四川註冊稅務師協會). She also serves as vice president of the International Taxation Association of Sichuan Province (四川省國際稅收協會) and the International Taxation Association of Chengdu City (成都市國際稅收學會). Ms. Liu obtained her doctorate degree in fiscal science from Southwest University of Finance and Economics in 1999. Ms. Liu was appointed as an independent non-executive director our Company on 16 August, 2013.

**劉蓉女士**，49歲，是本公司的獨立非執行董事。劉女士自2008年至今為中國西南財經大學財稅學院院長，奉獻將近25年於西南財經大學財稅學院的教學和稅收和財政學研究。劉女士著作或合著超過10本稅務的教科書，並於若干全國性期刊及出版物如《經濟學動態》和《財政研究》發表多份關於稅務政策和稅制的文章和論文。她的學術成就使她於2003年獲得國家稅務總局、中國稅務學會優秀科研成果二等獎。為表揚其貢獻，她於2004年亦獲選為四川省學術技術帶頭人後備人選。她亦獲得四川省教學名師及四川省有突出貢獻專家的榮譽。劉女士現為中國特許稅務會計師，並為中國財政學會、中國稅務學會及四川註冊稅務師協會的理事。她亦是四川省國際稅收協會及成都市國際稅收學會的副會長。劉女士於1999年取得西南財經大學財政學的博士學位。劉女士於2013年8月16日獲委任為本公司獨立非執行董事。

## Directors and Senior Management

### 董事及高級管理層

#### Senior Management

**Mr. Chan Ngai Chi (陳毅馳)**, age 42, is the Chief Financial Officer of our Company. Mr. Chan is responsible for our financial management. Mr. Chan has over 19 years of experience in financial management, compliance and auditing. Since August 2007, Mr. Chan was the principal financial officer and principal accounting officer of Gushan. Prior to joining Gushan, Mr. Chan worked in the audit division of PricewaterhouseCoopers Hong Kong from 1994 to 1999. He also served as financial controller and company secretary of Tong Ren Tang Technologies Co. Ltd., a company in the production and distribution of Chinese medicine, from 2004 to 2007 and TopSearch International (Holdings) Limited, a manufacturer of printed circuit boards, from 2000 to 2003, both of which are companies listed on the Main Board of the Stock Exchange since 9 July, 2010 and 21 June, 2002, respectively. He has served as an independent non-executive director of Beijing Tong Ren Tang Chinese Medicine Company Limited, a company in the retail and wholesale of China medicine products, since 15 April, 2013, which is listed on the Growth Enterprise Market of the Stock Exchange since 7 May, 2013. Mr. Chan graduated from The Hong Kong University of Science and Technologies with a bachelor's degree in business administration in 1994 and The Chinese University of Hong Kong with a master's degree in economics in 2003. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

**Mr. Chen Wei (陳偉)**, age 33, is the Vice General Manager of our Company and a director of Tongxin, Jinxin, Xiangbei, Baohe Xinshiji, and Baohe Taiyue. Mr. Chen is in charge of business risk management. Mr. Chen has over 10 years of management experience in automobile, renewable energy and environmental protection sectors. Mr. Chen joined Gushan in 2008 and served as assistant to the chairman of the board and head of the group office from 2009 to 2012. Since January 2013, he has been the vice president of Gushan. Prior to joining Gushan in 2008, Mr. Chen worked for Handan Gushan Bio-sources Energy Co. Ltd., the principal business of which is the production and sale of bio-diesel products in China, as assistant to general manager from 2005 to 2008 and as acting general manager from 2008 to 2009. Between 2002 and 2005, he was a sales executive at Fuzhou CTE Co., Ltd (福州中端電器有限公司), the principal business of which is the production and sale of wire and harness and electronic parts of vehicles in China. Mr. Chen graduated with a bachelor's degree in management from Zhengzhou Institute of Technology (currently known as Henan University of Technology) in June 2002. He further obtained the qualification of assistant economist from the Fuzhou City Human Resources Bureau (福州市人事局) in January 2009.

#### 高級管理層

**陳毅馳先生**，42歲，是本公司的首席財務執行官。陳先生負責財務管理。陳先生於財務管理、合規和審計方面擁有逾19年經驗。自2007年8月起，陳先生是古杉的首席財務主任和首席會計主任。加入古杉前，陳先生於1994年至1999年任職於香港羅兵咸永道會計師事務所審計部。他亦自2004年至2007年擔任北京同仁堂科技發展股份有限公司（一家中成藥生產及分銷公司）的財務主管及公司秘書，以及自2000年至2003年擔任至卓國際（控股）有限公司（一家印刷電路板製造商）的財務總監及公司秘書，該兩家公司分別自2010年7月9日及2002年6月21日起於聯交所主板上市。他自2013年4月15日起為北京同仁堂國藥有限公司（一家中成藥產品零售及批發公司）的獨立非執行董事，該公司自2013年5月7日起於聯交所創業板上市。陳先生於1994年畢業於香港科技大學並獲授工商管理學士學位，並於2003年獲授香港中文大學的經濟碩士學位。陳先生是香港會計師公會和特許公認會計師公會的資深會員。

**陳偉先生**，33歲，是本公司的副總經理同時也是銅鑫、金鑫、湘北、保和新世紀以及保和泰越的董事。陳先生主管業務風險管理。陳先生於汽車、再生能源及環保行業擁有逾10年管理經驗。陳先生於2008年加入古杉，於2009年至2012年間擔任董事會主席助理及集團辦公室主任。他自2013年1月起為古杉的副總裁。於2008年加入古杉前，陳先生於2005年至2008年間任職邯鄲古杉生物能源有限公司（Handan Gushan Bio-sources Energy Co. Ltd.）（其主要業務是在中國產銷生物柴油產品）的總經理助理，並於2008年至2009年為代理總經理。在2002年至2005年間，他是福州中端電器有限公司（其主要業務是在中國產銷汽車電線和束線及電子部件）的銷售主任。陳先生於2002年6月在鄭州工程學院（現為河南工業大學）畢業，獲授管理學士學位。他於2009年1月再取得福州市人事局的助理經濟師資格。

## Directors and Senior Management 董事及高級管理層

**Ms. Luo Guidi (羅桂娣)**, age 39, is the controller of our Company. She is mainly responsible for financial risk management. She has also been appointed as the risk management officer of Company and is responsible for overseeing the Group's compliance with bank loan covenants. Ms. Luo has over 15 years of experience in accounting and internal audit. Since January 2013, Ms. Luo was the manager of the audit department of Gushan from 2008 to 2012 and has been a director of the risk management unit at Gushan. Prior to joining Gushan in 2008, she worked as an audit manager at Fujian Jianyou Certified Public Accountants Limited (福建建友會計師事務所有限公司) from 2007 to 2008. Ms. Luo was an audit assistant and audit project manager at Fujian Lixin Mindu Certified Public Accountants Limited (福建立信閩都會計師事務所有限公司) from 2003 to 2007. From 1997 to 2002, she worked as a cashier and accountant at Fuzhou Yaolong Chemical Group Co., Ltd (福州耀隆化工集團公司), a manufacture of chemicals. Ms. Luo obtained an undergraduate qualification in accounting from Fuzhou University through self-study in June 2009. Ms. Luo is a member of the Chinese Institute of Certified Public Accountants and China Institute of Internal Audit. She is also qualified as a land valuer and a Registered Real Estate Appraiser in the PRC.

**Mr. Chen Hai (陳海)**, age 51, is the general manager and director of Baohe Xinshiji, a subsidiary of our Company. Mr. Chen is responsible for formulating, overseeing and executing the day-to-day management of the operation of Baohe Xinshiji. Mr. Chen has over 10 years of experience in the cable industry. Mr. Chen currently serves as a director, the general manager and the legal representative of Baohe Xinshiji. Mr. Chen was a founder of Sichuan Xinshiji, the principal business of which is the manufacturing and sales of power transmission and distribution cables in China, and has been a director and the general manager of Sichuan Xinshiji since its establishment in 2000. Mr. Chen was deputy director of the national laboratory for the heat-resistance performance testing of power cables and wire in Chengdu since September 2007 and was responsible for its technology management. From November 1999 to August 2000, Mr. Chen was vice general manager of Chengdu Jiasheng Cables Co., Ltd (成都嘉晟線纜有限公司), a producer of electrical wires and cables. Mr. Chen obtained the qualification as an associate engineer specializing in electromechanical equipment in October 1998. Mr. Chen was named as an "Outstanding Entrepreneur" (優秀民營企業創業家) by the China Federation of Private Companies (中國民營企業聯合管理會) in November 2010. Mr. Chen graduated with a junior college qualification from Sichuan Normal University via a correspondence course in June 1989 majoring in chemistry.

羅桂娣女士，39歲，是本公司的總監。她主要負責財務風險管理。她亦獲委任為本公司的風險管理人員，負責監察本集團遵守銀行貸款契諾的情況。羅女士於會計及內部審計方面擁有逾15年經驗。羅女士曾於2008年至2012年期間擔任古杉審計部經理及自2013年1月起一直擔任古杉風險管理控制中心總監。於2008年加入古杉前，她於2007年至2008年擔任福建建友會計師事務所有限公司的審計經理。羅女士自2003年至2007年是福建立信閩都會計師事務所有限公司的審計助理及審計項目經理。於1997年至2002年間，她任職福州耀隆化工集團公司（一家化學品製造商）的出納員和會計師。羅女士於2009年6月透過自學取得福州大學的會計學士學歷。羅女士是中國註冊會計師協會和中國內部審計協會的會員。她亦是中國合資格的土地估價師和註冊房地產估價師。

陳海先生，51歲，是本公司附屬公司保和新世紀的總經理及董事。陳先生負責制定、監督和執行保和新世紀營運的日常管理。陳先生於電纜行業擁有逾10年經驗。陳先生現為保和新世紀的董事、總經理及法定代表。陳先生是四川新世紀（其主要業務是在中國產銷送配電纜）的創辦人，並且自2000年成立以來一直是四川新世紀的董事兼總經理。陳先生自2007年9月起為成都電纜及電線耐熱性表現測試國家級實驗室的副總監，並負責其技術管理。陳先生自1999年11月至2000年8月為成都嘉晟線纜有限公司（電線及電纜生產商）的副總經理。陳先生於1998年10月取得機電設備副工程師的資格。陳先生於2010年11月獲中國民營企業聯合管理會授予「優秀民營企業創業家」的名銜。陳先生以函授方式進修而於1989年6月獲四川師範大學頒授化學大專資格。



## Directors and Senior Management

### 董事及高級管理層

**Mr. Fan Dunxian (范敦現)**, age 45, is the general manager and director of Baohe Taiyue, a subsidiary of our Company. Mr. Fan is responsible for formulating, overseeing and executing the day-to-day management of the operation of Baohe Taiyue. Mr. Fan has over 5 years of experience in the cable industry. He currently serves as a director, the general manager and the legal representative of Baohe Taiyue. Mr. Fan was a founder of Guangzhou Taiyue, the principal business of which is the manufacturing and sales of communication cables in China, and has been a director and the general manager of Guangzhou Taiyue since its establishment in 2007. Mr. Fan completed his junior college education with Fujian Agriculture University (currently known as Fujian Agriculture and Forestry University) in July 1996, majoring in phytomedicine and medical science.

### Company Secretary

**Mr. Cheung Ying Kwan (張應坤)**, age 54, is the company secretary of our Company. Mr. Cheung has over 21 years of experience in financial management. Mr. Cheung was the financial controller of Gushan since March 2006. Mr. Cheung also served from April 2001 to March 2006 as the qualified accountant and company secretary of Goldigit Atomtech Holdings Limited (currently known as Jinchuan Group International Resources Co. Ltd), a developer and producer of pesticides in China which is listed on the Stock Exchange since 23 October, 2003. Mr. Cheung was an independent non-executive director of Auto Italia Holdings Limited, a company which has been listed on the Stock Exchange since 16 July, 1991 and whose principal business is the import, marketing, distribution and after-sales services of high quality, branded products in Asia including cars, electronic appliances, fashion apparels and accessories, from November 2005 to May 2013, and has been an independent non-executive director of Tian Shan Development (Holding) Limited, a property developer in China, since 16 June 2010, which is listed on the Main Board of the Stock Exchange since 15 July, 2010. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung obtained a diploma in fabric manufacturing from the Hong Kong Polytechnic in 1981. He was appointed as our company secretary on 8 March 2013.

**范敦現先生**，45歲，是本公司附屬公司保和泰越的總經理及董事。范先生負責制定、監督和執行保和泰越營運的日常管理。范先生於電纜行業擁有逾5年經驗。他現為保和泰越的董事、總經理及法定代表人。范先生是廣州泰越（其主要業務是在中國產銷通信電纜）的創辦人，並且自2007年成立以來一直是廣州泰越的董事及總經理。范先生於1996年7月完成福建農業大學（現稱福建農林大學）的大專教育，主修植物藥學及醫學。

### 公司秘書

**張應坤先生**，54歲，是本公司的公司秘書。張先生於財務管理擁有逾21年經驗。張先生自2006年3月起擔任古杉的財務主管。張先生於2001年4月至2006年3月期間亦擔任金澤超分子科技控股有限公司（現稱金川集團國際資源有限公司，是中國的農藥開發商及生產商，自2003年10月23日起於聯交所上市）的合資格會計師及公司秘書。張先生曾於2005年11月至2013年5月為意達利股份有限公司（自1991年7月16日起於聯交所上市的公司，其主要業務是在亞洲進口、營銷分銷優質品牌產品並提供售後服務，包括汽車、電器、時裝及配飾）的獨立非執行董事，以及自2010年6月16日起為天山發展（控股）有限公司（中國一家物業發展商，自2010年7月15日起於聯交所主板上市）的獨立非執行董事。他是特許公認會計師公會的資深會員和香港會計師公會的會員。張先生於1981年取得香港理工學院的紡織物生產文憑。他於2013年3月8日獲委任為我們的公司秘書。

# Report of the Directors

## 董事會報告

The Board is pleased to present the audited consolidated results of the Company and the Group for the year ended 31 December 2013.

### Principal Activities

The Group is a manufacturer of recycled copper products, also known as copper semis, in Southwest China. Beginning in 2013, the Group started to sell a range of communication cables and power transmission and distribution cables using copper wire rods produced by the Group as the principal raw material.

### Directors

During the year and up to the date of this annual report, the directors of the Company were as follows:

#### Executive Directors

	Appointed on
Mr. Yu Jianqiu (Chairman and chief executive officer)	22 February 2013 and redesignated as an executive director on 16 August 2013
Mr. Liu Hanjiu	16 August 2013
Mr. Kwong Wai Sun Wilson	16 August 2013
Mr. Huang Weiping	16 August 2013
Ms. Zhu Yufen	16 August 2013

#### Independent Non-executive Directors

Mr. Pan Liansheng	16 August 2013
Mr. Lee Ting Bun Denny	16 August 2013
Ms. Liu Rong	16 August 2013

### Directors' and Senior Management's Biographies

Biographical details of the directors and senior management of the Group are set out in the section headed "Directors and Senior Management" in this annual report.

董事會欣然提呈本公司及本集團截至2013年12月31日止年度的經審核綜合業績。

### 主要業務

本集團是中國西南部再生銅產品（亦稱為銅半製成品）製造商。自2013年起，本集團開始銷售多種以本集團自製的銅線材為主要原材料的通信電纜和送配電纜。

### 董事

於本年度及截至本年報日期，本公司董事如下：

#### 執行董事

	獲委任日期
俞建秋先生 (主席兼行政總裁)	2013年2月22日及於2013年8月16日調任為執行董事
劉漢玖先生	2013年8月16日
鄺偉信先生	2013年8月16日
黃偉萍先生	2013年8月16日
朱玉芬女士	2013年8月16日

#### 獨立非執行董事

潘連勝先生	2013年8月16日
李廷斌先生	2013年8月16日
劉蓉女士	2013年8月16日

### 董事及高級管理層履歷

本集團董事及高級管理層履歷詳情載於本年報「董事及高級管理層」一節。

## Report of the Directors

### 董事會報告

#### Confirmation of Independence of Independent Non-executive Directors

Each of the independent non-executive directors has confirmed his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Company considers all of the independent non-executive directors to be independent in accordance with Rule 3.13 of the Listing Rules.

#### Directors’ Interests in Contracts

Save as disclosed in note 23 and 34 respectively to the financial statements, no director had a significant beneficial interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

#### 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 within one year without payment of compensation other than statutory compensation.

#### Changes in Directors and Senior Management

Pursuant to Rule 13.51B of the Listing Rules, the changes in Directors and Senior Management are set out below.

Further to the service contract entered into between Mr. Yu Jianqiu and the Company effective 1 March 2014, Mr. Yu Jianqiu’s salary has been revised from \$1,920,000 to \$3,192,000 per annum, payable on a 12-month basis. The emoluments of Mr. Yu are determined by the Board with reference to the remuneration benchmark in the prevailing market and the complexity, workload and Mr. Yu Jianqiu’s responsibilities to the Company and its subsidiaries.

Save as disclosed above, there was no change to any of the information required to be disclosed in relation to any director pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules since the Listing Date.

#### 獨立非執行董事的獨立性確認書

各獨立非執行董事已根據聯交所證券上市規則（「上市規則」）第3.13條確認其獨立性。根據上市規則第3.13條，本公司認為所有獨立非執行董事均為獨立人士。

#### 董事於合約的權益

除於財務報表附註23及34所分別披露者外，概無董事在本公司或其任何附屬公司於本年度訂立並對本集團業務有重大影響的任何合約中，擁有重大實益。

#### 董事服務合約

於應屆股東週年大會上獲膺選連任的董事中，概無與本公司或其任何附屬公司訂立不可在一年內終止而無須作出賠償（法定賠償外）的服務合約。

#### 董事及高級管理層變動

根據上市規則第13.51B條，董事及高級管理層變動載列如下。

於俞建秋先生與本公司訂立的服務合約自2014年3月1日生效後，俞建秋先生的薪金由每年1,920,000港元調整為每年3,192,000港元，分為12個月支付。俞先生的酬金由董事會經參考現行市況的薪酬標準、複雜性、工作量及俞建秋先生對本公司及其附屬公司的責任而釐定。

除上文所披露者外，自上市日期起，概無任何有關董事的資料出現變動而須根據上市規則第13.51(2)條第(a)至(e)及(g)段作出披露。

## Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations

As the Company was not listed on the Stock Exchange as at 31 December 2013, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (“SFO”) and section 352 of the SFO were not applicable to the directors or chief executive of the Company as at 31 December 2013.

As at the Listing Date, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “Model Code”) were as follows:

### Long position in the shares of the Company

## 董事及主要行政人員於本公司及其相聯法團的股份及相關股份的權益及淡倉

由於本公司於2013年12月31日並未在聯交所上市，因此證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部及證券及期貨條例第352條於2013年12月31日均不適用於本公司董事或主要行政人員。

於上市日期，本公司董事及主要行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券擁有(i)根據證券及期貨條例第352條規定須予備存的登記冊所載或(ii)根據上市規則附錄10所載關於上市發行人董事進行證券交易的標準守則（「標準守則」）須通知本公司及聯交所的權益及淡倉如下：

### 本公司股份中的好倉

Name of Director 董事姓名	Capacity/ Nature of interest 身份／權益性質	Number of shares held 所持股份數目	Approximate percentage of shareholding <sup>(1)</sup> 概約持股百分比 <sup>(1)</sup>
Mr. Yu Jianqiu 俞建秋先生	Interest in a controlled corporation <sup>(2)</sup> 受控制法團權益 <sup>(2)</sup>	958,574,400	45.68%
Mr. Liu Hanjiu 劉漢玖先生	Interest in a controlled corporation <sup>(3)</sup> 受控制法團權益 <sup>(3)</sup>	103,205,200	4.92%
Mr. Huang Weiping 黃偉萍先生	Interest in a controlled corporation <sup>(4)</sup> 受控制法團權益 <sup>(4)</sup>	102,963,000	4.91%
Mr. Kwong Wai Sun Wilson 鄺偉信先生	Legal and beneficial owner 合法及實益擁有人	4,772,600	0.23%

## Report of the Directors

### 董事會報告

#### Notes:

- (1) The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at the Listing Date.
- (2) The shares were held by Epoch Keen Limited which was wholly-owned by Mr. Yu Jianqiu.
- (3) The shares were held by Silver Harvest Holdings Limited which was wholly-owned by Mr. Liu Hanjiu.
- (4) The shares were held by Gold Wide Enterprises Limited which was wholly-owned by Mr. Wang Weiping.

Save as disclosed above, as at the Listing Date, so far as is known to any director or the chief executive of the Company, none of the directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Directors' Rights to Acquire Shares or Debentures

No rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate since the Listing Date.

#### 附註：

- (1) 百分比代表普通股數目除以本公司於上市日期已發行股份的數目。
- (2) 該等股份由時建有限公司持有，該公司由俞建秋先生全資擁有。
- (3) 該等股份由豐銀控股有限公司持有，該公司由劉漢玖先生全資擁有。
- (4) 該等股份由金博企業有限公司持有，該公司由黃偉萍先生全資擁有。

除上文所披露者外，於上市日期，就本公司董事或主要行政人員所知，董事或本公司最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有(i)根據證券及期貨條例第352條規定須予備存的登記冊所載或(ii)根據標準守則所載之規定須知會本公司及聯交所的權益或淡倉。

### 董事購買股份或債券的權利

自上市日期以來，概無授予任何董事或彼等各自之配偶或未滿18歲的子女通過購入本公司股份或債券的方式而獲益的權利或由彼等行使任何該等權利；亦無由本公司或其任何附屬公司作出安排以令董事或彼等各自之配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。



## Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As the Company was not listed on the Stock Exchange as at 31 December 2013, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the Company as at 31 December 2013.

As at the Listing Date, the following persons (not being a director or chief executive of the Company) had 5% or more interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

### Long position in the shares of the Company

Name 姓名／名稱	Capacity in which interests are held 持有權益的身份	Number of shares 股份數目	Percentage of shareholding <sup>(1)</sup> 股權百分比 <sup>(1)</sup>
Mr. Chen Gonghao <sup>(2)</sup> 陳躬豪先生 <sup>(2)</sup>	Interest in a controlled corporation 受控制法團權益	167,952,400	8.00%
First Harvest Global Limited <sup>(2)</sup> 肇豐環球有限公司 <sup>(2)</sup>	Legal and beneficial owner 合法及實益擁有人	167,952,400	8.00%
Madam Mak Siu Hang Viola <sup>(3)</sup> 麥少嫻女士 <sup>(3)</sup>	Interest in a controlled corporation 受控制法團權益	137,276,000	6.54%
VMS Investment Group Limited <sup>(3)</sup> 鼎珮投資集團有限公司 <sup>(3)</sup>	Legal and beneficial owner 合法及實益擁有人	137,276,000	6.54%

Notes:

- (1) The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at the Listing Date.
- (2) First Harvest Global Limited is wholly-owned by Mr. Chen Gonghao. Mr. Chen Gonghao is deemed to be interested in the shares held by First Harvest Global Limited.
- (3) VMS Investment Group Limited is wholly-owned by Madam Mak Siu Hang Viola. Madam Mak Siu Hang Viola is deemed to be interested in the shares held by VMS Investment Group Ltd.

Other than as disclosed above, as at the Listing Date, the directors have not been notified by any person (not being the directors or chief executive of the Company) who had 5% or more interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

## 主要股東於本公司股份及相關股份的權益及淡倉

由於本公司並無於2013年12月31日在聯交所上市，證券及期貨條例第XV部第2及3分部及證券及期貨條例第336條於2013年12月31日均不適用於本公司。

於上市日期，按本公司根據證券及期貨條例第336條須予存置的登記冊所記錄，以下人士（並非本公司董事或最高行政人員）於本公司股份或相關股份中擁有5%或以上的權益或淡倉：

### 本公司股份中的好倉

Name	Capacity in which interests are held	Number of shares	Percentage of shareholding <sup>(1)</sup>
Mr. Chen Gonghao <sup>(2)</sup>	Interest in a controlled corporation	167,952,400	8.00%
First Harvest Global Limited <sup>(2)</sup>	Legal and beneficial owner	167,952,400	8.00%
Madam Mak Siu Hang Viola <sup>(3)</sup>	Interest in a controlled corporation	137,276,000	6.54%
VMS Investment Group Limited <sup>(3)</sup>	Legal and beneficial owner	137,276,000	6.54%

附註：

- (1) 百分比代表普通股數目除以本公司於上市日期已發行股份的數目。
- (2) 肇豐環球有限公司由陳躬豪先生全資擁有。陳躬豪先生被視為於肇豐環球有限公司持有的股份中擁有權益。
- (3) 鼎珮投資集團有限公司由麥少嫻女士全資擁有。麥少嫻女士被視為於鼎珮投資集團有限公司持有的股份中擁有權益。

除上文所披露者外，於上市日期，概無任何人士（並非本公司董事或最高行政人員）知會董事其根據證券及期貨條例第336條須予存置的登記冊所記錄於本公司股份或相關股份中擁有5%或以上的權益或淡倉。

## Report of the Directors

### 董事會報告

#### Directors' Interests in Competing Business

As at 31 December 2013, none of the directors or their respective associates had any business or interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

#### Proposed Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2013.

#### Pre-Emptive Rights

There are no provisions for pre-emptive rights under the articles of association of the Company (the "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.

#### Results and Appropriations

The results of the Group for the year ended 31 December 2013 is set out in the consolidated income statement and the consolidated statement of comprehensive income on pages 63 and 64 respectively of this annual report.

#### Closure of Register of Members

The Company's Register of Members will be closed from 4 June 2014 to 6 June 2014 (both days inclusive), during such period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, unregistered holders of shares of the Company should ensure all share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Computershare Hong Kong Investor Services Ltd., at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on 3 June 2014.

#### Property, Plant and Equipment

Details of the property, plant and equipment of the Group are set out in note 13 to the financial statements.

#### 董事於競爭業務的權益

於2013年12月31日，概無董事及彼等各自的聯繫人與本集團業務構成或可能構成直接或間接競爭之業務中擁有任何業務或權益。

#### 擬派末期股息

董事會不建議宣派截至2013年12月31日止年度的末期股息。

#### 優先購股權

根據本公司組織章程細則（「組織章程細則」）或開曼群島法例並無有關優先購股權的規定，致使本公司須按比例基準向現有股東發售新股份。

#### 業績及分配

本集團截至2013年12月31日止年度的業績分別載於本年報第63頁至第64頁的綜合收益表及綜合全面收益表。

#### 暫停辦理股份過戶登記手續

本公司股東名冊將於2014年6月4日至2014年6月6日（包括首尾兩天）暫停登記，期間不會辦理本公司股份過戶登記手續。為取得出席應屆股東週年大會並於會上投票的資格，本公司的未登記股東應確保所有過戶表格連同有關股票必須於最遲2014年6月3日下午4時30分前遞交予本公司股份過戶登記分處香港中央證券登記有限公司登記，地址位於香港灣仔皇后大道東183號合和中心17樓1712-1716室。

#### 物業、廠房及設備

本集團物業、廠房及設備的詳情載於財務報表附註13。

## Share Capital

Movements of the share capital of the Company are set out in note 30 to the financial statements.

## Bank Loans

Bank Loans and other borrowings of the Company and the Group as at 31 December 2013 are set out in note 28 to the financial statements.

## Directors' Emoluments and Five Highest Paid Individuals

The directors' emoluments are determined by the Board with reference to their duties, responsibilities and performance and the results of the Group. Details of the directors' emoluments and the five highest paid individuals are set out in notes 9 and 10 to the financial statements respectively.

## Emolument Policy

A remuneration committee was set up to develop the Group's emolument policy and structure for remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

## Pension Schemes

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "PRC Schemes") organized by the local authorities whereby the subsidiaries are required to make contributions to the PRC Schemes based on a percentage of the eligible employees' salaries. Contributions to the PRC Schemes vest immediately. Under the PRC Scheme, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

## 股本

本公司的股本變動載於財務報表附註30。

## 銀行貸款

本公司及本集團於2013年12月31日的銀行貸款及其他借款載於財務報表附註28。

## 董事酬金及五名最高薪酬人士

董事薪酬乃由董事會經參考彼等的職責、責任及表現以及本集團的業績而釐定。董事及五名最高薪酬人士的薪酬詳情分別載於財務報表附註9及10。

## 薪酬政策

本集團成立薪酬委員會以發展有關本集團董事及高級管理層之薪酬政策及架構，該等薪酬政策及架構已參考本集團的經營業績、董事及高級管理層的個人表現及可資比較市場常規。

## 退休金計劃

根據中國相關勞動規則及法規，本集團於中國的附屬公司參與由各地方機關組織的界定供款退休福利計劃（「中國計劃」），據此，附屬公司須按合資格僱員薪金的某百分比向中國計劃作出供款。中國計劃的供款會即時歸屬。根據中國計劃，相關計劃管理機構須為現有及退休僱員支付退休福利，而本集團除每年供款外，毋須承擔其他責任。

## Report of the Directors

### 董事會報告

The Group enrolled all employees in Hong Kong in the Mandatory Provident Fund Scheme (“MPF”) (together with the PRC Schemes, the “Retirement Benefit Schemes”), which is a defined contribution retirement benefit scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF. The Group contributes 5% of the relevant payroll costs to the MPF subject to a cap of monthly relevant income of HK\$25,000, and which contribution is matched by the employees. The assets of the MPF are held separately from those of the Group, in funds under the control of trustees. Contributions from the employer are 100% vested in the employees as soon as they are paid to the MPF and subject to certain conditions being met, all benefits derived from the mandatory contributions must be preserved until the employee either reaches the normal retirement age of 65 or meets certain specified conditions whichever is earlier.

The Group’s contributions to Retirement Benefit Schemes charged to the consolidated income statement for the year ended 31 December 2013 were RMB2,378,000.

### Management Contracts

No contract for the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

### Reserves and Distributable Reserves

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2013 are set out in note 30 to the financial statements and the consolidated statement of changes in equity respectively.

As at 31 December 2013, the Company’s distributable reserves available for distribution amounted to RMB337,495,000, calculated in accordance with the provisions of the Companies Law (2012 Revision) of the Cayman Islands.

本集團已為香港的全體僱員參加了強制性公積金計劃（「強積金」）（連同中國計劃，統稱為「退休福利計劃」），為界定供款退休福利計劃。供款乃按僱員基本薪金的百分比計算，並於根據強積金之規則於須予支付時於綜合收益表扣除。本集團向強積金所作的供款為有關工資成本之5%（受每月相關收入上限25,000港元所限），而僱員的供率比率亦相同。強積金的資產與本集團的資產分開持有，以基金形式由信託人控管。僱主的供款投入強積金後，即全數歸僱員所有，除滿足若干條件的情況外，強制性供款涉及的利益須保留至僱員年屆六十五歲退休時或達成若干特定條件（以較早者為準）才予以發還。

本集團於截至2013年12月31日止年度計入綜合收益表的退休福利計劃供款為人民幣2,378,000元。

### 管理合約

於本年度，本公司並無就本公司全部或任何主要部份業務訂立或現存任何管理及行政合約。

### 儲備及可供分派儲備

本公司及本集團截至2013年12月31日止年度的儲備變動詳情分別載於財務報表附註30及綜合權益變動表。

於2013年12月31日，根據開曼群島公司法（2012年修訂版）的規定計算，本公司可供分派儲備為人民幣337,495,000港元。

## Major Customers and Suppliers

### Suppliers

For the year ended 31 December 2013, the aggregate purchases attributable to our five largest suppliers accounted for less than 30% of our total cost of purchases.

### Customers

For the year ended 31 December 2013, the five largest customers were customers of our recycled copper products, which included power transmission and distribution cable manufacturers, copper processing companies and trading companies. For the year ended 31 December 2013, the aggregate turnover of sales attributable to our five largest customers contributed less than 30% of our consolidated turnover.

## Connected Transactions

Following the listing of the shares of the Company on the Stock Exchange on the Listing Date, the transactions between the Group and certain connected persons of the Group became continuing connected transactions. The Company has applied for and the Stock Exchange has granted a waiver from, among others, strict compliance with the announcement requirements in respect of certain continuing connected transactions of the Group. Details of the continuing connected transactions of the Group are as follows:

### Continuing connected transactions exempt from the independent shareholders' approval requirements

#### Master Production Agreement with Guangzhou Taiyue

On 6 February 2014, we entered into the Taiyue Master Production Agreement dated 6 February 2014 to govern the terms and conditions of the transactions between our Group and Guangzhou Taiyue in connection with the provision of production and processing services for our communication cable products. As Guangzhou Taiyue is 40% held by Mr. Fan Dunxian, a director of Baohe Taiyue, the production and processing arrangement between our Group and Guangzhou Taiyue constitute continuing connected transactions of our Company.

The Taiyue Master Production Agreement took effect upon listing and will continue until 31 December 2014.

## 主要客戶及供應商

### 供應商

截至2013年12月31日止年度，五大供應商合計所佔本集團的購貨額百分比少於30%。

### 客戶

截至2013年12月31日止年度，五大客戶為我們的再生銅產品客戶，包括送配電纜製造商、銅加工公司及貿易公司。截至2013年12月31日止年度，五大客戶合計所佔的營業額或銷售額百分比少於30%。

## 關連交易

本公司股份於上市日期在聯交所上市後，本集團與本集團若干關連人士的交易構成持續關連交易。本公司已就本集團若干持續關連交易申請豁免（其中包括）嚴格遵守有關公告的規定，而聯交所亦已授出有關豁免。本集團持續關連交易的詳情如下：

### 獲豁免遵守獨立股東批准規定的持續關連交易

#### 與廣州泰越的總生產協議

於2014年2月6日，我們訂立日期為2014年2月6日的泰越總生產協議，以監管本集團與廣州泰越之間就為我們的通信電纜產品提供生產及加工服務而進行的交易的條款及條件。由於廣州泰越的40%股權由保和泰越的董事范敦現先生持有，本集團與廣州泰越之間的生產及加工安排會構成本公司的持續關連交易。

泰越總生產協議於上市時生效，並將繼續有效直至2014年12月31日。



## Report of the Directors 董事會報告

The Taiyue Master Production Agreement is subject to an annual cap of RMB5.0 million for the financial year ending 31 December 2014. In arriving at the annual cap, our Directors considered the following factors:

- the monthly average of the historical transaction values and volume of the production and processing service provided by Guangzhou Taiyue for the nine months ended 30 September 2013; and
- the expected termination of the production and processing arrangement with Guangzhou Taiyue after the new production facility of Baohe Taiyue commences commercial production, which is currently expected to be in the second or third quarter of 2014.

Taking into account such factors, the annual cap has been primarily calculated by multiplying the monthly average of the historical transaction values for the nine months ended 30 September 2013 by four, and adding a buffer to provide the Company with some flexibility to cater for any unexpected increase in transactions.

The amount paid/payable by the Group to Guangzhou Taiyue for the provision of production and processing services for the year ended 31 December 2013 was approximately RMB9.4 million.

### Master Production Agreement with Sichuan Xinshiji

On 6 February 2014, we entered into the Xinshiji Master Production Agreement dated 6 February 2014 to govern the terms and conditions of the transactions between our Group and Sichuan Xinshiji in connection with the provision of production and processing services for our power transmission and distribution cable products. As Mr. Chen Hai, a director of Baohe Xinshiji, has de facto control over Sichuan Xinshiji, the production and processing arrangement between our Group and Sichuan Xinshiji constitute continuing connected transactions of our Company.

The Xinshiji Master Production Agreement took effect upon listing and will continue until 31 December 2014. The Xinshiji Master Production Agreement is subject to an annual cap of RMB30.0 million for the financial year ending 31 December 2014. In arriving at the annual cap, our Directors considered the following factors:

- the continuous increase in the historical transaction values and volume of the production and processing service provided by Sichuan Xinshiji in the nine months ended 30 September 2013;
- the actual sales of Baohe Xinshiji for the nine months ended 30 September 2013 and the expected continuing growth of our power transmission and distribution cable business; and

泰越總生產協議須於截至2014年12月31日止財政年度遵守年度上限人民幣5,000,000元。在釐定該等年度上限時，董事考慮到下列因素：

- 截至2013年9月30日止九個月廣州泰越提供的生產及加工服務的歷史交易價值及交易量每月平均數；及
- 與廣州泰越的生產及加工安排預期於保和泰越新生產設施開始商業生產（目前預期於2014年第二或第三季度）後終止。

計及這些因素，年度上限主要是將截至2013年9月30日止九個月的歷史交易價值的每月平均數乘以四計算，並加入緩衝值，從而為本公司提供一些靈活性以應付任何無法預期的交易增長。

於截至2013年12月31日止年度，本集團就提供生產及加工服務向廣州泰越已付／應付的金額約為人民幣9,400,000元。

### 與四川新世紀的總生產協議

於2014年2月6日，我們訂立日期為2014年2月6日的新世紀總生產協議，以監管本集團與四川新世紀之間就為我們的送配電纜產品提供生產及加工服務而進行交易的條款及條件。由於保和新世紀的董事陳海先生擁有四川新世紀的實際控制權，本集團與四川新世紀之間的生產及加工安排會構成本公司的持續關連交易。

新世紀總生產協議於上市時生效，並將繼續有效直至2014年12月31日。新世紀總生產協議須於截至2014年12月31日止財政年度遵守年度上限人民幣30,000,000元。在釐定該等年度上限時，董事考慮到下列因素：

- 截至2013年9月30日止九個月四川新世紀提供的生產及加工服務的歷史交易價值及交易量持續增長；
- 截至2013年9月30日止九個月保和新世紀的實際銷售額，以及本集團送配電纜業務的預期持續增長；及

- the expected termination of the production and processing arrangement with Sichuan Xinshiji after the new production facility of Baohe Xinshiji commences commercial production, which is currently expected to be in the second quarter of 2014.

Taking into account such factors, the annual cap has been primarily calculated by multiplying the monthly average of the historical transaction value for October and November 2013, which amount to RMB7.8 million and RMB8.8 million, respectively, by three and adding a buffer to the product to provide the Company with some flexibility to cater for any unexpected increase in transactions. We believe that the monthly average of the transaction values for October and November 2013 is a more appropriate basis for determining the annual cap for the Xinshiji Master Production Agreement as we expect the level of transaction in October and November 2013, which is higher than the level in the previous months in 2013, will continue in 2014.

The amount paid/payable by the Group to Sichuan Xinshiji for the provision of production and processing services for the year ended 31 December 2013 was approximately RMB51.2 million.

#### Master Sale Agreement with Guangzhou Taiyue

On 6 February 2014, we entered into the Taiyue Master Sale Agreement to govern the terms and conditions of the transactions between our Group and Guangzhou Taiyue in connection with the sale of copper products (mainly copper wires). The Taiyue Master Sale Agreement took effect upon Listing and will continue until 31 December 2014. As Guangzhou Taiyue is 40% held by Mr. Fan Dunxian, a director of Baohe Taiyue, the sale of copper products by our Group to Guangzhou Taiyue constitute continuing connected transactions of our Company.

The Taiyue Master Sale Agreement is subject to an annual cap of RMB17.0 million for the financial year ending 31 December, 2014. The annual cap has been determined with reference to the market rates for copper products which our Group sells to persons or companies which are not connected persons of our Group or any of their associates under the Listing Rules (“**Independent Third Parties**”). In arriving at the annual cap, our directors have considered the following factors:

- the monthly average of the historical transaction values and volume of the sale of products to Guangzhou Taiyue for the nine months ended 30 September 2013; and

- 與四川新世紀的生產及加工安排預期於保和新世紀新生產設施開始商業生產（目前預期於2014年第二季度）後終止。

計及這些因素，年度上限主要是將2013年10月及11月的歷史交易價值的每月平均數（為人民幣7,800,000元及人民幣8,800,000元）分別乘以三計算，並為乘積加入緩衝值，從而為本公司提供一些靈活性以應付任何無法預期的交易增長。我們相信，2013年10月及11月的交易價值的每月平均數更適合作為釐定新世紀總生產協議年度上限的基準，因為我們預期2013年10月及11月的交易水平（高於2013年過往月份的水平）將延續至2014年。

於截至2013年12月31日止年度，本集團就提供生產及加工服務向四川新世紀已付／應付的金額約為人民幣51,200,000元。

#### 與廣州泰越的總銷售協議

於2014年2月6日，我們訂立泰越總銷售協議，以監督本集團與廣州泰越之間就銷售銅產品（主要是銅線）而進行交易的條款及條件。泰越總銷售協議於上市時生效，並將繼續有效直至2014年12月31日。由於廣州泰越的40%股權由保和泰越的董事范敦現先生持有，本集團向廣州泰越銷售銅產品構成本公司的持續關連交易。

泰越總銷售協議須於截至2014年12月31日止財政年度遵守年度上限人民幣17,000,000元。年度上限乃參照本集團向上市規則項下並非本集團關連人士或其任何聯繫人的人士或公司（「**獨立第三方**」）出售銅產品的市場比率釐定。在釐定該等年度上限時，董事考慮到下列因素：

- 截至2013年9月30日止九個月向廣州泰越銷售產品的歷史交易價值及交易量每月平均數；及

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- the expected decrease in sales to Guangzhou Taiyue after the new facility of Baohe Taiyue commences commercial production, which is expected to be in the second or third quarter of 2014.

Taking into account such factors, the annual cap has been calculated by multiplying the monthly average of the historical transaction value for the nine months ended 30 September, 2013 by four, and adding a buffer to the product to provide the Company with some flexibility to cater for any unexpected increase in transactions.

The amount paid/payable by the Guangzhou Taiyue to the Group for the purchase of copper products for the year ended 31 December 2013 was approximately RMB44.2 million.

#### Master Sale Agreement with Sichuan Xinshiji

On 6 February 2014, we entered into the Xinshiji Master Sale Agreement to govern the terms and conditions of the transactions between our Group and Sichuan Xinshiji in connection with the sale of copper products including copper wirerods and copper wires. The Xinshiji Master Sale Agreement took effect upon listing and will continue until 31 December 2014. As Mr. Chen Hai, a director of Baohe Xinshiji, has de facto control over Sichuan Xinshiji, the sale of copper products by our Group to Sichuan Xinshiji constitute continuing connected transactions of our Company.

The Xinshiji Master Sale Agreement is subject to an annual cap of RMB50.0 million for the financial year ending 31 December 2014. The annual cap has been determined with reference to the market rates for copper products which our Group sells to Independent Third Parties. In arriving at the annual cap, our directors have considered the following factors:

- the monthly average of the historical transaction values and volume of the sale of products to Sichuan Xinshiji for the nine months ended 30 September 2013; and
- the expected decrease in sales to Sichuan Xinshiji after the new facility of Baohe Xinshiji commences commercial production, which is expected to be in the second quarter of 2014.

- 在保和泰越新設施開始商業生產（預期於2014年第二或三季度）後，向廣州泰越的銷售預期減少。

計及這些因素，年度上限是將截至2013年9月30日止九個月的歷史交易價值的每月平均數乘以四計算，並為乘積加入緩衝值，從而為本公司提供一些靈活性以應付任何無法預期的交易增長。

於截至2013年12月31日止年度，廣州泰越就採購銅產品向本集團已付／應付的金額約為人民幣44,200,000元。

#### 與四川新世紀的總銷售協議

於2014年2月6日，我們訂立新世紀總銷售協議，以監督本集團與四川新世紀之間就銷售銅產品（包括銅線材及銅線）而進行交易的條款及條件。新世紀總銷售協議於上市時生效，並將繼續有效直至2014年12月31日。由於保和新世紀的董事陳海先生擁有四川新世紀的實際控制權，本集團向四川新世紀銷售銅產品構成本公司的持續關連交易。

新世紀總銷售協議須於截至2014年12月31日止財政年度遵守年度上限人民幣50,000,000元。年度上限乃參照本集團向獨立第三方出售銅產品的市場比率釐定。在釐定該等年度上限時，董事考慮到下列因素：

- 截至2013年9月30日止九個月向四川新世紀銷售產品的歷史交易價值及交易量每月平均數；及
- 在保和新世紀新設施開始商業生產（預期於2014年第二季度）後，向四川新世紀的銷售預期減少。

Taking into account such factors, the annual cap has been calculated by multiplying the monthly average of the historical transaction value for the nine months ended 30 September 2013 by three, and adding a buffer to the product to provide the Company with some flexibility to cater for any unexpected increase in transactions.

The amount paid/payable by the Sichuan Xinshiji to the Group for the purchase of copper products for the year ended 31 December 2013 was approximately RMB170.2 million.

#### Master Purchase Agreement with Sichuan Xinshiji

On 6 February 2014, we entered into the Xinshiji Master Purchase Agreement to govern the terms and conditions of the transactions between our Group and Sichuan Xinshiji in connection with the purchase of certain cable products including power transmission and distribution cables. The Xinshiji Master Purchase Agreement took effect upon listing and will continue until 31 December 2014. As Mr. Chen Hai, a director of Baohe Xinshiji, has de facto control over Sichuan Xinshiji, the purchase of copper products by our Group from Sichuan Xinshiji constitute continuing connected transactions of our Company upon listing.

The Xinshiji Master Purchase Agreement is subject to an annual cap of RMB55.0 million for the financial year ending 31 December 2014. In arriving at the annual cap, our directors have considered the following factors:

- the monthly average of the historical transaction values and volume of the purchase of products from Sichuan Xinshiji for the nine months ended 30 September 2013; and
- the expected decrease in purchases from Sichuan Xinshiji after the new facility of Baohe Xinshiji commences commercial production, which is expected to be in the second quarter of 2014.

Taking into account such factors, the annual cap is calculated by multiplying the monthly average of the historical transaction value for the nine months ended 30 September 2013 by three, and adding a buffer to the product to provide the Company with some flexibility to cater for any unexpected increase in transactions.

The amount paid/payable by the Group to Sichuan Xinshiji for the purchase of power transmission and distribution cables for the year ended 31 December 2013 was approximately RMB195.8 million.

計及這些因素，年度上限是將截至2013年9月30日止九個月的歷史交易價值的每月平均數乘以三計算，並為乘積加入緩衝值，從而為本公司提供一些靈活性以應付任何無法預期的交易增長。

於截至2013年12月31日止年度，四川新世紀就採購銅產品向本集團已付／應付的金額約為人民幣170,200,000元。

#### 與四川新世紀的總採購協議

於2014年2月6日，我們訂立新世紀總採購協議，以監督本集團與四川新世紀之間就採購若干電纜產品（包括送配電纜）而進行交易的條款及條件。新世紀總採購協議於上市後生效，並將繼續有效直至2014年12月31日。由於保和新世紀的董事陳海先生擁有四川新世紀的實際控制權，本集團向四川新世紀採購銅產品於上市後會構成本公司的持續關連交易。

新世紀總採購協議須於截至2014年12月31日止財政年度遵守年度上限人民幣55,000,000元。在釐定該等年度上限時，董事考慮到下列因素：

- 截至2013年9月30日止九個月向四川新世紀採購產品的歷史交易價值及交易量每月平均數；及
- 在保和新世紀新設施開始商業生產（預期於2014年第二季度）後，向四川新世紀的採購預期減少。

計及這些因素，年度上限是將截至2013年9月30日止九個月的歷史交易價值的每月平均數乘以三個月計算，並為乘積加入緩衝值，從而為本公司提供一些靈活性以應付任何無法預期的交易增長。

於截至2013年12月31日止年度，本集團就採購送配電纜分向四川新世紀已付／應付的金額約為人民幣195,800,000元。

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A summary of the related party transactions entered into by the Group during the year ended 31 December 2013 is contained in note 34 to the financial statements. The transactions summarised in note 34(a)(ii) to the financial statements fall under the definition of “continuing connected transactions” under the Listing Rules.

The independent non-executive Directors have reviewed the above continuing connected transactions for the year ended 31 December 2013 and have 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 on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company’s auditor was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in the annual report in accordance with Rule 14A.38 of the Listing Rules and confirmed the following:

1. nothing has come to the auditor’s attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company’s board of directors;
2. for transactions involving the provision of goods or services by the Group, nothing has come to the auditor’s attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
3. nothing has come to the auditor’s attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

本集團於截至2013年12月31日止年度訂立的關連方交易概要載於財務報表附註34。財務報表附註34(a)(ii)概述的交易符合上市規則項下「持續關連交易」的定義。

獨立非執行董事已審閱上述截至2013年12月31日止年度的持續關連交易，並已確認該等交易乃按照以下基準訂立(i)於本集團的日常及一般業務過程中進行；(ii)按正常商業條款或對本集團而言不遜於提供予獨立第三方或獨立第三方所提供的條款進行；及(iii)根據有關協議所訂定之公平及合理條款，並在整體上顧及本公司股東的利益。

本公司核數師獲委聘根據香港核證聘用準則第3000號「審核或審閱歷史財務信息以外的核證工作」及參考香港會計師公會頒佈的實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團持續關連交易作出報告。根據上市規則第14A.38條，核數師已就年報所載本集團披露的持續關連交易的審核結果及結論，發出無保留意見的函件及確認以下事項：

1. 並無導致核數師相信已披露持續關連交易並未獲本公司董事會批准的事宜須核數師垂注；
2. 就涉及本集團提供貨品或服務之交易而言，並無導致核數師相信該等交易在各重大方面並無遵照本集團的定價政策之事宜須核數師垂注。
3. 並無導致核數師相信該等交易在各重大方面並無遵照規定該等交易的相關協議之事宜須核數師垂注。



## Share Option Scheme

The Company operates a share option scheme (the “**Share Option Scheme**”) to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, our Company. The Share Option Scheme was conditionally approved by a written resolution of the then shareholders of the Company on 28 January 2014 and has come into effect upon the Company’s listing on 21 February 2014.

The Board may, at its absolute discretion, offer options (“**Options**”) to subscribe for such number of shares in accordance with the terms set out in the Share Option Scheme to any director or employee of the Group and any other person (including a consultant or advisor) who in the sole discretion of the Board has contributed or will contribute to the Group (“**Eligible Persons**”).

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the shares in issue as at the Listing Date (i.e. 209,832,160 shares) (the “**Scheme Mandate Limit**”). Our Company may at any time as the Board may think fit seek approval from our shareholders to refresh the Scheme Mandate Limit, save that the maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not exceed 10% of the shares in issue as at the date of approval by shareholders in general meeting where the Scheme Mandate Limit is refreshed.

Our Company may seek separate approval from our shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by our Company before such approval is obtained. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other scheme shall not exceed 30% of our Company’s issued share capital from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of our Company if this will result in such limit being exceeded.

## 購股權計劃

本公司設有購股權計劃（「**購股權計劃**」），旨在對合資格人士提供獎勵及／或獎賞，以肯定彼等對本公司的貢獻，以及鼓勵彼等繼續致力提升本公司的利益。於2014年1月28日，購股權計劃由本公司當時的股東經書面決議案有條件批准，並自本公司於2014年2月21日上市後生效。

董事會可按其絕對酌情權向本集團任何董事或僱員及董事會全權認為已或將會對本集團有貢獻的任何其他人士（包括顧問或諮詢人）（「**合資格人士**」）授予可根據購股權計劃所載條款可認購該等數目股份的購股權（「**購股權**」）。

因行使根據購股權計劃及本集團任何其他計劃所授出全部購股權而可能發行的股份數目上限，合共不得超過於上市日期已發行股份的10%（即209,832,160股股份）（「**計劃授權限額**」）。本公司可於董事會認為合適時隨時尋求股東批准更新計劃授權限額，惟因行使根據購股權計劃及本公司任何其他計劃將予授出的所有購股權而可能發行的股份數目上限，不得超過於股東大會上獲股東批准更新計劃授權限額當日已發行股份的10%。

本公司可於股東大會上尋求股東另行批准授出超出計劃授權限額的購股權，惟取得有關批准前超出計劃授權限額的購股權僅授予本公司指定的合資格人士。因行使根據購股權計劃已授出但尚未行使的所有購股權及根據任何其他計劃已授出但尚未行使的任何其他購股權而可能發行的股份數目上限不得超過本公司不時已發行股本的30%。倘根據購股權計劃及本公司任何其他購股權計劃授出的購股權將導致超出有關限額，則不會授出任何購股權。

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No Option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of our Company's issued share capital from time to time.

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the shares on the Stock Exchange or an integral multiple thereof).

Subject to the terms of the Scheme, the Board may in its absolute discretion when offering the grant of an Option specify such conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit when making an offer to an Eligible Person (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Person and/or the Company and/or its Subsidiaries, and any minimum period for which an Option must be held, before an Option may be exercised, if any), provided that such conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme.

An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company on or before 30 days after the offer date. To the extent that an offer is not accepted within the time stated in the offer for that purpose, it shall be deemed to have been irrevocably declined and shall immediately lapse.

概不得向任何一名人士授出購股權，致使在直至最近授出日期的任何12個月期間內向該名人士授出或將授出的購股權獲行使而已發行及將予發行的股份總數超過本公司不時已發行股本的1%。

在購股權計劃條款的規限下，董事會有權自購股權計劃採納日期起計10年內隨時向由董事會按其絕對酌情權選擇的任何合資格人士要約授出購股權，以按董事會（受限於購股權計劃的條款）釐定的認購價認購有關數目的股份（惟所認購股份須為在聯交所買賣的股份的完整買賣單位或其完整倍數）。

在計劃條款的規限下，董事會可於要約授出購股權時全權決定列明其向合資格人士提出要約時認為合適的條件、約束或限制（包括但不限於合資格人士及／或本公司及／或其附屬公司於購股權可行使前（如有）必須達成的任何表現目標，以及必須持有購股權的任何最短期限），惟該等條件不得與購股權計劃的任何其他條款或條件不符。

當本公司於提呈日期後30天或之前收到購股權授出要約函複本，當中包括由承授人正式簽署的購股權要約接納書和付予本公司的相關授出代價1.00港元款項，則購股權應被視作已經授出並由合資格人士接納。倘要約於就此所規定的期限內未獲接納，則將被視作已不可撤銷地被拒絕及即時失效。

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall be at least the highest of:

- a) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day;
- b) the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and
- c) the nominal value of a share.

An Option shall be exercised in whole or in part within the option period which is the period to be determined and notified by the Board to the grantee during which period the Option may be exercised and in any event shall not exceed ten years commencing from the date on which the offer in relation to such Option is accepted.

The Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting Options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The total number of securities available for issue under the Share Option Scheme of the Company was 209,832,160 shares, which was approximately 10% of the issued share capital as at the date of this annual report. As the Company was not listed on the Stock Exchange as at 31 December 2013, the Company had no outstanding share options both as at 31 December 2013 and at Listing Date.

任何特定購股權的認購價須由董事會在授出有關購股權時全權酌情決定（及應列於授出購股權要約函件中），惟該認購價須至少為下列各項的最高者：

- a) 股份於要約日期（必須為營業日）在聯交所每日報價表所報的收市價；
- b) 股份於緊接要約日期前五個營業日在聯交所每日報價表所報的平均收市價；及
- c) 股份面值。

購股權須於購股權期間內全數或部分行使，購股權期間指由董事會釐定及通知承授人的期間，期內可行使購股權，且無論如何不得超過自有關購股權的要約獲接納當日起計十年。

購股權計劃將自購股權計劃採納日期起計10年期間內有效及生效，於該期間後，將不再授出或提呈其他購股權，但購股權計劃的條文將繼續具有十足效力及作用，惟於10年期限到期前授出的任何仍然有效的購股權仍可行使，或可遵照購股權計劃條文行使。

本公司購股權計劃下可供出售的證券數目合共為209,832,160股股份，於本年報日期佔已發行股本約10%。由於本公司於2013年12月31日並未在聯交所上市，因此本公司於2013年12月31日及上市日期均無未行使的購股權。

## Report of the Directors

### 董事會報告

#### Purchase, Sale or Redemption of Listed Shares of the Company

As the shares of the Company had not been listed on the Stock Exchange as at 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2013.

#### Deed of Non-Competition

Mr. Yu Jianqiu and Epoch Keen Limited, being controlling shareholders of the Company (the "Parties"), entered into a deed of non-competition ("Deed of Non-Competition") dated 6 February 2014, details of which have been set out in the paragraph headed "Non-Competition Undertaking" in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The Company has reviewed the annual declaration from the Parties on compliance with their undertaking under the Deed of Non-Competition. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the Parties.

#### Contingent liabilities

Details of the contingent liabilities of the Company and the Group are set out in note 33 to the financial statements.

#### Post Balance Sheet Events

Details of the post balance sheet events are set out in note 38 to the financial statements.

#### Sufficiency of Public Float

As at the date of this annual report, the directors of the Company confirmed that based on information that is publicly available to the Company and within the knowledge of the directors, the Company had maintained sufficient amount of public float as required under the Listing Rules and agreed by the Stock Exchange.

#### 購買、銷售或贖回本公司上市股份

由於本公司股份並未於2013年12月31日並未在聯交所上市，因此本公司或其任何附屬公司概無於截至2013年12月31日止年度購買、銷售或贖回本公司上市股份。

#### 不競爭契約

本公司控股股東俞建秋先生與時建有限公司（「訂約方」）於2014年2月6日訂立不競爭契約（「不競爭契約」），有關詳情載於招股書「與控股股東的關係」一節下「不競爭承諾」一段。

本公司已根據訂約方於不競爭契約下的承諾審閱彼等的年度聲明。獨立非執行董事已審閱合規情況，並確定訂約方已遵守不競爭契約下的所有承諾。

#### 或然負債

本公司及本集團或然負債的詳情載於財務報表附註33。

#### 結算日後事項

結算日後事項的詳情載於財務報表附註38。

#### 足夠公眾持股量

於本年報日期，根據本公司從公開途徑所得的資料及據董事所知，本公司董事確認其一直維持上市規則所規定及聯交所同意的足夠公眾持股量。

## Auditors

KPMG has been appointed as auditor of the Company in 2014. KPMG shall retire in the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company will be proposed at the forthcoming annual general meeting.

## Professional Tax Advice Recommended

If any shareholder is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, it is advised to consult an expert.

By order of the Board

**China Metal Resources Utilization Limited**

**Yu Jianqiu**

*Chairman*

27 March 2014

## 核數師

畢馬威會計師事務所已於2014年獲委任為本公司的核數師。畢馬威會計師事務所將於應屆股東週年大會上退任，惟其合資格並願意獲續聘連任。重選畢馬威會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

## 建議諮詢專業稅務意見

倘任何股東對購買、持有、處置、買賣或行使有關股份的任何權利之稅務涵義有任何疑問，應諮詢專業顧問的意見。

承董事會命

中國金屬資源利用有限公司

主席

俞建秋

2014年3月27日



# Corporate Governance Report

## 企業管治報告

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 December 2013.

### Corporate Governance Practices

The Group recognizes the vital importance of good corporate governance to the Group's success and sustainability. We are committed to achieving a high standard of corporate governance as an essential component of quality and have introduced corporate governance practices appropriate to the conduct and growth of our business.

The shares of the Company were listed on the Stock Exchange with effect from the Listing Date. As the Company was not a listed company during the year ended 31 December 2013, the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code") was not applicable to it during that period. The CG Code has been applicable to the Company with effect from the Listing Date.

In the opinion of the Board, the Company has been in compliance with the mandatory code provisions of the CG Code since the Listing Date, save as to the deviation from the code provision A.2.1 which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below.

### The Board

#### Responsibilities

The Board is responsible for overall management and control of the Company. The Board's main roles are to provide leadership and to approve strategic policies and plans with a view to enhancing shareholder value. All directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively, and acting in the interests of the Company and its shareholders at all times.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring that Board procedures and all applicable laws and regulations are followed.

董事會欣然提呈本公司截至2013年12月31日止年度年報內的企業管治報告。

### 企業管治常規

本集團認為良好的企業管治對本集團的成功及持續發展至為重要。本公司致力於維持高水準的企業管治，作為高質素的重要元素，並引入適合集團業務運作及發展的企業管治常規。

本公司的股份自上市日期起在聯交所上市。由於本公司於截至2013年12月31日止年度並非為上市公司，因此上市規則附錄十四所載的企業管治守則（「企業管治守則」）不適用於該期間。本公司已自上市日期起採用守則。

董事會認為，本公司自上市日期起已遵守企業管治守則的強制規定，惟企業管治守則條文第A.2.1條（規定主席及行政總裁之職責應予以區分及由不同人士擔任）的偏離除外。本公司主要企業管治原則及常規以及有關上述偏離的詳情在下文概述。

### 董事會

#### 職責

本公司的整體管理及控制由董事會負責。其主要職責為批准策略政策與計劃，並領導本公司提升股東價值。全體董事忠實地執行職務，並須遵守適用法例及法規，客觀地作出決定以及無時無刻為本公司及其股東的利益行事。

所有董事均可全面及時地取得所有相關資料，以及獲得公司秘書與高級管理層的意見及服務，以確保遵守董事會程序及所有適用法例及法規。

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

Directors have full and timely access to consult with the Company's senior management independently. Any director and Board Committee may request independent professional advice in appropriate circumstances at the Company's expense, upon making reasonable request to the Board.

The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, namely the audit and corporate governance committee (the "**Audit and Corporate Governance Committee**"), the remuneration committee (the "**Remuneration Committee**"), the nomination committee (the "**Nomination Committee**") (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

## Board Composition

As at the date of this annual report, the directors of the Company were as follows:

### Executive Directors

Mr. Yu Jianqiu (*Chairman and chief executive officer*)  
Mr. Liu Hanjiu  
Mr. Kwong Wai Sun Wilson  
Mr. Huang Weiping  
Ms. Zhu Yufen

### Independent Non-executive Directors

Mr. Lee Ting Bun Denny  
Mr. Pan Liansheng  
Ms. Liu Rong

董事會有權就本公司所有重大事項作出決定，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、主要交易（特別是涉及利益衝突者）、財務資料、委任董事及其他重大財務及營運事宜。

董事可全面及時地個別諮詢本公司的高級管理層。任何董事及董事委員會可於適當情況下，向董事會作出合理要求以尋求獨立專業意見，費用由本公司支付。

董事會已將本集團日常管理及經營的權力及責任轉授予本集團的高級管理層。為監督本集團特定範疇的事項，董事會已成立三個董事委員會，即審核及企業管治委員會（「**審核及企業管治委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」）（統稱「**董事委員會**」）。董事會已根據其各自的職權範圍向董事委員會轉授責任。

## 董事會的組成

於本年報日期，本公司的董事為：

### 執行董事

俞建秋先生（*主席兼行政總裁*）  
劉漢玖先生  
鄺偉信先生  
黃偉萍先生  
朱玉芬女士

### 獨立非執行董事

李廷斌先生  
潘連勝先生  
劉蓉女士

# Corporate Governance Report

## 企業管治報告

Biographical details of the directors and senior management of the Group are set out in the section headed “Directors and Senior Management” in this annual report.

Since the Listing Date and up to the date of this annual report, the Company has been in compliance with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with the requirement of Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board.

Each of the Independent Non-executive Director has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

All directors have brought a wide range of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Moreover, through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors make various contributions to the effective direction of the Company.

### Induction and Continuous Professional Development

The directors have been provided with the relevant training to ensure that they have a proper understanding of the business and operations of the Company and that they are fully aware of their responsibilities and obligations as a director of a listed company as well as the compliance practice under the Listing Rules.

董事及高級管理層的履歷詳情載於本年報「董事及高級管理層」一節。

由上市日期直至本年報日期，本公司一直遵守上市規則第3.10(1)及3.10(2)條有關委任最少三名獨立非執行董事，而其中最少一名獨立非執行董事擁有適合的專業資格或會計或相關財務管理專業知識。

本公司亦遵守上市規則第3.10A條有關獲委任的獨立非執行董事佔董事會最少三分之一席位。

各獨立非執行董事已根據上市規則第3.13條確認彼之獨立性，而本公司亦認為彼等各人均屬獨立人士。

全體董事為董事會投入寶貴的業務經驗、知識及專業水平，使董事會有效率及效益地運作。此外，透過積極參與董事會會議、帶領管理涉及潛在利益衝突的事宜及為董事委員會服務，全體獨立非執行董事對本公司的有效業務方針作出多項貢獻。

### 就職及持續專業發展

董事已獲提供相關培訓，以確保彼等適當瞭解本公司業務營運以及充份認識到彼等作為上市公司董事的職責及責任以及上市規則項下的合規事項。

The attendance record of professional training received by the directors in preparation for the Company's listing on the Stock Exchange is as follows:

Director	Date of attendance of directors' training
Mr. Yu Jianqiu	5/3/2013, 20/8/2013
Mr. Liu Hanjiu	5/3/2013, 20/8/2013, 7/10/2013
Mr. Kwong Wai Sun Wilson	5/3/2013, 20/8/2013
Mr. Huang Weiping	5/3/2013, 20/8/2013
Ms. Zhu Yufen	5/3/2013, 20/8/2013
Mr. Lee Ting Bun Denny	5/3/2013, 20/8/2013
Mr. Pan Liansheng	5/3/2013, 20/8/2013
Ms. Liu Rong	5/3/2013, 20/8/2013

### Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Yu Jianqiu is Chairman of the Board and Chief Executive Officer of the Company. As Mr. Yu is the founder of the Group and has extensive experience in corporate operations and management, the Board believes that it is in the best interest of the Group to have Mr. Yu taking up both roles for continuous effective management and business development of the Group.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

### Appointment and Re-Election of Directors

None of the directors who is proposed for re-election at the forthcoming annual general meeting has any service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

為籌備本公司於聯交所上市，董事接受專業培訓的出席記錄如下：

董事	出席董事培訓的日期
俞建秋先生	5/3/2013, 20/8/2013
劉漢玖先生	5/3/2013, 20/8/2013, 7/10/2013
鄺偉信先生	5/3/2013, 20/8/2013
黃偉萍先生	5/3/2013, 20/8/2013
朱玉芬女士	5/3/2013, 20/8/2013
李廷斌先生	5/3/2013, 20/8/2013
潘連勝先生	5/3/2013, 20/8/2013
劉蓉女士	5/3/2013, 20/8/2013

### 主席及行政總裁

根據企業管治守則守則條文第A.2.1條之規定，主席及行政總裁角色應予以區分及由不同人士擔任。

俞建秋先生為本公司董事會主席及本公司行政總裁。由於俞先生為本集團的創辦人並於企業營運及管理擁有豐富經驗，董事會認為，為了本集團的持續有效管理及業務發展而由俞先生擔任兩個角色，符合本集團的最佳利益。

董事會認為現時由同一人士擔任主席及行政總裁的架構，不會影響本公司董事會與管理層之間的權力平衡。

### 董事的委任及重選

建議於應屆股東週年大會重選的董事概無與本集團訂立本集團未支付補償（法定補償除外）則不可於一年內終止之服務合約。

# Corporate Governance Report

## 企業管治報告

The rules and procedures governing the appointment, retirement, re-election and removal of directors are set out in the Articles of Association of the Company. The Nomination Committee is responsible for reviewing the Board structure, size and composition and making recommendations to the Board on the appointment and re-appointment of directors and succession planning for directors.

Independent non-executive directors are appointed for a specific term, subject to re-election. In accordance with the Articles of Association, at each annual general meeting of the Company (“AGM”), at least 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, provided that each director shall be subject to retirement at an AGM at least once every three years.

Any new director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall be subject to re-election at the next AGM after his appointment.

### Board Meetings

The Board intends to hold board meetings regularly at least four times a year at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular board meetings to provide all directors with an opportunity to attend and include matters in the agenda for regular board meetings.

For other Board and Board committee meetings, reasonable notice will generally be given. The agenda and accompanying board papers are dispatched to the directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

Minutes of the Board meetings and Board committee meetings are/will be recorded in sufficient detail to include the matters considered by the Board and the Board committee and the decisions reached, including any concerns raised by the directors. Draft minutes of each Board meeting and Board committee meeting will be sent to the directors for comments within a reasonable time after the date on which the meeting is held.

董事之委任、退任、重選及罷免之規則及程序乃載於本公司組織章程細則。提名委員會負責檢討董事會架構、規模及組成及就董事之委任及連任以及繼任計劃向董事會提供建議。

獨立非執行董事根據特定的任期獲委任並可予重選。根據組織章程細則，於本公司各股東週年大會（「股東週年大會」）上，當時為數至少三分之一的董事（或如董事人數並非三或三的倍數，則須為最接近但不少於三分之一的董事人數）須輪流退任，惟各董事須最少每三年輪流退任一次。

任何因填補臨時職位空缺而獲委任或現時董事會增補的新任董事須在接受委任後之下屆股東週年大會上進行重選。

### 董事會會議

董事會擬定期舉行董事會會議，即每年至少舉行四次會議及大致按季度舉行會議。所有例行董事會會議通知將於會議舉行前至少14日送呈全體董事，讓其安排出席會議，並於例行董事會議議程內載入所要討論的事宜。

就其他董事會及董事委員會會議而言，本公司一般會發出適當通知。議程及相關董事會文件將於會議召開前至少3日寄予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及就會議作充分準備。倘董事或董事委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席彼等之意見。

董事會會議及董事委員會會議之會議記錄會／將會詳盡記錄，以載入董事會及董事委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事委員會會議之會議記錄草擬本將於會議舉行當日後之合理時間內寄送至各董事，以供彼等提出意見。



According to the Articles of Association, a director shall not vote nor be counted in the quorum on any resolution of the Board approving any contract or arrangement in which he or his associates is materially interested.

### Directors' Attendance Records at Board Meetings

Two Board meetings were held during the year ended 31 December 2013 and the attendance of the individual directors at these meetings is set out below.

Name of director	Category	Attended/ Eligible to attend
Mr. Yu Jianqiu	Board meeting	2/2
Mr. Liu Hanjiu	Board meeting	2/2
Mr. Kwong Wai Sun Wilson	Board meeting	2/2
Mr. Huang Weiping	Board meeting	2/2
Ms. Zhu Yufen	Board meeting	2/2
Mr. Lee Ting Bun Denny	Board meeting	2/2
Mr. Pan Liansheng	Board meeting	2/2
Ms. Liu Rong	Board meeting	2/2

### Model Code for Securities Transactions

The Company has adopted its own Code for Securities Transactions by Officers on terms no less exacting than those set out in the Model Code as its code of conduct regarding directors' securities transactions. As the Company was not listed on the Stock Exchange as at 31 December 2013, the provisions under the Listing Rules in relation to compliance with the Model Code by the Directors were not applicable to the Company for the year ended 31 December 2013.

### Board Committees

The Board has established the Nomination Committee, the Remuneration Committee and the Audit and Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Company's website "<http://www.cmru.com.cn>" and are available to shareholders upon request. All Board committees report to the Board on their decisions or recommendations.

根據組織章程細則，任何董事不得就批准彼或彼之任何聯繫人於其中擁有重大權益的任何合約或安排的任何董事會決議案投票（亦不得計入法定人數內）。

### 董事於董事會會議的出席記錄

於截至2013年12月31日止年度共舉行兩次董事會會議，各董事於會議的出席記錄載列如下：

董事姓名	類別	已出席次數/ 可出席次數
俞建秋先生	董事會會議	2/2
劉漢玖先生	董事會會議	2/2
鄺偉信先生	董事會會議	2/2
黃偉萍先生	董事會會議	2/2
朱玉芬女士	董事會會議	2/2
李廷斌先生	董事會會議	2/2
潘連勝先生	董事會會議	2/2
劉蓉女士	董事會會議	2/2

### 進行證券交易的標準守則

本公司已按董事進行證券交易的標準守則所載的操守守則相若的條款，採納其本身的高級職員進行證券交易的守則。由於本公司於2013年12月31日並未在聯交所上市，於截至2013年12月31日止年度上市規則下有關董事遵守標準守則的條文不適用於本公司。

### 董事委員會

董事會已成立提名委員會、薪酬委員會及審核及企業管治委員會，以監督本公司特定範疇的事項。所有董事委員會已制訂其書面職權範圍，載於本公司網站「<http://www.cmru.com.cn>」，並可按要求讓股東查閱。所有董事委員會須就其作出的決策或建議向董事會匯報。

# Corporate Governance Report

## 企業管治報告

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

### Nomination Committee

The Nomination Committee comprises of Mr. Lee Ting Bun Denny, Mr. Pan Liansheng and Ms. Liu Rong (Chairperson) who are all independent non-executive directors. The functions of the Nomination Committee primarily are to: (i) 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; (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) assess the independence of independent non-executive directors; (iv) make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive; and to (v) determine the policy for the nomination of directors, the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship.

On 16 April 2014 the Nomination Committee adopted a board diversity policy in compliance with code provision A.5.6 (the "**Board Diversity Policy**"). The Board Diversity Policy applies to the Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy, and will make recommendation to the Board on the measurable objectives for achieving board diversity. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company business growth.

No meeting of the Nomination Committee was held during the year ended 31 December 2013.

The Nomination Committee recommended the re-appointment of Mr. Yu Jianqiu, Mr. Liu Hanjiu and Mr. Kwong Wai Sun Wilson as executive directors of the Company at the forthcoming annual general meeting.

所有董事委員會獲提供足夠資源履行職務，並可於適當情況下，作出合理要求以尋求獨立專業意見，費用由本公司支付。

### 提名委員會

提名委員會包括李廷斌先生、潘連勝先生及劉蓉女士（主席），全部均為獨立非執行董事。提名委員會的主要職責包括：(i)最少每年檢討董事會的架構、規模及組成（包括其技能、知識及經驗），並就任何建議變動提出推薦意見，以配合本公司的企業策略；(ii)辨識具有合適資格成為董事會成員的人士，並就提名出任董事人士的選擇為董事會作出選擇或推薦；(iii)評核獨立非執行董事的獨立性；(iv)就董事的委任及重新委任及董事的繼任計劃，尤其是董事會主席及行政總裁，向董事會作出推薦；及(v)釐定提名董事的政策，以及選擇及推薦出任董事人士的程序及標準。

於2014年4月16日，提名委員會根據守則條文A.5.6條採納董事會成員多元化政策（「**董事會成員多元化政策**」）。董事會成員多元化政策適用於董事會，並視董事會層面日益多元化為保持本公司的競爭優勢之關鍵元素。提名委員會將每年審核董事會的架構、規模及組成以及在適當時候就配合本公司的企業策略提供有關董事會變更的推薦建議，並將就達致董事會成員多元化向董事會提出有關可計量目標的推薦建議。本公司致力維持具有與本公司業務增長相關的適當多元性。

於截至2013年12月31日止年度，提名委員會並無舉行會議。

提名委員會建議於應屆股東週年大會上重新委任俞建秋先生、劉漢玖先生及鄺偉信先生為本公司執行董事。

## Remuneration Committee

The Remuneration Committee comprises of Mr. Lee Ting Bun Denny, Mr. Pan Liansheng (Chairperson) and Ms. Liu Rong who are all independent non-executive directors.

The duties of the Remuneration Committee include the following: (i) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) either to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive directors and senior management; (iv) to make recommendations to the Board on the remuneration of non-executive directors; (v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries; (vi) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (vii) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; (viii) to ensure that no director or any of his associates is involved in deciding his own remuneration; and (ix) to determine the policy for the remuneration of executive directors, assess performance of executive directors and approve the terms of executive directors' service contracts.

Details of the remuneration of each Director for the year ended 31 December 2013 are set out in note 9 to the financial statements contained in this annual report.

Remuneration of senior management other than Directors for the year ended 31 December 2013

Total remuneration bands	Number of executive	總薪酬範圍	行政人員數目
Below HK\$1,000,000	6	1,000,000港元以下	6

## 薪酬委員會

薪酬委員會包括李廷斌先生、潘連勝先生（主席）及劉蓉女士，全部均為獨立非執行董事。

薪酬委員會的職責包括(i)就本公司所有董事及高級管理層的薪酬政策及架構向董事會提供建議，以及制訂發展薪酬政策的正式及具透明度的程序；(ii)經參考董事會的企業目標及意向後，審閱及批准管理層的薪酬建議書；(iii)獲轉授責任釐定個別執行董事及高級管理層的薪酬待遇或就個別執行董事及高級管理層的薪酬待遇作出推薦；(iv)就非執行董事的薪酬向董事會作出推薦；(v)考慮同類公司支付的薪酬、付出的時間及職責、以及本公司及其附屬公司內其他職位的僱用條件；(vi)檢討及批准向執行董事及高級管理層就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；(vii)檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；(viii)確保任何董事或其任何連繫人不得自行參與釐訂其薪酬；及(ix)釐定執行董事的薪酬政策、評核執行董事的表現及批准執行董事服務合約的條款。

各董事於截至2013年12月31日止年度的薪酬詳情載列於本年報財務報表附註9。

截至2013年12月31日止年度非董事的高級管理層薪酬

# Corporate Governance Report

## 企業管治報告

No meeting of the Remuneration Committee was held during the year ended 31 December 2013.

### Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee comprises of Mr. Lee Ting Bun Denny (Chairperson), Mr. Pan Liansheng and Ms. Liu Rong who are all independent non-executive directors.

In relation to reviewing the Company's financial information, the Audit and Corporate Governance Committee's duties mainly are to (i) review the financial statements and reports and consider any significant or unusual items raised by the financial officers of the Group or external auditors before submission to the Board; (ii) review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process; (iii) make recommendation to the Board on the appointment, re-appointment and removal of external auditors; and (iv) review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system.

In relation to its corporate governance functions, the Audit and Corporate Governance Committee's responsibilities are (i) to develop, review and update the Company's corporate governance policies and practices and to make recommendations to the Board, (ii) to review and monitor the training and continuous professional development of directors and senior management, (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements, (iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors, and (v) to review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

One meeting of the Audit and Corporate Governance Committee was held on 13 September 2013, attended by Mr. Lee Ting Bun Denny, Mr. Pan Liansheng and Ms. Liu Rong.

### Auditor's Remuneration

The total remuneration paid or payable to the Company's auditors, KPMG, for audit services amounted to RMB1,437,000.

In addition, KPMG was appointed as the Company's reporting accountants for its initial public offering of shares, in relation to which total fees paid or payable to KPMG during the year ended 31 December 2013 amounted to RMB4,471,000.

於截至2013年12月31日止年度，薪酬委員會並無舉行會議。

### 審核及企業管治委員會

審核及企業管治委員會李廷斌先生（主席）、潘連勝先生及劉蓉女士，全部均為獨立非執行董事。

就審閱本公司的財務資料而言，審核及企業管治委員會的主要職責包括：(i)於呈交董事會前，審閱本集團財務報表及報告，並考慮本集團財務人員或外聘核數師提出之任何重大或非經常項目；(ii)檢討並監控外聘核數師之獨立性、客觀性及審核過程之效率；(iii)就委任、續聘及罷免外聘核數師向董事會提出建議；及(iv)檢討本公司財務報告制度、內部監控制度、風險管理制度是否足夠及有效。

就其企業管治職能而言，審核及企業管治委員會的職責為：(i)制訂、檢討及更新本公司的企業管治政策及常規並向董事會作出建議；(ii)檢討及監察董事及高級管理層的培訓及持續專業發展；(iii)檢討及監察本公司就遵守法律及法規規定的政策及常規；(iv)制訂、檢討及監察適用於員工及董事及操守守則及合規手冊；及(v)檢討本公司是否遵守企業管治常規及於本企業管治報告的披露。

於2013年9月13日，審核及企業管治委員會舉行了一次會議，出席的人士包括李廷斌先生、潘連勝先生及劉蓉女士。

### 核數師酬金

就審核服務支付或應付予本公司核數師畢馬威會計師事務所的酬金總額總計達人民幣1,437,000元。

此外，畢馬威會計師事務所獲委任為本公司首次發售股份之申報會計師，就此於截至2013年12月31日止年度支付或應付予畢馬威會計師事務所的費用總計達人民幣4,471,000元。

An analysis of the remuneration paid or payable to KPMG is set out below:

支付或應付予畢馬威會計師事務所的酬金分析載列如下：

RMB'000  
人民幣千元

Audit services (audit fee for the year ended 31 December 2013)	審核服務（截至2013年12月31日止年度的審核費用）	1,437
As reporting accountants for the Company's initial public offering	作為本公司首次公開發售的申報會計師	4,471

## Directors' Responsibilities for Financial Reporting in respect of Financial Statements

## 董事就財務報表中的財務報告責任

The directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2013 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

董事確認彼等編製本公司截至2013年12月31日止年度財務報表的責任，其真實公平地反映本公司及本集團的事務，以及本集團的業績及現金流。

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

管理層已向董事會提供所需的解釋及資料，使董事會能夠就提呈董事會批准的本公司財務報表作出知情的評估。本公司就其表現、狀況及前景向董事會所有成員提供每月更新。

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

並無任何事項或情況的重大不明朗因素可能會導致嚴重質疑本公司持續經營的能力。

## Internal Control

## 內部監控

The Board acknowledges that it is the responsibility of the Board to maintain an adequate internal control system to safeguard shareholder investments and Company assets and review the effectiveness of such system on an annual basis.

董事會明白，董事會須負責維持充分的內部監控制度，以保障股東的投資及本公司的資產，並每年審閱該制度之有效性。

The Board has conducted a review of the effectiveness of the internal control system of the Company and considers the internal control system to be effective and adequate.

董事會已審查本公司內部監控制度的有效性，並認為內部監控制度屬有效及充足。

The Company has arranged appropriate insurance cover in respect of legal action against its directors.

本公司已為各董事安排適當的保險，使其面對訴訟時可獲得保障。



### Updates on Compliance and Regulatory Matters disclosed in the Prospectus

As disclosed in the section headed “Business – Compliance” in the Prospectus, during the period ended 31 December 2010, the two financial years ended 31 December 2011 and 2012 and the nine months ended 30 September 2013, there were certain incidents of the Group’s non-compliance with applicable regulations. As at the Listing Date, all incidents of non-compliance have been rectified, save that the basis of the Group’s contribution to social insurance and housing fund schemes remains to be adjusted from local minimum wages to actual wages of the relevant employees as required by relevant law.

The updated status of the remedial actions taken in relation to the adjustment of calculation basis of contributions under the social insurance schemes and housing fund schemes as at the date of this annual report is set out below:

#### Adjustment of basis to make contributions to social insurance schemes

As disclosed in the Prospectus, at the time of listing, the Company had been making contributions to the social insurance schemes for the Group’s employees based on the local minimum wages in their work locations instead of their actual wages as required by relevant laws.

At the date of this report, the Group has already submitted applications to the relevant authorities to adjust the calculation basis of contributions under the social insurance schemes. Starting May 2014, contributions to the social insurance schemes for the Group’s employees will be based on their actual wages.

#### Adjustment of basis to make contributions to housing fund schemes

At the time of listing, the Group had been making contributions to housing fund schemes for its employees based on the local minimum wages in their work locations instead of their actual wages as required by relevant laws.

At the date of this report, the Group has already submitted applications to the relevant authorities to adjust the calculation basis of contributions under the housing fund schemes. Starting May 2014, contributions to the housing fund schemes for the Group’s employees will be based on their actual wages.

### 有關於招股書披露的合規及監管事宜的最新資料

誠如招股書「業務－合規」一節所披露，於截至2010年12月31日止期間、截至2011年及2012年12月31日止兩個財政年度及截至2013年9月30日止九個月，本集團發生若干有關適用法規的不合規事件。於上市日期，所有不合規事件已獲修正，惟本集團社會保險及住房公積金計劃的供款基礎仍待從由根據當地最低工資制訂修訂為根據相關法律規定的以僱員實際工資釐定。

於本年報日期，修訂社會保險計劃及住房公積金計劃項下計算基準涉及的補救措施之最新情況載列如下：

#### 修訂社會保險計劃的供款基礎

誠如招股書所披露，於上市時，本公司根據本集團僱員工作地區的當地最低工資，而不是有關法律規定的按實際工資為僱員向社會保險計劃供款。

於本報告日期，本集團已向有關當局提交申請，以修訂社會保險計劃下的供款計算基礎。自2014年5月起，就本集團僱員向社會保障計劃作出的供款將根據彼等的實際工資釐定。

#### 修訂住房公積金計劃的供款基礎

於上市時，本集團根據其僱員的工作地區的當地最低工資，而不是有關法律規定的按實際工資為僱員向住房公積金計劃供款。

於本報告日期，本集團已向有關當局提交申請，以修訂住房公積金計劃下的供款計算基礎。自2014年5月起，就本集團僱員向住房公積金計劃作出的供款將根據彼等的實際工資釐定。

## Communications with Shareholders and Investors

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make the best investment decisions.

To promote effective communication, the Company maintains a website at "http://www.cmru.com.cn", where extensive information and updates on the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access.

Shareholders and investors may send written enquiries or requests to the Company as follows:

Address: Unit 908, China Merchants Tower,  
168-200 Connaught Road Central, Sheung Wan, Hong Kong  
(For the attention of Corporate Communications Department)  
Fax: +852 2587 7199  
Email: ir@cmru.com.cn

Enquiries are dealt with in an informative and timely manner.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by shareholders.

The Company continues to enhance communication and relationship with its investors.

Designated senior management maintains regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

## 與股東及投資者溝通

本公司認為，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略了解至為重要。本公司亦明白保持透明度和適時披露公司資料的重要性，因其有利於股東及投資者作出最佳投資決策。

為進行有效溝通，本公司設有網站「http://www.cmru.com.cn」，本集團業務發展及運作、財務資料、企業管治常規及其他資料及其最新情況均載於該網站供公眾查閱。

股東及投資者可按以下方式將書面查詢或要求寄發至本公司：

地址：香港上環干諾道中168-200號  
招商局大廈908室  
(抬頭請註明企業傳訊部)  
傳真：+852 2587 7199  
電郵：ir@cmru.com.cn

本公司將盡快處理及詳細解答查詢。

董事會歡迎股東提出意見，並鼓勵彼等出席股東大會以直接就其對董事會或管理層的任何存疑作出提問。董事會成員及本集團相關高級職員會出席大會，解答股東的任何提問。

本公司繼續加強與投資者的溝通及彼此之間的關係。

本公司指定高級管理層會定期與機構投資者及分析員會談，以知會彼等本集團的發展。

### Shareholders' Right

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting.

Under article 58 of the Articles of Association, the Company's shareholders may convene an extraordinary general meeting or put forward proposals at shareholders' meetings pursuant to the Articles of Association. Any one or more shareholder(s) 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 meetings of the Company shall, by written requisition to the Board or the Secretary of the Company, require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Shareholders may put forward proposals for consideration at a general meeting in accordance with the Companies Law of the Cayman Islands and the Articles of Association.

As regards proposing a person for election as a director, the procedures are available on the websites of the Company and the Stock Exchange.

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

The Company has not made any changes to its Articles of Association since the Listing Date. An up-to-date version of the Articles of Association is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles of Association for further details of their rights.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.cmru.com.cn>) immediately after the relevant general meetings.

### 股東權利

為了保障股東權益及權利，股東大會上會就各重大事項（包括選舉個別董事）提呈獨立決議案，供股東考慮及投票。

根據組織章程細則第58條，本公司股東可召開股東特別大會或根據組織章程細則於股東大會上提呈建議書。任何一位或以上於遞呈要求日期持有不少於本公司繳足股本（賦有於本公司股東大會上投票權）十分之一的股東於任何時候有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何業務；且該大會應於遞呈該要求後兩個月內舉行。

股東可根據開曼群島公司法及組織章程細則於股東大會上提呈建議書，以供股東大會考慮。

有關提名人士參選董事的程序可於本公司及聯交所網站查閱。

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

本公司自上市日期起並無對其組織章程細則作出任何變動。組織章程細則的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程細則以取得有關其權利的詳情。

根據上市規則，所有在股東大會提呈的決議案均將以投票方式表決，且投票表決結果將緊隨有關股東大會召開後於聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))及本公司網站(<http://www.cmru.com.cn>)刊登。

# Independent Auditor's Report 獨立核數師報告



## Independent auditor's report to the shareholders of China Metal Resources Utilization Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Metal Resources Utilization Limited (“the Company”) and its subsidiaries (together “the Group”) set out on pages 63 to 180, which comprise the consolidated and company balance sheets as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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.

## Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

## 獨立核數師報告 致中國金屬資源利用有限公司股東

(根據開曼群島法律註冊成立的有限公司)

我們已完成審核中國金屬資源利用有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第63頁至第180頁的綜合財務報表，其中包括於2013年12月31日綜合及公司資產負債表，截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及重大會計政策概要及其他說明資料。

## 董事對綜合財務報表的責任

本公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定，編製真實而公允的綜合財務報表，以及就董事釐定就編製並無重大錯誤陳述(無論因欺詐或錯誤)的綜合財務報表而言屬必要的有關內部監控負責。

## 核數師責任

我們的責任是根據我們的審計對該等綜合財務報表發表意見。本報告僅向整體股東報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

# Independent Auditor's Report

## 獨立核數師報告

### Auditor's responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### KPMG

Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

27 March 2014

### 核數師責任 (續)

審計涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映 貴公司及 貴集團於2013年12月31日的經營狀況，及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

#### 畢馬威會計師事務所

執業會計師  
香港中環  
遮打道十號  
太子大廈八樓

2014年3月27日



# Consolidated Income Statement

## 綜合收益表

For the year ended 31 December 2013 (Expressed in Renminbi)  
截至2013年12月31日止年度(以人民幣列值)

		Note	2013	2012
		附註	RMB'000人民幣千元	RMB'000人民幣千元
<b>Turnover</b>	<b>營業額</b>	4	<b>2,959,004</b>	1,513,133
Cost of sales	銷售成本		<b>(2,828,880)</b>	(1,401,445)
<b>Gross profit</b>	<b>毛利</b>		<b>130,124</b>	111,688
Other revenue	其他收益	6(a)	<b>280,565</b>	55,886
Other net income/(loss)	其他淨收入/(虧損)	6(b)	<b>428</b>	(1,509)
Selling and distribution expenses	銷售及分銷開支		<b>(9,107)</b>	(5,927)
Administrative expenses	行政開支		<b>(63,640)</b>	(20,413)
<b>Profit from operations</b>	<b>經營溢利</b>		<b>338,370</b>	139,725
Finance costs	財務成本	7(a)	<b>(33,330)</b>	(16,850)
<b>Profit before taxation</b>	<b>稅前溢利</b>	7	<b>305,040</b>	122,875
Income tax	所得稅	8(a)	<b>(59,492)</b>	(30,583)
<b>Profit for the year</b>	<b>年內溢利</b>		<b>245,548</b>	92,292
<b>Earnings per share</b>	<b>每股盈利</b>	12		
Basic (RMB)	基本(人民幣元)		<b>0.17</b>	0.07
Diluted (RMB)	攤薄(人民幣元)		<b>0.17</b>	0.07

The notes on pages 72 to 180 form part of these financial statements.

第72頁至第180頁的附註構成財務報表的一部分。

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2013 (Expressed in Renminbi)  
截至2013年12月31日止年度（以人民幣列值）

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
<b>Profit for the year</b>	年內溢利	<b>245,548</b>	92,292
<b>Other comprehensive income for the year</b>	年內其他全面收益		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>隨後可重新分類至損益的項目：</i>		
Exchange differences on translation of financial statements of non-PRC entities	換算非中國實體財務報表的匯兌差異	<b>4,935</b>	(72)
<b>Total comprehensive income for the year</b>	年內全面收益總額	<b>250,483</b>	92,220

The notes on pages 72 to 180 form part of these financial statements.

第72頁至第180頁的附註構成財務報表的一部分。

# Consolidated Balance Sheet

## 綜合資產負債表

At 31 December 2013 (Expressed in Renminbi)  
於2013年12月31日(以人民幣列值)

		Note	2013	2012
		附註	RMB'000人民幣千元	RMB'000人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	<b>404,706</b>	272,849
Lease prepayments	租賃預付款	14	<b>87,371</b>	9,332
Intangible assets	無形資產	16	<b>7,312</b>	10,968
Goodwill	商譽	17	<b>39,308</b>	39,308
Pledged deposits	已抵押存款	18	<b>6,300</b>	–
Other non-current assets	其他非流動資產	19	<b>52,834</b>	42,634
Deferred tax assets	遞延稅項資產	20(b)	<b>145</b>	351
			<b>597,976</b>	375,442
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	21	<b>140,160</b>	113,724
Trade and other receivables	貿易及其他應收款項	22	<b>848,666</b>	465,072
Amounts due from related parties	應收關聯方款項	23	<b>964</b>	4,569
Pledged deposits	已抵押存款	18	<b>27,711</b>	14,619
Cash and cash equivalents	現金及現金等值項目	25(a)	<b>78,615</b>	19,609
			<b>1,096,116</b>	617,593
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	26	<b>420,671</b>	253,810
Obligations under finance leases	融資租賃下的責任	27	<b>12,000</b>	–
Bank loans and other borrowings	銀行貸款及其他借款	28	<b>304,374</b>	175,000
Amounts due to related parties	應付關聯方款項	23	<b>30,200</b>	145,662
Loans from related parties	關聯方貸款	24	<b>84,948</b>	94,315
Current taxation	即期稅款	20(a)	<b>28,317</b>	23,863
			<b>880,510</b>	692,650
<b>Net current assets/(liabilities)</b>	<b>淨流動資產/(負債)</b>		<b>215,606</b>	(75,057)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>813,582</b>	300,385

## Consolidated Balance Sheet

### 綜合資產負債表

At 31 December 2013 (Expressed in Renminbi)  
於2013年12月31日 (以人民幣列值)

		Note 附註	2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans and other borrowings	銀行貸款及其他借款	28	<b>120,000</b>	–
Obligations under finance leases	融資租賃下的責任	27	<b>48,000</b>	–
Deferred government grants	遞延政府補助	29	<b>31,048</b>	–
Deferred tax liabilities	遞延稅項負債	20(b)	<b>1,729</b>	2,063
			<b>200,777</b>	2,063
<b>NET ASSETS</b>	<b>淨資產</b>		<b>612,805</b>	298,322
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	30(c)	<b>907</b>	68
Reserves	儲備	30(d)	<b>611,898</b>	298,254
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>612,805</b>	298,322

Approved and authorised for issue by the board of directors on 27 March 2014. 於2014年3月27日經董事會批准及授權刊發。

**Yu Jianqiu**  
俞建秋  
Chairman  
主席

**Kwong Wai Sun Wilson**  
鄺偉信  
Director  
董事

The notes on pages 72 to 180 form part of these financial statements.

第72頁至第180頁的附註構成財務報表的一部分。

# Balance Sheet

## 資產負債表

At 31 December 2013 (Expressed in Renminbi)  
於2013年12月31日 (以人民幣列值)

		Note 附註	2013 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	15	<b>298,322</b>
<b>Current assets</b>	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司的款項	23(c)	<b>61,609</b>
Cash and cash equivalents	現金及現金等值項目		<b>453</b>
			<b>62,062</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Accrued expenses and other payables	應計開支及其他應付款項	26	<b>3,907</b>
Amount due to a director	應付一位董事的款項	23(d)	<b>18,075</b>
			<b>21,982</b>
<b>Net current assets</b>	<b>淨流動資產</b>		<b>40,080</b>
<b>NET ASSETS</b>	<b>淨資產</b>		<b>338,402</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>	30(a)	
Share capital	股本		<b>907</b>
Reserves	儲備		<b>337,495</b>
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>338,402</b>

Approved and authorised for issue by the board of directors on 27 March 2014.

於2014年3月27日經董事會批准及授權刊發。

**Yu Jianqiu**  
俞建秋  
Chairman  
主席

**Kwong Wai Sun Wilson**  
鄺偉信  
Director  
董事

The notes on pages 72 to 180 form part of these financial statements.

第72頁至第180頁的附註構成財務報表的一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2013 (Expressed in Renminbi)  
截至2013年12月31日止年度（以人民幣列值）

		Attributable to equity shareholders of the Company 本公司權益股東應佔						
		Share capital	Exchange reserve	Capital reserve	Statutory reserves	Share-based payment reserve	Retained profits	Total
		股本	匯兌儲備	資本儲備	法定儲備	以股份為 基礎的付款儲備	保留溢利	總計
		(Note 30(c)) (附註30(c))	(Note 30(d)(i)) (附註30(d)(i))	(Note 30(d)(ii)) (附註30(d)(ii))	(Note 30(d)(iv)) (附註30(d)(iv))	(Note 30(d)(v)) (附註30(d)(v))		
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Balance at 1 January</b>	<b>2012年1月1日</b>							
<b>2012</b>	<b>的結餘</b>	67	7,507	48,377	10,268	7,659	47,786	121,664
<b>Changes in equity for</b>	<b>2012年</b>							
<b>2012:</b>	<b>的股權變動：</b>							
Profit for the year	年內溢利	-	-	-	-	-	92,292	92,292
Other comprehensive income	其他全面 收益	-	(72)	-	-	-	-	(72)
Total comprehensive income	總全面 收益	-	(72)	-	-	-	92,292	92,220
Appropriations to statutory reserves	轉撥至法定 儲備	30(d)(iv)	-	-	9,890	-	(9,890)	-
Issue of shares for settlement of contingent consideration	就支付或然代價 發行股份	30(d)(ii)	1	4,090	-	-	-	4,091
Capitalisation of amount due to Gushan Environmental Energy Limited ("Gushan")	應付古杉環保能源 有限公司（「古杉」） 的款項撥作資本	30(d)(ii)	-	77,700	-	-	-	77,700
Share-based compensation settled by Gushan	由古杉支付的以股份為 基礎的補償	30(d)(ii)	-	2,647	-	-	-	2,647
<b>Balance at 31 December</b>	<b>2012年12月31日</b>							
<b>2012</b>	<b>的結餘</b>	68	7,435	132,814	20,158	7,659	130,188	298,322



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2013 (Expressed in Renminbi)  
截至2013年12月31日止年度（以人民幣列值）

		Attributable to equity shareholders of the Company							
		本公司權益股東應佔							
		Share capital	Share premium	Exchange reserve	Capital reserve	Statutory reserves	Share-based	Retained profits	Total
							payment reserve		
		股本	股份溢價	匯兌儲備	資本儲備	法定儲備	以股份為基礎的付款儲備	保留溢利	總計
		(Note 30(c))	(Note 30(d)(iii))	(Note 30(d)(i))	(Note 30(d)(ii))	(Note 30(d)(iv))	(Note 30(d)(v))		
		(附註30(c))	(附註30(d)(iii))	(附註30(d)(i))	(附註30(d)(ii))	(附註30(d)(iv))	(附註30(d)(v))		
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Balance at 1 January 2013</b>	<b>2013年1月1日的結餘</b>	<b>68</b>	<b>-</b>	<b>7,435</b>	<b>132,814</b>	<b>20,158</b>	<b>7,659</b>	<b>130,188</b>	<b>298,322</b>
<b>Changes in equity for 2013:</b>	<b>2013年的股權變動：</b>								
Profit for the year	年內溢利	-	-	-	-	-	-	245,548	245,548
Other comprehensive income	其他全面收益	-	-	4,935	-	-	-	-	4,935
Total comprehensive income	總全面收益	-	-	4,935	-	-	-	245,548	250,483
Arising from corporate reorganisation	企業重組時產生	759	-	-	(759)	-	-	-	-
Appropriations to statutory reserves	轉撥至法定儲備	-	-	-	-	29,248	-	(29,248)	-
Shares issued under share option scheme	購股權計劃下發行的股份	80	71,579	-	-	-	(7,659)	-	64,000
<b>Balance at 31 December 2013</b>	<b>2013年12月31日的結餘</b>	<b>907</b>	<b>71,579</b>	<b>12,370</b>	<b>132,055</b>	<b>49,406</b>	<b>-</b>	<b>346,488</b>	<b>612,805</b>

The notes on pages 72 to 180 form part of these financial statements.

第72頁至第180頁的附註構成財務報表的一部分。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2013 (Expressed in Renminbi)  
截至2013年12月31日止年度（以人民幣列值）

		Note 附註	2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
<b>Operating activities</b>	<b>經營活動</b>			
Cash generated from operations	營運所得現金	25(b)	<b>95,849</b>	91,611
The People's Republic of China ("PRC") Corporate Income Tax paid	已付中華人民共和國（「中國」） 企業所得稅		<b>(55,166)</b>	(20,365)
<b>Net cash generated from operating activities</b>	<b>經營活動所得淨現金</b>		<b>40,683</b>	71,246
<b>Investing activities</b>	<b>投資活動</b>			
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的款項		<b>(189,670)</b>	(140,651)
Payment for lease prepayments	支付租賃預付款		<b>(40,418)</b>	–
Payment for prepayments for land use rights	支付土地使用權預付款		–	(13,410)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項		<b>35</b>	–
Proceeds from acquisitions of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司的所得款項 （扣除已收購的現金及 現金等值項目）		–	152
Interest received	已收利息		<b>1,647</b>	443
Increase in pledged deposits	抵押存款增加		<b>(19,392)</b>	(12,619)
<b>Net cash used in investing activities</b>	<b>投資活動所用淨現金</b>		<b>(247,798)</b>	(166,085)

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2013 (Expressed in Renminbi)  
截至2013年12月31日止年度(以人民幣列值)

	Note	2013	2012
	附註	RMB'000人民幣千元	RMB'000人民幣千元
<b>Financing activities</b>	<b>融資活動</b>		
Proceeds from new bank loans and other borrowings	新增銀行貸款及其他借款所得款項	<b>478,880</b>	175,000
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	<b>(236,000)</b>	(110,000)
Proceeds from sale of assets under sale and leaseback arrangement	銷售售後租回安排下資產所得款項	<b>60,000</b>	–
Proceeds from advances from local governments	當地政府墊款所得款項	<b>50,000</b>	–
Repayment of advances from local governments	償還當地政府墊款	<b>(7,640)</b>	–
Interest paid	已付利息	<b>(27,122)</b>	(11,166)
(Repayment to)/advances from related parties	(償還)/來自關聯方的墊款	<b>(51,899)</b>	28,991
Proceeds from issue of shares	發行股份所得款項	–	1
Repayment of loans from related parties	償還來自關聯方的貸款	–	(11,162)
<b>Net cash generated from financing activities</b>	<b>融資活動所得淨現金</b>	<b>266,219</b>	71,664
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等值項目淨增加/(減少)</b>	<b>59,104</b>	(23,175)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>年初的現金及現金等值項目</b>	<b>19,609</b>	42,781
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動影響</b>	<b>(98)</b>	3
<b>Cash and cash equivalents at the end of the year</b>	<b>年末的現金及現金等值項目</b>	<b>78,615</b>	19,609
	25(a)		

The notes on pages 72 to 180 form part of these financial statements.

第72頁至第180頁的附註構成財務報表的一部分。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 1 General information

China Metal Resources Utilization Limited (“**the Company**”) was incorporated in the Cayman Islands on 22 February 2013. The Company and its subsidiaries (together referred to as “**the Group**”) are principally engaged in the manufacturing and sales of copper and related products and the provision of contract manufacturing in the PRC. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) since 21 February 2014.

Pursuant to the corporate reorganisation of the Group (“**the Corporate Reorganisation**”), the Company became the holding company of the Group on 19 March 2013. Details of the Corporate Reorganisation are set out in the prospectus of the Company dated 11 February 2014 (“**the Prospectus**”).

### 2 Significant accounting policies

#### (a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IAS**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). A summary of the significant accounting policies adopted by the Company and the Group is set out below.

The IASB has issued a number of new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. The Group has not applied any new or revised standard or interpretation that is not yet effective for the current accounting period. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning 1 January 2013 are set out in note 37.

### 1 一般資料

中國金屬資源利用有限公司(「**本公司**」)於2013年2月22日在開曼群島註冊成立。本公司及其附屬公司(統稱「**本集團**」)主要於中國從事銅及相關產品的製造及銷售及提供合同製造服務。自從2014年2月21日起，本公司股份已經在香港聯合交易所有限公司(「**聯交所**」)主板上市。

於2013年3月19日完成企業重組(「**企業重組**」)後，本公司成為本集團的控股公司。企業重組之詳情，請參考本公司於2014年2月11日所刊發之招股書(「**招股書**」)。

### 2 主要會計政策

#### (a) 合規聲明

該等財務報告已根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的國際財務報告準則(「**國際財務準則**」)編製，其集合條款包括所有個別適用的國際財務報告準則、國際會計準則(「**國際會計準則**」)及相關詮釋。財務報表亦符合香港公司條例的披露規定及聯交所證券上市規則(「**上市規則**」)的適用披露條文。本公司及本集團所採用之主要會計政策的概要載於下文。

國際會計準則理事會已頒佈多項新訂及經修訂國際財務報告準則，該等新準則及修訂本於本集團及本公司本會計期首次生效或可提早採納。該等修訂本對集團於報告年度在該等財務報表所採用的會計政策並無重大變動。本集團未有應用尚未在本會計期生效的新訂或經修訂準則或詮釋。於自2013年1月1日開始之會計期間已頒佈但尚未生效之經修訂或新訂會計準則或詮釋載於附註37。

**2 Significant accounting policies (continued)****(b) Basis of preparation of the financial statements**

Engen Investments Limited (“**Engen**”) was incorporated on August 6, 2010 as a subsidiary of Gushan Environmental Energy Limited (“**Gushan**”). Gushan listed its American Depositary Shares on the New York Stock Exchange in December 2007, with Mr. Yu Jianqiu being the major shareholder of Gushan. In October 2012, Gushan merged with Trillion Energy Holdings Limited, a company indirectly wholly-owned by Mr. Yu Jianqiu. Subsequent to the merger, Gushan ceased to be a publicly traded company.

Engen was established with the view of becoming the holding company of the copper business of Gushan, which commenced when Engen acquired Mianyang Jinxin Copper Co., Ltd. (“**Jinxin**”) in November 2010.

The companies that took part in the Corporate Reorganisation were controlled by the same ultimate equity shareholder, Mr. Yu Jianqiu both before and after the Corporate Reorganisation and there were no changes in the business and operations of Engen and its subsidiaries. The Corporate Reorganisation only involved incorporating the Company with no prior substantive operations as the holding company of Engen and the holding company of the Group. Accordingly, the Corporate Reorganisation has been accounted for using a principle similar to that for a reverse acquisition as set out in IFRS 3 “Business combinations” with Engen treated as the acquirer for accounting purposes. The financial statements have been prepared and presented as a continuation of the consolidated financial statements of Engen and its subsidiaries, with the assets and liabilities of the Group recognised and measured at their historical carrying amounts prior to the Corporate Reorganisation.

**2 主要會計政策（續）****(b) 編製財務報表的基準**

恩金投資有限公司（「**恩金**」）於2010年8月6日註冊成立，以作為古杉環境能源有限公司（「**古杉**」）的附屬公司。古杉於2007年12月使其美國預託股份在紐約證券交易所上市，而俞建秋先生為古杉的大股東。於2012年10月，古杉與兆遠能源控股有限公司（由俞建秋先生間接全資擁有的公司）合併。合併後，古杉不再為公眾上市公司。

恩金的成立目的是要成為古杉的銅業務的控股公司，該業務始於2010年11月，當時恩金收購了綿陽金鑫銅業有限公司（「**金鑫**」）。

於企業重組前後，參與企業重組的公司受同一的最終權益股東俞建秋先生控制，而恩金及其附屬公司的業務及營運並無變動。企業重組僅涉及註冊成立先前並無實質業務的本公司作為恩金的控股公司及本集團的控股公司。故此，企業重組採用的入賬原則與國際財務報告準則第3號「業務合併」所載反向收購所採用的原則相似，就會計目的而言，恩金被當作收購方處理。財務報表的編製及呈列方式是作為恩金及其附屬公司的綜合財務報表的延續，本集團的資產及負債按其於企業重組前的歷史賬面值確認入賬及計量。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 2 Significant accounting policies (continued)

### (b) Basis of preparation of the financial statements (continued)

The consolidated financial statements for the year ended 31 December 2013 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for derivative financial instruments (see note 2(e)) and contingent consideration liabilities (see note 2(u)) that are stated at their fair values.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

## 2 主要會計政策 (續)

### (b) 編製財務報表的基準 (續)

截至2013年12月31日止年度的綜合財務報告包括本公司及其附屬公司。

財務報表乃按歷史成本基準編製，惟衍生金融工具（見附註2(e)）及或然代價負債（見附註2(u)）乃按其公平值列賬。

按照國際財務報告準則編製財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響政策應用以及所呈報的資產、負債、收益及開支金額。該等估計及相關假設乃基於過往經驗及在有關情況下相信為合理的各項其他因素，而所得結果構成用作判斷顯然無法透過其他來源獲得有關資產與負債賬面值的依據。實際結果或有別於該等估計。

該等估計及相關假設會持續審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂只會在該期間內確認；倘會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

管理層應用國際財務報告準則時所作出對財務報表有重大影響的判斷以及估計不確定性的主要來源的論述載於附註3。



**2 Significant accounting policies (continued)****(c) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and cash flow and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in subsidiary is stated at cost less impairment losses (see note 2(j)).

**(d) Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

**2 主要會計政策 (續)****(c) 附屬公司**

附屬公司為由本集團控制的實體。倘本集團須承受其於實體的參與所產生的可變回報的風險，或於該等可變回報中享有權利，並有能力通過其對該實體的權力而影響該等回報，即本集團控制該實體。在評估本集團是否擁有權力時，僅考慮實質的權利（由本集團及其他人士持有）。

於附屬公司的投資自控制開始當日綜合列入綜合財務報表，直至控制結束當日為止。集團間結餘及交易及現金流量與集團間交易所產生的任何未變現溢利於編製綜合財務報表時悉數對銷。集團間交易所產生的未變現虧損的抵銷方法與未變現收益相同，惟僅以無減值證據者為限。

於本公司資產負債表，於附屬公司的投資是按成本減減值虧損列賬（見附註2(j)）。

**(d) 業務合併**

業務合併於收購日期（即控制權轉移至本集團當日）採用收購法入賬。

本集團就業務合併產生的交易成本（與發行債務或股本證券有關者除外）乃於產生時列為支銷。

商譽指下列兩者的差額

- (i) 所轉讓代價的公平值、於被收購者的非控股權益金額及本集團先前於被收購者持有的權益公平值的總和；
- (ii) 被收購者的可識別資產及負債於收購當日計量的公平淨值。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 2 Significant accounting policies (continued)

### (d) Business combinations (continued)

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or group of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(j)).

On disposal of a cash-generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

### (e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

### (f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(j)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

## 2 主要會計政策 (續)

### (d) 業務合併 (續)

當(ii)較(i)為大，則該超出數額即時在損益表內確認為廉價收購的收益。

商譽是按成本減累計減值虧損列賬。來自業務合併的商譽將分配至預期可受惠於合併協同效益的各現金生產單位或現金生產單位組合，並會每年進行減值測試(見附註2(j))。

當出售現金生產單位，任何屬於所涉及的收購商譽的金額將被計入出售項目的收益或虧損之內。

### (e) 衍生金融工具

衍生金融工具最初乃按公平值確認，並於每個結算日重新計量其公平值。重新計量公平值的盈虧乃即時於損益中確認。

### (f) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬(見附註2(j))。

報廢或出售物業、廠房及設備項目所產生的收益或虧損按出售所得款項淨額與該項目賬面值之間的差額釐定，並於報廢或出售日期在損益表內確認。

**2 Significant accounting policies (continued)****(f) Property, plant and equipment (continued)**

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over the estimated useful lives as follows:

– Buildings	The shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years after the date of completion
– Plant and machinery	5 to 10 years
– Furniture, fittings and equipment	3 to 10 years
– Motor vehicles	4 to 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

**(g) Construction in progress**

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see note 2(j)). The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(v)). Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

No depreciation is provided in respect of the construction in progress until it is substantially completed and ready for its intended use.

**2 主要會計政策 (續)****(f) 物業、廠房及設備 (續)**

折舊按下列物業、廠房及設備的預計可使用年期，以直線法撇銷該等項目的成本（減去其估計殘值（如有））計算：

– 建築物	租賃尚餘年期與其預計可使用年期（不多於竣工日期後20年）的較短者
– 廠房及機器	5至10年
– 傢俱、裝置及設備	3至10年
– 汽車	4至10年

倘物業、廠房及設備項目各部分的可使用年期不同，則該項目的成本按合理基準於各部分之間分配，每部分分開折舊。資產的可使用年期及其殘值（如有）將每年檢討。

**(g) 在建工程**

在建工程指建造中的物業、廠房及設備以及待安裝的設備，乃按成本減減值虧損（見附註2(j)）列賬。自建物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本（如相關），以及適當比例的生產成本及借貸成本（見附註2(v)）。當資產大致可投入作擬定用途時，會終止將該等成本資本化及在建工程會轉入物業、廠房及設備。

於在建工程大致完成及可投入作擬定用途前，不會就有關在建工程作出折舊撥備。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 2 Significant accounting policies (continued)

#### (h) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(j)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Customer relationships are amortised from the date they are available for use and their estimated useful lives are three years.

#### (i) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

#### (i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

### 2 主要會計政策（續）

#### (h) 無形資產（商譽除外）

本集團所收購的無形資產按成本減累計攤銷（倘估計可使用年期為有限）及減值虧損列賬（見附註2(j)）。

具有有限可使用年期的無形資產的攤銷是於資產估計可使用年期內以直線法在損益中扣除。客戶關係由可供使用當日起攤銷，其估計可使用年期為三年。

#### (i) 租賃資產

倘本集團釐定安排附帶權利於協定期間使用一項或多項特定資產以換取付款或一系列付款，則該項安排（包括一項交易或一系列交易）屬於或包含租賃。有關釐定按對安排本質的評估進行，而不論該項安排是否具有租賃的法律形式。

#### (i) 出租予本集團的資產的分類

由本集團根據租賃持有而向本集團轉讓擁有權的絕大部分風險及回報的資產乃分類為根據財務租賃持有。並無轉讓擁有權的絕大部分風險及回報予本集團的租賃乃分類為經營租賃。

**2 Significant accounting policies (continued)****(i) Leased assets (continued)****(ii) Assets acquired under finance leases**

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(j). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

**(iii) Sales and leaseback arrangement resulting in finance lease**

A sales and leaseback arrangement which results in a finance lease is a means whereby the lessor provides finance to the lessee with the asset as security. To reflect the substance of the transaction, any excess of sales proceeds over the carrying amount of the asset, or any deficit of sales proceeds lower than the carrying amount of the asset, is deferred and amortised as an adjustment to the depreciation of the asset.

**2 主要會計政策 (續)****(i) 租賃資產 (續)****(ii) 以融資租賃收購的資產**

若本集團以融資租賃收購資產使用權，租賃資產的公平值數額或最低租賃金額的現值的較低者，將列入物業、廠房及設備及相關負債（扣除融資費用）並列作融資租賃下的責任。折舊為於相關租賃有效期間或資產可用期限的期間（若本集團將取得資產所有權），按撇銷資產成本或估值的比率計算（見附註2(f)）。減值虧損按附註2(j)所載的會計政策計算。租賃金額所包含的融資費用將於租賃期間計入損益表，使各會計期間對責任結餘以相若的固定期間比率扣減。或然租金將於產生的會計期間計入損益表。

**(iii) 形成融資租賃的售後租回交易**

形成融資租賃的售後租回交易實質上是出租人以資產作為抵押向承租人提供融資的交易。為反映該交易實質，該資產銷售所得款項超逾其賬面的任何金額，或其銷售所得款項低於賬面值的任何不足數額會被遞延，並作為對資產折舊的調整予以攤銷。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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## 2 Significant accounting policies (continued)

### (i) Leased assets (continued)

#### (iv) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

### (j) Impairment of assets

#### (i) Impairment of trade and other receivables

Investments in current and non-current trade and other receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

## 2 主要會計政策（續）

### (i) 租賃資產（續）

#### (iv) 經營租賃開支

倘本集團使用根據經營租賃持有的資產，根據租賃作出的付款乃於租賃年期所涵蓋的會計期間內按等額於損益表扣除，惟倘有更能代表從租賃資產所得的利益模式的其他基準除外。已收取的租賃獎勵乃於損益表確認為已支付淨租金總額的完整部分。或然租金乃於其產生的會計期間於損益表扣除。

購入根據經營租賃持有土地的成本乃於租賃期間按直線基準攤銷。

### (j) 資產減值

#### (i) 貿易及其他應收款項的減值

於按成本或攤銷成本列賬的流動及非流動貿易及其他應收款項的投資乃於各結算日檢討，以確定是否有減值的客觀證據。減值的客觀證據包括本集團注意到有關下列一項或多項損失事件的可觀察證據：

- 債務人的重大財務困難；
- 違約，如拖欠或無法如期償還利息或本金；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境出現重大變化對債務人造成不利影響。



**2 Significant accounting policies (continued)****(j) Impairment of assets (continued)****(i) Impairment of trade and other receivables (continued)**

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

**2 主要會計政策 (續)****(j) 資產減值 (續)****(i) 貿易及其他應收款項的減值 (續)**

倘出現任何該等證據，則任何減值虧損會按以下方式釐定及確認：

- 就貿易應收款項及其他流動應收款項和以攤銷成本列賬的其他金融資產而言，減值虧損乃根據資產的賬面值與估計未來現金流量現值兩者間的差額計量，如折現影響屬重大，則按金融資產原實際利率（即初始確認該等資產時計算的實際利率）折現。倘以攤銷成本列賬的金融資產具備類似風險特徵（如類似的逾期情況）及並未單獨評估為已減值，則有關評估會一同進行。集合評估減值的金融資產的未來現金流量乃根據與該類資產具有類似信貸風險特徵的資產的過往虧損經驗計算。

倘若其後減值虧損金額減少，而有關減少與確認減值虧損後發生的事件可客觀地聯繫，則有關減值虧損透過損益表撥回。減值虧損的撥回不應導致資產的賬面值超過倘在過往年度沒有確認任何減值虧損而應釐定的金額。

## Notes to the Financial Statements

### 財務報表附註

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## 2 Significant accounting policies (continued)

### (j) Impairment of assets (continued)

#### (i) Impairment of trade and other receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

#### (ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- lease prepayments;
- non-current prepayments for property, plant and equipment;
- intangible assets;
- goodwill; and
- investments in subsidiaries in the Company's balance sheet.

## 2 主要會計政策 (續)

### (j) 資產減值 (續)

#### (i) 貿易及其他應收款項的減值 (續)

減值虧損從相應的資產中直接撇銷，惟若對可收回的可能性有疑問但未至於可能性極低的貿易賬款及其他應收款項中的貿易賬款及應收票據的已確認減值虧損則例外。在此情況下，應使用撥備賬記錄呆賬的減值虧損。倘本集團信納收回應收款項的可能性極低，則被視為不可收回的金額並從貿易賬款及應收票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額將會被撥回。其後收回之前從撥備賬中扣除的款項自相關撥備賬撥回。撥備賬的其他變動及之前直接撇銷的其後收回款項，均在損益表中確認。

#### (ii) 其他資產的減值

內部及外間資料來源乃於各結算日評估，以識別有否跡象顯示下列資產可能出現減值，或先前已確認的減值虧損已不存在或可能已減少：

- 物業、廠房及設備；
- 租賃預付款；
- 物業、廠房及設備的非即期預付款；
- 無形資產；
- 商譽；及
- 載入本公司資產負債表的於附屬公司的投資。

**2 Significant accounting policies (continued)****(j) Impairment of assets (continued)****(ii) Impairment of other assets (continued)**

If any such indication exists, the asset's recoverable amount is estimated. In addition, the recoverable amount of goodwill is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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 time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

**2 主要會計政策 (續)****(j) 資產減值 (續)****(ii) 其他資產的減值 (續)**

倘出現任何該等跡象，則會估計資產的可收回金額。此外，不論是否存在任何減值跡象，商譽的可收回金額乃每年進行估計。

– 計算可收回金額

資產的可收回金額為公平值減處置成本以及使用價值兩者間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前折現率，將估計未來現金流量折現至其現值。倘資產並無產生大致獨立於其他資產的現金流入，則以能獨立產生現金流入的最小資產組別（即現金產生單位）釐定可收回金額。

– 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益表中確認減值虧損。就現金產生單位確認的減值虧損予以分配，以按比例減少該單位（或單位組別）內其他資產的賬面值，惟某資產的賬面值不會減至低於其個別公平值減去處置成本（如能計量）或使用價值（如能釐定）的金額。

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## 2 Significant accounting policies (continued)

### (j) Impairment of assets (continued)

#### (ii) Impairment of other assets (continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### (k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## 2 主要會計政策 (續)

### (j) 資產減值 (續)

#### (ii) 其他資產的減值 (續)

- 撥回減值虧損

就商譽以外的資產而言，倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。商譽的減值虧損不會撥回。

減值虧損撥回僅限於若在過往年度並未確認減值虧損時原應釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益表。

### (k) 存貨

存貨乃按成本及可變現淨值的較低者列賬。

成本乃按加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨保存於現時所在地點及保持現有狀況所產生的其他成本。

可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。

在售出存貨時，該等存貨的賬面值是在確認相關收入的期內確認為開支。將存貨撇減至可變現淨值的數額和所有存貨虧損均在出現撇減或虧損的期內確認為開支。任何存貨撇減撥回金額乃確認為存貨金額減少，並於撥回發生期間確認為開支。

**2 Significant accounting policies (continued)****(l) Trade and other receivables**

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(j)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

**(m) Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using an effective interest method.

**(n) Trade and other payables**

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(r)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(o) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

**2 主要會計政策 (續)****(l) 貿易及其他應收款項**

貿易應收款項及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本減呆賬減值撥備列賬（見附註2(j)），惟倘應收款項乃向關聯方提供的免息貸款且並無任何固定還款期或貼現的影響並不重大則屬例外。在該等情況下，應收款項乃按成本減呆賬減值撥備列賬。

**(m) 計息借款**

計息借款初步按公平值減應佔交易成本確認。於初步確認後，計息借款乃按攤銷成本及初步確認金額與按借款期於損益表內確認的贖回價值之間的任何差額，連同任何應付利息及費用，使用實際利率法列賬。

**(n) 貿易及其他應付款項**

除根據附註2(r)(i)計量的財務擔保負債外，貿易及其他應付款項初步按公平值確認，而其後則按攤銷成本列賬，除非貼現的影響並不重大，在該情況下則按成本列賬。

**(o) 現金及現金等值項目**

現金及現金等值項目包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款，以及可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資（在購入時距離到期日不超過三個月）。

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### 財務報表附註

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## 2 Significant accounting policies (continued)

### (p) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

### (ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share-based payment reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based payment reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based payment reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

## 2 主要會計政策（續）

### (p) 僱員福利

- (i) 薪金、年度花紅、有薪年假、向界定供款退休計劃供款及非貨幣利益的成本乃於僱員提供相關服務的年度內應計。倘延期付款或結算而影響屬重大，則該等金額乃按其現值列賬。

### (ii) 以股份為基礎的付款

授予僱員的購股權的公平值確認為一項僱員成本，而權益內的以股份為基礎的付款儲備會相應增加。公平值乃於授出日期經計及購股權授出時的條款及條件後以二項式購股權定價模式計量。倘該等僱員須於無條件享有購股權之前符合歸屬條件，則購股權的估計公平值總額乃經計及購股權將予歸屬的可能性後，於歸屬期予以分攤。

於歸屬期內，預期歸屬的購股權數目會予以檢討。於過往年度確認的累計公平值的任何調整乃扣自／計入有關檢討年度的損益，除非原有的僱員支出符合確認為資產的資格而以以股份為基礎的付款儲備作出相應調整則作別論。於歸屬日，確認為一項支出的款額會予以調整，以反映歸屬的實際購股權數目（連同以股份為基礎的付款儲備的相應調整），惟倘沒收僅因未達致與本公司股份的市價有關的歸屬條件則除外。股權款額乃於以股份為基礎的付款儲備中確認，直至購股權獲行使（當其轉撥至股份溢價賬時）或購股權屆滿（當其直接轉出至保留盈利時）為止。



**2 Significant accounting policies (continued)****(q) Income tax**

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

**2 主要會計政策 (續)****(q) 所得稅**

年內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益表內確認，惟與於其他全面收益或直接於權益內確認的項目有關者則除外，在此情況下有關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項為就年內應課稅收入採用於結算日已生效或實質已生效的稅率計算的預期應付稅項，並就過往年度的應付稅項作出調整。

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即就財務報告而言資產和負債的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

除若干有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產（以未來可能有應課稅溢利致使可動用該等資產作抵扣為限）均會予以確認。可支持確認自可扣稅暫時差額所產生的遞延稅項資產的未來應課稅利潤包括因撥回現有應課稅暫時差額而產生的金額；惟此等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一年間或遞延稅項資產所產生稅項虧損可承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在稅項虧損或抵免可動用的期間內撥回，則予以考慮。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 2 Significant accounting policies (continued)

### (q) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purpose, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided that they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

## 2 主要會計政策 (續)

### (q) 所得稅 (續)

確認遞延稅項資產和負債的有限例外情況，為就稅務而言不可扣減的產生自商譽的暫時差額、不影響會計或應課稅溢利的資產或負債的初步確認（前提是其並不屬業務合併的一部分），以及有關於附屬公司的投資的暫時差額（如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額）。

已確認的遞延稅項金額按照資產與負債賬面值的預期變現或清償方式，使用結算日已生效或實質已生效的稅率計算。遞延稅項資產與負債均不作貼現。

本集團會在各結算日檢討遞延稅項資產的賬面值，並在不可能再獲得足夠的應課稅溢利可抵扣相關稅項利益時予以扣減。倘有可能獲得足夠的應課稅溢利，則扣減金額予以撥回。

即期稅項結餘及遞延稅項結餘及其變動額均各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附加條件下，則即期稅項資產可抵銷即期稅項負債，以及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本公司或本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或

**2 Significant accounting policies (continued)****(q) Income tax (continued)**

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

**(r) Financial guarantees issued, provisions and contingent liabilities****(i) Financial guarantees issued**

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

**2 主要會計政策 (續)****(q) 所得稅 (續)**

- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同的應課稅實體，此等實體計劃在日後每個預期有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

**(r) 已發出的財務擔保、撥備及或然負債****(i) 已發出的財務擔保**

財務擔保指要求發行人（即擔保人）於特定債務人未能依照債務工具條款於到期時付款時，作出特定付款以彌償擔保受益人（「持有人」）因此招致的損失的合約。

倘本集團發出財務擔保，該擔保的公平值初步確認為貿易及其他應付款項的遞延收入。所出具財務擔保於發出時的公平值，是以參考在相若服務的公平交易中所徵收費用的可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保的情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公平值。倘在作出該擔保時已收或應收代價，則該代價根據適用於該類資產的本集團政策確認。倘並無已收或應收代價，則於初步確認任何遞延收入時，即時於損益內確認開支。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 2 Significant accounting policies (continued)

#### (r) Financial guarantees issued, provisions and contingent liabilities (continued)

##### (i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(r)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

##### (ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 2 主要會計政策 (續)

#### (r) 已發出的財務擔保、撥備及或然負債 (續)

##### (i) 已發出的財務擔保 (續)

初步確認為遞延收入的擔保款額，在擔保年期內作為已發出財務擔保的收入於損益內攤銷。此外，倘及當(i)擔保持有人可能將根據擔保向本集團發出催繳通知；及(ii)向本集團提出的申索款額預期超過現時就該擔保入賬貿易及其他應付款項的金額（即初步確認的金額）減累計攤銷，則根據附註2(r)(ii)確認撥備。

##### (ii) 其他撥備及或然負債

撥備乃於本集團或本公司因過往事件而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時，就不確定時間或金額的其他負債確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會作為或然負債披露，除非經濟利益流出的可能性極低。可能的責任（其存在將僅由一項或以上未來事件的出現或不出現確認）亦作為或然負債披露，除非經濟利益流出的可能性極低者，則另當別論。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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## 2 Significant accounting policies (continued)

### (s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

#### (i) Sale of goods

Revenue is recognised when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

#### (ii) Contract manufacturing income

Contract manufacturing income is recognised when the contract manufacturing services are rendered.

#### (iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

#### (iv) Government grants

An unconditional government grant is recognised in profit or loss as other revenue when the grant becomes receivable, other government grants are recognised in the balance sheet initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

## 2 主要會計政策 (續)

### (s) 收益確認

收益是按已收或應收代價的公平值計量。倘有經濟利益可能流入本集團，而收益及成本（如適用）能可靠地計量時，則收入會根據下列方法於損益表中確認：

#### (i) 銷售貨品

收益是在客戶接收貨品及與其擁有權相關的風險及回報之時確認。收益不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

#### (ii) 合同製造收入

合同製造收入是在提供合同製造服務時確認。

#### (iii) 利息收入

利息收入是在產生時按實際利率法確認。

#### (iv) 政府補助

當可收取政府補助時，則於損益表確認無條件政府補助為其他收益。當可以合理確定本集團將會收到政府補助並會遵守其附帶條件時，其他政府補助會初步於資產負債表內予以確認。用作補償本集團所產生的開支的補助於產生開支的同一期間有系統地於損益內確認為收入。補償本集團資產成本的補助在相關資產賬面值中扣除，其後於該項資產的可使用年期以減少折舊開支方式於損益表內實際確認。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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## 2 Significant accounting policies (continued)

### (t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of operations with functional currency other than Renminbi are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Balance sheet items are translated into Renminbi at the closing foreign exchange rates at the balance sheet date. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation with functional currency other than Renminbi, the cumulative amount of the exchange differences relating to that operation with functional currency other than Renminbi is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

### (u) Contingent consideration liabilities

Contingent consideration liabilities are recognised initially at fair value. At each settlement and balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised in profit or loss.

## 2 主要會計政策 (續)

### (t) 換算外幣

年內的外幣交易乃按於交易日期適用的外幣匯率換算。以外幣計值的貨幣資產及負債乃按於結算日的外幣匯率換算。匯兌收益及虧損乃於損益表內確認。

以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期適用的外幣匯率換算。按公平值列賬的以外幣計值非貨幣資產及負債乃使用於計量公平值當日適用的外幣匯率換算。

具有人民幣元以外的功能貨幣的經營業績乃按與於交易日期適用的外幣匯率相若的匯率換算為人民幣元。資產負債表項目乃按於結算日的收市外幣匯率換算為人民幣元。所產生的匯兌差額乃於其他全面收益內確認，並獨立於權益的匯兌儲備內累計。

於出售具有人民幣元以外的功能貨幣的業務時，有關該具有人民幣元以外功能貨幣的業務的匯兌差額的累計金額乃於確認出售的損益時自權益重新分類至損益。

### (u) 或然代價負債

或然代價負債最初乃按公平值確認，並於每個結算日及資產負債表日重新計量公平值。重新計量公平值的盈虧於損益中確認。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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## 2 Significant accounting policies (continued)

### (v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

### (w) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.

## 2 主要會計政策 (續)

### (v) 借貸成本

收購、興建或生產需長時間方可達致其擬定用途或出售的資產的直接應佔借貸成本乃作為該資產的成本一部分予以資本化。其他借貸成本乃於其產生期間支銷。

資本化借貸成本作為合資格資產的成本的一部分於資產產生開支、產生借貸成本及進行使資產達致其擬定用途或出售的必需準備工作期間開始。借貸成本的資本化於進行使合資格資產達致其擬定用途或出售的絕大部分活動中止或完成時暫停或不再進行。

### (w) 關連人士

- (a) 在以下情況下，某人士或其近親家庭成員與本集團有關聯：
- (i) 可控制或共同控制本集團；
  - (ii) 對本集團有重大影響力；或
  - (iii) 是本集團或本集團母公司的主要管理人員的成員。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 2 Significant accounting policies (continued)

### (w) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the same third entity, or vice versa.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 2 主要會計政策 (續)

### (w) 關連人士 (續)

- (b) 在以下任何情況下，某實體與本集團有關聯：
- (i) 該實體及本集團均是同一集團的成員公司（即母公司、附屬公司及同系附屬公司各自與其他有關聯）。
  - (ii) 某實體是另一實體的聯營公司或合營公司（或另一實體為成員公司的某集團的成員公司的聯營公司或合營公司）。
  - (iii) 兩家實體均是同一第三方的合營公司。
  - (iv) 某實體是第三方實體的合營公司而另一實體則是該第三方實體的聯營公司，反之亦然。
  - (v) 該實體是旨在提供福利予本集團或與本集團有關聯的實體的僱員的離職後福利計劃。
  - (vi) 該實體受(a)項中所辨別的人士控制或共同控制。
  - (vii) 在(a)(i)項中所辨別的人士對該實體有重大影響力，或該人士是該實體（或是該實體的母公司）的主要管理人員的成員。

某人士的近親家庭成員為在與實體交易時預期會影響該名人士或受到該名人士影響的家庭成員。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 2 Significant accounting policies (continued)

### (x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 3 Accounting judgements and estimates

### (a) Key sources of estimation uncertainty

Note 35 contains information about the assumptions and their risk factors relating to the fair value of financial instruments.

## 2 主要會計政策（續）

### (x) 分部報告

經營分部及於財務報表內所申報的各分部項目的金額乃從定期向本集團最高級行政管理人員提供以就本集團業務及地理區域進行資源分配及表現評估的財務報表中識別。

就財務報告而言，個別重大的經營分部並不予以合算，除非該等分部具有相似經濟特性，以及就產品及服務性質、生產程序性質、客戶類別或種類、用以分銷產品或提供服務的方式及監管環境的性質方面相似，則另當別論。倘其符合該大部分有關條件，並非個別重大的經營分部可予以合算。

## 3 會計判斷及估計

### (a) 估計不確定性的主要來源

附註35載有關於該等金融工具的公平值的假設及風險因素的資料。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 3 Accounting judgements and estimates (continued)

#### (b) Critical accounting judgements in applying the Group's financial statements

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

##### (i) Impairment

Notes 17 and 35(a) contain information about the assumptions and risk factors relating to the impairment of goodwill and trade debtors. Other key sources of estimation uncertainty are as follows:

In considering the impairment losses that may be required for certain assets of the Group, the recoverable amount of the asset needs to be determined. The recoverable amount is the greater of its fair value less cost of disposal and value in use. It is difficult to precisely estimate fair value because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to its present value, which requires significant judgement relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

Impairment losses for doubtful debts are assessed and provided based on the regular review of ageing analysis and evaluation of collectability by the management. A considerable level of judgement is exercised by the management when assessing the credit worthiness and past collection history of each individual customer.

### 3 會計判斷及估計 (續)

#### (b) 於應用本集團財務報表時之重要會計判斷

於應用本集團會計政策時，管理層作出下列會計判斷：

##### (i) 減值

附註17及35(a)載有關於商譽及貿易賬款減值的假設及風險因素的資料。以下為估計不確定性的其他主要來源：

當考慮對本集團若干資產計提減值虧損時，需要釐定資產的可收回金額。可收回金額為公平值減去處置成本與使用價值兩者中的較高者。由於該等資產可能缺乏現成的市場報價，因此難以準確地估計公平值。在釐定使用價值時，資產預計產生的預期現金流量會折現至現值，而這需要就營業額和經營成本等項目作出重大判斷。本集團利用所有可獲得的信息來釐定可收回金額的合理近似金額，包括根據對營業額和經營成本等項目的合理和有證據支持的假設及預測進行估計。

呆賬減值虧損乃根據管理層定期審閱賬齡分析及可收回程度評估來作出評估及計提撥備。管理層評估各個別客戶的信譽度及過往收賬記錄時，會作出很大程度的判斷。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 3 Accounting judgements and estimates (continued)

#### (b) Critical accounting judgements in applying the Group's financial statements (continued)

##### (ii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price less estimated costs of completion and distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles or changes in market conditions. Management reassesses these estimations at the balance sheet date to ensure inventories are shown at the lower of cost and net realisable value.

##### (iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. Management reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives of the assets are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

### 3 會計判斷及估計 (續)

#### (b) 於應用本集團財務報表時之重要會計判斷 (續)

##### (ii) 存貨可變現淨值

存貨可變現淨值指估計售價減估計完成成本及分銷開支後的金額。該等估計乃根據當前市況以及銷售同類性質產品的過往經驗作出。該等估計可能因競爭對手為應對嚴峻行業週期所採取的行動或市況變動而發生重大變動。管理層於結算日重新評估該等估計，以確保存貨是以成本和可變現淨值的較低者呈列。

##### (iii) 折舊

物業、廠房及設備項目在考慮估計剩餘價值後，於資產的估計可使用年期內按直線法計提折舊。管理層定期檢討資產的估計可使用年期以釐定在任何報告期內須入賬的折舊開支數額。資產的可使用年期乃本集團根據類似資產的過往經驗並計入預期的技術變更得出。倘過往估計發生重大變化，則會在未來期間對折舊開支進行調整。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 3 Accounting judgements and estimates (continued)

#### (b) Critical accounting judgements in applying the Group's financial statements (continued)

##### (iv) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. Management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically by taking into account all changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences. As deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets, if any, are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

##### (v) Contingent consideration for acquisitions

Certain of the Group's business acquisitions involved post-acquisition performance-based contingent consideration. Fair values of contingent consideration for acquisitions, as of their respective acquisition dates form part of the consideration transferred in exchange for the acquired business. These fair value measurements require, among other things, significant estimation of post-acquisition performance of the acquired business and significant judgement on time value of money. Contingent consideration shall be re-measured at its fair value resulting from events or factors emerge after the acquisition date, with any resulting gain or loss recognised in the profit or loss.

### 3 會計判斷及估計 (續)

#### (b) 於應用本集團財務報表時之重要會計判斷 (續)

##### (iv) 所得稅

釐定所得稅撥備涉及對若干交易的未來稅務待遇的判斷。管理層審慎評估交易的稅務影響，並作出相應稅務撥備。該等交易的稅務待遇會定期重新檢討，以計入稅務法規的所有變動。遞延稅項資產會就可扣稅暫時差額予以確認。由於該等遞延稅項資產僅於未來應課稅溢利可供動用時方會確認，故須管理層作出判斷以評估未來應課稅溢利的可能性。倘很可能未來有應課稅溢利而得以取用遞延稅務資產，則會持續檢討管理層的評估及確認額外遞延稅項資產 (如有)。

##### (v) 或然收購代價

本集團若干業務收購涉及以收購後業務表現為基礎的或然代價。收購的或然代價於其各自的收購日期的公平值構成所轉移代價的一部分，以換取所收購業務。該等公平值的計量需要 (其中包括) 對所收購業務的收購後業務表現作出重要估算，以及對貨幣的時間價值作出重要判斷。或然代價須按其因收購日期後出現的事件或因素所產生的公平值重新計量，而由此產生的任何收益或虧損在損益確認。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 4 Turnover

The principal activities of the Group are manufacturing and sales of copper and related products and provision of contract manufacturing services in the PRC.

Turnover represents the sales value of goods sold to customers less returns, discounts, and value added taxes and other sales tax, and contract manufacturing income which is analysed as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Sales of recycled copper products	銷售再生銅產品	2,144,429	1,486,238
Sales of power transmission and distribution cables	銷售送配電纜	528,629	-
Sales of communication cables	銷售通信電纜	250,776	-
Sales of scrap materials	銷售廢棄材料	31,177	24,290
Contract manufacturing income	合同製造收入	3,993	2,605
		<b>2,959,004</b>	1,513,133

Sales of recycled copper products to one customer (2012: one customer) of the Group represents more than 10% of the Group's total turnover for the year ended 31 December 2013. In 2013, the turnover from the customer amounted to RMB304,351,000 (2012: RMB272,808,000). Further details of concentrations of credit risk arising from customers are set out in note 35(a).

### 4 營業額

本集團的主要業務是在中國產銷銅及相關產品和提供合同製造服務。

營業額指售予客戶的貨品的銷售價值減退貨、折扣、增值稅和其他銷售稅以及合同製造收入，分析如下：

截至2013年12月31日止年度，向本集團一名（2012年：一名）客戶銷售再生銅產品佔本集團總營業額10%以上。於2013年，來自客戶的營業額為人民幣304,351,000元（2012年：人民幣272,808,000元）。有關源自該等客戶的信貸集中風險的進一步詳情載於附註35(a)。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 5 Segment reporting

The Group manages its businesses by business operations. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has only identified one reportable segment, i.e. recycled copper products segment in 2012. In 2013, following the acquisitions of Sichuan Baohe Xinshiji Cable Co., Ltd. ("Baohe Xinshiji") and Mianyang Baohe Taiyue Communications Cable Co., Ltd. ("Baohe Taiyue") on 31 December 2012, the Group has identified three reportable segments, namely recycled copper products segment, power transmission and distribution cables segment and communication cables segment.

- (i) Recycled copper products segment: use of scrap copper and electrolytic copper for the manufacturing of recycled copper products;
- (ii) Power transmission and distribution cables segment: sales of power transmission and distribution cables; and
- (iii) Communication cables segment: manufacturing and sales of communication cables.

#### (a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "profit after taxation". To arrive at reportable segment profit, the Group's profit is further adjusted for items not specially attributed to individual segments, such as head office or corporate administrative costs.

### 5 分部報告

本集團按業務營運管理其業務。與就分配資源及評估表現而向本集團的最高執行管理層作內部呈報資料的方式一致，本集團於2012年僅確定一個可報告分部，即再生銅產品分部。於2013年，繼於2012年12月31日收購四川保和新世紀線纜有限公司（「保和新世紀」）及綿陽保和泰越通信線纜有限公司（「保和泰越」）後，本集團已識別三個可報告分部，即再生銅產品分部、送配電纜分部及通信電纜分部。

- (i) 再生銅產品分部：使用廢銅及電解銅製造再生銅產品；
- (ii) 送配電纜分部：銷售送配電纜；及
- (iii) 通信電纜分部：產銷通信電纜。

#### (a) 分部業績

就評估分部表現及各分部間之資源分配而言，本集團最高級行政管理層按下列基準監控各個可報告分部的業績：

收入及開支乃參考可報告分部產生的銷售及開支或參考有關分部應佔資產折舊或攤銷所產生的開支而分配至可報告分部。

用於衡量呈報分部溢利的指標為「稅後溢利」。為計算可呈報分部溢利，本集團的溢利進一步就並非明確歸於個別分部的項目，例如總部或企業行政成本作出調整。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)**5 Segment reporting (continued)****(a) Segment results (continued)**

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management and accordingly, no segment assets or liabilities information is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the current and prior years is set out below:

**5 分部報告 (續)****(a) 分部業績 (續)**

由於分部資產和負債的計量結果沒有定期呈報給本集團最高級行政管理層，因此分部資產和負債不予呈列。

本集團於本年度及過往年度以資源分配及評估分部業績為目的而呈報本集團最高級行政管理層的可呈報分部資料載列如下：

		2013			
		Recycled copper products 再生銅產品 RMB'000 人民幣千元	Power transmission and distribution cables 送配電纜 RMB'000 人民幣千元	Communication cables 通信電纜 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收益	2,162,531	528,629	267,844	2,959,004
Inter-segment revenue	分部間收益	588,426	1,176	3,653	593,255
Reportable segment revenue	可報告分部收益	2,750,957	529,805	271,497	3,552,259
Reportable segment profit	可報告分部溢利	201,313	32,725	40,792	274,830
Interest income	利息收入	1,636	11	-	1,647
Finance costs	財務成本	27,226	38	452	27,716
Depreciation and amortisation	折舊及攤銷	20,157	2,801	1,582	24,540
VAT refunds, government grants and subsidies	增值稅退稅及政府補助及補貼	272,636	4,222	2,060	278,918

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 5 Segment reporting (continued)

##### (a) Segment results (continued)

#### 5 分部報告 (續)

##### (a) 分部業績 (續)

		2012			
		Recycled copper products 再生銅產品 RMB'000 人民幣千元	Power transmission and distribution cables 送配電纜 RMB'000 人民幣千元	Communication cables 通信電纜 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收益	1,513,133	–	–	1,513,133
Inter-segment revenue	分部間收益	–	–	–	–
<b>Reportable segment revenue</b>	<b>可報告分部收益</b>	<b>1,513,133</b>	<b>–</b>	<b>–</b>	<b>1,513,133</b>
<b>Reportable segment profit</b>	<b>可報告分部溢利</b>	<b>98,189</b>	<b>–</b>	<b>–</b>	<b>98,189</b>
Interest income	利息收入	442	–	–	442
Finance costs	財務成本	10,907	–	–	10,907
Depreciation and amortisation	折舊及攤銷	8,679	–	–	8,679
VAT refunds, government grants and subsidies	增值稅退稅及政府補助及補貼	55,443	–	–	55,443

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 5 Segment reporting (continued)

## 5 分部報告(續)

## (b) Reconciliations of reportable segment revenue and profit or loss

## (b) 可報告分部收益與損益的對賬

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
<b>Revenue</b>	<b>收益</b>		
Reportable segment revenue	可報告分部收益	<b>3,552,259</b>	1,513,133
Elimination of inter-segment revenue	對銷分部間收益	<b>(593,255)</b>	-
Consolidated turnover (see note 4)	綜合營業額(見附註4)	<b>2,959,004</b>	1,513,133
<b>Profit</b>	<b>溢利</b>		
Reportable segment profit derived from the Group's external customers	來自本集團外部客戶的可報告分部溢利	<b>274,830</b>	98,189
Unallocated head office and corporate expenses	未分配總辦事處及企業開支	<b>(29,282)</b>	(5,897)
Consolidated profit after taxation	綜合稅後溢利	<b>245,548</b>	92,292

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 5 Segment reporting (continued)

### (c) Geographic information

As the Group's business participates in only one geographical location classified by the location of assets, i.e. the PRC, including Hong Kong, no separate geographical segment analysis based on the location of assets is presented.

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

## 5 分部報告 (續)

### (c) 地理資料

由於本集團的業務只在一個按資產所在地劃分的地區中經營，即中國（包括香港），因此並無呈述按資產所在地劃分的獨立地區分部分分析。

下表載列有關本集團來自外部客戶的收益的地區位置的資料。客戶地區位置乃按交貨的地點劃分。

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
PRC	中國	2,907,115	1,513,133
Other countries	其他國家	51,889	–
		<b>2,959,004</b>	1,513,133

## 6 Other revenue and other net income/(loss)

### (a) Other revenue

## 6 其他收益及其他淨收入／(虧損)

### (a) 其他收益

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
VAT refunds	增值稅退稅		
– Employment of disabled staff (note (i))	– 僱用殘疾員工 (附註(i))	13,472	8,598
– Comprehensive utilisation of resources (note (ii))	– 綜合利用資源 (附註(ii))	185,742	40,001
Government grants (note (iii))	政府補助 (附註(iii))	36,452	6,844
Government subsidies (note (iv))	政府補貼 (附註(iv))	43,252	–
Interest income	利息收入	1,647	443
		<b>280,565</b>	55,886



## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)**6 Other revenue and other net income/(loss) (continued)****(a) Other revenue (continued)**

Notes:

- (i) The Group is entitled to government grants for value added tax (“VAT”) refunds in connection with the employment of disabled people under Cai Shui [2007] No. 67 issued by the PRC State Administration of Taxation.
- (ii) The Group is entitled to government grants for VAT refunds under the Policies for Products Generated from Comprehensive Utilisation of Resources (Cai Shui [2011] No. 115) jointly issued by the PRC State Administration of Taxation and Ministry of Finance.
- (iii) The amounts represent local government grants received by operating subsidiaries of the Group for the purpose of providing immediate financial support to the subsidiaries for general operating use with no future related cost. No specific conditions are required to meet in connection with the grants.
- (iv) In 2013, the Group was granted government subsidies of RMB43,252,000 from Sichuan Province Mianyang City Youxian District Finance Bureau in connection with meeting tax payment thresholds. RMB33,000,000 of the subsidies were settled by offsetting against the advances from the local government during the year ended 31 December 2013.

**(b) Other net income/(loss)****6 其他收益及其他淨收入／(虧損) (續)****(a) 其他收益 (續)**

附註：

- (i) 本集團符合資格根據國家稅務總局頒佈的財稅[2007]67號就僱用殘疾人士獲得增值稅(「增值稅」)退稅的政府補助。
- (ii) 本集團符合資格根據國家稅務總局和財政部聯合頒佈的關於資源綜合利用產生產品政策的通知(財稅[2011]115號)獲得增值稅退稅的政府補助。
- (iii) 該等金額指本集團營運附屬公司所收取的地方政府補助，作為對附屬公司的即時財政援助，以供用於一般營運，而不會產生日後相關成本。毋須就補助符合特殊條件。
- (iv) 於2013年，本集團因達到納稅門檻而獲四川省綿陽市游仙區財政局授予政府補貼人民幣43,252,000元。人民幣33,000,000元的補貼被截至2013年12月31日止年度的當地政府墊款所抵銷。

**(b) 其他淨收入／(虧損)**

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Net gain on copper futures contracts	銅期貨合約的淨收益	2,367	935
Change in fair value of contingent consideration liabilities	或然代價負債的公平值變動	-	(2,211)
Net foreign exchange loss	淨匯兌虧損	(672)	(9)
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的虧損	(1,184)	(111)
Others	其他	(83)	(113)
		<b>428</b>	<b>(1,509)</b>

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 7 Profit before taxation

Profit before taxation is arrived at after charging:

## 7 稅前溢利

稅前溢利乃扣除以下各項後得出：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
<b>(a) Finance costs</b>	<b>(a) 財務成本</b>		
Interest on bank loans and other borrowings wholly repayable within five years	須於五年內悉數償還的銀行貸款及其他借款的利息	<b>24,306</b>	9,511
Interest on loans from related parties	來自關聯方的貸款的利息	<b>6,270</b>	5,942
Guarantee fees and other charges	擔保費用及其他收費	<b>2,754</b>	1,397
		<b>33,330</b>	16,850
<b>(b) Staff costs</b>	<b>(b) 員工成本</b>		
Salaries, wages and other benefits	薪金、工資及其他福利	<b>15,239</b>	14,018
Contributions to defined contribution retirement schemes	界定供款退休計劃的供款	<b>2,378</b>	2,694
Share-based payment expenses	以股份為基礎的付款開支	-	2,647
		<b>17,617</b>	19,359

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local authorities whereby the subsidiaries are required to make contributions to the Schemes based on a percentage of the eligible employees' salaries during the current and prior years. Contributions to the Schemes vest immediately. Under the Schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

根據中國相關勞動規則及法規，本集團於中國的附屬公司參與由各地方機關組織的界定供款退休福利計劃（「計劃」），據此，附屬公司於本年度及過往年度須按合資格僱員薪金的某百分比向計劃作出供款。計劃的供款會即時歸屬。根據計劃，相關計劃管理機構須為現有及退休僱員支付退休福利，而本集團除每年供款外，毋須承擔其他責任。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 7 Profit before taxation (continued)

## 7 稅前溢利 (續)

Profit before taxation is arrived at after charging: (continued)

稅前溢利乃扣除以下各項後得出：(續)

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
<b>(c) Other items</b>	<b>(c) 其他項目</b>		
Cost of inventories# (note 21(b))	存貨成本# (附註21(b))	<b>2,828,880</b>	1,401,445
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	<b>20,000</b>	8,473
Amortisation of lease prepayments	租賃預付款的攤銷	<b>884</b>	206
Amortisation of intangible assets	無形資產的攤銷	<b>3,656</b>	-
Auditor's remuneration	核數師酬金	<b>1,575</b>	26
Listing expenses	上市開支	<b>22,313</b>	-
Research and development costs	研發成本	<b>2,751</b>	613

# Cost of inventories includes RMB21,421,000 (2012: RMB12,250,000) relating to staff costs, depreciation and amortisation, which amount is also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

# 存貨成本分別包括與員工成本、折舊及攤銷有關的人民幣21,421,000元(2012年：人民幣12,250,000元)，就每項該等開支而言，有關金額亦會計入上文或附註7(b)披露的有關總額內。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 8 Income tax in the consolidated income statement 8 綜合收益表內的所得稅

(a) Taxation in the consolidated income statement represents: (a) 綜合收益表內的稅項指：

		2013 RMB'000 人民幣千元	2012 RMB'000 人民幣千元
<b>Current tax – PRC Corporate Income Tax</b>	<b>即期稅項 – 中國企業所得稅</b>		
Provision for the year	年內撥備	<b>67,650</b>	30,573
Effect of reduction in tax rate for prior year (note (iii))	過往年度稅率下調的影響 (附註(iii))	<b>(8,030)</b>	–
		<b>59,620</b>	30,573
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	暫時差額的產生及撥回	<b>(128)</b>	10
		<b>59,492</b>	30,583

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn any assessable profit subject to Hong Kong Profits Tax during the current and prior years. The payment of dividends by Hong Kong incorporated subsidiaries are not subject to any Hong Kong withholding tax.
- (iii) The Company's PRC subsidiaries are subject to PRC Corporate Income Tax at the statutory rate of 25%. In 2013, the Company's subsidiaries, Jinxin and Mianyang Tongxin Copper Co., Ltd. ("Tongxin") applied for preferential income tax treatment under the Notice on Taxation Policy Issues concerning the In-depth Implementation of the Western Development Strategy (Cai Shui [2011] No. 58). In May 2013, each of the Company's subsidiaries, Jinxin and Tongxin obtained the approval from local tax authority and became entitled to a preferential income tax rate of 15% from 1 January 2012 to 31 December 2020. Tax credits of RMB8,030,000 related to the preferential tax treatment for 2012 are recognised in profit or loss for the year ended 31 December 2013.

附註：

- (i) 根據開曼群島及英屬處女群島的規則及規例，本集團毋須在開曼群島及英屬處女群島繳納任何所得稅。
- (ii) 由於本集團於本年度及過往年度並無賺取須繳納香港利得稅的任何應課稅溢利，故並無就香港利得稅作出撥備。香港註冊成立的附屬公司派付股息毋須繳納任何香港預扣稅。
- (iii) 本公司的中國附屬公司須按照法定稅率25%繳納中國企業所得稅。於2013年，本公司附屬公司，金鑫及錦陽銅鑫銅業有限公司（「銅鑫」）根據關於深入實施西部大開發戰略有關稅收問題的通知（財稅[2011]第58號）申請優惠所得稅待遇。於2013年5月，本公司附屬公司金鑫及銅鑫各自取得當地稅務機關批准，有權於2012年1月1日至2020年12月31日期間享有15%的優惠所得稅稅率。2012年優惠稅務待遇的相關稅務抵免人民幣8,030,000元確認為截至2013年12月31日止年度的損益。

**8 Income tax in the consolidated income statement (continued)****8 綜合收益表內的所得稅（續）**

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅務開支與按適用稅率計算的會計溢利的對賬：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Profit before taxation	稅前溢利	<b>305,040</b>	122,875
Notional tax on profit before taxation, calculated at the rates applicable in the tax jurisdictions concerned	按相關稅務司法權區所用稅率計算的稅前溢利的推算稅項	<b>65,483</b>	32,158
Effect of non-deductible expenses	不可扣稅開支的影響	<b>1,173</b>	53
Effect of non-taxable income	非課稅收入的影響	<b>(2,635)</b>	(2,280)
Effect of reduction in tax rate	稅率下調的影響	<b>(8,030)</b>	-
PRC withholding tax on interest income among entities within the Group	本集團內實體之間有關利息收入的中國預扣稅	<b>633</b>	652
PRC withholding tax on re-investment of retained earnings to increase registered capital of a subsidiary	有關保留盈利再投資以增加一家附屬公司的註冊資本的中國預扣稅	<b>2,500</b>	-
Others	其他	<b>368</b>	-
Actual tax expense	實際稅務開支	<b>59,492</b>	30,583

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### 財務報表附註

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#### 9 Directors' remuneration

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

#### 9 董事酬金

根據香港公司條例第161條披露的董事酬金如下：

		2013						
		Salaries, allowances and benefits in kind 薪金、津貼 及實物利益	Discretionary bonuses 酌情花紅	Retirement scheme contribution 退休計劃 供款	Sub-total 小計	Share-based payments 以股份為 基礎的付款 (note 9(a)) (附註9(a))	Total 總計	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
<b>Executive directors</b>	<b>執行董事</b>							
Mr. Yu Jianqiu	俞建秋先生	-	511	-	4	515	-	515
Mr. Kwong Wai Sun Wilson	鄺偉信先生	-	477	-	4	481	-	481
Mr. Liu Hanjiu	劉漢玖先生	-	64	-	5	69	-	69
Mr. Huang Weiping	黃偉萍先生	-	113	-	-	113	-	113
Ms. Zhu Yufen	朱玉芬女士	-	55	-	-	55	-	55
		-	1,220	-	13	1,233	-	1,233
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>							
Mr. Lee Ting Bun Denny	李廷斌先生	-	-	-	-	-	-	-
Ms. Liu Rong	劉蓉女士	-	-	-	-	-	-	-
Mr. Pan Liansheng	潘連勝先生	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	1,220	-	13	1,233	-	1,233



## 9 Directors' remuneration (continued)

## 9 董事酬金 (續)

		2012						
		Salaries, allowances and benefits in kind 薪金、津貼 及實物利益	Discretionary bonuses 酌情花紅	Retirement scheme contribution 退休計劃 供款	Sub-total	Share-based payments 以股份為 基礎的付款 (note 9(a)) (附註9(a))	Total	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
<b>Executive directors</b>	<b>執行董事</b>							
Mr. Yu Jianqiu	俞建秋先生	-	-	-	-	-	-	
Mr. Kwong Wai Sun Wilson	鄺偉信先生	-	-	-	-	-	-	
Mr. Liu Hanju	劉漢玖先生	-	56	-	4	1,998	2,058	
Mr. Huang Weiping	黃偉萍先生	-	120	-	4	-	124	
Ms. Zhu Yufen	朱玉芬女士	-	51	-	-	150	201	
		-	227	-	8	2,148	2,383	

(a) These represent the estimated value of share options granted to the directors. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(p)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in note 31.

(b) Mr. Yu Jianqiu received total remuneration of RMB1,033,000 (2012: RMB1,574,000) from Gushan in his capacity as principal executive officer of Gushan for the year ended 31 December 2013.

(a) 該等數額指董事獲授購股權的估計價值。該等購股權的價值乃根據附註2(p)(ii)所載本集團有關以股份為基礎的付款交易的會計政策計量，而根據該政策，有關價值包含因過往年度歸屬前被沒收的已授出股本工具而應計的撥回金額的調整。該等實物利益的詳情（包括已授出購股權的主要條款及數目）於附註31中披露。

(b) 截至2013年12月31日止年度，俞建秋先生以彼作為古杉首席行席總裁的身份，向古杉收取薪酬總額人民幣1,033,000元（2012年：人民幣1,574,000元）。

## Notes to the Financial Statements

### 財務報表附註

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#### 9 Directors' remuneration (continued)

- (c) Mr. Kwong Wai Sun Wilson received total remuneration of RMB966,000 (2012: RMB1,471,000) from Gushan in his capacity as president of Gushan for the year ended 31 December 2013.
- (d) In connection with the listing of the Company's shares on the Stock Exchange, Mr. Lee Ting Bun Denny, Ms. Liu Rong and Mr. Pan Liansheng have been appointed as the Company's independent non-executive directors effective from 16 August 2013.

#### 10 Individuals with highest emoluments

Of the five individuals with the highest emoluments, three (2012: two) are directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other two (2012: three) individuals are as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Salaries and other emoluments	薪金及其他報酬	514	179
Discretionary bonuses	酌情花紅	-	-
Share-based payments	以股份為基礎的付款	-	-
Retirement scheme contributions	退休計劃供款	8	12
		<b>522</b>	191

The above individuals' emoluments are within the following band:

		2013	2012
Nil to HK\$1,000,000	零至1,000,000港元	2	3

#### 9 董事酬金 (續)

- (c) 截至2013年12月31日止年度，鄭偉信先生以彼作為古杉總裁的身份，向古杉收取薪酬總額人民幣966,000元（2012年：人民幣1,471,000元）。
- (d) 就本公司股份於聯交所上市，李廷斌先生、劉蓉女士及潘連勝先生已獲委任為本公司獨立非執行董事，自2013年8月16日生效。

#### 10 最高薪酬人士

五名最高薪酬人士當中有3名（2012年：2名）董事，其薪酬於附註9披露。其餘2名（2012年：3名）人士的薪酬總額如下：

**11 Profit attributable to equity shareholders of the Company**

The consolidated profit attributable to the equity shareholders of the Company includes a loss of RMB23,823,000 which has been dealt with in the financial statements of the Company.

**12 Earnings per share****(a) Basic**

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company of RMB245,548,000 (2012: RMB92,292,000) and the weighted average number of ordinary shares. For the purpose of calculating basic and diluted earnings per share, the number of ordinary shares used in the calculation reflected (i) the effects of the share sub-division of Engen in February 2013; (ii) share exchange in connection with the Corporate Reorganisation as disclosed in note 30(c) and (iii) the capitalisation issue which took place on 21 February 2014 in connection with the listing of the Company's shares on a retrospective basis as if the events had occurred on 1 January 2012.

**11 本公司權益股東應佔溢利**

本公司權益股東應佔綜合溢利包括虧損人民幣23,823,000元，已計入本公司財務報表。

**12 每股盈利****(a) 基本**

每股基本盈利乃根據本公司權益股東應佔溢利人民幣245,548,000元（2012年：人民幣92,292,000元）及普通股的加權平均數目而計算。就計算每股基本及攤薄盈利而言，計算所用的普通股數目反映了(i)於2013年2月恩金股份分拆；(ii)就企業重組而換股（於附註30(c)披露）及(iii)於本公司股份於2014年2月21日進行的資本化發行的追溯影響，猶如有關事件已於2012年1月1日發生。

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#### 12 Earnings per share (continued)

##### (a) Basic (continued)

		2013	2012
Profit attributable to equity shareholders of the Company (RMB'000)	本公司權益股東應佔溢利 (人民幣千元)	<b>245,548</b>	92,292
Issued ordinary shares at the beginning of the year	年初的已發行普通股	<b>10,225</b>	10,000
Effect of issue of shares of Engen (note 30(c)(ii))	發行恩金股份的影響 (附註30(c)(ii))	-	133
Effect of share sub-division of Engen in February 2013 (note 30(c)(iii))	於2013年2月拆分恩金股份的影響 (附註30(c)(iii))	<b>1,012,275</b>	1,003,167
Effect of share options exercised (note 30(c)(v))	行使認股權的影響 (附註30(c)(v))	<b>210,926</b>	-
		<b>1,233,426</b>	1,013,300
Effect of share exchange in connection with the Corporate Reorganisation (note 30(c)(iv))	就企業重組交換股份的影響 (附註30(c)(iv))	<b>9,202,500</b>	9,119,700
Effect of capitalisation issue (note 38(b))	資本化發行的影響 (附註38(b))	<b>1,450,593,714</b>	1,408,487,000
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數目	<b>1,461,029,640</b>	1,418,620,000
Basic earnings per share (RMB)	每股基本盈利 (人民幣元)	<b>0.17</b>	0.07

#### 12 每股盈利 (續)

##### (a) 基本 (續)

##### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Diluted earnings per share is the same as basic earnings per share for both years as all potentially dilutive potential ordinary shares were anti-dilutive.

##### (b) 攤薄

每股攤薄盈利按假設兌換所有潛在攤薄普通股而調整發行在外普通股之加權平均數計算。於有關兩個年度，每股攤薄盈利等同於每股基本盈利，因為所有潛在攤薄的潛在普通股均具反攤薄作用。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 13 Property, plant and equipment

## 13 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fittings and equipment 傢俱、裝置及設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2013	於2013年1月1日	53,188	67,199	951	4,670	162,030	288,038
Additions	添置						
– through business combinations	– 透過企業合併	–	–	–	–	–	–
– others	– 其他	6,608	8,179	3,450	296	139,587	158,120
Transfers	轉移	114,956	71,292	–	–	(186,248)	–
Net decrease arising from sales and leaseback transaction	售後租回交易產生的淨減少	–	(9,338)	–	–	–	(9,338)
Disposals	處置	–	(1,596)	(77)	(121)	–	(1,794)
At 31 December 2013	於2013年12月31日	174,752	135,736	4,324	4,845	115,369	435,026
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2013	於2013年1月1日	4,302	8,887	427	1,573	–	15,189
Charge for the year	年內扣除	7,251	11,320	394	1,035	–	20,000
Written back on sales and leaseback transaction	售後租回交易撥回	–	(4,294)	–	–	–	(4,294)
Written back on disposals	處置時撥回	–	(472)	(58)	(45)	–	(575)
At 31 December 2013	於2013年12月31日	11,553	15,441	763	2,563	–	30,320
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2013	於2013年12月31日	163,199	120,295	3,561	2,282	115,369	404,706

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 13 Property, plant and equipment (continued) 13 物業、廠房及設備 (續)

		Buildings	Plant and machinery	Furniture, fittings and equipment	Motor vehicles	Construction in progress	Total
		建築物	廠房及機器	傢俱、裝置及設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2012	於2012年1月1日	43,666	49,979	734	3,744	986	99,109
Additions	添置						
– through business combinations	– 透過企業合併	–	2,113	43	–	–	2,156
– others	– 其他	7	7,247	124	926	178,619	186,923
Transfers	轉移	9,515	8,010	50	–	(17,575)	–
Disposals	處置	–	(150)	–	–	–	(150)
At 31 December 2012	於2012年12月31日	53,188	67,199	951	4,670	162,030	288,038
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2012	於2012年1月1日	1,869	4,019	207	660	–	6,755
Charge for the year	年內扣除	2,433	4,907	220	913	–	8,473
Written back on disposals	處置時撥回	–	(39)	–	–	–	(39)
At 31 December 2012	於2012年12月31日	4,302	8,887	427	1,573	–	15,189
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2012	於2012年12月31日	48,886	58,312	524	3,097	162,030	272,849



**13 Property, plant and equipment (continued)**

- (a) All of the Group's property, plant and equipment are located in the PRC. At 31 December 2013, property, plant and equipment with net book value of RMB127,688,000 (2012: RMB7,803,000) were pledged for certain banking facilities granted to the Group (see note 28(b)).
- (b) At 31 December 2013, the Group has yet to obtain property ownership certificates for certain buildings with an aggregate net book value of RMB28,469,000 (2012: RMB29,483,000). The amount of RMB28,469,000 as at 31 December 2013 comprised Jinxin's buildings with net book value of RMB27,743,000. The directors of the Company are of the opinion that the Group owned the beneficial title to these buildings as at 31 December 2013 and 2012.
- (c) Additions to construction in progress in 2012 comprised RMB161,320,000 for the construction of production plant of Tongxin. Additions to construction in progress in 2013 principally comprised RMB103,098,000 and RMB26,037,000 for the construction of production plant of Baohe Xinshiji and Tongxin respectively.

**13 物業、廠房及設備 (續)**

- (a) 本集團的所有物業、廠房及設備均位於中國。於2013年12月31日，賬面淨值為人民幣127,688,000元(2012年：人民幣7,803,000元)的物業、廠房及設備已就授予本集團的若干銀行信貸作出抵押(見附註28(b))。
- (b) 2013年12月31日，本集團尚未就賬面淨值總額人民幣28,469,000元(2012年：人民幣29,483,000元)的若干建築物取得房產證。於2013年12月31日的金額人民幣28,469,000元包括金鑫的建築物的賬面淨值人民幣27,743,000元。本公司董事認為本集團於2013年及2012年12月31日擁有該等建築物的實益業權。
- (c) 於2012年添置的在建工程包括興建銅鑫生產廠房的人民幣161,320,000元。於2013年添置的在建工程主要包括興建保和新世紀及銅鑫各自的生產廠房的人民幣103,098,000元及人民幣26,037,000元。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 14 Lease prepayments

#### 14 租賃預付款

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
<b>Cost:</b>	<b>成本：</b>		
At 1 January	於1月1日	<b>9,708</b>	9,708
Additions	添置	<b>78,923</b>	-
At 31 December	於12月31日	<b>88,631</b>	9,708
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>		
At 1 January	於1月1日	<b>376</b>	170
Charge for the year	年內扣除	<b>884</b>	206
At 31 December	於12月31日	<b>1,260</b>	376
<b>Net book value:</b>	<b>賬面淨值：</b>		
At 31 December	於12月31日	<b>87,371</b>	9,332

The lease prepayments represent costs of the land use rights in respect of land located in the PRC, on which the Group built its production premises and buildings. The land use rights expire in 2056 to 2063.

At 31 December 2013, land use rights with an aggregate carrying amount of RMB35,071,000 (2012: RMB4,319,000) were pledged for certain banking facilities granted to the Group (see note 28(b)).

租賃預付款指有關位於中國的土地（本集團在有關土地上興建生產基地及建築物）的土地使用權成本。土地使用權於2056年至2063年間到期。

於2013年12月31日，賬面值合共為人民幣35,071,000元（2012年：人民幣4,319,000元）的土地使用權已就授予本集團的若干銀行信貸作出抵押（見附註28(b)）。

## 15 Investments in subsidiaries

## 15 於附屬公司的投資

## The Company

本公司

2013

RMB'000 人民幣千元

Unlisted shares, at cost	非上市股份，按成本	<b>298,322</b>
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At 31 December 2013, the Company had direct or indirect interests in the following subsidiaries, all of which are private companies:

於2013年12月31日，本公司於下列附屬公司擁有直接或間接權益，該等附屬公司均為私人公司：

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and paid-up capital 已發行及實收資本詳情	Attributable equity interest held by the Company 應佔本公司所持股權		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Engen Investments Limited 恩金投資有限公司	The British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	United States dollars ("US\$") 10,225 10,225美元 (「美元」)	100%	–	Investment holding 投資控股
True Excel Holdings Limited 京盛控股有限公司	Hong Kong 香港	Hong Kong dollars ("HK\$") 1 1港元 (「港元」)	–	100%	Investment holding 投資控股
Alpha Legend Holdings Limited 盛際控股有限公司	Hong Kong 香港	HK\$1 1港元	–	100%	Investment holding 投資控股
Alpha Business Investments Limited 得揚投資有限公司	Hong Kong 香港	HK\$1 1港元	–	100%	Investment holding 投資控股
Alpha Universe Group Limited 勝誠集團有限公司	Hong Kong 香港	HK\$1 1港元	–	100%	Inactive 暫無業務

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 15 Investments in subsidiaries (continued)

#### 15 於附屬公司的投資（續）

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued and paid-up capital 已發行及實收資本詳情	Attributable equity interest held by the Company 應佔本公司所持股權		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Mianyang Jinxin Copper Co., Ltd.* 綿陽金鑫銅業有限公司	The PRC 中國	Renminbi ("RMB") 70,000,000 人民幣(「人民幣」) 70,000,000元	–	100%	Recycling of scrap copper for the manufacturing of recycled copper products 回收生產再生銅產品所用的廢銅
Hunan Yinlian Xiangbei Copper Co., Ltd. ("Xiangbei")* 湖南銀聯湘北銅業有限公司 (「湘北」)	The PRC 中國	RMB55,000,000 人民幣55,000,000元	–	100%	Processing of scrap copper and electrolytic copper for the manufacturing of copper related products 加工生產銅相關產品所用的廢銅及電解銅
Mianyang Tongxin Copper Co., Ltd.* 綿陽銅鑫銅業有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	–	100%	Recycling of scrap copper for the manufacturing of recycled copper products 回收生產再生銅產品所用的廢銅
Sichuan Baohe Xinshiji Cable Co., Ltd.* 四川保和新世紀線纜有限公司	The PRC 中國	RMB30,000,000 人民幣30,000,000元	–	100%	Sale of power transmission and distribution cables 銷售送配電纜
Mianyang Baohe Taiyue Communications Cable Co., Ltd.* 綿陽保和泰越通信線纜有限公司	The PRC 中國	RMB30,000,000 人民幣30,000,000元	–	100%	Manufacturing and sale of communication cables 生產及銷售通信電纜

\* The English translation of the name is for reference only. The official names of these companies are in Chinese.

\* 英文本的英譯名稱僅供參考。該等公司的官方名稱以中文為準。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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## 16 Intangible assets

## Customer relationships

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
<b>Cost:</b>	<b>成本：</b>		
At 1 January	於1月1日	<b>10,968</b>	–
Additions through business combinations	透過業務合併添置	–	10,968
At 31 December	於12月31日	<b>10,968</b>	10,968
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>		
At 1 January	於1月1日	–	–
Charge for the year	年內扣除	<b>3,656</b>	–
At 31 December	於12月31日	<b>3,656</b>	–
<b>Net book value:</b>	<b>賬面淨值：</b>		
At 31 December	於12月31日	<b>7,312</b>	10,968

Intangible assets represent customer relationships acquired by the Group in connection with the acquisitions of Baohe Xinshiji and Baohe Taiyue completed on 31 December 2012 (see note 36(a)(iii) and 36(b)(iii)). The amortisation charge for the year is included in “administrative expenses” in the consolidated income statement.

無形資產指本集團就收購保和新世紀及保和泰越（於2012年12月31日完成）所獲得的客戶關係（見附註36(a)(iii)及36(b)(iii)）。年內的攤銷支出計入綜合收益表內的「行政開支」。

## 17 Goodwill

## 17 商譽

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
<b>Cost and carrying amounts:</b>	<b>成本與賬面值：</b>		
At 1 January	於1月1日	<b>39,308</b>	38,847
Additions through business combinations	透過業務合併添置	–	461
At 31 December	於12月31日	<b>39,308</b>	39,308

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 17 Goodwill (continued)

#### Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Jinxin	金鑫	16,081	16,081
Xiangbei	湘北	22,766	22,766
Baohe Xinchiji	保和新世紀	213	213
Baohe Taiyue	保和泰越	248	248
		<b>39,308</b>	39,308

The recoverable amount of the CGUs is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a zero growth rate. The growth rates do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using pre-tax discount rates of 15.0% (2012: 14.7%) at 31 December 2013. Key assumptions used for the value in use calculations are the gross margins, growth rates and the availability of VAT refunds. Management determined the budgeted gross margins and growth rates based on past performance and its expectation for market development. When preparing the financial budgets, management assumed that there would be no changes to the existing government policies in respect of the VAT refunds in connection with the employment of disabled staff and under the Policies for Products Generated from Comprehensive Utilisation of Resources (see note 6(a)). No other government grants are assumed to be received in the value in use calculations.

The recoverable amount of the CGUs based on the value-in-use calculations is higher than its carrying amount as at 31 December 2013 and 2012. Accordingly, no impairment loss for goodwill has been recognised in the consolidated income statement.

### 17 商譽 (續)

#### 包含商譽的現金產生單位的減值測試

商譽乃分配予本集團下列的現金產生單位：

現金產生單位的可收回金額是基於使用價值計算模式釐定。該等計算模式使用已被管理層核准的五年期財務預算中的現金流量預算。超過五年期之現金流量乃使用零增長率推算。增長率不超過現金產生單位經營所在業務的長期平均增長率。於2013年12月31日，現金流量乃使用為15.0% (2012年：14.7%)的稅前貼現率貼現。使用價值計算模式的主要假設為毛利率及增長率以及增值稅退稅的可行性。管理層按照過往表現及其對市場發展的預期釐定預算毛利率和增長率。當編製財務預算時，管理層假設與聘用殘疾員工有關的以及資源綜合利用產生產品政策 (見附註6(a)) 下的增值稅退稅的現有政府政策概無變動。假設不會以使用價值計算模式收取任何其他政府補助。

於2013年及2012年12月31日，按照使用價值計算模式得出的現金產生單位的可收回金額高於其賬面值。故此，概無在綜合收益表內確認商譽的減值虧損。



## 18 Pledged deposits

## 18 已抵押存款

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Deposits with guarantee companies	於擔保公司的存款	2,500	2,400
Deposits with banks	於銀行的存款	26,711	12,045
Deposit with lessor of finance leases	於融資租賃公司的存款	4,800	-
Deposits with securities broker	於證券經紀的存款	-	174
		<b>34,011</b>	14,619
<b>Represented by:</b>	<b>即：</b>		
Current	即期	27,711	14,619
Non-current	非即期	6,300	-
		<b>34,011</b>	14,619

Pledged deposits were placed with guarantee companies for the purpose of obtaining bank loans of RMB20,000,000 (2012: RMB15,000,000), which were guaranteed by the guarantee companies.

就取得銀行貸款人民幣20,000,000元(2012年：人民幣15,000,000元)而於擔保公司存放已抵押存款，有關銀行貸款由擔保公司擔保。

Pledged deposits with banks were placed as security for bills payable of the Group (see note 26(b)).

於銀行的已抵押存款已就本集團的應付票據存放作抵押品(見附註26(b))。

Pledged deposit of RMB4,800,000 was placed as security for the obligations under finance leases as at 31 December 2013 (2012: Nil).

於2013年12月31日，人民幣4,800,000元(2012年：零)的已抵押存款已就融資租賃下的責任存放作抵押品。

Pledged deposits with securities broker were pledged as deposits for outstanding copper futures contracts as at 31 December 2012.

於2013年12月31日，於證券經紀的已抵押存款已就未到期的銅期貨合約抵押作保證金。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 19 Other non-current assets

#### 19 其他非流動資產

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Prepayments for property, plant and equipment and land use rights	物業、廠房及設備和土地使用權的預付款	<b>48,834</b>	42,634
Deferred differences arising from a sales and leaseback transaction (Note)	售後租回交易產生的遞延差額(附註)	<b>4,000</b>	-
		<b>52,834</b>	42,634

Note: Deferred differences arising from a sales and leaseback transaction represent the deficit of sale proceeds over the net book value of the assets disposed of under the sales and leaseback transaction which resulted in a financial lease. The differences are deferred and amortised as adjustments to the depreciation of the assets over their estimated useful lives.

附註：售後租回交易產生的遞延差額為由於融資租賃的售後租回交易導致其出售資產的所得款項低於其賬面淨值所產生的差異。上述差額作為對資產折舊的調整在資產的預計可使用年內予以遞延及攤銷。

#### 20 Income tax in the consolidated balance sheet

#### 20 綜合資產負債表內的所得稅

(a) Current taxation in the consolidated balance sheet represents:

(a) 綜合資產負債表內的即期稅項指：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
At 1 January	於1月1日	<b>23,863</b>	12,740
Provision for PRC Corporate Income Tax for the year	年內中國企業所得稅撥備	<b>67,650</b>	30,573
Reduction in tax rate for prior year	過去年度的稅率下調	<b>(8,030)</b>	-
Additions through business combinations	透過業務合併添置	-	915
PRC Corporate Income Tax paid	已付中國企業所得稅	<b>(55,166)</b>	(20,365)
At 31 December	於12月31日	<b>28,317</b>	23,863

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)**20 Income tax in the consolidated balance sheet (continued)****20 綜合資產負債表內的所得稅(續)****(b) Deferred tax (assets)/liabilities recognised****(b) 已確認遞延稅項(資產)/負債**

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

於綜合資產負債表中確認的遞延稅項(資產)/負債的組成部分及於年內的變動如下：

		<b>Depreciation/ amortisation allowances in excess of the related depreciation/ amortisation</b>	<b>Provisions and accruals</b>	<b>Total</b>
		超出 有關折舊額/ 攤銷額的折舊/ 攤銷撥備	撥備及應計費用	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2012	於2012年1月1日	2,560	(858)	1,702
(Credited)/charged to profit or loss	(計入)/扣除損益	(92)	102	10
At 31 December 2012	於2012年12月31日	2,468	(756)	1,712
At 1 January 2013	於2013年1月1日	<b>2,468</b>	<b>(756)</b>	<b>1,712</b>
Credited to profit or loss	計入損益	<b>(72)</b>	<b>(56)</b>	<b>(128)</b>
At 31 December 2013	於2013年12月31日	<b>2,396</b>	<b>(812)</b>	<b>1,584</b>

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 20 Income tax in the consolidated balance sheet (continued) 20 綜合資產負債表內的所得稅 (續)

### (b) Deferred tax (assets)/liabilities recognised (continued) (b) 已確認遞延稅項 (資產)/負債 (續)

		2013 RMB'000 人民幣千元	2012 RMB'000 人民幣千元
<i>Reconciliation to the consolidated balance sheet: 綜合資產負債表調整：</i>			
Net deferred tax assets recognised in the balance sheet	於資產負債表確認的淨遞延稅項資產	<b>(145)</b>	(351)
Net deferred tax liabilities recognised in the balance sheet	於資產負債表確認的淨遞延稅項負債	<b>1,729</b>	2,063
		<b>1,584</b>	1,712

### (c) Deferred tax liabilities not recognised

At 31 December 2013, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries amounted to RMB419,654,000 (2012: RMB181,422,000). No deferred tax liabilities in respect of these undistributed profits have been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that these profits will not be distributed in the foreseeable future.

### (c) 未確認的遞延稅項負債

於2013年12月31日，與本集團的中國附屬公司的未分配溢利有關的臨時差額為人民幣419,654,000元（2012年：人民幣181,422,000元）。概無就該等未分配溢利確認遞延稅項負債，原因是本公司控制該等附屬公司的股息政策，而且本公司董事決定該等溢利將不會在可預見的未來分派。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)**21 Inventories**

(a) Inventories in the consolidated balance sheet comprise:

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Raw materials	原材料	64,201	76,858
Work in progress	在製品	13,597	10,374
Finished goods	製成品	62,362	26,492
		<b>140,160</b>	113,724

At 31 December 2013, inventories of RMB78,612,000 (2012: RMB89,802,000) were pledged for banking facilities granted to the Group (see note 28(b)) (2012: certain bills payable (see note 26(b) and banking facilities (see note 28(b))).

於2013年12月31日，金額為人民幣78,612,000元（2012年：人民幣89,802,000元）的存貨已就授予本集團的銀行信貸（見附註28(b)）（2012年：若干應付票據（見附註26(b)）及銀行信貸（見附註28(b)）作出抵押。

(b) The analysis of the amount of inventories recognised as an expense and included in the consolidated income statement is as follows:

(b) 確認為開支並計入綜合收益表的存貨金額分析如下：

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Carrying amount of inventories sold	已售存貨的賬面值	2,828,880	1,401,445

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 22 Trade and other receivables

## 22 貿易及其他應收款項

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Trade debtors and bills receivable	貿易賬款及應收票據	<b>677,102</b>	329,315
Advance payments to suppliers	墊付供應商款項	<b>74,755</b>	72,125
Government grants receivable	應收政府補助	<b>85,953</b>	39,742
Other deposits, prepayments and receivables	其他按金、預付款及應收款項	<b>10,856</b>	23,890
		<b>848,666</b>	465,072

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

所有貿易及其他應收款項預期於一年內收回或確認為開支。

(a) At 31 December 2013, government grants receivable of RMB12,766,000 (2012: RMB18,041,000) was pledged for certain banking facilities granted to the Group (see note 28(b)).

(a) 於2013年12月31日，金額為人民幣12,766,000元（2012年：人民幣18,041,000元）的應收政府補助已就授予本集團的若干銀行信貸作出抵押（見附註28(b)）。

(b) Trade debtors and bills receivable included amounts due from related parties as follows:

(b) 貿易賬款及應收票據包括應收關聯方款項如下：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Guangzhou Taiyue Communications Cable Co., Ltd. ("Guangzhou Taiyue")	廣州市泰越通信線纜有限公司 （「廣州泰越」）	<b>5,958</b>	8,627
Sichuan Xinshiji Cable Co., Ltd. ("Sichuan Xinshiji")	四川新世紀線纜有限公司 （「四川新世紀」）	<b>35,736</b>	72,775
		<b>41,694</b>	81,402

(c) At 31 December 2012, advance payments to suppliers included an amount due from the related party, Guangzhou Taiyue, of RMB1,923,000. No advance payments were made to Guangzhou Taiyue at 31 December 2013.

(c) 於2012年12月31日，墊付供應商款項包括應收關聯方廣州泰越的款項人民幣1,923,000元。於2013年12月31日，本集團並無向廣州泰越墊付款項。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)**22 Trade and other receivables (continued)****(d) Ageing analysis**

At the balance sheet date, the ageing analysis of trade debtors and bills receivable, based on transaction date is, as follows:

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Within 30 days	30天內	<b>312,971</b>	258,584
31 to 60 days	31至60天	<b>270,981</b>	46,935
61 to 180 days	61至180天	<b>91,871</b>	23,780
Over 180 days	超過180天	<b>1,279</b>	16
		<b>677,102</b>	329,315

Trade debtors and bills receivable are normally due within 90 days from the date of transaction. Further details of the Group's credit policy are set out in note 35(a).

**22 貿易及其他應收款項 (續)****(d) 賬齡分析**

於結算日，貿易賬款及應收票據的賬齡分析（以交易日期為基準）如下：

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Within 30 days	30天內	<b>312,971</b>	258,584
31 to 60 days	31至60天	<b>270,981</b>	46,935
61 to 180 days	61至180天	<b>91,871</b>	23,780
Over 180 days	超過180天	<b>1,279</b>	16
		<b>677,102</b>	329,315

貿易賬款及應收票據一般於交易日期起計90天內到期。本集團的信貸政策的進一步詳情載於附註35(a)。



## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 22 Trade and other receivables (continued)

### (e) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Current	即期	<b>236,153</b>	66,779
Less than 30 days past due	逾期少於30天	<b>262,744</b>	213,782
31 to 60 days past due	逾期31至60天	<b>164,050</b>	41,851
61 to 180 days past due	逾期61至180天	<b>14,006</b>	6,887
Over 180 days past due	逾期超過180天	<b>149</b>	16
Amounts past due	逾期款項	<b>440,949</b>	262,536
		<b>677,102</b>	329,315

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances. No impairment loss on trade debtors and bills receivable was made during the current and prior years.

## 22 貿易及其他應收款項 (續)

### (e) 並無減值的貿易賬款及應收票據

未被個別或共同視為減值的貿易賬款及應收票據的賬齡分析如下：

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Current	即期	<b>236,153</b>	66,779
Less than 30 days past due	逾期少於30天	<b>262,744</b>	213,782
31 to 60 days past due	逾期31至60天	<b>164,050</b>	41,851
61 to 180 days past due	逾期61至180天	<b>14,006</b>	6,887
Over 180 days past due	逾期超過180天	<b>149</b>	16
Amounts past due	逾期款項	<b>440,949</b>	262,536
		<b>677,102</b>	329,315

未逾期及未減值的應收款項與近期並無拖欠記錄的大量客戶有關。

已逾期但尚未減值的應收款項與在本集團保持良好過往記錄的若干獨立客戶有關。根據過往經驗，管理層認為毋須就該等結餘作出減值撥備，因為信貸質素並無出現重大變化，而有關結餘仍被視為可全數收回。本集團並無就該等結餘持有任何抵押品。概無於本年度及過往年度確認任何貿易賬款及應收票據的減值虧損。

**23 Amounts due from/to related parties****(a) Name and relationship with related parties**

During the current and prior years, the directors are of the view that the related parties of the Group include the following individuals or entities:

Name of party	Relationships
Mr. Yu Jianqiu* 俞建秋	Controlling shareholder and key management personnel
Mr. Liu Hanjiu* 劉漢玖	Key management personnel
Mr. Huang Weiping* 黃偉萍	Key management personnel
Mr. Zhang Huayi* 張華義	Key management personnel
Mr. Chen Hai* 陳海	Key management personnel since the acquisition of Baohe Xinshiji on 31 December 2012 and a beneficial minority shareholder of the Company
Mr. Fan Dunxian* 范敦現	Key management personnel since the acquisition of Baohe Taiyue on 31 December 2012 and a beneficial minority shareholder of the Company
Gushan Environmental Energy Limited ("Gushan")	Immediate holding company of Engen prior to the completion of Corporate Reorganisation on 19 March 2013 and a company controlled by Mr. Yu Jianqiu
Carling Technology Limited ("Carling")	A private company controlled by Mr. Yu Jianqiu

**23 應收／應付關聯方款項****(a) 關聯方名稱及與關聯方的關係**

於本年度及過往年度，董事認為本集團的關聯方包括下列人士或實體：

關聯方姓名／名稱	關係
俞建秋先生*	控股股東及主要管理人員
劉漢玖先生*	主要管理人員
黃偉萍先生*	主要管理人員
張華義先生*	主要管理人員
陳海先生*	自2012年12月31日收購保和新世紀起為主要管理人員及本公司的實益小股東
范敦現先生*	自2012年12月31日收購保和泰越起為主要管理人員及本公司的實益小股東
古杉環境能源有限公司 ("古杉")	在2013年3月19日重組完成前為恩金的直接控股公司，以及是由俞建秋先生控制的公司
加寧科技有限公司 ("加寧")	由俞建秋先生控制的私營公司

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 23 Amounts due from/to related parties (continued)

### (a) Name and relationship with related parties (continued)

Name of party	Relationships
Gold Hero Holdings Limited ("Gold Hero")	A private company controlled by Mr. Chen Lian* 陳煉, a former director of Jinxin, and a related party to the Group since the acquisition of Jinxin on 3 November 2010 and ceased to be a related party on 20 February 2013
Silver Harvest Holdings Limited ("Silver Harvest")	A private company controlled by Mr. Liu Hanju
Gold Wide Enterprises Limited ("Gold Wide")	A private company controlled by Mr. Huang Weiping
Silvery Boom Limited ("Silvery Boom")	A private company controlled by Mr. Zhang Huayi
Sichuan Gushan Vegetable Fat Chemistry Co., Ltd.* ("Sichuan Gushan") 四川古杉油脂化學有限公司	A private company controlled by Mr. Yu Jianqiu
Fujian Gushan Biodiesel Co., Ltd. ("Fujian Gushan")* 福建古杉生物柴油有限公司	A private company controlled by Mr. Yu Jianqiu

## 23 應收／應付關聯方款項(續)

### (a) 關聯方名稱及與關聯方的關係(續)

關聯方姓名／名稱	關係
金豪控股有限公司 (「金豪」)	自2010年11月3日收購金鑫起為由陳煉先生(金鑫的前董事)及本集團的關聯方控制的私營公司，以及於2013年2月20日不再為關聯方
豐銀控股有限公司 (「豐銀」)	由劉漢玖先生控制的私營公司
金博企業有限公司 (「金博」)	由黃偉萍先生控制的私營公司
銀昌有限公司 (「銀昌」)	由張華義先生控制的私營公司
四川古杉油脂化學有限公司 (「四川古杉」)	由俞建秋先生控制的私人公司
福建古杉生物柴油有限公司 (「福建古杉」)*	由俞建秋先生控制的私人公司

**23 Amounts due from/to related parties (continued)****(a) Name and relationship with related parties (continued)**

Name of party	Relationships
Sichuan Baohe Fushan Resources Recycling Development Co., Ltd. (“Baohe Fushan”)* 四川省保和富山再生資源開發有限公司	A private company under significant influence of the daughter of Mr. Yu Jianqiu
Sichuan Xinshiji Cables Co., Ltd. (“Sichuan Xinshiji”)* 四川新世紀線纜有限公司	A private company which is 19.5% owned by Mr. Chen Hai who has de facto control of the board of directors of Sichuan Xinshiji and a related party to the Group since the acquisition of Baohe Xinshiji on 31 December 2012
Guangzhou Taiyue Communications Cable Co., Ltd. (“Guangzhou Taiyue”)* 廣州市泰越通信線纜有限公司	A private company which is 40% owned by Mr. Fan Dunxian and a related party to the Group since the acquisition of Baohe Taiyue on 31 December 2012

\* The English translation of the name is for reference only. The official name of these related parties is in Chinese.

**23 應收／應付關聯方款項 (續)****(a) 關聯方名稱及與關聯方的關係 (續)**

關聯方姓名／名稱	關係
四川省保和富山再生資源開發有限公司 (「保和富山」)*	受俞建秋先生的女兒重大影響的私營公司
四川新世紀線纜有限公司 (「四川新世紀」)	自2012年12月31日收購保和新世紀起為由陳海先生 (其對四川新世紀的董事會有實際控制權) 及本集團的關聯方擁有19.5%的私營公司
廣州市泰越通信線纜有限公司 (「廣州泰越」)*	自2012年12月31日收購保和泰越起為由范敦現先生及本集團的關聯方擁有40%的私營公司

\* 英文本的英譯名稱僅供參考。該等關聯方的官方名稱以中文為準。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 23 Amounts due from/to related parties 23 應收／應付關聯方款項 (續)

### (b) Amounts due from/to related parties

### (b) 應收／應付關聯方款項

	Note	2013	2012
	附註	RMB'000人民幣千元	RMB'000人民幣千元
Amount due from Mr. Liu Hanjiu	應收劉漢玖先生的款項	259	–
Amount due from Mr. Zhang Huayi	應收張華義先生的款項	37	–
Amount due from Mr. Fan Dunxian	應收范敦現先生的款項	–	3,190
Amount due from Guangzhou Taiyue	應收廣州泰越的款項	–	1,379
Amount due from Baohe Fushan	應收保和富山的款項	668	–
Amounts due from related parties	應收關聯方的款項 (i)	964	4,569
Amount due to Mr. Yu Jianqiu	應付俞建秋先生的款項	18,075	27,268
Amount due to Mr. Liu Hanjiu	應付劉漢玖先生的款項	–	19,555
Amount due to Mr. Huang Weiping	應付黃偉萍先生的款項	–	19,135
Amount due to Mr. Zhang Huayi	應付張華義先生的款項	–	980
Amount due to Gushan	應付古杉的款項	11,830	8,656
Amount due to Carling	應付加寧的款項	155	68
Amount due to Silver Harvest	應付豐銀的款項	140	–
Amount due to Baohe Fushan	應付保和富山的款項	–	22,000
Amount due to Sichuan Xinshiji	應付四川新世紀的款項	–	24,000
Amount due to Guangzhou Taiyue	應付廣州泰越的款項	–	24,000
Amounts due to related parties	應付關聯方的款項 (ii)	30,200	145,662

Notes:

- (i) The amounts due from related parties are unsecured, interest free and repayable on demand.
- (ii) The amounts due to related parties are unsecured, interest free and repayable on demand.

附註：

- (i) 應收關聯方的款項均為無抵押、免息及須按要求償還。
- (ii) 應付關聯方的款項均為無抵押、免息及須按要求償還。

**23 Amounts due from/to related parties (continued)****(c) Amounts due from subsidiaries**

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

**(d) Amount due to a director**

The amount due to a director is unsecured, interest-free and repayable on demand.

**23 應收／應付關聯方款項 (續)****(c) 應收附屬公司的款項**

應收附屬公司的款項均為無抵押、免息及須按要求償還。

**(d) 應付一位董事的款項**

應付一位董事的款項為無抵押、免息及須按要求償還。

**24 Loans from related parties****24 來自關聯方的貸款**

		Note 附註	2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Loans from Gushan	來自古杉的貸款	(i)	<b>79,515</b>	82,012
Loan from Gold Hero (see note 28(e))	來自金豪的貸款 (見附註28(e))	(ii)	–	6,698
Loan from Silver Harvest	來自豐銀的貸款	(iii)	<b>5,433</b>	5,605
			<b>84,948</b>	94,315

Notes:

- (i) At 31 December 2013, the loans from Gushan are unsecured, interest bearing at 6.56% per annum (2012: 6.06% to 6.56% per annum) and repayable within one year.
- (ii) At 31 December 2013, the loan from Gold Hero is unsecured, interest bearing at 6.06% per annum (2012: 6.06% per annum) and repayable within one year. Gold Hero ceased to be a related party of the Group since February 2013 upon its disposal of all the equity interest in Engen.
- (iii) At 31 December 2013, the loan from Silver Harvest is unsecured, interest bearing at 6.06% per annum (2012: 6.06% per annum) and repayable within one year.

附註：

- (i) 來自古杉的貸款為無抵押，於2013年12月31日按年利率6.56% (2012年：年利率6.06%至6.56%) 計息，以及須於一年內償還。
- (ii) 來自金豪的貸款為無抵押，於2013年12月31日按年利率6.06% (2012年：年利率6.06%) 計息，以及須於一年內償還。自2013年2月金豪出售恩金的全部股權起，它便不再是本集團的關聯方。
- (iii) 來自豐銀的貸款為無抵押，於2013年12月31日按年利率6.06% (2012年：年利率6.06%) 計息，以及須於一年內償還。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 25 Cash and cash equivalents

(a) Cash and cash equivalents in the consolidated balance sheet and consolidated cash flow statement represent:

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Cash at bank and in hand	銀行存款及手頭現金	<b>78,615</b>	19,609

At 31 December 2013, cash and cash equivalents in the amount of RMB77,887,000 (2012: RMB16,330,000) are denominated in RMB and are deposited in banks in the PRC. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

#### 25 現金及現金等值項目

(a) 綜合資產負債表及綜合現金流量表內的現金及現金等值項目指：

於2013年12月31日，金額為人民幣77,887,000元（2012年：人民幣16,330,000元）的現金及現金等值項目乃以人民幣計值，並存放在中國的銀行。人民幣乃不可自由兌換的貨幣，資金匯出中國須受中國政府頒佈的相關外匯管制規則及規例所規限。



## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 25 Cash and cash equivalents (continued)

## 25 現金及現金等值項目 (續)

(b) Reconciliation of profit before taxation to cash generated from operations:

(b) 稅前溢利與營運所得現金的對賬：

		Note	2013	2012
		附註	RMB'000人民幣千元	RMB'000人民幣千元
Profit before taxation	稅前溢利		<b>305,040</b>	122,875
Adjustments for:	經以下項目調整：			
Finance costs	財務成本	7(a)	<b>33,330</b>	16,850
Share-based compensation	以股份為基礎的補償	7(b)	–	2,647
Depreciation	折舊	7(c)	<b>20,000</b>	8,473
Amortisation of lease prepayments	租賃預付款的攤銷	7(c)	<b>884</b>	206
Amortisation of intangible assets	無形資產的攤銷	7(c)	<b>3,656</b>	–
Interest income	利息收入	6(a)	<b>(1,647)</b>	(443)
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的虧損	6(b)	<b>1,184</b>	111
Change in fair value of contingent consideration	或然代價的公平值變動	6(b)	–	2,211
Exchange differences	匯兌差異		<b>1,510</b>	(31)
Changes in working capital:	營運資金變動：			
(Increase)/decrease in inventories	存貨(增加)/減少		<b>(26,436)</b>	2,282
Increase in trade and other receivables	貿易及其他應收款項增加		<b>(382,550)</b>	(129,244)
Increase in trade and other payables	貿易及其他應付款項增加		<b>140,878</b>	65,674
Cash generated from operations	營運所得現金		<b>95,849</b>	91,611

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 26 Trade and other payables

## 26 貿易及其他應付款項

		The Group 本集團		The Company 本公司
		2013 RMB'000 人民幣千元	2012 RMB'000 人民幣千元	2013 RMB'000 人民幣千元
Trade payables	貿易應付款項	166,706	76,137	-
Bills payable	應付票據	26,400	41,400	-
Receipts in advance	預收款項	22,758	7,568	-
Accrued expenses and other payables	應計開支及其他應付款項	204,807	128,702	3,907
Derivative financial instruments (note 35(f))	衍生金融工具(附註35(f))	-	3	-
		<b>420,671</b>	<b>253,810</b>	<b>3,907</b>

All of the trade and other payables are expected to be settled or recognised as income within one year or repayable on demand.

所有貿易及其他應付款項預期於一年內支付或確認為收入，或須按要求償還。

(a) Trade payables included amount due to a related party as follows:

(a) 貿易應付款項包括以下應付關聯方的款項：

		2013 RMB'000 人民幣千元	2012 RMB'000 人民幣千元
Sichuan Xinshiji	四川新世紀	-	16,797

(b) Bills payable are normally issued with a maturity of not more than six months.

(b) 應付票據的到期日一般不會超過六個月。

At 31 December 2012, bills payable were secured by pledged deposits of RMB12,045,000 placed with banks (see note 28), inventories with carrying amount of RMB70,562,000 (see note 21) and personal deposits of Mr. Liu Hanjiu amounting to RMB6,000,000.

於2012年12月31日，應付票據由存於銀行的已抵押存款人民幣12,045,000元(見附註28)、賬面值為人民幣70,562,000元的存貨(見附註21)及劉漢玖先生的個人存款人民幣6,000,000元抵押。

At 31 December 2013, bills payable were secured by pledged deposits of RMB26,606,000 placed with banks (see note 28).

於2013年12月31日，應付票據由存於銀行的已抵押存款人民幣26,606,000元(見附註28)抵押。

**26 Trade and other payables (continued)**

(c) At the balance sheet date, the ageing analysis of the trade and bills payable, based on transaction date, is as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Within 30 days	30天內	<b>102,572</b>	49,659
31 to 60 days	31至60天	<b>35,395</b>	25,932
61 to 180 days	61至180天	<b>33,739</b>	40,552
Over 180 days	超過180天	<b>21,400</b>	1,394
		<b>193,106</b>	117,537

(d) An analysis of accrued expenses and other payables of the Group is analysed as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Salaries, wages, bonus and other accrued benefits	薪金、工資、花紅及其他應計福利	<b>3,977</b>	2,761
Payables for the purchase of property, plant and equipment and intangible assets	購買物業、廠房及設備和無形資產的應付款項	<b>78,331</b>	74,953
Payables for land use rights	土地使用權應付款項	<b>11,595</b>	-
VAT payable	應付增值稅	<b>63,138</b>	33,689
Unearned government grants	預收的政府補助	<b>19,860</b>	10,300
Others	其他	<b>27,906</b>	6,999
		<b>204,807</b>	128,702

Payables for the purchase of property, plant and equipment and intangible assets included amounts due to related parties of RMB14,000,000 (2012: RMB14,000,000) which comprised RMB4,000,000 and RMB10,000,000 payable to Guangzhou Taiyue and Sichuan Xinshiji respectively at 31 December 2013 and 2012.

At 31 December 2013, payables for land use rights of RMB11,595,000 are repayable to Baohe Fushan within one year.

**26 貿易及其他應付款項 (續)**

(c) 於結算日，貿易應付款項及應付票據的賬齡分析（以交易日期為基準）如下：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Within 30 days	30天內	<b>102,572</b>	49,659
31 to 60 days	31至60天	<b>35,395</b>	25,932
61 to 180 days	61至180天	<b>33,739</b>	40,552
Over 180 days	超過180天	<b>21,400</b>	1,394
		<b>193,106</b>	117,537

(d) 本集團的應計開支及其他應付款項的分析如下：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Salaries, wages, bonus and other accrued benefits	薪金、工資、花紅及其他應計福利	<b>3,977</b>	2,761
Payables for the purchase of property, plant and equipment and intangible assets	購買物業、廠房及設備和無形資產的應付款項	<b>78,331</b>	74,953
Payables for land use rights	土地使用權應付款項	<b>11,595</b>	-
VAT payable	應付增值稅	<b>63,138</b>	33,689
Unearned government grants	預收的政府補助	<b>19,860</b>	10,300
Others	其他	<b>27,906</b>	6,999
		<b>204,807</b>	128,702

於2013年及2012年12月31日，購買物業、廠房及設備和無形資產的應付款項包括應付關聯方款項為人民幣14,000,000元（2012年：人民幣14,000,000元），該款項包括分別應付廣州泰越及四川新世紀的款項人民幣4,000,000元及人民幣10,000,000元。

於2013年12月31日，土地使用權的應付款項人民幣11,595,000元須於一年內償還予保和富山。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 27 Obligations under finance leases

At 31 December 2013, the Group had obligations under finance leases repayable as follows:

		2013		2012	
		Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
		最低租賃 款項的現值	最低租賃 款項總額	最低租賃 款項的現值	最低租賃 款項總額
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within 1 year	1年內	12,000	15,187	-	-
After 1 year but within 2 years	1年後但2年內	12,000	15,398	-	-
After 2 years but within 5 years	2年後但5年內	36,000	40,222	-	-
		48,000	55,620	-	-
		60,000	70,807	-	-
Less: total future interest expenses	減：未來利息 開支總額		(10,807)		-
Present value of finance lease obligations	融資租賃責任的現值		60,000		-

On 27 December 2013, the Group entered into an agreement with a leasing company to sell certain of the Group's plant and equipment to the leasing company and leaseback the plant and equipment for a five year period. The Group has the option to purchase the plant and equipment at a nominal price of RMB10,000 at the end of the lease period. At 31 December 2013, the net book value of plant and equipment held under finance leases included in property, plant and equipment amounted to RMB60,000,000.

#### 27 融資租賃下的責任

於2013年12月31日，本集團擁有以下應償還融資租賃下的責任：

於2013年12月27日，本集團與一間租賃公司簽訂一份為期五年的售後租回協議，向該租賃公司出售本集團若干廠房及設備後再租回該等廠房及設備。於租賃期末，本集團有權選擇以名義價人民幣10,000元購買該等廠房及設備。於2013年12月31日，根據融資租賃持有的物業、廠房及設備賬面淨值包括人民幣60,000,000元的物業、廠房及設備。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)**28 Bank loans and other borrowings****28 銀行貸款及其他借款**

(a) At 31 December 2013, the analysis of the carrying amount of borrowings is as follows:

(a) 於2013年12月31日，借款的賬面值分析如下：

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
Bank loans	銀行貸款		
– secured	– 已擔保	<b>207,380</b>	125,000
– unsecured	– 無擔保	<b>60,000</b>	50,000
		<b>267,380</b>	175,000
Entrusted loans	委託貸款		
– unsecured	– 無擔保	<b>90,500</b>	–
Other borrowings	其他借款		
– unsecured	– 無擔保	<b>66,494</b>	–
		<b>424,374</b>	175,000
<b>Represented by:</b>	<b>即：</b>		
Current	即期	<b>304,374</b>	175,000
Non-current	非即期	<b>120,000</b>	–
		<b>424,374</b>	175,000

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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## 28 Bank loans and other borrowings 28 銀行貸款及其他借款 (續)

(b) The amounts of banking facilities and the utilisation at 31 December 2013 are set out as follows: (b) 於2013年12月31日的銀行信貸額及使用情況載於下文：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Banking facilities available	可用銀行信貸額		
– secured	– 已擔保	<b>253,780</b>	216,400
– unsecured	– 無擔保	<b>60,000</b>	50,000
		<b>313,780</b>	266,400
Amounts utilised	已動用款項		
– bills payable	– 應付票據	<b>26,400</b>	41,400
– bank loans	– 銀行貸款	<b>267,380</b>	175,000
		<b>293,780</b>	216,400

There are cross default provisions in certain banking facilities, the default on a loan by the Group would then cause a default on other loans which have cross default provisions.

若干銀行信貸額附有交叉違約條文，本集團違反一項貸款將會繼而違反附有交叉違約條文的其他貸款。

The banking facilities were secured by the following assets:

已抵押銀行融資額由以下資產抵押：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Property, plant and equipment (note 13(a))	物業、廠房及設備 (附註13(a))	<b>127,688</b>	7,803
Lease prepayments (note 14)	租賃預付款 (附註14)	<b>35,071</b>	4,319
Prepayment for land use rights	土地使用權的預付款	–	13,410
Inventories (note 21)	存貨 (附註21)	<b>78,612</b>	89,802
Government grants receivable (note 22)	應收政府補助 (附註22)	<b>12,766</b>	18,041
Pledged deposits (note 18)	已抵押存款 (附註18)	<b>29,106</b>	14,445
		<b>283,243</b>	147,820

## 28 Bank loans and other borrowings (continued) 28 銀行貸款及其他借款 (續)

- (c) At the balance sheet date, bank loans were repayable as follows: (c) 於結算日，銀行貸款的還款情況如下：

		2013	2012
		RMB'000人民幣千元	RMB'000人民幣千元
With 1 year or on demand	1年內或按要求	257,380	175,000
After 1 year but within 2 years	1年後但2年內	10,000	-
		<b>267,380</b>	<b>175,000</b>

As at 31 December 2012, secured bank loans of the Group totaling RMB15,000,000 were guaranteed by independent third party financial guarantors which in turn obtained personal guarantees by Mr. Liu Hanjiu along with certain assets which are included in the above table.

As at 31 December 2012, secured bank loans of the Group totaling RMB20,000,000 were guaranteed by Mr. Huang Weiping along with certain assets which are included in the above table.

At 31 December 2013, bank loans of RMB40,000,000 (2012: RMB20,000,000) were secured by the lease prepayments and property, plant and equipment of Sichuan Gushan. In respect of the bank loan of RMB20,000,000 at 31 December 2013 and 2012, Jinxin is subject to a covenant on the fulfilment of assets/liabilities ratio. At 31 December 2013 and 2012, the covenant had not been breached.

During the year ended 31 December 2012, the Group obtained bank loans totaling RMB76,000,000 which required inventories of RMB154,520,000 as security. At 31 December 2012, the Group did not have the required level of inventories and therefore had breached the loan covenants of the bank loans which became payable on demand as at 31 December 2012. Amongst the bank loans of RMB76,000,000, RMB20,000,000 and RMB30,000,000 were fully repaid at maturity in May 2013 and July 2013 respectively. In April 2013, the Group received waivers from the bank in respect of the bank loans of RMB26,000,000 that were in breach of covenants. Such loans of RMB26,000,000 were fully repaid by December 2013.

於2012年12月31日，本集團總額為人民幣15,000,000元的有抵押銀行貸款是由獨立第三方財務擔保人提供擔保，該等擔保人則因此取得劉漢玖先生的個人擔保連同上表所載若干資產。

於2012年12月31日，本集團總額為人民幣20,000,000元的有抵押銀行貸款是由黃偉萍先生連同上表所包括的若干資產擔保。

於2013年12月31日，金額為人民幣40,000,000元（2012年：人民幣20,000,000元）的銀行貸款由四川古杉的租賃預付款和物業、廠房及設備抵押。就2013年及2012年12月31日的銀行貸款人民幣20,000,000元而言，金鑫須受到履行資產負債比率的契諾所規限。於2013年及2012年12月31日，並無違反該契諾。

截至2012年12月31日止年度，本集團取得銀行貸款合共人民幣76,000,000元，該貸款規定要以為數人民幣154,520,000元的存貨作為抵押。於2012年12月31日，本集團並無所規定的存貨水平，因此已違反銀行貸款的貸款契諾，而該等銀行貸款成為於2012年12月31日須按要求償還。於人民幣76,000,000元的銀行貸款中，人民幣20,000,000元及人民幣30,000,000元已分別於2013年5月及2013年7月到期時悉數償還。於2013年4月，本集團就違反契諾的銀行貸款人民幣26,000,000元已取得銀行豁免。該人民幣26,000,000元貸款已於2013年12月悉數償還。



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### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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#### 28 Bank loans and other borrowings (continued)

##### (c) At the balance sheet date, bank loans were repayable as follows: (continued)

During the year ended 31 December 2012, the Group obtained bank loans of RMB30,000,000 secured by certain trade receivables of RMB63,854,000. At 31 December 2012, the Group had collected the full amount of the pledged trade receivables but did not comply with the loan covenants which required the Group to obtain written consents from the bank prior to using the funds for its operations. In April 2013, RMB20,000,000 of these bank loans were repaid by the Group upon maturity. In August 2013, the Group received a waiver from the bank in respect of noncompliance of the loan covenants for the remaining RMB10,000,000 bank loan which was fully repaid at maturity in November 2013.

During the year ended 31 December 2013, the Group obtained bank loans totaling RMB50,000,000 secured by certain trade receivables of RMB66,802,000. Prior to the maturity of the loans, the Group had collected the full amount of the pledged trade receivables but did not comply with the loan covenants which required the Group to obtain written consents from the bank prior to using the funds for its operations. In August 2013, the Group received waivers from the banks in respect of noncompliance of the loan covenants for these bank loans and the loans of RMB50,000,000 were fully repaid at maturity by December 2013.

At 31 December 2013, bank loans totaling RMB10,000,000 (2012: RMB15,000,000) were secured by independent guarantee companies to which the Group was charged a total of non-recoverable guarantee fees of RMB520,000 (2012: RMB360,000) during the year ended 31 December 2013.

#### 28 銀行貸款及其他借款 (續)

##### (c) 於結算日，銀行貸款的還款情況如下：(續)

截至2012年12月31日止年度，本集團取得銀行貸款人民幣30,000,000元，以若干貿易應收款項人民幣63,854,000元作為抵押。於2012年12月31日，本集團已全額收取已抵押貿易應收款項，但並無遵守貸款契諾規定，在本集團動用該等資金作其營運用途前，事先取得銀行書面同意。於2013年4月，該等銀行貸款中的人民幣20,000,000元已於到期時由本集團償還。於2013年8月，本集團就不遵守貸款契諾涉及的銀行貸款餘額人民幣10,000,000元取得銀行豁免，有關款項已於2013年11月悉數償還。

截至2013年12月31日止年度，本集團取得銀行貸款總額人民幣50,000,000元，以若干貿易應收款項人民幣66,802,000元作為抵押。於貸款到期前，本集團已全額收取已抵押貿易應收款項，但並無遵守貸款契諾規定，在本集團動用該等資金作其營運用途前，事先取得銀行書面同意。於2013年8月，本集團就不遵守該等銀行貸款的貸款契諾取得銀行豁免，而該人民幣50,000,000元貸款已於2013年12月到期時悉數償還。

於2013年12月31日，本集團總額為人民幣10,000,000元（2012年：人民幣15,000,000元）的銀行貸款由獨立擔保公司提供抵押，而本集團於截至2013年12月31日止年度對該等公司支付了不可收回擔保費合共人民幣520,000元（2012年：人民幣360,000元）。

**28 Bank loans and other borrowings (continued)****(d) Significant terms and repayment schedule of entrusted loans**

At 31 December 2013, entrusted loans are repayable as follows:

		2013	2012
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year or on demand	1年內或按要求	40,500	-
After 1 year but within 2 years	1年後但2年內	50,000	-
		<b>90,500</b>	-

The entrusted loans were unsecured, interest-bearing at 5.6% to 12.0% per annum.

**28 銀行貸款及其他借款 (續)****(d) 委託貸款的重大條款及還款期**

於2013年12月31日，委託貸款的還款情況如下：

		2013	2012
		RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year or on demand	1年內或按要求	40,500	-
After 1 year but within 2 years	1年後但2年內	50,000	-
		<b>90,500</b>	-

委託貸款為無抵押，按年利率5.6%至12.0%計息。

**(e) Significant terms and repayment schedule of other borrowings**

As at 31 December 2013, a loan of RMB60,000,000 was unsecured, interest bearing at 12% per annum and repayable in February 2015.

As at 31 December 2013, a loan of RMB6,494,000 from Gold Hero was unsecured, interest bearing at 6.06% per annum and repayable within one year.

**(e) 其他借款的重大條款及還款期**

於2013年12月31日，一筆人民幣60,000,000元的貸款為無抵押，按年利率12.0%計息及須於2015年2月償還。

於2013年12月31日，一筆來自金豪的人民幣6,494,000元的貸款為無抵押，按年利率6.06%計息及須於一年內償還。

**29 Deferred government grants**

In December 2013, the Sichuan Province Mianyang City Youxian District Finance Bureau provided conditional government grants of RMB31,048,000 to the Group. Such government grants are conditional to meeting certain tax payment thresholds by the Group for the three years ending 31 December 2015. Should the tax payment thresholds not be met by the Group, the government grants are repayable to Sichuan Province Mianyang City Youxian District Finance Bureau by August 2016.

**29 遞延政府補貼**

於2013年12月，四川省綿陽市游仙區財政局向本集團提供有條件的政府補貼人民幣31,048,000元。提供該筆政府補貼須待本集團截至2015年12月31日止三個年度達到若干納稅門檻後，方可作實。倘本集團未能達到該等納稅門檻，本集團須於2016年8月前將該筆政府補貼償還予四川省綿陽市游仙區財政局。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 30 Capital, reserves and dividend

### (a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the date of incorporation and the end of the year are set out below:

#### The Company

		Share capital	Share premium	Exchange reserve	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	匯兌儲備	資本儲備	以股份為基礎的付款儲備	累計虧損	總計
				人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 22 February 2013 (date of incorporation)	於2013年2月22日 (註冊成立日期)	-	-	-	-	-	-	-
Total comprehensive income	全面收益總額	-	-	(97)	-	-	(23,823)	(23,920)
Transfer from Engen upon replacement of share option scheme	替代購股權計劃後轉撥自息金	31	-	-	(7,659)	7,659	-	-
Issue of shares upon the Corporate Reorganisation	於企業重組後發行股份	30(c)(i)	827	-	297,495	-	-	298,322
Shares issued under share option scheme	根據購股權計劃發行的股份	30(c)(v)及 30(d)(iii)	80	71,579	-	-	(7,659)	64,000
At 31 December 2013	於2013年12月31日	907	71,579	(97)	289,836	-	(23,823)	338,402

### (b) Dividend

The directors do not recommend the payment of dividend for the year ended 31 December 2013.

## 30 資本、儲備及股息

### (a) 權益部分變動

本集團綜合權益的各部分期初及期末之間結餘的對賬載於綜合權益變動表。本公司個別權益部分於註冊成立日期及年末的變動載列如下：

#### 本公司

### (b) 股息

董事建議不派付截至2013年12月31日止年度股息。

## Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

## 30 Capital, reserves and dividend (continued)

## 30 資本、儲備及股息(續)

## (c) Share capital

## (c) 股本

Authorised and issued share capital

法定及已發行股本

		Par value 面值 HK\$港元	No. of shares 股份數目	Nominal value of ordinary shares 普通股面值 HK\$港元
<b>Authorised:</b>	<b>法定：</b>			
At 22 February 2013 (date of incorporation)	於2013年2月22日 (註冊成立日期)	0.10	300,000	30,000
Increase in share capital on 19 March 2013	於2013年3月19日增加股本	0.10	99,700,000	9,970,000
At 31 December 2013	於2013年12月31日		100,000,000	10,000,000
			(equivalent to RMB8,071,000) (相等於人民幣8,071,000元)	
<b>Issued and fully paid:</b>	<b>已發行及已繳足：</b>			
At 22 February 2013 (date of incorporation)	於2013年2月22日 (註冊成立日期)	0.10	1	–
Issue of shares upon the Corporate Reorganisation	於企業重組後發行股份	0.10	10,224,999	1,022,000
Issue of shares under share option scheme	根據購股權計劃發行股份	0.10	1,013,000	101,000
At 31 December 2013	於2013年12月31日		11,238,000	1,123,000
			(equivalent to RMB907,000) (相等於人民幣907,000元)	

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 30 Capital, reserves and dividend (continued)

##### (c) Share capital (continued)

- (i) The Company was incorporated on 22 February 2013 with an authorised share capital of HK\$300,000 divided into 3,000,000 shares of HK\$0.1 each. On the same date, one share of HK\$0.1 was allotted and issued at par. Upon completion of the Corporate Reorganisation on 19 March 2013, the Company became the holding company of the Group. On 19 March 2013, the authorised share capital of the Company increased to HK\$10,000,000 by the creation of additional 99,700,000 shares of HK\$0.1 each, rank pari passu with the existing ordinary shares of the Company in all respects. On the same date, a total of 10,224,999 shares of HK\$0.1 each were allotted and issued at par.
- (ii) At 1 January 2012, 31 December 2012 and 1 January 2013, the share capital in the consolidated statement of changes in equity represented the share capital of Engen. In 2010, 10,000 ordinary shares of Engen with US\$1 each were issued at par for US\$10,000 (equivalent to RMB67,000). On 29 May 2012, 225 ordinary shares of Engen of US\$1 each were issued for the settlement of contingent consideration liabilities arising from the acquisition of Xiangbei.
- (iii) Pursuant to the written resolutions of the shareholders of Engen passed on 1 February 2013, the shareholders of Engen approved the sub-division of ordinary share of US\$1.00 each in the authorised and issued share capital of Engen into 100 ordinary shares of US\$0.01 each. Immediately following the stock split referred to above, Engen is authorised to issue a maximum of 5,000,000 shares of a single class each with a par value of US\$0.01 and the issued share capital of Engen became US\$10,225 (RMB68,000) comprising 1,022,500 shares of US\$0.01 each.

#### 30 資本、儲備及股息 (續)

##### (c) 股本 (續)

- (i) 本公司於2013年2月22日註冊成立，法定股本為300,000港元，分為3,000,000股每股面值為0.1港元的股份。同日，一股面值為0.1港元的股份按面值配發及發行。在2013年3月19日企業重組完成後，本公司成為本集團的控股公司。於2013年3月19日，本公司藉增設99,700,000股每股面值0.1港元的股份，將法定股本增加至10,000,000港元，該等股份於各方面均與本公司現有普通股享有同等地位。同日，合共10,224,999股每股面值0.1港元的股份已按面值分配及發行。
- (ii) 於2012年1月1日、2012年12月31日及2013年1月1日，綜合權益變動表內的股本指恩金的股本。於2010年，10,000股每股面值為1美元的恩金普通股乃按面值發行以獲得10,000美元（相等於人民幣67,000元）。於2012年5月29日，已發行225股每股面值為1美元的恩金普通股，從而支付收購湘北所產生的或然代價負債。
- (iii) 根據恩金股東於2013年2月1日通過的書面決議案，恩金股東批准恩金的法定及已發行股本中每股面值1.00美元的普通股分拆為100股每股面值0.01美元的普通股。緊隨上述股份分拆後，恩金獲授權發行最多5,000,000股單一類別的股份，每股面值0.01美元，而恩金的已發行股本變成10,225美元（人民幣68,000元），分為1,022,500股每股面值0.01美元的股份。

**30 Capital, reserves and dividend (continued)****(c) Share capital (continued)**

- (iv) On 19 March 2013, all shareholders of Engen transferred their holdings in the issued share capital of Engen to the Company in consideration for the shares allotted and issued by the Company as part of the Corporate Reorganisation. Following such transfer, the Company became the holder of the entire issued share capital of Engen.
- (v) On 16 October 2013, Mr. Yu Jianqiu exercised the share options of the Company (see note 31) to subscribe for 1,013,000 shares in the Company at a consideration of RMB64,000,000 of which RMB80,000 was credited to share capital and the balance of RMB63,920,000 was credited to the share premium account.

**(d) Nature and purpose of reserves****(i) Exchange reserve**

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of operations with functional currency other than Renminbi. The reserve is dealt with in accordance with the accounting policy set out in note 2(t).

**30 資本、儲備及股息 (續)****(c) 股本 (續)**

- (iv) 於2013年3月19日，作為企業重組的一部分，恩金全體股東將彼等於恩金已發行股本的股權轉讓予本公司，本公司以配發和發行股份作為代價。於有關轉讓後，本公司成為恩金全部已發行股本的持有人。
- (v) 於2013年10月16日，俞建秋先生行使本公司購股權(見附註31)以認購本公司1,013,000股股份，代價為人民幣64,000,000元，其中人民幣80,000元已記入股本及餘額人民幣63,920,000元已記入股份溢價賬。

**(d) 儲備的性質及用途****(i) 匯兌儲備**

匯兌儲備包括換算並非以人民幣為功能貨幣的業務的財務報表所產生的所有外幣差額。該儲備根據附註2(t)所載的會計政策處理。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 30 Capital, reserves and dividend (continued)

#### (d) Nature and purpose of reserves (continued)

##### (ii) Capital reserve

On 11 January, 2011, Gushan granted share options for the purchase of an aggregate of 3,000,000 of its ordinary shares to nine employees of Jinxin pursuant to Gushan's share option scheme. Based on the Binomial Option Pricing Model, the estimated fair value of the options at grant date was approximately US\$0.36 (RMB2.36) per share option. The amount of share-based payment expense recognised for these options was RMB3,596,000 for the year ended 31 December 2011. On 12 October 2012, Gushan cancelled such share options due to its privatisation from the New York Stock Exchange (see note 31). As a result of such cancellation, the Group fully recognised the previously measured but unrecognised share-based compensation cost of RMB2,647,000 at the cancellation date. Such share-based compensation expenses in 2012 were recorded as contributions from shareholder in capital reserve since the Group had no obligation to settle the share option awards.

On 31 December 2012, Gushan waived an amount of RMB77,700,000 due from True Excel Holdings Limited ("True Excel"), a wholly-owned subsidiary of Engen. The directors of the Company accounted for the waiver of debts as an equity contribution to the Group and recorded as capitalisation of amount due to Gushan within capital reserve.

On 29 May 2012, 225 new shares of Engen were issued in connection with Xiangbei's partial achievement of the earn-out arrangement for the year ended 31 December 2011. The fair value of such Engen's ordinary shares was estimated to be approximately RMB4,090,000 and was credited to share capital (nominal value) and capital reserve. Subsequently, the Group entered into an agreement with Gold Hero and Silver Harvest and agreed that no further new ordinary shares of Engen will be issued in connection with the acquisition of Xiangbei.

### 30 資本、儲備及股息（續）

#### (d) 儲備的性質及用途（續）

##### (ii) 資本儲備

於2011年1月11日，古杉根據其購股權計劃向九名金鑫僱員授出購股權以購買合共3,000,000股古杉普通股。根據「二項式」期權定價模式，該等購股權於授出日期的估計公平值約為每份購股權0.36美元（人民幣2.36元）。截至2011年12月31日止年度就該等購股權確認的以股份為基礎的付款開支款額為人民幣3,596,000元。於2012年10月12日，由於古杉從紐約證券交易所進行私有化，古杉註銷了該等購股權（見附註31）。由於有關註銷，本集團於註銷日期全數確認了先前已計量但未確認的以股份為基礎的補償成本人民幣2,647,000元。2012年以股份為基礎的補償開支已於資本儲備入賬列為股東注資，因為本集團並無責任支付該等購股權獎勵。

於2012年12月31日，古杉豁免京盛控股有限公司（「京盛」）（恩金的全資附屬公司）的應付款項為人民幣77,700,000元。本公司董事透過豁免債務為本集團的股權注資，並將應付古杉款項在資本儲備內入賬列作資本化款項。

於2012年5月29日，關於湘北部分達致截至2011年12月31日止年度的盈利掛鈎付款安排，已發行225股恩金新股份。該等恩金普通股的公平值估計約為人民幣4,090,000元，已記入股本（面值）及資本儲備。其後，本集團與金豪和豐銀訂立一項協議及協定將不會就收購湘北進一步發行恩金新普通股。



**30 Capital, reserves and dividend (continued)****(d) Nature and purpose of reserves (continued)****(iii) Share premium**

On 16 October, 2013, Mr. Yu Jianqiu exercised the options granted under the share option agreement entered into between the Company and Mr. Yu Jianqiu on 23 August 2013 (“Yu Share Option Agreement”) in full to subscribe for 1,013,000 shares in the Company at a consideration of RMB64,000,000 of which RMB80,000 was credited to share capital and the balance of RMB63,920,000 was credited to the share premium account. RMB7,659,000 has been transferred from the Share-based payment reserve to the share premium account in accordance with policy set out in note 2(p)(ii).

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of the business.

**(iv) Statutory reserves**

According to the PRC rules and regulations, the Company’s operating subsidiaries are required to transfer 10% of the net income after tax, as determined in accordance with PRC GAAP, to a general reserve fund and an enterprise expansion fund until the reserve balance reaches 50% of the registered capital of the respective companies. The transfer to the reserves must be made before distribution of dividends to shareholders can be made. These amounts are not available for distribution to shareholders, except upon liquidation.

**30 資本、儲備及股息（續）****(d) 儲備的性質及用途（續）****(iii) 股份溢價**

於2013年10月16日，俞建秋先生根據本公司與俞建秋先生於2013年8月23日訂立的購股權協議（「俞氏購股權協議」）悉數行使該協議所授予的購股權，以認購本公司1,013,000股股份，代價為人民幣64,000,000元，其中人民幣80,000元已記入股本及餘額人民幣63,920,000元已記入股份溢價賬。人民幣7,659,000元已按照附註2(p)(ii)所載的政策由以股份為基礎的付款儲備撥入至股份溢價賬。

股份溢價賬的應用受開曼群島公司法管轄。根據開曼群島公司法，股份溢價賬的資金可分派予本公司股東，惟緊隨建議分派股息之日後，本公司須有能力於日常業務過程中清償到期債務。

**(iv) 法定儲備**

根據中國規則及規例，本公司的營運附屬公司須將其10%的稅後淨收入（根據中國公認會計原則釐定）撥入一般儲備金及企業發展基金，直至儲備結餘達到有關公司的註冊資本的50%。轉撥入儲備必須在向股東派付股息前作出。除清盤外，該等金額不可分配予股東。

## Notes to the Financial Statements

### 財務報表附註

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#### 30 Capital, reserves and dividend (continued)

##### (d) Nature and purpose of reserves (continued)

###### (v) Share-based payment reserve

Share-based payment reserve represents the portion of the fair value of unexercised share options granted to employees of the Group at grant date that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(p)(ii).

##### (e) Distributable reserves

The Company was incorporated on 22 February 2013 and there were no distributable reserves as at 31 December 2012. At 31 December 2013, the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to RMB337,495,000.

##### (f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurate with the level of risk and by securing access to financing at a reasonable cost.

The Group manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions affecting the Group.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose the Group defines net debt as total interest bearing borrowings less cash and cash equivalents. The Group defines "capital" as all components of equity.

#### 30 資本、儲備及股息（續）

##### (d) 儲備的性質及用途（續）

###### (v) 以股份為基礎的付款儲備

以股份為基礎的付款儲備指已授予本集團僱員而未行使購股權於授出日期的公平值的部份，該公平值已按照就附註2(p)(ii)的以股份為基礎的付款所採用的會計政策確認。

##### (e) 可供分派儲備

本公司於2013年2月22日註冊成立，於2012年12月31日並無任何可供分派儲備。於2013年12月31日，可供分派給本公司股東的儲備總額為人民幣337,495,000元。

##### (f) 資本管理

本集團管理資本的主要目標為確保本集團持續經營的能力，根據風險大小來對產品和服務定價並按合理的成本獲得融資，繼續為股東及其他利益相關者帶來回報和利益。

本集團管理其資本結構，以維持股東的較高回報（可透過較高借貸水準達致）與穩健資本狀況所帶來的優勢及保障的平衡，並因應影響本集團的經濟狀況變動調整資本結構。

本集團按淨債務資本比率為基準監督資本結構。就此而言，本集團將淨債務定義為計息借款總額減去現金及現金等值項目。本集團將「資本」定義為所有權益組成部分。

**30 Capital, reserves and dividend (continued)****30 資本、儲備及股息 (續)****(f) Capital management (continued)****(f) 資本管理 (續)**

The net debt-to-capital ratio was as follows:

淨債務資本比率如下：

		Note	2013	2012
		附註	RMB'000人民幣千元	RMB'000人民幣千元
Bank loans and other borrowings	銀行貸款及其他借款	28	<b>424,374</b>	175,000
Loans from related parties	關聯方貸款	24	<b>84,948</b>	94,315
Obligation under finance leases	融資租賃下的責任	27	<b>60,000</b>	–
Less: Cash and cash equivalents	減：現金及現金等值項目	25	<b>78,615</b>	19,609
Net debt	淨債務		<b>490,707</b>	249,706
Total equity	總權益		<b>612,805</b>	298,322
Net debt-to-capital ratio	淨債務資本比率		<b>80.1%</b>	83.7%

Except for the banking facilities which require the fulfilment of certain covenants as disclosed in note 28, neither the Company nor any of the subsidiaries are subject to externally imposed capital requirements.

除附註28所披露需要履行若干契諾的銀行融資外，本公司及任何附屬公司概無受到外來施加的資本規定所規限。

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#### 31 Share-based compensation

On 31 October 2011, the board of directors of Engen granted Mr. Yu Jianqiu, the Controlling Shareholder, options to purchase up to 1,013 ordinary shares of Engen at an exercise price of RMB63,179 per ordinary share ("Engen Share Options"). The Engen Share Options are exercisable immediately and will expire on the tenth anniversary of the date of grant. Any ordinary shares of Engen issued upon the exercise of the Engen Share Options will be subject to a right of first refusal in favour of Engen before such ordinary shares can be validly transferred. The Group determined that the estimated fair value of the Engen Share Options at grant date was RMB7,561 per share. The amount of share-based payment expense recognised was RMB7,659,000 for the year ended 31 December 2011. The expected volatility of 50.5% used in estimating the grant date fair value was based on the average volatility of several listed companies in the metal recycling sector. Since Engen did not have a trading history at the grant date, the Group estimated the potential volatility of the ordinary shares price by referring to the average volatility of these comparable companies because management believes that the average volatility of such companies was a reasonable benchmark to use in estimating the expected volatility of Engen's ordinary shares. The fair value of the underlying ordinary shares of Engen of RMB21,235 per ordinary share was based on the results using an income approach. The expected dividend yield of 0%, a suboptimal factor of 2.2 and a risk-free rate of 3.855% were used as other key assumptions. No Engen Share Options were exercised during the year ended 31 December 2012. The Engen Share Options outstanding at 31 December 2012 had a remaining contractual life of 8.8 years. On August 23, 2013, the Company entered into the Yu Share Option Agreement with Mr. Yu Jianqiu which the Company agreed to grant to Mr. Yu Jianqiu options to purchase 1,013,000 shares in the Company at the exercise price of RMB63,179 per share. The purpose of the Yu Share Option Agreement is to replace the share option agreement (the "Engen Option Agreement") dated 31 October 2011 entered into between Mr. Yu Jianqiu, Gushan and Engen, pursuant to which Mr. Yu Jianqiu was granted options to purchase shares in Engen as disclosed above. The replacement of Engen Share Options by Yu Share Options is accounted for as a modification of the original grant of Engen Share Options. The modification has no impact on the profit or loss of the Group for the year ended 31 December 2013 as there was no incremental fair value related to the options granted at the date of replacement. The options under the Yu Share Option Agreement have been fully exercised on 16 October 2013 (see note 30(c)(v)).

#### 31 以股份為基礎的補償

於2011年10月31日，恩金董事會授予控股股東俞建秋先生購股權，可按行使價每股普通股人民幣63,179元購買最多1,013股恩金普通股（「恩金購股權」）。恩金購股權可即時行使，並將於授出日期的第十周年之日到期。因行使恩金購股權而發行的任何恩金普通股將須遵守恩金的優先購買權，然後才可有效轉讓。本集團確定恩金購股權於授出日期的估計公平值為每股人民幣7,561元。截至2011年12月31日止年度確認的以股份為基礎的付款開支款額為人民幣7,659,000元。用以估算授出日期公平值的預期波幅50.5%，是以金屬回收行業中數家上市公司的平均波幅為基礎。由於恩金於授出日期並無過往交易記錄，本集團參照該等可比公司的平均波幅來估計普通股股價的潛在波幅，因為管理層相信該等公司的平均波幅為合理基準，可用以估算恩金普通股的預期波幅。恩金相關普通股的公平值每股普通股人民幣21,235元，是採用收益法以業績為基礎。所用的其他主要假設包括預期股息率為0%、次優因數為2.2及無風險利率為3.855%。截至2012年12月31日止年度並無恩金購股權被行使。於2012年12月31日未行使的恩金購股權的剩餘合同年期為8.8年。於2013年8月23日，本公司與俞建秋先生訂立俞氏購股權協議，本公司同意向俞建秋先生授出購股權，以按行使價每股股份人民幣63,179元購買本公司1,013,000股股份。俞氏購股權協議的目的在於取代俞建秋先生、古杉及恩金於2011年10月31日訂立的購股權協議（「恩金購股權協議」），俞建秋先生據此獲授購股權購買恩金的股份（誠如上文所披露）。俞氏購股權替代恩金購股權乃列作對恩金購股權的原有授出的修訂。該修訂對本集團截至2013年12月31日止年度的損益並無影響，因為於替代日期有關授出的購股權並無增加公平值。俞氏購股權協議內的購股權已於2013年10月16日悉數行使（見附註30(c)(v)）。

### 31 Share-based compensation (continued)

On January 11, 2011, Gushan granted share options for the purchase of an aggregate of 3,000,000 of its ordinary shares to nine employees of Jinxin pursuant to Gushan's share option scheme ("Gushan Share Options"). The exercise price is US\$0.61 per ordinary share. One third of the options will be vested in 12 months from the date of grant, one third will be in 24 months from the date of grant and the remaining one third will be in 36 months from the date of grant. The estimated fair value of the Gushan Share Options at grant date was US\$0.36 (RMB2.36) per share. The expected volatility of 82.48% was based on the implied volatility of the options in the market which were based on Gushan's shares as the underlying asset. The expected dividend yield of 0.87% was used as an assumption.

On 12 October 2012, Gushan cancelled such share options due to its privatisation from the New York Stock Exchange. As a result of such cancellation, the Group fully recognised the previously measured but unrecognised cost of RMB2,647,000 at the cancellation date. Such share-based payment expenses in 2012 were recorded as contribution from shareholder in capital reserve since the Group had no obligation to settle the share option awards.

### 31 以股份為基礎的補償 (續)

於2011年1月11日，古杉根據其購股權計劃向九名金鑫僱員授出購股權以購買合共3,000,000股古杉普通股（「古杉購股權」）。行使價為每股普通股0.61美元。該等購股權的三分之一將自授出日期起12個月歸屬、三分之一自授出日期起24個月歸屬，以及餘下三分之一自授出日期起36個月歸屬。古杉購股權於授出日期的估計公平值為每股0.36美元（人民幣2.36元）。預期波幅82.48%是以該等購股權於市場上的引伸波幅（基於古杉作為相關資產的股份）為基礎。所用的一個假設是預期股息率為0.87%。

於2012年10月12日，由於古杉從紐約證券交易所進行私有化，古杉註銷了該等購股權。由於有關註銷，本集團於註銷日期全數確認了先前已計量但未確認的成本人民幣2,647,000元。2012年以股份為基礎的付款開支已於資本儲備入賬列為股東注資，因為本集團並無責任支付該等購股權獎勵。

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(除另有註明者外，以人民幣列值)

#### 32 Commitments

- (a) Capital commitments outstanding at 31 December 2013 not provided for in the financial statements were as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Contracted for	已訂約		
– property, plant and equipment	– 物業、廠房及設備	<b>67,387</b>	95,363
– land use rights	– 土地使用權	<b>14,000</b>	56,216
Authorised but not contracted for	已授權但未訂約	<b>120,698</b>	4,490
		<b>202,085</b>	156,069

As at 31 December 2013, each of Tongxin, Baohe Xinshiji and Baohe Taiyue had a Management Consultancy Agreement with Baohe Fushan (collectively (the “Management Consultancy Agreements”), pursuant to which Baohe Fushan agreed to provide various services to Tongxin, Baohe Xinshiji and Baohe Taiyue. In return, each of Tongxin, Baohe Xinshiji and Baohe Taiyue is committed to pay Baohe Fushan an administrative fee and a consultancy fee which amounts to 20% and 30%, respectively, of all government grants and subsidies obtained in connection with the facility of each of Tongxin, Baohe Xinshiji and Baohe Taiyue. The Management Consultancy Agreements will remain in force till 2015.

- (b) At 31 December 2013, the total future minimum lease payments under non-cancellable operating leases in respect of staff quarters and office premises are payable as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Within 1 year	1年內	<b>438</b>	13
After 1 year but within 5 years	1年後但5年內	<b>5</b>	–
		<b>443</b>	13

#### 32 承擔

- (a) 於2013年12月31日未償付而又沒有在本財務報表內撥備的資本承擔如下：

	2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Contracted for		
– 物業、廠房及設備	<b>67,387</b>	95,363
– 土地使用權	<b>14,000</b>	56,216
Authorised but not contracted for	<b>120,698</b>	4,490
	<b>202,085</b>	156,069

於2013年12月31日，銅鑫、保和新世紀和保和泰越各自與保和富山訂立一份管理顧問協議（統稱「該等管理顧問協議」），據此，保和富山同意向銅鑫、保和新世紀和保和泰越提供多項服務。作為交換條件，銅鑫、保和新世紀和保和泰越各自承諾向保和富山支付行政費及顧問費，款額分別為個別就銅鑫、保和新世紀和保和泰越的設施所得政府補貼及補助的20%及30%。該等管理顧問協議將在2015年前一直有效。

- (b) 於2013年12月31日，有關員工宿舍及辦事處的不可撤銷經營租賃項下的未來最低租賃款項總額應付如下：

	2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
Within 1 year	<b>438</b>	13
After 1 year but within 5 years	<b>5</b>	–
	<b>443</b>	13



**32 Commitments (continued)**

- (c) At 31 December 2013, the Group had outstanding purchase agreements with some of its suppliers and was required to purchase from the suppliers an aggregate of 60,410 metric tons (2012: Nil) of scrap copper with the price to be determined at the time of purchases based on market price.

**33 Contingent liabilities**

At 31 December 2012, Jinxin entered into a cross guarantee agreement with a bank in respect of bills payable facilities totaling RMB40,000,000 granted to Jinxin, a supplier and two customers of Jinxin ("Contracted Parties") which remain in force so long as the Contracted Parties have drawn down under the banking facilities. According to the cross guarantee agreement, the Contracted Parties that are a party to the guarantee arrangement are jointly and severally liable for all and any of the borrowings of each of them from the bank which is the beneficiary of the guarantee.

At 31 December 2012, the directors did not consider it probable that a claim will be made against the Group under any of the above guarantees. The maximum liabilities of the Group as at 31 December 2012 under the cross guarantees are the aggregate amount of the facilities available for the two customers and a supplier of RMB25,000,000.

On 14 November 2013, each of the Contracted Parties entered into a supplemental agreement with the bank. Pursuant to the supplemental agreements, the Contracted Parties agreed to place deposits in an aggregate amount of RMB40,000,000 to secure the bills payable facilities in full. Jinxin is responsible for RMB15,000,000 and other Contracted Parties are responsible for the remaining RMB25,000,000. On the same day, the Contracted Parties deposited the required amounts under the supplemental agreements. As such, the Group had no contingent liabilities under the cross guarantee arrangement at 31 December 2013.

**32 承擔 (續)**

- (c) 於2013年12月31日，本集團與其部份供應商有仍然生效的購買協議，須向供應商購買合共60,410公噸（2012年：零）的廢銅，價格將於購買時按照市價釐定。

**33 或然負債**

於2012年12月31日，金鑫與一家銀行訂立一項交叉擔保協議，涉及授予金鑫、金鑫的一名供應商及兩名客戶（「訂約方」）的應付票據信貸合共人民幣40,000,000元，只要訂約方在該等銀行信貸下提出款項，該協議仍一直有效。根據該交叉擔保協議，訂約方（作為該擔保安排的一方）共同及個別地對其各自向該銀行（作為擔保受益人）的全部及任何部分借款承擔責任。

於2012年12月31日，董事認為在上述任何擔保下，將不可能出現針對本集團提出的申索。於2012年12月31日，本集團在交叉擔保下的最高責任為該兩名客戶及一名供應商可用的信貸總額人民幣25,000,000元。

於2013年11月14日，各訂約方與銀行訂立補充協議。根據補充協議，訂約方同意存入總額為人民幣40,000,000元的款項以悉數擔保應付票據信貸。金鑫負責人民幣15,000,000元及其他訂約方負責餘下人民幣25,000,000元。同日，訂約方存入補充協議規定的金額。因此，本集團於2013年12月31日並無交叉擔保安排下的任何或然負債。



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#### 34 Related party transactions

In addition to the related party information disclosed elsewhere in these financial statements, the Group entered into the following significant related party transactions during the current and prior years.

##### (a) Significant related party transactions

###### (i) Financing arrangements

	2013 RMB'000 人民幣千元	2012 RMB'000 人民幣千元
Interest expense on loan from Gushan 古杉貸款的利息開支	5,297	5,359
Interest expense on loan from Gold Hero 金豪貸款的利息開支	-	318
Interest expense on loan from Silver Harvest 豐銀貸款的利息開支	143	265
	<b>5,440</b>	5,942

###### (ii) Sales, purchases and processing fee expenses

	2013 RMB'000 人民幣千元	2012 RMB'000 人民幣千元
Sale of recycled copper products to Guangzhou Taiyue 銷售再生銅產品予廣州泰越	28,461	-
Sale of communication cables to Guangzhou Taiyue 銷售通信電纜予廣州泰越	15,741	-
Sale of recycled copper products to Sichuan Xinshiji (Note) 銷售再生銅產品予四川新世紀 (附註)	170,247	-
Purchase of power transmission and distribution cables from Sichuan Xinshiji (Note) 向四川新世紀購買送配電纜 (附註)	195,817	-
Purchase of recycled copper products from Sichuan Xinshiji 向四川新世紀購買再生銅產品	5,353	-
Processing fee charged by Guangzhou Taiyue 廣州泰越收取的加工費	9,350	-
Processing fee charged by Sichuan Xinshiji 四川新世紀收取的加工費	51,174	-

#### 34 關聯方交易

除於該等財務報表其他部分披露的關聯方資料外，本集團於本年度及過往年度訂立以下重大關聯方交易。

##### (a) 重大關聯方交易

###### (i) 融資安排

###### (ii) 銷售、採購及加工費開支

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 34 Related party transactions (continued)

#### (a) Significant related party transactions (continued)

##### (ii) Sales, purchases and processing fee expenses (continued)

Note: During the year ended 31 December 2013, the Group sold recycled copper products in the amount of RMB170,247,000 to Sichuan Xinshiji and purchased from Sichuan Xinshiji power transmission and distribution cables in the amount of RMB195,817,000. As the recycled copper products sold by the Group to Sichuan Xinshiji were used or were expected to be used by Sichuan Xinshiji as raw materials for its production of power transmission and distribution cable products, for financial reporting purposes, the RMB170,247,000 sales of recycled copper products by the Group have not been recognised as revenue in the consolidated income statement of the Group for the year ended 31 December 2013 but as a reduction of the cost of the Group's purchases of power transmission and distribution cables.

##### (iii) Other related party transactions

### 34 關聯方交易 (續)

#### (a) 重大關聯方交易 (續)

##### (ii) 銷售、採購及加工費開支 (續)

附註：截至2013年12月31日止年度，本集團銷售為數人民幣170,247,000元的再生銅產品予四川新世紀，並向四川新世紀採購為數人民幣195,817,000元的送配電纜。由於本集團售予四川新世紀的再生銅產品已經或預期由四川新世紀用作原材料以生產送配電纜產品，就財務報告而言，本集團銷售再生銅產品的銷售額人民幣170,247,000元並無於本集團截至2013年12月31日止年度的綜合收益表確認為收入，但確認為本集團採購送配電纜的成本減少。

##### (iii) 其他關連方交易

		2013	2012
		RMB'000 人民幣千元	RMB'000 人民幣千元
Administrative fee and consultancy fee paid/payable to Baohe Fushan	已付／應付保和富山的行政費及諮詢費	2,725	-

#### (b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in note 9 and certain of the highest paid individuals as disclosed in note 10, is as follows:

#### (b) 主要管理人員的薪酬

本集團主要管理人員的薪酬（包括於附註9所披露支付予本公司董事的款項，以及於附註10所披露支付予若干最高薪酬人士的款項）載列如下：

		2013	2012
		RMB'000 人民幣千元	RMB'000 人民幣千元
Short-term employee benefits	短期僱員利益	1,920	283
Retirement scheme contributions	退休計劃供款	39	8
Share-based payments	以股份為基礎的付款	-	2,148
		<b>1,959</b>	2,439

Total remuneration was included in "staff costs" (see note 7(b)).

總薪酬已包括在「員工成本」內（見附註7(b)）。

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### 財務報表附註

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#### 35 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate, currency and commodity price risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

##### (a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables.

Management has a credit policy in place and the exposure to these credit risks is monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and may take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade debtors are normally due within 90 days from the date of transaction. The Group also offers revolving credit to its customers. The revolving credit, which provides for a maximum credit limit that may be outstanding at any one time, is determined based on such factors as current market conditions and the customers' credit history and current ability to pay. Normally, the Group does not obtain collateral from customers.

#### 35 財務風險管理及金融工具的公平值

本集團於日常業務過程中會產生信貸、流動資金、利率、貨幣及商品價格風險。

本集團所面對的該等風險及本集團用以管理該等風險的財務風險管理政策及慣例載述如下。

##### (a) 信貸風險

本集團信貸風險主要來自貿易及其他應收款項。

管理層設有信貸政策，確保所承受的該等信貸風險會受到持續監控。

就貿易及其他應收款項而言，本集團會對於所有要求授予一定金額信貸的客戶進行個別信貸評估。此等評估著重客戶的過去到期還款紀錄以及目前的還款能力，並會考慮關於客戶以及客戶經營所在經濟環境的特定資料。貿易賬款一般自交易日期起計90天內到期。本集團亦向客戶提供循環信貸（其提供可於任何一次借取的最高信貸額），此乃根據現時市況及客戶的信貸紀錄和現時還款能力等因素釐定。一般而言，本集團不會要求客戶提供抵押品。

**35 Financial risk management and fair values of financial instruments (continued)****(a) Credit risk (continued)**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2013, 10.3% (2012: 17.2%) and 22.1% (2012: 55.0%) of the total trade debtors and bills receivable was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade debtors and bills receivable are set out in note 22.

**(b) Liquidity risk**

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the balance sheet date of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group can be required to pay.

**35 財務風險管理及金融工具的公平值 (續)****(a) 信貸風險 (續)**

本集團承受的信貸風險主要受客戶（而不是客戶營運所屬行業）各自的個別情況的影響，因此重大信貸集中風險主要在本集團承受重大個別客戶風險時產生。於2013年12月31日，貿易賬款及應收票據總額中有10.3%（2012年：17.2%）及22.1%（2012年：55.0%）應分別由本集團的最大客戶及五大客戶支付。

倘不考慮任何所持抵押品，最高信貸風險額指綜合資產負債表中各金融資產經扣除任何減值撥備後的賬面值。

有關本集團所承受因貿易賬款及應收票據而產生的信貸風險的進一步定量披露載於附註22。

**(b) 流動資金風險**

本集團的政策是定期監察其流動資金需求，藉以確保其維持充足現金儲備及獲主要金融機構提供充足資金額度，以應付其短期及長期流動資金需求。

下表詳述本集團非衍生金融負債於結算日的餘下合同到期情況，該等數據乃基於合同未折現現金流（包括使用合同利率或（倘屬浮動）結算日的利率計算的利息付款）及本集團被要求付款的最早日期：

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#### 35 Financial risk management and fair values of financial instruments (continued)

##### (b) Liquidity risk (continued)

#### 35 財務風險管理及金融工具的公平值 (續)

##### (b) 流動資金風險 (續)

		2013				
		Contractual undiscounted cash flow				
		合同未折現現金流				
		More than 2	More than 1	Within 1 year	Total	Balance sheet
		years but less	year but less	or on demand		carrying
		than 5 years	than 2 years			amount
		兩年以上	一年以上	一年內或		資產負債表
		五年以內	兩年以內	按要求	總計	賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other payables	貿易及其他應付款項	-	-	420,671	420,671	420,671
Obligations under finance leases	融資租賃下的責任	40,222	15,398	15,187	70,807	60,000
Bank loans and other borrowings	銀行貸款及其他借款	-	124,407	330,830	455,237	424,374
Amounts due to related parties	應付關聯方款項	-	-	30,200	30,200	30,200
Loans from related parties	來自關聯方的貸款	-	-	90,391	90,391	84,948
		40,222	139,805	887,279	1,067,306	1,020,193

  

		2012				
		Contractual undiscounted cash flow				
		合同未折現現金流				
		More than 2	More than 1	Within 1 year	Total	Balance sheet
		years but less	year but less	or on demand		carrying
		than 5 years	than 2 years			amount
		兩年以上	一年以上	一年內或		資產負債表
		五年以內	兩年以內	按要求	總計	賬面值
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other payables	貿易及其他應付款項	-	-	253,810	253,810	253,810
Bank loans and other borrowings	銀行貸款及其他借款	-	-	183,158	183,158	175,000
Amounts due to related parties	應付關聯方款項	-	-	145,662	145,662	145,662
Loans from related parties	來自關聯方的貸款	-	-	100,136	100,136	94,315
		-	-	682,766	682,766	668,787

**35 Financial risk management and fair values of financial instruments (continued)****35 財務風險管理及金融工具的公平值 (續)****(c) Interest rate risk****(c) 利率風險**

The Group's interest rate risk arises primarily from interest bearing borrowings. Borrowings at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

本集團的利率風險主要源於計息借款。浮息及定息借款分別令本集團須承受現金流量利率風險及公平值利率風險。本集團由管理層監察的利率組合載於下文(i)。

**(i) Interest rate profile****(i) 利率組合**

The following table details the interest rate profile of the Group's total interest bearing borrowings at the balance sheet date:

下表詳述本集團的總計息借款於結算日的利率組合：

		2013		2012	
		Effective interest rate	Amount	Effective interest rate	Amount
		實際利率	金額	實際利率	金額
		%	RMB'000	%	RMB'000
			人民幣千元		人民幣千元
<b>Fixed rate borrowings:</b>	<b>定息借款：</b>				
Bank loans and other borrowings	銀行貸款及其他借款	9.87	424,374	7.27	175,000
Loans from related parties	來自關聯方的貸款	6.54	84,948	6.21	94,315
Obligations under finance leases	融資租賃下的責任	6.66	60,000	—	—
<b>Total fixed rate borrowings</b>	<b>定息借款總額</b>		<b>569,322</b>		<b>269,315</b>

**(ii) Sensitivity analysis****(ii) 敏感度分析**

At 31 December 2013 and 2012, all of the Group's interest bearing borrowings are fixed rate borrowings, no sensitivity analysis on interest rate risk is presented.

於2013年及2012年12月31日，本集團的所有計息借款均為定息借款，故並無呈列利率風險敏感度分析。

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#### 35 Financial risk management and fair values of financial instruments (continued)

##### (d) Currency risk

The Group is exposed to currency risk primarily related to receivables, payables and cash balances that are denominated in United States dollars, currencies other than the functional currency of the operations to which the transactions relate.

##### (i) Exposure to currency risk

The following table details the Group's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in United States dollars ("USD") in connection with entities with functional currency in Hong Kong dollars ("HKD"). For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements of the subsidiaries with functional currency other than RMB into the Group's presentation currency are excluded.

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
<b>United States dollars</b>	美元		
Cash and cash equivalents	現金及現金等值項目	<b>58</b>	3,277
Loans from related parties	來自關聯方的貸款	<b>(84,948)</b>	(94,315)
Amounts due to related parties	應付關聯方款項	<b>(14,877)</b>	(9,645)
Net exposure arising from recognised assets and liabilities	已確認資產及負債所產生的淨風險	<b>(99,767)</b>	(100,683)

##### (ii) Sensitivity analysis

As HKD is pegged to the USD, the Group considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

#### 35 財務風險管理及金融工具的公平值 (續)

##### (d) 貨幣風險

本集團須承受主要與以美元(該等交易相關的業務的功能貨幣以外的貨幣)計值的應收款項、應付款項及現金結餘有關的貨幣風險。

##### (i) 所承受的貨幣風險

下表詳列本集團於結算日所承受的貨幣風險，該等貨幣風險乃因就以港元(「港元」)為功能貨幣的實體按美元(「美元」)計值的已確認資產或負債而產生。就呈報目的而言，風險額以人民幣元列示，並以結算日的即期匯率換算。換算並非以人民幣元為功能貨幣的附屬公司財務報表為本集團呈報貨幣所產生的差額並無計算在內。

##### (ii) 敏感度分析

由於港元與美元掛鈎，本集團認為港元與美元之間匯率變動的風險不會太大。



**35 Financial risk management and fair values of financial instruments (continued)****(e) Commodity price risk**

The major raw materials used in the production of the Group's products are scrap copper. The Group is exposed to fluctuations in the price of copper which are influenced by global as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group uses copper futures contracts to mitigate its exposure against price fluctuations of copper raw materials. The market value of futures contracts is based on quoted market price at settlement or balance sheet date. The Group does not have significant outstanding copper futures contracts as at 31 December 2013 and 2012.

**(f) Fair value measurement****(i) Financial assets and liabilities measured at fair value****Fair value hierarchy**

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

**35 財務風險管理及金融工具的公平值 (續)****(e) 商品價格風險**

生產本集團產品所用的主要原材料為廢銅。本集團須承受因全球及地區性供求狀況而導致的原材料價格波動的風險。原材料價格波動可能對本集團的財務表現構成不利影響。本集團使用銅期貨合約減輕其所承受銅原材料價格波動的風險。期貨合約的市值是以結算或資產負債表日的市場報價為基準。本集團於2013年及2012年12月31日並無任何未平倉的重大銅期貨合約。

**(f) 公平值計量****(i) 按公平值計量的金融資產及負債****公平值架構**

下表呈列本集團金融工具的公平值，該等工具於報告期末按經常性基準計量，並分類為國際財務報告準則第13號公平值計量定義的三級公平值架構。將公平值計量分類的等級乃經參考以下估值方法所用輸入數據的可觀察性及重要性後釐定：

- 第1級估值：僅使用第1級輸入數據（即於計量日期同類資產或負債於活躍市場的未經調整報價）計量的公平值。
- 第2級估值：使用第2級輸入數據（即未能達到第1級的可觀察輸入數據）且並非使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為無市場數據的輸入數據。
- 第3級估值：使用重大不可觀察輸入數據計量的公平值。

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#### 35 Financial risk management and fair values of financial instruments (continued)

##### (f) Fair value measurement (continued)

##### (i) Financial assets and liabilities measured at fair value (continued)

##### Fair value hierarchy (continued)

There were no transfers between levels 1, 2 and 3 during the current and prior years.

##### Assets/(liabilities)

		2013 Level 1第1級 RMB'000人民幣千元	2012 Level 1第1級 RMB'000人民幣千元
Derivative financial instruments	衍生金融工具		
– Copper futures contracts	– 銅期貨合約	–	(3)
		Level 3第3級 RMB'000人民幣千元	Level 3第3級 RMB'000人民幣千元
Contingent consideration liabilities arising from business combination	產生自業務合併的或然代價負債	–	–

The movement during the current and prior years in the balance of Level 3 fair value measurement is as follows:

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
<b>Contingent consideration liabilities arising from a business combination</b>	<b>產生自業務合併的或然代價負債</b>		
At 1 January	於1月1日	–	1,880
Addition	增加	–	–
Changes in fair value recognised in profit or loss (note 6(b))	在損益中確認的公平值變動(附註6(b))	–	2,211
Settlement	結算日	–	(4,091)
At 31 December	於12月31日	–	–

#### 35 財務風險管理及金融工具的公平值(續)

##### (f) 公平值計量(續)

##### (i) 按公平值計量的金融資產及負債(續)

##### 公平值架構(續)

於本年度及過往年度，第1、2及3級之間並無轉撥。

##### 資產/(負債)

		2013 Level 1第1級 RMB'000人民幣千元	2012 Level 1第1級 RMB'000人民幣千元
Derivative financial instruments	衍生金融工具		
– Copper futures contracts	– 銅期貨合約	–	(3)
		Level 3第3級 RMB'000人民幣千元	Level 3第3級 RMB'000人民幣千元
Contingent consideration liabilities arising from business combination	產生自業務合併的或然代價負債	–	–

於本年度及過往年度在第3級公平值計量級別內的結餘變動如下：

		2013 RMB'000人民幣千元	2012 RMB'000人民幣千元
<b>Contingent consideration liabilities arising from a business combination</b>	<b>產生自業務合併的或然代價負債</b>		
At 1 January	於1月1日	–	1,880
Addition	增加	–	–
Changes in fair value recognised in profit or loss (note 6(b))	在損益中確認的公平值變動(附註6(b))	–	2,211
Settlement	結算日	–	(4,091)
At 31 December	於12月31日	–	–

**35 Financial risk management and fair values of financial instruments (continued)****(f) Fair value measurement (continued)****(i) Financial assets and liabilities measured at fair value (continued)****Fair value hierarchy (continued)**

The valuation technique used in the determination of fair values within Level 3 of the hierarchy, as well as the key unobservable inputs used in the valuation models is as follows:

Type	Valuation approach	Key unobservable inputs	Inter relationship inputs between key unobservable and fair value measurement
種類	估值方法	重要的不可觀察輸入值	重要的不可觀察輸入值與公平值計量之間的相互關係
Contingent consideration liabilities	The fair value is calculated by applying the income approach	<ul style="list-style-type: none"> <li>– Discount rate (7.14% to 8.03%)</li> <li>– A probability adjusted level of the cumulative net income of Xiangbei for the three-year period ended 31 December 2013</li> <li>– Valuation of Engen's ordinary shares</li> </ul>	The estimated fair value of contingent consideration liabilities is positively correlated to the estimated net income of Xiangbei and valuation of Engen's ordinary shares and negatively correlated to the discount rate
或然代價負債	公平值是應用收入法計算	<ul style="list-style-type: none"> <li>– 折現率（7.14%至8.03%）</li> <li>– 湘北於截至2013年12月31日止三年期的累計淨收入的可能經調整水平</li> <li>– 恩金普通股的估值</li> </ul>	或然代價負債的估計公平值與湘北的估計淨收入及恩金普通股的估值乃正面相關但與折現率乃負面相關

**(ii) Fair values of financial instruments carried at other than fair values**

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2013 and 2012.

**35 財務風險管理及金融工具的公平值（續）****(f) 公平值計量（續）****(i) 按公平值計量的金融資產及負債（續）****公平值架構（續）**

釐定第3級別內公平值所用的估值技術，以及估計模型所用的重要的不可觀察輸入值如下：

**(ii) 按公平值以外數據列賬的金融工具的公平值**

於2013年及2012年12月31日，按成本或攤銷成本列賬的金融工具賬面值均與其公平值並無重大差別。

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#### 35 Financial risk management and fair values of financial instruments (continued)

##### (g) Estimation of fair values

###### (i) Interest-bearing loans and borrowings

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments at the balance sheet date.

###### (ii) Derivatives

Copper futures contracts are measured using quoted prices in active markets for identical financial instruments.

#### 36 Business combinations

##### (a) Acquisition of Baohe Xinshiji

(i) On 30 November 2012, the Group entered into a sale and purchase agreement to acquire all of the equity interests of Baohe Xinshiji at a cash consideration of RMB30,000,000 from Sichuan Xinshiji and Baohe Fushan. Baohe Xinshiji was established in September 2012 and owned as to 80% by Sichuan Xinshiji and 20% by Baohe Fushan. The purpose of the acquisition is to extend the depth of the Group's copper business vertically in order to benefit from synergy effect from sale of power transmission and distribution cables. During the relevant periods, Sichuan Xinshiji was one of the customers for the Group's recycled copper products. The acquisition of Baohe Xinshiji was completed on 31 December 2012. The consideration was fully settled by the Group in March 2013.

(ii) The effect on turnover and net profit of the Group for the year ended 31 December 2012 as if the acquisition had occurred at the date of establishment of Baohe Xinshiji on 19 September 2012 is an increase of RMB71,442,000 and a decrease of RMB213,000 respectively.

#### 35 財務風險管理及金融工具的公平值 (續)

##### (g) 公平值的估算

###### (i) 計息貸款及借款

公平值是所估計的未來現金流量現值(按類似金融工具於結算日的現行市場利率折現計算)。

###### (ii) 衍生工具

銅期貨合約利用在活躍市場中相同金融工具的報價計量。

#### 36 業務合併

##### (a) 收購保和新世紀

(i) 於2012年11月30日，本集團訂立一份買賣協議，以現金代價人民幣30,000,000元向四川新世紀和保和富山收購保和新世紀的全部股權。保和新世紀於2012年9月成立，由四川新世紀擁有80%，保和富山擁有20%。收購的目的是為了垂直地擴展本集團銅業務的深度，從而受惠於銷售送配電纜帶來的協同效應。於有關期間，四川新世紀是，本集團再生銅產品的客戶之一。收購保和新世紀已於2012年12月31日完成。本集團已於2013年3月全數支付代價。

(ii) 假設收購於保和新世紀成立日期2012年9月19日已發生，對本集團截至2013年12月31日止年度營業額及純利的影響分別為增加人民幣71,442,000元及減少人民幣213,000元。

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## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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(iii) The estimated fair value of the assets acquired and liabilities assumed at the date of acquisition:

**36 業務合併 (續)****(a) 收購保和新世紀 (續)**

(iii) 於收購日期所收購資產及所承擔負債的估計公平值：

		Fair value 公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	8
Prepayment for property, plant and equipment	物業、廠房及設備的預付款	13,500
Intangible assets	無形資產	7,598
Inventories	存貨	262
Trade and other receivables	貿易及其他應收款項	55,525
Cash and cash equivalents	現金及現金等值項目	134
Trade and other payables	貿易及其他應付款項	(29,656)
Amount due to Sichuan Xinshiji	應付四川新世紀的款項	(16,797)
Current taxation	即期稅項	(787)
Identifiable net assets	可識別資產淨值	29,787
Goodwill	商譽	213
Total consideration	總代價	30,000
Cash and cash equivalents acquired and net cash inflow arising from the acquisition of Baohe Xinshiji	已收購的現金及現金等值項目及收購保和新世紀所產生的淨現金流	134

The goodwill arising from the acquisition of Baohe Xinshiji is mainly for the benefit of synergy effect of expansion into downstream copper cable business.

收購保和新世紀所產生的商譽主要是為擴張至下游銅纜業務的協同效應的好處。

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#### 36 Business combinations (continued)

##### (a) Acquisition of Baohe Xinshiji (continued)

- (iv) Prior to and in connection with the Group's acquisition of Baohe Xinshiji, Baohe Xinshiji entered into certain agreements with the relevant parties:

###### (a) Baohe Xinshiji Asset Transfer Agreements

Baohe Xinshiji entered into an asset transfer agreement with Sichuan Xinshiji on 21 September 2012, pursuant to which Sichuan Xinshiji agreed to transfer all of its production equipment and intangible assets to Baohe Xinshiji for a consideration of RMB30,000,000. As at 31 December 2012, the date of acquisition of Baohe Xinshiji, RMB10,000,000 of such assets have been transferred to Baohe Xinshiji which are taken into account in the fair value of the identifiable net assets acquired presented in note 36(a)(iii) above. In March 2013, Baohe Xinshiji entered into a supplemental agreement with Sichuan Xinshiji under which the consideration of RMB30,000,000 in respect of the asset transfer agreement will be adjusted if the relevant assets cannot be successfully transferred or installed. As at 31 December 2012, remaining commitment of RMB20,000,000 is included in the capital commitment of the Group disclosed in note 32(a).

#### 36 業務合併 (續)

##### (a) 收購保和新世紀 (續)

- (iv) 本集團在收購保和新世紀前及就此而言，保和新世紀曾與有關各方訂立若干協議：

###### (a) 保和新世紀資產轉讓協議

保和新世紀於2012年9月21日與四川新世紀簽訂一份資產轉讓協議，據此，四川新世紀同意轉讓其所有生產設備及無形資產予保和新世紀，代價為人民幣30,000,000元。於收購保和新世紀日期2012年12月31日，該等資產（金額為人民幣10,000,000元）已轉讓予保和新世紀，這已計入上文附註36(a)(iii)呈列的已收購可識別淨資產的公平值內。於2013年3月，保和新世紀與四川新世紀訂立一份補充協議，據此，倘相關資產無法順利轉移或安裝，則有關資產轉讓協議的代價人民幣30,000,000元將予以調整。於2012年12月31日，餘下承擔人民幣20,000,000元已包括在本集團的資本承擔內（誠如附註32(a)所披露）。

**36 Business combinations (continued)****(a) Acquisition of Baohe Xinshiji (continued)**

(iv) (continued)

**(b) Xinshiji processing Agreement**

Baohe Xinshiji entered into a processing agreement in September 2012, pursuant to which Sichuan Xinshiji was engaged as the contract manufacturer of Baohe Xinshiji pending the completion of Baohe Xinshiji facility. According to the processing agreement, Baohe Xinshiji has agreed to supply copper raw materials to Sichuan Xinshiji and Sichuan Xinshiji is agreed to source other ancillary raw materials and provide processing services to Baohe Xinshiji for a fee. The processing fees are negotiated and agreed between the parties on an order-by-order basis.

**(c) Baohe Xinshiji Project Investment Agreement**

Baohe Xinshiji and Baohe Fushan entered into an agreement (the "Baohe Xinshiji Project Investment Agreement") on 19 September 2012 in connection with the Baohe Xinshiji facility in the industrial park within the Youxian Economic Development Zone, Mianyang, Sichuan Province (the "Youxian Industrial Park"). Pursuant to the Baohe Xinshiji Project Investment Agreement, Baohe Fushan, as the administrator of the industrial park, agreed to assist Baohe Xinshiji in its application for the land use right certificate for a piece of land located in the Youxian Industrial Park. According to the Baohe Xinshiji Project Investment Agreement, the land will be granted with an estimated price of RMB21,000,000. Separately, Baohe Xinshiji agreed to pay an amount of RMB13,500,000 to Baohe Fushan as an infrastructure development fee.

**36 業務合併 (續)****(a) 收購保和新世紀 (續)**

(iv) (續)

**(b) 新世紀加工協議**

保和新世紀於2012年9月訂立加工協議，據此，在保和新世紀設施落成前，四川新世紀獲委聘為保和新世紀的合同製造商。根據加工協議，保和新世紀同意向四川新世紀供應銅原材料，而四川新世紀則同意採購其他原輔材料及向保和新世紀提供加工服務，並收取費用。加工費由訂約方按逐次訂單協議商定。

**(c) 保和新世紀項目投資協議**

保和新世紀及保和富山於2012年9月19日就位於四川省綿陽市游仙經濟開發區內的工業園（「游仙工業園」）的保和新世紀設施簽訂一份協議（「保和新世紀項目投資協議」）。根據保和新世紀項目投資協議，保和富山（作為工業園管理人）同意協助保和新世紀就一幅位於游仙工業園內的土地申請土地使用權證。根據保和新世紀項目投資協議，該土地將作價人民幣21,000,000元出讓。另外，保和新世紀同意向保和富山支付人民幣13,500,000元作為基礎設施發展費。



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### 財務報表附註

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#### 36 Business combinations (continued)

##### (a) Acquisition of Baohe Xinshiji (continued)

(iv) (continued)

(c) Baohe Xinshiji Project Investment Agreement (continued)

Furthermore, if Baohe Xinshiji pays taxes in excess of certain threshold in each of 2013, 2014 and 2015, Baohe Fushan has agreed to assist Baohe Xinshiji in obtaining subsidies from the government. Conversely, if Baohe Xinshiji does not meet such tax payment threshold, it may be required to pay an amount equivalent to the shortfall from the tax payment threshold.

As at 31 December 2012, the date of acquisition of Baohe Xinshiji, the infrastructure development fee of RMB13,500,000 had been paid to Baohe Fushan and is included in “prepayment for property, plant and equipment” in the summary of assets acquired and liabilities assumed presented above. The estimated cost of land in the amount of RMB21,000,000 is included in the capital commitments of the Group as at 31 December 2012 as disclosed in note 32(a).

In August 2013, Baohe Xinshiji and Baohe Fushan entered into a supplemental project investment agreement. Details of the arrangement, as supplemented, are summarised under paragraph headed “Business – Project Investment Agreements and Management Consultancy Agreements” in the Prospectus.

#### 36 業務合併 (續)

##### (a) 收購保和新世紀 (續)

(iv) (續)

(c) 保和新世紀項目投資協議 (續)

此外，若保和新世紀繳納的稅款超出2013年、2014年及2015年各年的若干門檻，保和富山已同意協助保和新世紀取得若干政府補貼。相反，若保和新世紀未能達到該納稅門檻，則須支付一筆相當於納稅門檻的不足額的款項。

於2012年12月31日，即保和新世紀收購日期，基礎設施發展費人民幣13,500,000元已支付予保和富山，並於上文所呈列的所收購資產及所承擔負債概要中計入「物業、廠房及設備的預付款」內。估計土地成本人民幣21,000,000元計入本集團於2012年12月31日的資本承擔內（如附註32(a)所披露）。

於2013年8月，保和新世紀與保和富山訂立一份補充項目投資協議。經補充安排的詳情概述於招股書「業務－項目投資協議及管理顧問協議」一段。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 36 Business combinations (continued)

#### (a) Acquisition of Baohe Xinshiji (continued)

(iv) (continued)

##### (d) Baohe Xinshiji Management Consultancy Agreement

Baohe Xinshiji and Baohe Fushan entered into the Baohe Xinshiji Management Consultancy Agreement on 19 September 2012 pursuant to which Baohe Fushan has agreed to provide various management consultancy services to Baohe Xinshiji, including handling government filings, applying for licenses and providing certain other consultancy services. In return, Baohe Xinshiji is required to pay Baohe Fushan an administrative fee and a consultancy fee which amounts to 20% and 30%, respectively, of all government grants and subsidies that Baohe Xinshiji obtained in connection with the Baohe Xinshiji facility.

The directors of the Company considered that the agreements that were in place at the date of the acquisition had been entered into by Baohe Xinshiji and the relevant parties under commercial terms. Accordingly, no separate assets or liabilities have been recognised in respect of these contractual arrangements under acquisition accounting.

### 36 業務合併 (續)

#### (a) 收購保和新世紀 (續)

(iv) (續)

##### (d) 保和新世紀管理顧問協議

保和新世紀與保和富山於2012年9月19日訂立保和新世紀管理顧問協議，據此，保和富山同意向保和新世紀提供各種管理顧問服務，包括辦理政府文件備案、申請牌照，以及提供若干其他顧問服務。作為回報，保和新世紀須向保和富山支付行政費及顧問費（有關金額分別為保和新世紀就保和新世紀設施取得的所有政府補助及補貼的20%及30%）。

本公司董事認為，於收購日期已經存在的協議乃保和新世紀與相關各方根據商業條款訂立，故此概無於收購會計處理下就該等合同安排確認任何個別資產或負債。

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

#### 36 Business combinations (continued)

##### (b) Acquisition of Baohe Taiyue

- (i) On 3 November 2011, Gushan, Engen and other shareholders of Engen entered into a sale and purchase agreement with Mr. Fan Dunxian and Ms. Wen Chunxiu, the then shareholders of Guangzhou Taiyue and both independent third parties at the time of the proposed acquisition, to acquire the equity interests of Guangzhou Taiyue. The purchase price payable included (i) RMB10,000,000; (ii) the issuance of shares of Engen representing up to 10.63% of the total issued share capital of Engen at the price of US\$3,246,000 to the sellers; and (iii) the issuance of up to 20 million shares of Gushan at the price of HK\$200 in total to the sellers. Subsequently and as a result of the privatisation proposal of Gushan, the parties agreed to terminate the sale and purchase agreement on 29 May 2012 as a significant portion of the proposed purchase price of Guangzhou Taiyue was to be in the form of shares of Gushan, which would no longer be liquid upon the completion of the privatisation, the parties agreed to terminate the sale and purchase agreement on 29 May 2013. Subsequent to the completion of the privatisation of Gushan, the Group entered into a sale and purchase agreement on 30 November 2012 to acquire all of the equity interests of Baohe Taiyue at a cash consideration of RMB30,000,000 from Guangzhou Taiyue and Baohe Fushan. Baohe Taiyue was established in August 2012 and owned as to 80% by Guangzhou Taiyue and 20% by Baohe Fushan. The purpose of the acquisition is to extend the depth of the Group's copper business vertically in order to benefit from synergy effect from sale of communication cables. Guangzhou Taiyue is one of the Group's customers for its recycled copper products. The acquisition of Baohe Taiyue was completed on 31 December 2012. The consideration was fully settled by the Group in March 2013.
- (ii) The effect on turnover and net profit of the Group for the year ended 31 December 2012 as if the acquisition had occurred at the date of establishment of Baohe Taiyue on 13 August 2012 is an increase of RMB6,972,000 and a decrease of RMB248,000 respectively.

#### 36 業務合併(續)

##### (b) 收購保和泰越

- (i) 於2011年11月3日，古杉、恩金及其他恩金股東與范敦現先生及溫春秀女士(當時的廣州泰越股東及兩人於建議收購當時均為獨立第三方)簽訂買賣協議，以收購廣州泰越的股權。應付的購買價包括(i)人民幣10,000,000元；(ii)向賣方發行最多佔恩金全部已發行股本10.63%的恩金股份，作價3,246,000美元；及(iii)向賣方發行最多20,000,000股古杉股份，作價合共200港元。其後由於古杉私有化建議，訂約方於2012年5月29日同意終止買賣協議，因為廣州泰越的建議購買價的重大部分須以古杉股份形式支付，而古杉於私有化完成後將不再有流動性，因此，訂約方於2013年5月29日同意終止買賣協議。古杉私有化完成後，本集團於2012年11月30日訂立一份買賣協議，以現金代價人民幣30,000,000元向廣州泰越和保和富山收購保和泰越的全部股權。保和泰越於2012年8月成立，由廣州泰越擁有80%，保和富山擁有20%。收購的目的是為了垂直地擴展本集團銅業務的深度，從而受惠於銷售通信電纜帶來的協同效應。廣州泰越是本集團再生銅產品的客戶之一。收購保和泰越已於2012年12月31日完成。本集團已於2013年3月全數支付代價。
- (ii) 假設收購於保和泰越成立日期2012年8月13日已發生，對本集團截至2012年12月31日止年度營業額及純利的影響分別為增加人民幣6,972,000元及減少人民幣248,000元。

**36 Business combinations (continued)****(b) Acquisition of Baohe Taiyue (continued)**

(iii) The estimated fair value of the assets acquired and liabilities assumed at the date of acquisition:

		<b>Fair value</b>
		公平值
		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,148
Prepayment for property, plant and equipment	物業、廠房及設備的預付款	9,005
Intangible assets	無形資產	3,370
Inventories	存貨	832
Trade and other receivables	貿易及其他應收款項	8,626
Amount due from Mr. Fan Dunxian	應收范敦現先生的款項	3,190
Amount due from Guangzhou Taiyue	應收廣州泰越的款項	7,187
Cash and cash equivalents	現金及現金等值項目	18
Trade and other payables	貿易及其他應付款項	(4,496)
Current taxation	即期稅項	(128)
Identifiable net assets	可識別淨資產	29,752
Goodwill	商譽	248
Total consideration	總代價	30,000
Cash and cash equivalents acquired and net cash inflow arising from the acquisition of Baohe Taiyue	已收購的現金及現金等值項目及收購保和泰越所產生的淨現金流入	18

The goodwill arising from the acquisition of Baohe Taiyue is mainly for the benefit of synergy effect of expansion into the downstream copper cable business.

**36 業務合併 (續)****(b) 收購保和泰越 (續)**

(iii) 於收購日期所收購資產及所承擔負債的估計公平值：

收購保和泰越所產生的商譽主要是為擴張至下游銅纜業務的協同效應的好處。

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#### 36 Business combinations (continued)

##### (b) Acquisition of Baohe Taiyue (continued)

- (iv) Prior to and in connection with the Group's acquisition of Baohe Taiyue, Baohe Taiyue entered into certain agreements with the relevant parties:

###### (a) Baohe Taiyue Asset Transfer Agreement

Baohe Taiyue entered into an asset transfer agreement with Guangzhou Taiyue on 24 September 2012, pursuant to which Guangzhou Taiyue agreed to transfer all of its production equipment and intangible assets to Baohe Taiyue for a consideration of RMB30,000,000. As at 31 December 2012, the date of acquisition of Baohe Taiyue, RMB10,000,000 of such assets have been transferred to Baohe Taiyue, which are taken into account of the fair value in the identifiable net assets acquired presented in note 36(b)(iii) above. In March 2013, Baohe Taiyue entered into a supplemental agreement with Guangzhou Taiyue under which the consideration of RMB30,000,000 in respect of the asset transfer agreement will be adjusted if the relevant assets cannot be successfully transferred or installed. As at 31 December 2012, remaining commitment of RMB20,000,000 is included in the capital commitment of the Group disclosed in note 32(a).

###### (b) Taiyue Processing Agreements

Baohe Taiyue entered into a series of processing agreements with Guangzhou Taiyue in November 2012. Guangzhou Taiyue is engaged as the contract manufacturer for production of Baohe Taiyue's communication cable products pending the completion of Baohe Taiyue facility. The processing fees are negotiated and agreed between the parties on an order-by-order basis.

#### 36 業務合併 (續)

##### (b) 收購保和泰越 (續)

- (iv) 本集團在收購保和泰越前及就此而言，保和泰越曾與有關各方訂立若干協議：

###### (a) 保和泰越資產轉讓協議

保和泰越於2012年9月24日與廣州泰越簽訂一份資產轉讓協議，據此，廣州泰越同意轉讓其所有生產設備及無形資產予保和泰越，代價為人民幣30,000,000元。於收購保和泰越日期2012年12月31日，該等資產（金額為人民幣10,000,000元）已轉讓予保和泰越，這已計入上文附註36(b)(iii)呈列的已收購可識別淨資產的公平值內。於2013年3月，保和泰越與廣州泰越訂立一份補充協議，據此，倘相關資產無法順利轉移或安裝，則有關資產轉讓協議的代價人民幣30,000,000元將予以調整。於2012年12月31日，餘下承擔人民幣20,000,000元已包括在本集團的資本承擔內（誠如附註32(a)所披露）。

###### (b) 泰越加工協議

保和泰越於2012年11月與廣州泰越訂立一系列加工協議。在保和泰越設施落成前，廣州泰越獲委聘為合同製造商，以生產保和泰越的通信電纜產品。加工費由訂約方按逐次訂單協商議定。

**36 Business combinations (continued)****(b) Acquisition of Baohe Taiyue (continued)**

(iv) (continued)

**(c) Baohe Taiyue Project Investment Agreement**

Baohe Taiyue and Baohe Fushan entered into an agreement (the "Baohe Taiyue Project Investment Agreement") on 27 September 2012 in connection with the Baohe Taiyue facility in the Youxian Industrial Park. Pursuant to the Baohe Taiyue Project Investment Agreement, Baohe Fushan, as the administrator of the industrial park, agreed to assist Baohe Taiyue in its application for the land use right certificate for a piece of land located in the Youxian Industrial Park. According to the Baohe Taiyue Project Investment Agreement, the land will be granted with an estimated price of RMB14,000,000. Separately, Baohe Taiyue agreed to pay an amount of RMB9,000,000 to Baohe Fushan as an infrastructure development fee.

Furthermore, if Baohe Taiyue pays taxes in excess of certain threshold in each of 2013, 2014 and 2015, Baohe Fushan has agreed to assist Baohe Taiyue in obtaining certain subsidies from the government. Conversely, if Baohe Taiyue does not meet such tax payment threshold, it may be required to pay an amount equivalent to the shortfall from the tax payment threshold.

As at 31 December 2012, the date of acquisition of Baohe Taiyue, the initial infrastructure development fee of RMB9,000,000 had been paid to Baohe Fushan and is included in "prepayment for property, plant and equipment" in the summary of assets acquired and liabilities assumed presented above. The estimated cost of land in the amount of RMB14,000,000 is included in the capital commitment of the Group as at 31 December 2012 as disclosed in note 32(a).

**36 業務合併 (續)****(b) 收購保和泰越 (續)**

(iv) (續)

**(c) 保和泰越項目投資協議**

保和泰越及保和富山於2012年9月27日就位於游仙工業園的保和泰越設施簽訂一份協議(「保和泰越項目投資協議」)。根據保和泰越項目投資協議，保和富山(作為工業園管理人)同意協助保和泰越就一幅位於游仙工業園內的土地申請土地使用權證。根據保和泰越項目投資協議，該土地將作價約人民幣14,000,000元出讓。另外，保和泰越同意向保和富山支付人民幣9,000,000元作為基礎設施發展費。

此外，若保和泰越繳納的稅款超出2013年、2014年及2015年各年的若干門檻，保和富山已同意協助保和泰越取得若干政府補貼。相反，若保和泰越未能達到該納稅門檻，則須支付一筆相當於納稅門檻的不足額的款項。

於2012年12月31日，即保和泰越收購日期，初步基礎設施發展費人民幣9,000,000元已支付予保和富山，並於上文所呈列的所收購資產及所承擔負債概要中計入「物業、廠房及設備的預付款」內。估計土地成本人民幣14,000,000元計入本集團於2012年12月31日的資本承擔內(如附註32(a)所披露)。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 36 Business combinations (continued)

#### (b) Acquisition of Baohe Taiyue (continued)

(iv) (continued)

(c) Baohe Taiyue Project Investment Agreement (continued)

In August 2013, Baohe Taiyue and Baohe Fushan entered into a supplemental project investment agreement. Details of the supplemental agreement are set out in paragraph headed “Business – Project Investment Agreements and Management Consultancy Agreements” in the Prospectus.

(d) Baohe Taiyue Management Consultancy Agreement

Baohe Taiyue and Baohe Fushan entered into the Baohe Taiyue Management Consultancy Agreement on 27 September 2012 pursuant to which Baohe Fushan has agreed to provide various management consultancy services to Baohe Taiyue, including handling government filings, applying for licenses and providing certain other consultancy services. In return, Baohe Taiyue is required to pay Baohe Fushan an administrative fee and a consultancy fee which amounts to 20% and 30%, respectively, of all government grants and subsidies that Baohe Taiyue obtained in connection with the Baohe Taiyue facility.

The directors of the Company considered that the agreements that were in place at the date of acquisition had been entered into by Baohe Taiyue and the relevant parties under commercial terms. Accordingly, no separate assets or liabilities have been recognised in respect of these contractual arrangements under acquisition accounting.

### 36 業務合併 (續)

#### (b) 收購保和泰越 (續)

(iv) (續)

(c) 保和泰越項目投資協議 (續)

於2013年8月，保和泰越與保和富山訂立一份補充項目投資協議。補充協議的詳情載於招股書「業務 – 項目投資協議及管理顧問協議」一段。

(d) 保和泰越管理顧問協議

保和泰越與保和富山於2012年9月27日訂立保和泰越管理顧問協議，據此，保和富山同意向保和泰越提供各種管理顧問服務，包括辦理政府文件備案、申請牌照，以及提供若干其他顧問服務。作為回報，保和泰越須向保和富山支付行政費及顧問費（有關金額分別為保和泰越就保和泰越設施取得的所有政府補助及補貼的20%及30%）。

本公司董事認為，於收購日期已經存在的協議乃保和泰越與相關各方根據商業條款訂立，故此概無於收購會計處理下就該等合同安排確認任何個別資產或負債。



### 37 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2013

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2013 and which have not been adopted in the financial statements. These include the following which may be relevant to the Group.

### 37 已頒佈但尚未於截至2013年12月31日止年度生效的修訂、新準則及詮釋可能產生的影響

截至本財務報表刊發日期，國際會計準則理事會已頒佈多項於截至2013年12月31日止年度尚未生效且本財務報表中並無採納的修訂、新準則及詮釋。該等包括以下或會與本集團有關的修訂、準則及詮釋。

		Effective for accounting periods beginning on or after 於下列日期或之後開始的 會計期間生效
Amendments to IFRS 10, IFRS 12 and IAS 27, <i>Investment entities</i>	國際財務報告準則第10號、國際財務報告準則 第12號及國際會計準則第27號修訂本， <i>投資實體</i>	1 January 2014 2014年1月1日
Amendments to IAS 32, <i>Financial instruments: Presentation Offsetting financial assets and financial liabilities</i>	國際會計準則第32號修訂本， <i>金融工具：</i> <i>呈列－金融資產及金融負債抵銷</i>	1 January 2014 2014年1月1日
Amendments to IAS 36, <i>Recoverable amount disclosures for non-financial assets</i>	國際會計準則第36號修訂本， <i>非金融資產的 可收回金額披露</i>	1 January 2014 2014年1月1日
Amendments to IAS 39, <i>Notation of derivatives and continuation of hedge accounting</i>	國際會計準則第39號修訂本， <i>更替衍生工具及 對沖會計的延續</i>	1 January 2014 2014年1月1日
IFRIC 21, <i>Levies</i>	國際財務報告詮釋委員會詮釋第21號， <i>徵費</i>	1 January 2014 2014年1月1日

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團正在評估該等修訂、新準則及新詮釋於初次應用期間預期產生的影響。迄今其結論為採納該等修訂、新準則及新詮釋不大可能會對本集團的經營業績及財務狀況構成重大影響。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有註明者外，以人民幣列值)

### 38 Subsequent events

The following significant events took place subsequent to 31 December 2013:

#### (a) Listing of the Company's shares

On 21 February 2014, the shares of the Company became listed on the Main Board of the Stock Exchange, pursuant to which 525,001,600 ordinary shares of HK\$0.1 each were issued at a price of HK\$1.13 per share by the Company. The total gross proceeds from the issue of these shares amounted to HK\$593,252,000 (approximately RMB474,602,000).

On 18 March 2014, 6,824,000 ordinary shares of HK\$0.1 each were issued at a price of HK\$1.13 per share by the Company pursuant to the partial exercise of the over-allotment option by the sole global coordinator. The total gross proceeds from the issue of these shares amounted to HK\$7,711,000 (approximately RMB6,169,000).

#### (b) Capitalisation issue

On 21 February 2014, the Company capitalised an amount of HK\$156,208,000 (approximately RMB124,966,000) standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par of 1,562,082,000 shares, each of which to be allotted and issued to the shareholders of the Company appearing on the register of members of the Company on 28 January 2014 in proportion to their respective shareholding.

### 38 後續事件

下列重大事件於2013年12月31日後發生：

#### (a) 本公司股份上市

於2014年2月21日，本公司股份於聯交所主板上市。據此，本公司按每股股價1.13港元發行525,001,600股每股面值0.1港元的普通股。經由發行該等股份所得款項總額為593,252,000港元（約人民幣474,602,000元）。

於2014年3月18日，根據獨家全球協調人部分行使的超額配股權，本公司按每股股價1.13港元發行6,824,000股每股面值0.1港元的普通股。經由發行該等股份所得款項總額為7,711,000港元（約人民幣6,169,000元）。

#### (b) 資本化發行

於2014年2月21日，本公司將股份溢價賬的進賬額156,208,000港元（約人民幣124,966,000元）撥充資本，並將有關款項用以按面值全數繳足1,562,082,000股股份，該等股份將按本公司股東各自的股權比例配發及發行予於2014年1月28日名列本公司股東名冊的股東。

# Four Year Financial Summary

## 四年財務概要

A summary of the audited consolidated results and assets and liabilities of the Group for the last four years is set out below

本集團過往四個年度的經審核綜合業績及資產及負債概要載列如下

### Results

### 業績

		Years ended 31 December 截至12月31日止年度			Period from 6 August 2010 to 31 December 2010 2010年8月6日 至2010年 12月31日期間
		2013 RMB'000 人民幣千元	2012 RMB'000 人民幣千元	2011 RMB'000 人民幣千元	RMB'000 人民幣千元
Turnover	營業額	<b>2,959,004</b>	1,513,133	1,396,375	205,059
Cost of sales	銷售成本	<b>(2,828,880)</b>	(1,401,445)	(1,321,586)	(191,697)
Gross profit	毛利	<b>130,124</b>	111,688	74,789	13,362
Other revenue	其他收益	<b>280,565</b>	55,886	28,575	2,276
Other net income/(loss)	其他淨收入／(虧損)	<b>428</b>	(1,509)	2,412	26
Selling and distribution expenses	銷售及分銷開支	<b>(9,107)</b>	(5,927)	(4,227)	(1,311)
Administrative expenses	行政開支	<b>(63,640)</b>	(20,413)	(22,553)	(1,360)
Profit from operations	經營溢利	<b>338,370</b>	139,725	78,996	12,993
Finance costs	財務成本	<b>(33,330)</b>	(16,850)	(11,920)	(720)
Profit before taxation	稅前溢利	<b>305,040</b>	122,875	67,076	12,273
Income tax	所得稅	<b>(59,492)</b>	(30,583)	(18,396)	(2,899)
Profit for the period/year	期／年內溢利	<b>245,548</b>	92,292	48,680	9,374
Exchange differences on translation of financial statements of non-PRC entities	換算非中國實體財務報表的匯兌差異	<b>4,935</b>	(72)	7,222	285
Total comprehensive income for the period/year	期／年內全面收益總額	<b>250,483</b>	92,220	55,902	9,659

## Four Year Financial Summary 四年財務概要

### Assets and Liabilities

### 資產及負債

		At 31 December 於12月31日			
		2013	2012	2011	2010
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	<b>1,694,092</b>	993,035	598,576	312,610
Total liabilities	總負債	<b>(1,081,287)</b>	(694,713)	(476,912)	(269,658)
Net assets	淨資產	<b>612,805</b>	298,322	121,664	42,952

Notes:

附註：

- The financial information of the Group for the period ended 31 December 2010, and years ended 31 December 2011 and 31 December 2012 are extracted from the accountants' report of the Group as set out on Appendix I to the Prospectus.
- 本集團截至2010年12月31日止期間及截至2011年12月31日及2012年12月31日止年度的財務資料乃摘錄自招股書附錄一所載的本集團的會計師報告。

## Directors

### Executive Directors

Mr. Yu Jianqiu  
Mr. Liu Hanjiu  
Mr. Kwong Wai Sun Wilson  
Mr. Huang Weiping  
Madam Zhu Yufen

### Independent Non-executive Directors

Mr. Lee Ting Bun Denny  
Mr. Pan Liansheng  
Madam Liu Rong

## Audit and Corporate Governance Committee

Mr. Lee Ting Bun Denny (*Chairperson*)  
Mr. Pan Liansheng  
Madam Liu Rong

## Registered Office

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## Head Office in the PRC

She Nos 1, 3 and 8  
Shunhe Village, Xiaojiangou Town  
Youxian District  
Mianyang  
Sichuan Province  
China

## Place of Business in Hong Kong

Unit 908, China Merchants Tower  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

## Company Secretary

Mr. Cheung Ying Kwan

## Auditors

KPMG  
*Certified Public Accountants*

## 董事

### 執行董事

俞建秋先生  
劉漢玖先生  
鄺偉信先生  
黃偉萍先生  
朱玉芬女士

### 獨立非執行董事

李廷斌先生  
潘連勝先生  
劉蓉女士

## 審核及企業管治委員會

李廷斌先生 (*主席*)  
潘連勝先生  
劉蓉女士

## 註冊辦事處

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## 中國總辦事處

中國  
四川省  
綿陽  
游仙區  
小觀溝鎮  
順河村1、3及8社

## 香港營業地點

香港  
上環  
干諾道中168-200號  
招商局大廈908室

## 公司秘書

張應坤先生

## 核數師

畢馬威會計師事務所  
*執業會計師*

## Corporate Information

### 公司資料

#### Remuneration Committee

Mr. Pan Liangsheng (*Chairperson*)  
Mr. Lee Ting Bun Denny  
Madam Liu Rong

#### Nomination Committee

Madam Liu Rong (*Chairperson*)  
Mr. Lee Ting Bun Denny  
Mr. Pan Liansheng

#### Authorized Representatives Pursuant to the Listing Rules

Mr. Kwong Wai Sun Wilson  
Mr. Cheung Ying Kwan

#### Principal Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

#### Hong Kong Branch Share Registrar and Transfer Office

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

#### Compliance Adviser

Fortune Financial Capital Limited

#### Principal Bankers

Industrial and Commercial Bank of China  
Mianyang Commercial Bank

#### Company Website

<http://www.cmru.com.cn>

#### Stock Code

1636

#### 薪酬委員會

潘連勝先生 (主席)  
李廷斌先生  
劉蓉女士

#### 提名委員會

劉蓉女士 (主席)  
李廷斌先生  
潘連勝先生

#### 根據上市規則的授權代表

鄭偉信先生  
張應坤先生

#### 股份過戶登記總處

Codan Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

#### 香港股份過戶登記分處

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至1716室

#### 合規顧問

富強金融資本有限公司

#### 主要往來銀行

中國工商銀行  
綿陽市商業銀行

#### 公司網站

<http://www.cmru.com.cn>

#### 股份代號

1636



**China Metal Resources Utilization Limited**  
**中國金屬資源利用有限公司**