



ZMJ

Zhengzhou Coal Mining Machinery Group Company Limited 鄭州煤礦機械集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號：00564

Annual Report
年報 **2016**



Corporate Profile 公司簡介

Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**” or “**ZMJ**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 28 December 2008 as a joint stock company with limited liability. The Company’s A Shares were listed on the Shanghai Stock Exchange on 3 August 2010. The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 December 2012.

The Company is a leading comprehensive coal mining and excavating equipment manufacturer in the PRC. It focuses on the manufacturing and sales of hydraulic roof supports, and is the largest hydraulic roof support manufacturer in the PRC. The Company is also engaged in the trading of steel and other raw materials primarily through its wholly-owned subsidiaries. The Company’s established operating history, high quality products, strong research and development capabilities, advanced manufacturing processes and extensive sales and service network are the keys to its success and enable it to maintain its leading position in the PRC coal mining and excavating equipment market.

鄭州煤礦機械集團股份有限公司(「**本公司**」或「**公司**」或「**鄭煤機**»)於2008年12月28日在中華人民共和國(「**中國**」)註冊成立為股份制有限責任公司。本公司的A股於2010年8月3日在上海證券交易所上市。本公司於2012年12月5日在香港聯合交易所有限公司(「**聯交所**」)上市。

本公司為中國領先的煤炭綜採綜掘設備製造商，致力於生產及銷售液壓支架，是中國最大的液壓支架製造商。本公司亦透過附屬公司從事鋼鐵及其他原料貿易業務。本公司悠久的經營歷史、優質產品、強勁的研發能力、先進的製造流程及龐大的銷售及服務網絡乃是公司達到成功的關鍵，並使公司能夠維持在中國煤炭採掘設備市場的領導地位。





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Corporate Information 公司資料

Directors

Mr. Jiao Chengyao (*Chairman and Executive Director*)
Mr. Xiang Jiayu (*Vice Chairman and Executive Director*)
Mr. Wang Xinying (*Executive Director*)
Mr. Guo Haofeng (*Executive Director*)
Mr. Liu Qiang (*Executive Director*)
Ms. Liu Yao (*Independent Non-executive Director*)
Mr. Jiang Hua (*Independent Non-executive Director*)
Mr. Li Xudong (*Independent Non-executive Director*)
Mr. Wu Guangming (*Independent Non-executive Director*)

Supervisors

Mr. Li Chongqing
Mr. Zhang Zhiqiang
Mr. Zhou Rong
Mr. Liu Fuying
Mr. Ni Heping
Ms. Xu Mingkai
Mr. Jia Jingcheng (deceased in January 2016)
Mr. Zhang Jun (appointed on 26 February 2016)

Auditors

International auditors:
Deloitte Touche Tohmatsu
35th Floor, One Pacific Place
88 Queensway
Hong Kong

Domestic auditors:
BDO CHINA SHU LUN PAN
Certified Public Accountants LLP
4th Floor, Nanjing East Road No. 61, Shanghai, 200002

Principal Place of Business in Hong Kong

18/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Registered Office in the PRC

No. 167, 9th Street
Econ-Tech Development Zone, Zhengzhou
Henan Province
PRC

Headquarter in the PRC

No. 167, 9th Street
Econ-Tech Development Zone, Zhengzhou
Henan Province
PRC

Company's Website

www.zzmj.com

H Share Registrar

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

董事

焦承堯先生(*董事長兼執行董事*)
向家雨先生(*副董事長兼執行董事*)
王新瑩先生(*執行董事*)
郭昊峰先生(*執行董事*)
劉強先生(*執行董事*)
劉堯女士(*獨立非執行董事*)
江華先生(*獨立非執行董事*)
李旭冬先生(*獨立非執行董事*)
吳光明先生(*獨立非執行董事*)

監事

李重慶先生
張志強先生
周榮先生
劉付營先生
倪和平先生
徐明凱女士
賈景程先生(於二零一六年一月去世)
張軍先生(於二零一六年二月二十六日獲委任)

核數師

國際：
德勤•關黃陳方會計師行
香港
金鐘道88號
太古廣場一期35樓

境內：
立信會計師事務所(特殊普通合夥)
上海市南京東路61號4樓
郵編：200002

香港主要營業地點

香港灣仔
皇后大道東28號
金鐘匯中心18樓

中國註冊辦事處

中國河南省鄭州市
經濟技術開發區
第九大街167號

中國總辦事處

中國河南省鄭州市
經濟技術開發區
第九大街167號

公司網站

www.zzmj.com

H股股份登記處

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

A Share Registrar

Shanghai Branch of China Securities Depository and Clearing Corporation Limited
36/F, China Insurance Building
No. 166 Lujiazui East Road,
Pudong New District
Shanghai

Stock Code

H Share: 00564
A Share: 601717 (Shanghai Stock Exchange)

Principal Banks

Industrial and Commercial Bank of China
Jianshe Road Branch, Zhengzhou
No. 11 West Jianshe Road
Zhengzhou, Henan Province
PRC

Bank of China
Longxi Branch, Zhengzhou
No. 62 Huaihe Road, Zhengzhou
Henan Province
PRC

Company Secretary

Mr. Zhang Haibin
Ms. Chan Yin Wah (*assistant to Company Secretary*)

Strategy Committee

Mr. Jiao Chengyao (*Chairman*)
Mr. Xiang Jiayu
Mr. Wang Xinying
Mr. Guo Haofeng
Mr. Wu Guangming

Audit Committee

Mr. Li Xudong (*Chairman*)
Ms. Liu Yao
Mr. Jiang Hua

Nomination Committee

Mr. Jiang Hua (*Chairman*)
Mr. Liu Qiang
Ms. Liu Yao

Remuneration and Assessment Committee

Mr. Wu Guangming (*Chairman*)
Mr. Wang Xinying
Ms. Liu Yao

Authorized Representatives

Mr. Jiao Chengyao
Mr. Zhang Haibin

Legal Advisers

As to Hong Kong law:
Clifford Chance

As to PRC law:
Zhong Lun Law Firm

A股股份登記處

中國證券登記結算有限責任公司
上海分公司
上海市
浦東新區陸家嘴東路166號
中國保險大廈36樓

股份代碼

H股00564
A股601717(上海證券交易所)

主要往來銀行

中國工商銀行
鄭州市建設路支行
中國
河南省
鄭州市建設西路11號

中國銀行
鄭州市隴西支行
中國
河南省
鄭州市淮河路62號

公司秘書

張海斌先生
陳燕華女士(*公司秘書助理*)

戰略委員會

焦承堯先生(*主席*)
向家雨先生
王新瑩先生
郭昊峰先生
吳光明先生

審計委員會

李旭冬先生(*主席*)
劉堯女士
江華先生

提名委員會

江華先生(*主席*)
劉強先生
劉堯女士

薪酬與考核委員會

吳光明先生(*主席*)
王新瑩先生
劉堯女士

授權代表

焦承堯先生
張海斌先生

法律顧問


香港法律:
高偉紳律師行

中國法律:
中倫律師事務所



Chairman's Statement 董事長報告書

Dear Shareholders,



I am pleased, on behalf of the board of directors (the “Board”) of Zhengzhou Coal Mining Machinery Group Company Limited, to present the annual report of the Group for the period from 1 January 2016 to 31 December 2016 (the “2016 Annual Report”).

Jiao Chengyao

Chairman

各位股東：

我謹代表鄭州煤礦機械集團股份有限公司董事會（「董事會」）欣然呈報本集團二零一六年一月一日至二零一六年十二月三十一日的年度報告（「二零一六年度報告」）。

焦承堯
董事長





Dear Shareholders,

In 2016, under the complicated circumstance of prolonged slowdown of macroeconomic growth, the constantly destocking of the coal industry and the constant shrinkage of the coal mining machinery market, and in line with the annual goal of “securing collection of receivables while stabilizing the market, uplifting efficiency for survival, adjusting structure for corporate transformation, and intensifying reforms while seeking innovation”, ZMJ took a key step forward towards its transformation. Key efforts were made to intensify reform and foster industrial transformation. Advocating its diversified array of sales modes and probing potentials for cost reduction, the Company achieved stable production operation. Under the condition of continual fall of major operation indicators and overall loss-making position of the whole industry, net profit attributable to the parent increased by 46.92% year-on-year. In 2016, the Company once again withstood a severe test and accumulated power to resist a winter of the industry.

尊敬的股東：

2016年，在宏觀經濟增速持續放緩、煤炭行業持續去產能、煤機市場持續萎縮的複雜形勢下，鄭煤機緊緊圍繞「回資金穩市場、提效率求生存、調結構促轉型、深改革謀創新」的年度方針目標，邁出了轉型升級的關鍵一步，重點推進深化改革和產業轉型，對外推廣多元化營銷模式，對內深挖潛力降成本，總體生產經營較為平穩。在主要經營指標持續下滑、全行業整體虧損的情況下，歸屬於母公司淨利潤同比增加46.92%。2016年，公司再一次經受住了嚴峻考驗，為抵禦行業寒冬積蓄了力量。



I. Discussion and analysis of the operation of the Company during the reporting period

- (1) Substantial progress was made in the Company's industrial transformation, outlining the rough shape of a dual-driven pattern

In 2016, the Company acquired six auto parts companies under ASIMCO Group through issuing shares and cash payment, at a consideration of RMB2.2 billion. The acquisition obtained approval from China Securities Regulatory Commission on 28 December 2016. As at the date of disclosure of this report, we have completed share transfer in respect of the target companies and registration of share issuance. Upon completion of the acquisition, the Company has duly entered the auto parts market of a scale of RMB1 trillion, forming the two principal businesses of coal mining machinery and auto parts.

- (2) Collection of debts by various means proved to be effective, while innovative sales mode achieved breakthroughs amidst adversity

For the domestic market, we stepped up efforts of collection of receivables and strengthened collection and assessment of long-overdue amounts, gradually recovering such long-standing debts. Through risk control we eliminated new risky arrears. We expanded capital return channels through developing initiatives returning of developers, participation of leaders in returning, netting off of accounts, legal means and full clearance initiative. In 2016, amount of collection of receivables increased by 4.24% year-on-year. By strengthening information collection and management, we fully utilized the Company's brand advantages and market advantage of strategic cooperation users. Through promoting new sales modes such as finance lease, life cycle service etc, we facilitated customer orientation procurement, consolidated market share and optimized customer structure. In 2016, bid winning rate of negotiable bidding projects engaged increased by 8.82%, maintaining a relatively high market share.

In relation to international market, sales orders increased by 121.52% year-on-year in 2016. Supports sold to the United States were delivered to coal sites and started coal mining, signifying a ground-breaking progress where a Chinese coal mining machinery manufacturer taps the high-end segment of the American market for the first time ever. The bulk sale of upright posts to Australia was delivered successfully, thereby entering Australia's high-end market. Russian Chinese Paradise classes were successfully launched and achieved innovation in international sales modes. With 100% ratio of achieving designed capacity, we are the only comprehensive coal mining machinery supplier in Vietnamese market to have such attainment. India Mo Nidi project achieved output according to the planned output, eliminating long-term worries of Indian coal industry about failure of longwall comprehensive coal mining technology to operate successfully in India.

一、關於報告期內公司經營情況討論與分析

- (1) 產業轉型取得實質進展，雙輪驅動格局初步構建

2016年，公司以發行股份及支付現金的方式收購亞新科集團旗下6家汽車零部件公司，交易對價為22億元人民幣。本次收購於2016年12月28日取得中國證監會的核准批文，截至本報告披露日，已完成標的公司交割過戶與股份發行登記手續。本次收購完成後，公司正式跨入萬億級別的汽車零部件市場，形成煤礦機械和汽車零部件兩大主業。

- (2) 多元回款方式成效顯著，創新銷售模式逆勢突破

國內市場方面，加大應收賬款回款力度，加強對長期欠款催收與考核，實現老款逐步回籠，通過風險管控，杜絕新增風險欠款。通過開發員主動回款、領導參與回款、抹賬回款、法務回款、清零回款等多種回款方式，拓寬資金回籠渠道，2016年回款金額同比增長4.24%。通過加強信息收集管理，充分發揮公司品牌優勢和戰略合作用戶的市場優勢，推廣融資租賃、全壽命周期服務等新的銷售模式，促進客戶定向採購，鞏固市場佔有率，優化客戶結構，2016年參加招議標項目中標率同比增長8.82%，保持了較高的市場佔有率。

國際市場方面，2016年訂貨同比增長121.52%。美國支架發運到礦，並開始試採，實現中國製造在美國高端煤機市場零的突破；澳大利亞批量立柱順利交付，成功進入澳洲高端市場；俄羅斯漢語樂園開班，創新國際市場營銷新模式；以100%的達產率成為越南市場唯一實現達產的綜採設備供應商；印度穆尼迪項目按規劃產量成功產出，消除了印度煤炭行業長期以來對長壁綜採技術無法在印度成功運行的顧慮。

(3) Production methods continued to enhance, delivering products with steadily rising quality

We vigorously promoted centralized production with the goal of meeting customers' needs. Supply of materials for assembly in full set and on time was enforced. Manufacturing cycle of 100 units in 2016 shortened by 8.81% year on year compared with 2015. Product on-schedule delivery rate reached 100%. Production structure and layout were continually adjusted. Guided under the principle of streamlined production, we established an indicator system for production system evaluation.

By further strengthening measures such as quality control, process discipline, abnormality handling and after-sales service process standardization, product quality has been further improved. In 2016 internal quality loss decreased by 54.26% year on year and after-sales quality loss decreased by 17.88% year on year.

(4) Production technology and manufacturing processes improved steadily and key projects continued to have ground-breaking performance

Leveraging on the opportunities of exporting upright posts to Australia and roof supports to the United States, we established our design and development and manufacturing process system for ultra-high-end roof supports and reached a world-leading level. Roof supports to the United States market passed US test standard in 66,000 times pressure tests. Upright posts to the Australian market passed 36,000 cycle tests, far above European test standards. We completed Shenhua's order for the bulk production of and use in mine shaft of 8-meter supports and will create world record in annual production of raw coal on a single surface. We completed the design and production of 8.8-meter supports sample machine and renewed world record in hydraulic roof supports' work resistance and support height. We won first place with absolute advantage in expert assessment of 3 manufacturers.

We adjusted the organization structure of design research institute and set up branch research institutes and branch design institutes. We strengthened research and development and reserve of frontier technology and promoted the application of value engineering in design. N00 method, which was jointly developed by us and China University of Mining and Technology, was successfully applied in Shaanxi Coal Group's Ning Tiao Ta mine and started new exploration of mining technology reforms. We won 2 patent prizes in the second session of the China Coal Industry Patent Award. We obtained 14 authorized patents, of which 7 are invention patents and 7 are utility model patents.

(3) 生產組織方式持續優化，產品品質穩步提升

大力推行集中生產組織模式，以滿足客戶需求為前提，齊套性、準時化供總裝，2016年每百架製造周期較2015年同比下降8.81%，產品按期交付率100%。生產結構和布局持續調整。以精益思想為指導，建立生產系統評價指標體系。

通過進一步加強質量控制、工藝紀律、異常問題處置及售後服務流程標準化等措施，產品品質得到了進一步提升，2016年內部質量損失同比下降54.26%，售後質量損失同比下降17.88%。

(4) 產品技術與製造工藝技術穩步提升，重大攻關項目持續突破

以出口澳大利亞立柱、美國支架為契機，建立了超高端支架的設計研發和製造工藝體系，達到世界領先水平。美國支架通過美國試驗標準6.6萬次壓架試驗，澳大利亞立柱項目通過36,000次循環試驗，遠遠超過歐洲試驗標準。完成神華8米支架批量生產和下井，將創造單一工作面年產原煤產量世界紀錄；完成8.8米支架樣機設計生產，再次刷新液壓支架工作阻力、支護高度的世界紀錄，在三家樣機生產廠家專家評議中，以絕對優勢獲得第一名。

調整設計研究院組織架構，下設研究分院和設計分院，加強前沿技術的研發和儲備，促進價值工程在設計中應用。與中國礦大聯合開發的N00工法在陝煤集團檸條塔礦成功應用，開啟了新礦業技術變革的探索。獲得第二屆中國煤炭工業專利獎兩項；獲得授權專利14項，其中發明專利7項，實用新型專利7項。



(5) Operation and management was comprehensively refined; reduced cost and enhanced efficiency was further fostered

Based on profit assessment, we promoted exploration of potential in business value chain and effectively controlled cost and enhanced efficiency. Streamlined management continued to fortify. In 2016, the accumulated number of improvement proposals completed by different units totalled 9,103, and the rate of participation for improvement was 64.5%. We organized the "Quality Improvement Special Month" and "Safety Improvement Special Month" activities and held the third "Improvement Competition". We also embarked upon cross-department joint quality improvement activities and fully launched amoeba-style operation in different production plants on a trial basis. Accounting units were contracted to cover the respective production sites, thereby encouraging staff members to become operators and guided transformation of production units from production-mission-based to production-operation-based. We tried promotion of mobile internet application and expanded the approval functions to enable instant push via mobile devices.

In 2016, the cost of production process reduced by RMB30.85 million. The cost of raw materials procurement reduced by RMB25.72 million. Stocked-up inventories were better made use of, and further stocking increase was more efficiently constrained. Joint netting off of accounts of coal, steel and machinery operated in an orderly manner. A comprehensive joint checking system of procured resources has been established.

(6) Comprehensive activation of deepening reforms

In tandem with the government's initiatives of intensifying reforms of state-owned industrial enterprises in Henan Province, the Company formulated its proposal for intensifying reform, identified the Company's direction and objectives of augmenting its reform, and planned the future layout and development path of the Company. We simultaneously pushed ahead our mixed ownership reform and industrial transformation and achieved new breakthrough. In the course of acquisition of the six auto parts companies, we introduced strategic investors and employee shareholdings and further optimized shareholder structure.

We accelerated "slimming" of the coal mining machinery segment. Substantial progress has been made in equity disposal of some subsidiaries. We conducted research on intensifying reforms of some subsidiaries. Subsidiaries such as ZMJ Comprehensive Equipment also attained good results in reducing loss and enhancing efficiency.

(5) 經營管理全面細化，降本提效深入推進

以利潤考核為抓手，促進業務全價值鏈繼續深挖潛能，有效管控成本，提升效益。精益管理深入推進，2016年各單位累計共完成改善提案9,103項，改善參與率64.5%，開展了「品質改善專題月」和「安全改善專題月」活動，舉辦了第三屆「改善大賽」，開展跨部門聯合品質課題改善活動。全面啟動阿米巴經營，在生產分廠試運行，劃小核算單元至各工區，促進員工人人成為經營者，引導各單位從「生產任務型」向「生產經營型」逐步轉變。全面嘗試推進移動互聯應用，擴展審批職能實現手機即時推送。

2016年，工藝降成本3,085萬元，原材料採購降成本2,572萬元。積壓物資庫存基本盤活並有效控制增量，煤、鋼、機聯動抹賬運行有序，建立完善採購物資的聯合驗收制度。

(6) 深化改革全面啟動

借助河南省深化國有工業企業改革的東風，制定公司深化改革方案，確定了公司深化改革的方向和目標，謀劃了公司未來產業布局和發展路徑。混合所有制改革與產業轉型同步推進，取得新的突破，在收購6家汽車零部件企業過程中引入了戰略投資者和員工持股，進一步優化了股東結構。

煤機板塊加快推進「瘦身健體」，部分子公司的股權處置取得實質性進展，對部分子公司深化改革進行了調研；綜機公司等部分子公司在減虧提效方面也取得了良好成效。

II. Analysis of Industry Operational Information

1. Overview of the coal industry

(1) From a long-term perspective, the growth rate of demand for coal will slow down continuously and consumption weighting will continually fall

The world economy is recovering under twists and turns and growing slowly amidst deep adjustment. China is transforming from an industrial economy to a service-oriented economy. Energy consumption growth is slowing down. Affected by factors such as increasingly stringent environmental requirements, addressing climate change, renewable energy alternatives etc, coal consumption growth will continue to slow down. According to the Thirteenth Five-year Plan for China's Energy Development, during the thirteenth five-year plan period, domestic non-fossil energy consumption weighting will increase to exceed 15%, whilst the weighting of coal consumption will fall below 58%. By 2020, coal consumption is expected to be 4.1 billion tons and coal production 3.9 billion tons, with sustained slowing of average annual growth. China's Thirteenth Five-year Plan for the Coal Industry has pointed out that backward excessive production capacity of 800 million tons will be eliminated and capacity of 500 million tons will be reduced and restructured by year 2020. Reduction of excessive capacity will still be the focus of supply side reform of coal industry in the next 3 to 5 years.

(2) Short term rebounding from bottom of the coal industry

According to data from the National Bureau of Statistics, above-scale raw coal production in China reached 3.364 billion tons in 2016, representing a year-on-year decrease of 9.4%. The investment in fixed assets by the coal mining and processing industry in China was only RMB303.8 billion, representing a year-on-year decrease of 24.2%. After reduction of excessive capacity of coal and the implementation of 276 working days, the supply of coal shrank, aggregate coal stocks declined and coal prices returned to a reasonable level. The fourth quarter of 2016 saw short-term warming of the coal industry. However, the condition of excessive supply of the coal market did not change fundamentally.

二、行業經營性信息分析

1. 煤炭行業形勢

(1) 長期來看，煤炭需求增速持續放緩，消費比重持續下降

世界經濟在深度調整中復蘇曲折、增長乏力，中國正在從工業型經濟向服務型經濟轉變，能源消費增長放緩。受日趨嚴格的環保要求、應對氣候變化、可再生能源替代等因素影響，煤炭消費增速將持續放緩。根據中國《能源發展「十三五」規劃》，「十三五」時期國內非化石能源消費比重提高到15%以上，煤炭消費比重降低到58%以下。到2020年，預計煤炭消費量為41億噸，煤炭產量為39億噸，年均增長持續放緩。國家《煤炭工業「十三五」規劃》指出，到2020年化解淘汰落後過剩產能8億噸，減量重組5億噸。去產能仍是未來3到5年煤炭行業供給側改革的重點。

(2) 短期內，煤炭行業觸底反彈

據國家統計局數據，2016年全國規模以上原煤產量33.64億噸，同比下降9.4%；煤炭採選業固定資產投資僅3,038億元，同比下降24.2%。煤炭去產能和276天工作日實施後，供應量出現萎縮，社會煤炭庫存下降，煤炭價格合理回歸，2016年第四季度煤炭行業短暫回暖，但煤炭市場供大於求的基本面並未發生根本改變。

2. Coal mining machinery industry faced challenges and opportunities

(1) Coal mining machinery enterprises will face survival and development crisis in the future

Affected by downstream coal industry, the layout of the international coal mining machinery industry is undergoing significant changes. According to public information, international coal mining machinery giant Joy Global Inc. (JOY) will be acquired by the Japan-based Komatsu. Factories of JOY in Jixi and Jiamusi of China have closed down and JOY recorded losses. The coal-mining machinery segment of Caterpillar (formerly DBT) has basically withdrawn from the Chinese coal mining machinery market.

Affected by the decline of the coal industry in recent years, demand continued to shrink in China's coal mining machinery market and industry competition intensified. The industry was basically loss-making and some players have exited from the market. According to China Coal Mining Machinery Association's data, for the first 11 months in 2016, industrial output value of 38 enterprises covered by the statistics of such association reached RMB24.557 billion, representing a year-on-year decrease of 29.08%. Total profit reached RMB -886 million, showing a substantial decline year on year.

In the long term, as in the downstream coal industry, the "ceiling effect" will become increasingly obvious for the coal mining machinery industry as determined by China's resources endowment being "rich in coal, poor in oil and insufficient in gas", where the domestic market is levelling out and will gradually shrink in future, despite the ongoing existence of the industry.

(2) Recovery of the coal industry brings forth short-term opportunities

In the fourth quarter of 2016, rebound of coal prices improved the profitability and cash flow of coal enterprises. Driving forces such as efficiency, safety, replacement demand etc. boosted a rise in demand for coal mining machinery. The warming of coal industry was transmitted to the coal mining machinery industry. In 2017, coal mining machinery enterprises may see some short-term growth in demand.

2. 煤機行業面臨挑戰和機遇

(1) 煤機企業未來面臨生存發展危機

受下游煤炭行業影響，國際煤機行業格局正在發生重大變化，據公開信息，國際煤機巨頭久益國際(JOY)將被日本小松收購，久益國際下屬中國雞西、佳木斯等工廠關閉，久益國際陷入虧損；卡特彼勒煤機板塊(原DBT)基本退出了中國煤機市場。

受近幾年煤炭行業下滑影響，國內煤機市場需求持續萎縮，行業競爭加劇，行業基本全面虧損，部分企業已經關停退出。據中國煤機協會數據，2016年前11個月，協會統計的38家企業工業總產值為245.57億元，同比下降29.08%，利潤總額-8.86億元，同比大幅下降。

長期來看，與下游煤炭行業一樣，受中國「富煤貧油少氣」的資源稟賦決定，煤機行業雖然會長期存在，但國內市場已經到頂且在未來將逐步萎縮，「天花板效應」日趨明顯。

(2) 煤炭行業回暖帶來短期機遇

2016年第四季度，煤炭價格回升改善了煤炭企業盈利狀況和現金流等，基於效率、安全、更新需求等，推動煤機需求提升，煤炭行業回暖傳導到煤機行業。2017年，煤機企業或將迎來短暫的需求增長。

3. The Company's operations

In 2016, under the prolonged slowdown of macroeconomic growth, the constantly destocking of the coal industry and the constant shrinkage of the coal mining machinery market, the Company's key economic benchmarks such as revenue fell year-on-year.

Advocating its diversified array of sales modes and probing potentials for cost reduction, the Company achieved stable production operation. In 2016, revenue fell by 19.56% year-on-year and total profit increased by 23.11% year-on-year. Net profit attributable to the parent increased by 46.92% year-on-year.

III. Discussion of and Analysis on the Future Development of the Company

(I) Industry layout and trends

1. Brand advantage will become obvious

After nearly 60 years of sound development, especially the swift development since year 2000, ZMJ has become a leader in the coal mining machinery industry in the PRC. At a time of industry-wide difficulty, coal mining customers' requirements on equipment have structurally changed, with more stringent requirements on brand, technology and quality. This will further underscore ZMJ's brand advantage which will bestow higher chances to ZMJ and put it in better position for embarking upon business model which can hardly be replicated or imitated by competitors.

2. Emergence of good opportunities for merger and acquisition and reorganization

With the structural adjustment in both the global economy as well as the industry, coupling with the expedited pace of transformation and upgrading of China's economy, merger, acquisition and reorganization are expected to flourish in various industries including the coal mining machinery industry in the near future. Capitalizing on the domestic and overseas platform of investment and financing, the Company may consolidate high-quality resources in the global coal mining machinery industry, actively probe into potential opportunities in other industries, explore a second line of principal business through merger and acquisition and reorganization, and bring forth new revenue streams and sources of profit growth.

3. 公司經營情況

2016年，在宏觀經濟增速持續放緩、煤炭行業持續去產能、煤機市場持續萎縮的形勢下，公司營業收入等主要經濟指標同比下降。

公司對外推廣多元化營銷模式，對內深挖潛力降成本，總體生產經營較為平穩。2016年營業收入同比降低19.56%，利潤總額同比增加23.11%，歸屬於母公司的淨利潤同比增加46.92%。

三、關於公司未來發展的討論與分析

(一) 行業格局和趨勢

1. 品牌優勢突顯

經過近60年的錘煉，特別是2000年以來的快速發展，鄭煤機已經成為中國煤機行業的龍頭。在全行業困難時期，煤礦客戶對設備需求發生結構性變化，對品牌、技術、品質要求更高，鄭煤機的品牌優勢將進一步突顯，更有機會和實力開創競爭對手難以複製或效仿的商業模式。

2. 並購重組良機湧現

隨著全球經濟結構調整及產業內部結構調整，中國經濟轉型升級步伐加快，未來一段時期，包括煤機在內諸多行業將湧現諸多並購重組機會。借助境內外投融資平台，公司可面向全球整合煤機行業優質資源，積極尋求其他產業的潛在機遇，通過並購重組探索第二主業，開闢新的收入、利潤增長源。

3. Coexistence of opportunity and risk

Looking at the trend of macroeconomic development, coal will remain a key source of energy in the PRC in the long term. Policies related to the state's initiatives on supply-side structural reform for coal mining encourage and support the transformation of coal mining machinery enterprises into becoming more automated and machine-intensive, promote the use of key technology in green and smart mines, and in turn enhance the production level of advanced equipment for large-scale coal mining activities. Meanwhile, a peak period of machine replacements is expected in the coal mining machinery industry invested during the "Golden Decade for Coal". This will present a new round of opportunities of driving demand for high-end and smart comprehensive coal mining equipment and the upgrading of technology for coal mining.

(II) The Company's development strategies

First, strategic positioning as an international enterprise: Economic globalization has become an irreversible trend. It is a strategic choice in line with the current global economic development and also a necessary path to becoming an international enterprise, for an advantageous enterprise basically equipped with international competitiveness, to seek self-enhancement to an international standard, adopt "outbound development" strategies, actively participate in international competition and cooperation, and continually explore the room for existence and development.

Second, market-oriented corporate governance: A sound mechanism is pivotal to the virtuous cycle of development of an enterprise. In recent years, ZMJ has been bold in exploration and implementation in terms of corporate systems and structures, bringing remarkable improvements in its corporate governance, albeit the inadequacy in its market-oriented development in comparison with enterprises which are fully exposed to market competition. In pursuit of corporate growth in terms of size and strength, an enterprise which is under full exposure to market competition needs further intensified, market-oriented reforms in systems and structures: Leveraging on "developing mixed-ownership economy" to further optimize shareholding structure and uplift the level of corporate governance; Having in place a board of directors which operates in market-oriented approach, so that it becomes the platform for governance, for expression of thoughts and for decision-making; Adopting tenure-based management for senior management staff, promoting a system of professional managers, and exploring market-oriented mechanisms for remuneration, incentives, appraisal and restrictions applicable to the general management and staff.

3. 機遇風險共存

從宏觀經濟發展趨勢看，煤炭作為中國主體能源的地位長期不變；根據國家推動煤炭供給側結構性改革相關政策，鼓勵和支持煤炭企業實施機械化和自動化改造，推廣綠色智慧礦山關鍵技術，提升大型煤炭開採先進裝備製造水平；同時，黃金十年投資的煤機裝備也可能在未來幾年逐漸迎來更新換代的高峰。這些將給高端智能綜採設備需求、綜採技術升級帶來新一輪的機遇。

(二) 公司發展戰略

第一，戰略定位國際化：經濟全球化已成為不可逆轉的潮流。對於初步具備國際競爭能力的優勢企業來講，以國際化的標準苦練內功，實施「走出去」戰略，積極參與國際競爭與合作，不斷拓展自身的生存與發展空間，既是順應當今世界經濟發展趨勢的戰略選擇，又是成為國際化企業的必由之路。

第二，公司治理市場化：好的機制是保障企業各項工作良性循環的靈魂。近年來，鄭煤機在體制機制方面做了大膽的探索和實踐，公司治理水平有了明顯的改善，但與完全市場競爭主體地位的企業相比，鄭煤機市場化程度仍然不夠。企業在完全市場競爭的環境下，要繼續做大做強，需要朝著市場化方向進一步深化體制機制改革：以「發展混合所有制經濟」為契機，進一步優化股權結構，提升公司治理水平；建立市場化運作的董事會，讓董事會成為公司的治理平台、資本意志表達和決策的平台；推行企業高級管理人員的任期制契約化管理，推廣職業經理人制度，探索幹部、員工市場化的薪酬、激勵、考核、約束機制。

Third, diversified industry layout: First of all, with its footholds in the coal mining machinery industry, the Company will build a world class brand of comprehensive coal mining machinery equipment and service delivery. It will probe into the international high-end market to seek some market share from major international players in the coal mining machinery industry, making itself a world class supplier of comprehensive coal mining machinery equipment and a worldwide top-notch service provider in coal mining machinery equipment; Further, it will identify new revenue streams and new sources of profit growth by exploring a second line of principal business through merger, acquisition and reorganization.

Fourth, globalization of talents: Talents are the ultimate source of corporate reforms and innovations, and the most substantial resources for corporate development. By steadfastly adhering to the strategy of people-based corporate development under the mindset of "innovations, open-mindedness and inclusion", sustainably optimizing the structure of existing human resources under a market-oriented mindset, creating a scientific system of talents incubation and development, having in place a clear path of career promotion, adopting a reasonable system of remuneration and, from a global perspective and under a market-oriented mechanism, recruiting and retaining people of high caliber under a human resources mechanism via both training and selective hiring, we will be able to lay a solid foundation upon which we will build a century-lasting ZMJ.

(III) Operation plans

2017 will be a pivotal year in China's initiatives to foster structural reform as well as the first year for the Company in kicking start its comprehensively intensified reform and industrial transformation and upgrade. Under the guidance of the corporate development strategy, and taking into account the current internal and external circumstances, the Company has devised its annual goal for year 2017, namely "intensifying reforms for business model, advance trial and practice for fostering innovation, solidifying foundation for quality, and stabilizing operation for sustained growth". In line with this annual goal for year 2017, we will work on enhancing our profitability and focus on the following aspects:

第三，產業布局多元化：首先，立足煤機行業，打造成套煤機裝備及服務的世界一流品牌。破冰國際高端市場，與世界煤機巨頭爭分國際市場份額，打造世界一流的成套煤機裝備供應商，世界頂級煤機裝備服務商；其次，通過並購重組探索第二主業，開闢新的收入、利潤增長源。

第四，人力資源全球化：人才，是企業改革、創新的終極源泉，是公司發展的最大資源。堅持「創新、開放、包容」的思維推行人才興企戰略，用市場化的思維持續優化當前的人力資源結構，打造科學的人才培育開發體系、清晰的人才晉級通道、合理的薪酬體系，以及運用全球化視野、市場化機制，以培育和選聘相結合的人力資源機制吸納各類優秀人才為我所用，是百年鄭煤機的關鍵基石。

(三) 經營計劃

2017年是國家推進結構性改革深化的攻堅之年，也是公司全面深化改革、產業轉型升級的開局之年。在企業發展戰略的指引下，結合當前內外部形勢，公司制定了2017年度方針目標：深化改革謀格局，先行先試促創新，夯實基礎抓質量，穩健經營保增長。圍繞2017年度方針目標，打造高收益企業體質，重點做好以下幾方面的工作：

1. Intensifying reforms for business model

Based on the direction of intensifying corporate reforms, ZMJ will form its dual principal businesses of coal mining machinery and auto parts and will explore establishing other business segments.

First, we will strengthen our coal mining machinery business in terms of breadth and depth.

We will seize the opportunity brought by the reform of the coal industry and push ahead the transformation of our coal mining machinery business from manufacturing-based to “manufacturing + service”, and from a product manufacturer to a system integrator. We will seize the opportunities presented by the reform of the coal industry and the cyclical opportunity of equipment upgrade, solidify competitive advantage, expand market share and strengthen the development and application of frontier technology. We will seize the opportunity of intelligent integration and execute intelligent modification in our coal mining machinery production process. We will enhance our operational efficiency and consolidate and enhance product performance and quality advantages. We will uplift our existing competitive advantage in the international market and accelerate our globalized layout.

Second, we will consolidate and expand our newly acquired auto parts business.

As of the date of disclosure of this report, the transfer of assets under the material assets reorganization has been completed. In 2017, we will consolidate our newly acquired auto parts business, achieve smooth handover of the undertakings, and maintain the stability and continuity of the existing management team and organizational structure. We will consolidate the corporate strategies of the 6 acquired companies, strengthen their respective profitability, and pursue healthy and virtuous development in them. We will also foster the mutual benefits between the coal mining machinery segment and the auto parts segment and seek synergetic effects among the two segments in terms of development strategies, culture, technology, finance and management, and in turn better competitiveness of the Company as a whole.

1、深化改革謀格局

根據集團公司深化改革方向，鄭煤機未來形成煤機、汽車零部件雙主業發展，並探索搭建其他產業板塊。

第一，煤機業務，做強做精

要抓住煤炭行業發生變革的機會，推動煤機業務由制造型向製造+服務型轉型，從產品製造商向系統集成商轉型；抓住煤炭行業變革以及設備更新的周期性機會，強化競爭優勢，擴大市場佔有率，強化前沿技術的研發和應用；抓住智能化集成的機會，對煤機生產流程進行智能化改造，提高運營效率，鞏固提升產品的性能及質量優勢；擴張現有國際市場競爭優勢，加速全球化布局。

第二，汽車零部件業務，整合做大

截至本報告披露日，重大資產重組已完成資產過戶。2017年，要對汽車零部件業務進行整合，有序交接過渡，保持現有管理團隊和組織機構的穩定和延續；梳理6家企業的發展戰略，強化其自身的盈利能力，追求持續的健康良性發展；推進煤機板塊與汽車零部件板塊互相學習借鑒，爭取在戰略、文化、技術、財務和管理等方面實現較好的協同效應，增強公司整體戰鬥力。



2. Advance trial and practice for fostering innovation

First, we will seek advance trial and practice in market development.

In 2017, we will fully leverage the forefront characteristics of market development, namely "customer-orientation". Driven by sales and marketing, we will actively explore new management mechanism, sales modes and debt collection methods under the new situation. We will continue to promote diversified marketing models such as finance lease, meeting designed capacity and whole lifecycle service and create one-stop equipment supply and service platform, transforming from mere product sale to the provision of integrated professional services.

For the development of international market, we will accelerate the development of high-end market and formation of service systems, consolidate and expand our high-end markets. We will focus on the development of key markets such as the United States, Australia, Russia, Turkey, Vietnam and India. We will improve our existing international market service network, enhance project operation and service capabilities and create a system of international high-end coal mining machinery brands.

Second, we will lead innovation in technology development.

We will improve the organizational structure and talent system of our research institutes. Facilitating research on comprehensive mining technology, intelligent control, unmanned surface, digital mines, etc., we will help customers solve their problems going forward. We will continue to build our "manufacturing + technical services" new marketing model, form specialized technology development teams, and listen to customer needs at market frontlines.

2、先行先試促創新

第一，市場開發，先行先試

2017年，要充分發揮市場開發位居最前線的特徵，「以客戶為中心」，以市場營銷為拉動，積極探索新形勢下新的管理機制、營銷模式和回款方式；繼續推進融資租賃、總包達產、全壽命周期服務等多元化營銷模式，打造一站式設備供應和服務平台，從銷售支架向為客戶提供一體化專業服務轉型。

在國際市場開發中，加快高端市場的開發與服務體系建設，鞏固並擴大高端市場；重點開發美國、澳洲、俄羅斯、土耳其、越南、印度等市場。完善已有國際市場服務網絡，提升項目運營及服務能力，創建國際高端煤機品牌體系。

第二，技術研發，引領創新

完善研究分院組織架構和人才體系，推動成套化綜採技術、智能控制、無人工作面、數字礦山等前沿技術研究，為客戶解決面向未來的問題；繼續打造「製造+技術服務」新型營銷模式，形成專業化技術開發隊伍，到市場一線傾聽客戶需求。



Third, we will continually optimize production and operation.

Drawing on streamlined management and amoeba-style management, and setting informatization, digitalization and intelligent elements as targets, we will adopt new technology and production equipment and enhance production efficiency and per capita labor productivity. We will seize the market recovery opportunity and promote the vertical increase in production capacity in order to meet customer delivery needs. Constantly improving the amoeba system, we will incorporate marketing, research and development, craftsmanship and management etc. into it, so as to achieve whole coverage of the amoeba business model and full market-oriented development from within our organization. By capital and business means, we will establish numerous branches and divisions with flexible mechanisms and systems under our production units and subsidiaries. We will strengthen the independent management and encourage the staff members to become operators. We will explore establishing a system of comprehensive talent cultivation and flow. Enhanced training will be provided to our large pool of post 80 and post 90 young talents.

3. Solidifying foundation for quality

First, we will improve our work quality and strengthen institutional assurance

Advocating the “artisan spirit”, we will continue to improve the quality of our work. We will strengthen the formation of the execution capability of our middle and low-ranking management members. We will strengthen our rules and systems in terms of standardization, process-orientation and interconnection. Management processes will be streamlined and made more market-oriented and better fit with our ERP and OA, thereby creating a scientific management system.

Second, we will improve our product quality and strengthen system construction

We will establish the awareness of being “customer-oriented, wholeheartedly responsible for products”. Seizing product quality from design source, we will strictly enforce the red and yellow line system of quality discipline. We will improve and share a database of quality problems, advance with streamlined management and improve our quality assessment mechanism. For typical quality problems, through research and development and application of new technology and new production processes, as well as numerous special researches, we will seek to improve our product quality. Discipline inspection of production processes will be strengthened, whilst the implementation of concrete quality measures will be strictly assured.

第三，生產經營，持續優化

以精益管理和阿米巴為抓手，以信息化、數字化和智能化為目標，大膽啟用新的技術工藝和製造設備，提高生產效率和人均勞動生產率。要抓住市場回暖的機會，促進產能垂直提升，滿足客戶交付需求。不斷健全阿米巴體系，將營銷、研發、工藝、管理等納入其中，實現阿米巴業務的全覆蓋，實現內部全面市場化。通過資本和業務紐帶，在生產分廠、子公司層面構建多個具有靈活機制體制的子公司或事業部，強化自主經營、人人成為經營者。探索建立完善人才培養與流動體系，大規模地教育培養80後、90後年輕優秀人才。

3、夯實基礎抓質量

第一，提升工作質量，強化制度保障

要弘揚「工匠精神」，持續提高工作質量，加強中層和基層管理骨幹的執行力建設；加強規章制度的規範化、流程化、互聯化，面向市場精簡管理流程，並與ERP、OA結合使之固化，打造科學的管理體系。

第二，提升產品質量，強化體系建設

要樹立「以客戶為中心，全心全意對產品負責」的意識。從設計源頭抓產品質量，嚴格執行質量紀律紅黃綫制度，完善並共享質量問題庫，結合精益推進，健全完善質量考核機制；針對典型質量問題，通過新技術、新工藝的研發和應用以及各種專項研究，提高產品質量；加強工藝紀律檢查，嚴格保證質量硬措施的落地實施。

4. Stabilizing operation for sustained growth

First, we will strengthen risk control and resolve existing risks

We will seek to improve pre-tender project risk assessment, build our contract risk prevention and control system, and strengthen prior risk control. We will control the risk of collection of receivables at the source. Internal financial management will be optimized and financial analysis will be conducted to construct our management-oriented finance and prevent and resolve financial risks. For subsidiaries with poor profitability, we will execute strategic contraction so that we are in better control of operational risks.

Second, we will strengthen cost control

We will continuously reduce per-unit time cost, continue to increase per-unit-time output value and per capita efficiency. Material procurement and checking will be strictly managed. We will also improve the diversified procurement modes incorporating the netting off of accounts, and reduce procurement costs. We will continually enhance material utilization rate, venue utilization rate and equipment utilization rate. Energy consumption and non-production expenses and three major expenses will be lowered on an ongoing basis, thereby establishing a whole-process cost control system.

In 2017, the Company will work around its annual goals, continue to uphold its work-hard spirit, open up thoughts, and take the lead to bear responsibilities. In the course of transformation, we will gear up and move forward, and accelerate the sustainable and health development of ZMJ, with a view to bringing higher and better investment return to the Shareholders.

Last but not least, on behalf of the Board, I would like to express my sincere gratitude to the Shareholders, the society and our friends for their trust and support.

Jiao Chengyao
Chairman

27 March 2017

4、穩健經營保增長

第一，加強風險管控、化解已有風險

堅持完善招標前項目風險評估、合同風險防控體系建設，加強事前風險管控，從源頭控制應收賬款風險。優化內部財務管理，以財務分析為抓手，建設管理型財務，防範和化解財務風險。對效益不佳的子公司實施戰略收縮，加強經營風險管控。

第二，加強成本管控

持續降低單位時間成本，持續提升單位時間的產值產量和人均效率。嚴格物資採購和驗收管理，完善與抵抹賬相結合的多元化採購模式，降低採購成本。持續提升材料利用率、場地利用率、設備開機率，持續降低能源消耗、非生產性開支、三大費用，建立全流程的成本管控體系。

2017年，公司將圍繞年度方針目標，永葆奮鬥精神，解放思想，勇於擔當，在脫困轉型中奮發前行，加快鄭煤機持續健康發展，力爭為股東帶來更高、更好的投資回報。

最後，本人謹代表董事會對各位股東，社會各界及友好人士給予的信任和表示衷心的感謝！

焦承堯
董事長

二零一七年三月二十七日



Construct a high-quality support base, create a globally supported brand, and create a highly profitable Zhengzhou Coal Mining Machinery Group.

**建支架精品基地，創世界支護名牌，
打造百億鄭煤機。**

Management Discussion and Analysis 管理層討論與分析

Overview

The Group is a leading comprehensive coal mining and excavating equipment manufacturer in the PRC. Our established operating history, high quality products, strong in-house research and development capabilities, advanced manufacturing processes and extensive sales and service network are the keys to our success and allow us to maintain our leading position in the PRC coal mining and excavating equipment market. The Group's products and businesses primarily include: (i) hydraulic roof supports; (ii) steel and other raw materials trading; (iii) spare parts; and (iv) other coal mining equipment.

Results of Operations

The following table sets forth a summary, for the year of 2016 indicated, of our consolidated results of operations.

概覽

作為中國領先的煤炭綜採綜掘設備製造商，本集團悠久的經營歷史、優質產品、強勁的研發能力、先進的製造流程及龐大的銷售及服務網絡乃是我們達到成功的關鍵，並使我們能夠維持在中國煤炭採掘設備市場的領導地位。本集團的產品及業務主要包括：(i)液壓支架、(ii)鋼鐵及其他原料貿易、(iii)配件與(iv)其他採煤設備。

經營業績

下表載列本集團於所示二零一六年的合併經營業績摘要。

		2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元
Revenue	收入	3,628.53	4,510.86
Cost of sales	銷售成本	(2,915.42)	(3,653.83)
Gross profit	毛利	713.11	857.03
Other income	其他收入	101.87	120.72
Other gains and losses	其他收益及虧損	(168.71)	(335.88)
Selling and distribution expenses	銷售及分銷開支	(187.96)	(214.90)
Administrative expenses	行政開支	(300.38)	(304.24)
Research and development expenses	研發費用	(102.47)	(102.56)
Share of (loss) profit of associates	應佔聯營公司(虧損)溢利	(18.11)	13.36
Share of profit (loss) of joint ventures	應佔合營企業溢利(虧損)	0.04	(1.00)
Finance costs	融資成本	-	(2.16)
Profit before tax	除稅前溢利	37.39	30.37
Income tax expense	所得稅開支	(0.74)	(19.76)
Profit for the year	年內溢利	36.65	10.61



Management Discussion and Analysis 管理層討論與分析

Results of Operations (Continued)

經營業績(續)

		2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元
Other comprehensive income	其他全面收入		
Items that may be reclassified subsequently to profit or loss:	可能於其後重新分類至損益之項目：		
Exchange differences arising on translation	換算產生之匯兌差額	5.25	(1.08)
Fair value gain (loss) on available-for-sale financial assets	可供出售之金融資產公平值收益(虧損)	6.54	(4.80)
Reclassification adjustment upon impairment of available-for-sale financial assets	可供出售之金融資產減值時重新分類調整	-	60.07
Share of fair value gain (loss) on available-for-sale financial assets of an associate	應佔一間聯營公司可供出售之金融資產公平值收益(虧損)	19.79	(5.51)
Share of reclassification adjustment upon impairment of available-for-sale financial assets held by an associate	應佔一間聯營公司可供出售之金融資產減值時重新分類調整	-	15.98
Fair value gain on hedging instruments in cash flow hedges	指定進行現金流量對沖的對沖工具的公平值收益	71.02	-
Other comprehensive income for the year, net of income tax	年內其他全面收入，扣除所得稅	102.60	64.66
Total comprehensive income for the year	年內全面收入總額	139.25	75.27
Profit for the year attributable to:	以下人士應佔年內溢利：		
Owners of the Company	本公司股東	62.00	42.20
Non-controlling interests	非控股權益	(25.35)	(31.59)
		36.65	10.61
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收入總額：		
Owners of the Company	本公司股東	164.60	106.86
Non-controlling interests	非控股權益	(25.35)	(31.59)
		139.25	75.27
EARNINGS PER SHARE	每股盈利		
- Basic (RMB cents)	- 基本(人民幣分)	3.82	2.60

Revenue

Our revenue decreased by 19.6% from RMB4,510.86 million for the year ended 31 December 2015 to RMB3,628.53 million for the year ended 31 December 2016, mainly because demand in domestic coal market continued to diminish, fixed asset investment in the coal mining and processing industry continued to fall, and the nation had its destocking initiative for the coal industry in 2016, which resulted in a decrease in domestic market demand for the Group's products and the corresponding decrease in the Group's revenue from hydraulic roof supports.

The following table sets forth the breakdown of our revenue by product and business (in RMB millions):

		2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元
Sales of hydraulic roof supports	液壓支架之銷售	2,132.78	2,815.84
Revenue from steel and other materials trading	鋼鐵及其他原料貿易之收入	805.78	920.82
Sales of spare parts	配件之銷售	504.68	601.90
Sales of other coal mining equipment	其他採煤設備之銷售	142.41	120.79
Other revenue	其他收入	42.88	51.51
		3,628.53	4,510.86

Cost of Sales

As the Group recorded a decrease in our revenue, our cost of sales decreased by 20.2% from RMB3,653.83 million for the year ended 31 December 2015 to RMB2,915.42 million for the year ended 31 December 2016.

Gross Profit

Driven by the above factors, our gross profit decreased by 16.8% from RMB857.03 million for the year ended 31 December 2015 to RMB713.11 million for the year ended 31 December 2016.

Our gross profit margin remained fairly stable, increasing from 19.0% for the year ended 31 December 2015 to 19.7% for the year ended 31 December 2016.

Other Income

Our other income decreased by 15.6% from RMB120.72 million for the year ended 31 December 2015 to RMB101.87 million for the year ended 31 December 2016.

Other Gains and Losses

Our other gains and losses decreased by 49.8% from RMB335.88 million for the year ended 31 December 2015 to RMB168.71 million for the year ended 31 December 2016, primarily as a result of the decrease in our allowance for doubtful debts.

收入

本集團收入自截至2015年12月31日止年度的人民幣4,510.86百萬元減少19.6%至截至2016年12月31日止年度的人民幣3,628.53百萬元，主要是2016年國內煤炭市場需求持續萎縮，煤炭開採和選洗業的固定資產投資繼續下降，以及國家煤炭去產能，令國內市場對集團產品需求有所減少導致本集團液壓支架的收入下降所致。

下表載列本集團按產品及業務劃分的收入分析(單位：人民幣百萬元)：

	2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元
Sales of hydraulic roof supports	2,132.78	2,815.84
Revenue from steel and other materials trading	805.78	920.82
Sales of spare parts	504.68	601.90
Sales of other coal mining equipment	142.41	120.79
Other revenue	42.88	51.51
	3,628.53	4,510.86

銷售成本

由於本集團收入有所下降，本集團銷售成本由截至2015年12月31日止年度的人民幣3,653.83百萬元減少20.2%至2016年12月31日止年度的人民幣2,915.42百萬元。

毛利

受上述因素推動，本集團毛利由截至2015年12月31日止年度的人民幣857.03百萬元減少16.8%至2016年12月31日止年度的人民幣713.11百萬元。

本集團的毛利率由截至2015年12月31日止年度的19.0%上升至2016年12月31日止年度的19.7%，基本保持穩定。

其他收入

本集團其他收入自截至2015年12月31日止年度的人民幣120.72百萬元下降15.6%至截至2016年12月31日止年度的人民幣101.87百萬元。

其他收益及虧損

本集團其他收益及虧損自截至2015年12月31日止年度的人民幣335.88百萬元減少49.8%至截至2016年12月31日止年度的人民幣168.71百萬元，主要由於就呆賬作出的撥備減少。

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 12.5% from RMB214.90 million for the year ended 31 December 2015 to RMB187.96 million for the year ended 31 December 2016, primarily as a result of the decrease in marketing expenses which was in turn attributable to the constantly shrinkage of the coal mining machinery market.

Administrative Expenses

Our administrative expenses decreased by 1.3% from RMB304.24 million for the year ended 31 December 2015 to RMB300.38 million for the year ended 31 December 2016, primarily as a result of the decrease in salaries and benefits expenses included in administrative expenses.

Staff Costs and Remuneration Policy

Our staff costs decreased by 0.7% from RMB408.60 million for the year ended 31 December 2015 to RMB405.54 million for the year ended 31 December 2016, primarily as a result of a decrease in our revenue and a decrease in the numbers of staff. The staff remuneration of the Group comprises of basic salary and bonus payment, which is determined with reference to the operating results of the Group and results of performance assessment on the employees. The Group insisted the orientation towards efficiency and results as well as the focus on top-tier staff. It also strived to ensure scientific and reasonable allocation of income.

The Group attaches great importance to the growth and development of employees and endeavours to provide training and opportunities for exchange to help them enhance their professional skills and expand their areas of expertise. Based on the goal of talent cultivation, the Group has introduced a position's qualifications based programme, created a platform for internal staffs to display and communicate through training, exploited the potential of human resources of the Company and enhanced the cultivation for reserve talents.

Research and Development Expenses

Our research and development expenses decreased by 0.1% from RMB102.56 million for the year ended 31 December 2015 to RMB102.47 million for the year ended 31 December 2016, remaining relatively stable in the Group's commitment to research and development activities.

Share of Profit of Associates

Share of profit of associates decreased by 235.6% from a profit of RMB13.36 million for the year ended 31 December 2015 to a loss of RMB18.11 million for the year ended 31 December 2016, primarily because our associates recorded losses in the year.

Finance Costs

Our finance costs decreased by 100.0% from RMB2.16 million for the year ended 31 December 2015 to RMB0 for the year ended 31 December 2016, primarily because the Group had no bank borrowings during the year and thus no interest was payable on such bank borrowings.

銷售及分銷開支

本集團銷售及分銷開支自截至2015年12月31日止年度的人民幣214.90百萬元減少12.5%至截至2016年12月31日止年度的人民幣187.96百萬元，主要由於煤機市場持續萎縮影響而導致公司市場開發費用減少。

行政開支

本集團行政開支自截至2015年12月31日止年度的人民幣304.24百萬元減少1.3%至截至2016年12月31日止年度的人民幣300.38百萬元，主要由於計入管理費用的薪酬及福利費用減少。

員工成本及員工薪酬政策

本集團員工成本自截至2015年12月31日止年度的人民幣408.60百萬元減少0.7%至截至2016年12月31日止年度的人民幣405.54百萬元，主要由於收入下降，員工人數減少。本集團員工薪酬由基本工資和獎勵工資兩部分組成，獎勵工資依據本集團業績及績效考核情況確定。本集團堅持以效益和業績為導向，堅持向一線員工傾斜，努力確保收入分配科學合理。

本集團十分關注員工的成長與發展，盡可能地為其提供培訓、交流機會，幫助其提升專業技能和擴展工作領域。按照人才培養目標，本集團建立了崗位任職資格為基礎的課程體系，以培訓為載體創建內部人才展示與交流的平台，挖掘本公司人力資源潛力，加強後備人才培養。

研發費用

本集團研發費用自截至2015年12月31日止年度的人民幣102.56百萬元減少0.1%至截至2016年12月31日止年度的人民幣102.47百萬元，集團在研究和開發活動上的投入較為平穩。

應佔聯營公司溢利

本集團應佔聯營公司溢利自截至2015年12月31日止年度的人民幣13.36百萬元溢利減少235.6%至截至2016年12月31日止年度的人民幣18.11百萬元虧損，主要由於本集團之聯營公司本年度虧損。

融資成本

本集團融資成本自截至2015年12月31日止年度的人民幣2.16百萬元減少100.0%至截至2016年12月31日止年度的人民幣0元，乃由於本集團無銀行借貸發生，無銀行借貸所支付的利息。

Profit Before Tax

Being affected by the factors referred to above in aggregate, our profit before tax increased by 23.1% from RMB30.37 million for the year ended 31 December 2015 to RMB37.39 million for the year ended 31 December 2016.

Income Tax Expense

Our income tax expense decreased by 96.3% from RMB19.76 million for the year ended 31 December 2015 to RMB0.74 million for the year ended 31 December 2016, primarily as a result of the tax effect of the disposal of subsidiary during the year. Our effective tax rate decreased to 2.0% for the year ended 31 December 2016 from 65.1% for the year ended 31 December 2015.

Total comprehensive income for the year

Being affected by the factors referred to above in aggregate, our total comprehensive income for the year increased by 85.0% from RMB75.27 million for the year ended 31 December 2015 to RMB139.25 million for the year ended 31 December 2016.

Profit Attributable to Owners of the Company

Based on the factors referred to above, profit attributable to owners of the Company increased by 46.9% from RMB42.20 million for the year ended 31 December 2015 to RMB62.00 million for the year ended 31 December 2016.

Trade and Other Receivables

As at 31 December 2016, trade and other receivables amounted to approximately RMB3,648.45 million, representing a decrease of approximately RMB406.47 million as compared to approximately RMB4,054.92 million as at the end of 2015, primarily as a result of a decrease in our revenue and our enhanced collection efforts.

Other Financial Assets

As at 31 December 2016, other financial assets amounted to approximately RMB1,085.00 million, representing an increase of approximately RMB22.00 million as compared to the end of 2015, as a result of an increase in the purchases of short-term structured deposits from PRC commercial banks.

Liquidity

The Group's net current assets were approximately RMB7,242.79 million (31 December 2015: RMB6,391.92 million) and the current ratio was 4.35 as at 31 December 2016 (31 December 2015: 3.65). The increase in current ratio was mainly attributable to the increase in current assets as a result of the bond investment to be due within one year.

除稅前溢利

受前述因素之綜合影響，本集團的除稅前溢利自截至2015年12月31日止年度的人民幣30.37百萬元上升23.1%至截至2016年12月31日止年度的人民幣37.39百萬元。

所得稅開支

本集團的所得稅開支自截至2015年12月31日止年度的人民幣19.76百萬元減少96.3%至截至2016年12月31日止年度的人民幣0.74百萬元，主要是由於本集團本年出售子公司的稅務影響。本集團實際所得稅率自截至2015年12月31日止年度的65.1%降至截至2016年12月31日止年度的2.0%。

年內全面收入總額

受前述因素之綜合影響，本集團年內全面收入總額自截至2015年12月31日止年度的人民幣75.27百萬元上升85.0%至截至2016年12月31日止年度的人民幣139.25百萬元。

本公司股東應佔利潤

基於上述各種因素，本公司股東應佔利潤自2015年12月31日止年度的人民幣42.20百萬元上升46.9%至2016年12月31日止年度的人民幣62.00百萬元。

貿易及其他應收款項

於2016年12月31日，貿易及其他應收款項金額約為人民幣3,648.45百萬元，較2015年末的約人民幣4,054.92百萬元減少約人民幣406.47百萬元，主要由於本集團收入下降以及加大收賬力度導致。

其他金融資產

於2016年12月31日，其他金融資產金額約為人民幣1,085.00百萬元，較2015年末增加約人民幣22.00百萬元，乃由於本集團自中國商業銀行購買短期結構性存款增加所致。

流動資金

本集團流動資產淨額約為人民幣7,242.79百萬元（2015年12月31日：人民幣6,391.92百萬元），而於2016年12月31日的流動比率為4.35（2015年12月31日：3.65）。流動比率增加主要由於債券投資將於1年內到期令流動資產增加所致。

Cash Flows and Capital Expenditures

As of 31 December 2016, the Group had RMB2,632.40 million in cash and cash equivalents. The Group's cash and cash equivalents primarily consist of cash and bank deposits.

現金流及資本支出

於2016年12月31日，本集團擁有現金及現金等價物人民幣2,632.40百萬元。本集團現金及現金等價物主要包括現金及銀行存款。

		2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元
Net cash from operating activities	經營活動所得現金淨額	360.89	318.40
Net cash from (used in) investing activities	投資活動所得(所用)現金淨額	276.19	(298.05)
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額	230.20	(135.93)
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	867.28	(115.58)
Effect of foreign exchange rate changes	匯率變動之影響	38.90	20.14
Cash and cash equivalents at the beginning of year	年初的現金及現金等價物	1,726.22	1,821.66
Cash and cash equivalents at the end of year	年末的現金及現金等價物	2,632.40	1,726.22

Operating Activities

Net cash from operating activities in 2016 was RMB360.89 million. Cash inflow primarily comprised profit before taxation of RMB37.39 million, adjusted for: (i) a decrease in inventory of RMB281.76 million; (ii) loss of doubtful debts of RMB230.30 million; (iii) depreciation of property, plant and equipment of RMB174.97 million. The cash inflow was offset by a decrease in trade and other payables of RMB238.63 million.

經營活動

於2016年經營活動所得現金淨額為人民幣360.89百萬元。現金流入主要包括稅前利潤人民幣37.39百萬元，調整了：(i)存貨減少人民幣281.76百萬元；(ii)呆賬損失230.30百萬元；(iii)物業、廠房及設備折舊174.97百萬元。該等現金流入被貿易及其他應付款項減少人民幣238.63百萬元所抵消。

Investing Activities

Net cash from investing activities in 2016 was RMB276.19 million, primarily comprising: (i) payment of RMB4,334.00 million from the purchase of short-term structured deposits with banks; (ii) receipt of proceeds of RMB4,312.00 million from the disposal of short-term structured deposits with banks; (iii) payment of RMB50.00 million due to bank deposits with a maturity of over three months; (iv) withdrawal of bank deposits with a maturity of over three months of RMB285.00 million; (v) payment of pledged bank deposits of RMB431.86 million, for the issuance of bank notes that we used to purchase raw materials; and (vi) withdrawal of pledged bank deposits of RMB456.39 million.

投資活動

於2016年投資活動所得現金淨額為人民幣276.19百萬元，主要包括：(i)因購買短期結構性銀行存款而支付人民幣4,334.00百萬元；(ii)因出售短期結構性銀行存款而收取人民幣4,312.00百萬元；(iii)因存入三個月以上的銀行存款支付人民幣50.00百萬元；(iv)提取三個月以上的銀行存款而取得人民幣285.00百萬元；(v)支付已抵押銀行存款人民幣431.86百萬元，藉以發出用作購買原料的銀行票據；及(vi)提取已抵押銀行存款人民幣456.39百萬元。

Financing Activities

Net cash from financing activities in 2016 was RMB230.20 million, primarily consisting of (i) financing proceeds received from the equipment leasing companies of RMB223.17 million; (ii) contribution from ultimate controlling party of the Company of RMB20.00 million; (iii) payment of dividends of 12.97 million.

融資活動

於2016年融資活動所得現金淨額為人民幣230.20百萬元，包括：(i)向裝備租賃公司融資收取的款項人民幣223.17百萬元；(ii)收到本公司最終控股方之出資20.00百萬元；(iii)支付股息人民幣12.97百萬元。

Capital Expenditures

We incurred capital expenditures of RMB79.19 million for the year ended 31 December 2016, for purchase of property, plant and equipment, intangible assets and lease prepayments.

資本支出

截至2016年12月31日止年度，本公司用於購買物業、廠房及設備、無形資產以及預付租賃費的資本支出為人民幣79.19百萬元。



Commitments and Contingent Liabilities

Capital Commitments

As of 31 December 2016, our commitments consisted of capital commitments for the acquisition of equity interests from third parties that have been authorized and contracted for in the amount of RMB2,200.00 million, capital commitments for the acquisition of property, plant and equipment that have been authorized and contracted for in the amount of RMB28.16 million and operating lease commitments of RMB62.68 million.

Contingent Liabilities

During the year, the Group has endorsed and derecognised certain bills receivable for the settlement of trade and other payables with full recourse. In the opinion of the directors of the Company, the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivable are issued and guaranteed by reputable PRC banks. The maximum exposure to the Group that may result from the default of these endorsed and derecognised bills receivable at the end of each reporting period is as follows:

承擔及或然負債

資本承擔

於2016年12月31日，本集團承擔包括為從第三方收購股權之已授權且已訂約的資本承擔2,200.00百萬元，為購置物業、廠房及設備之已授權且已訂約的資本承擔人民幣28.16百萬元，及經營租賃承擔人民幣62.68百萬元。

或然負債

於本年度，本集團以背書及終止確認若干應收票據之方式結算具全面追索權之貿易及其他應付款項。本公司董事認為，由於所有背書之應收票據乃由聲譽良好之中國銀行發出及提供擔保，故欠付背書之應收票據之風險不大。於各報告期末，本集團可能因欠付該等背書及取消確認之應收票據而須承擔之最大風險如下：

	2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元
Outstanding endorsed bills receivable with recourse	621.19	461.21
具追索權之尚未償還已背書應收票據		

Working Capital and Indebtedness

The following table sets forth details of our current assets and liabilities as of 31 December 2016 (in RMB millions):

營運資金及負債

下表載列於2016年12月31日本集團流動資產及負債詳情 (單位：人民幣百萬元)：

		2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元
CURRENT ASSETS	流動資產		
Prepaid lease payments	預付租賃款項	7.40	8.68
Debt investment	債務證券	416.63	-
Inventories	存貨	827.79	1,175.83
Loan receivables from an associate	應收一家聯營公司貸款	64.00	80.00
Trade and other receivables	貿易及其他應收款項	3,648.45	4,054.92
Transferred trade receivables	已劃轉的貿易應收款項	180.32	-
Finance lease receivables within one year	一年內融資租賃應收款項	39.15	25.99
Long-term receivables within one year	一年內到期的長期應收款項	131.73	105.06
Derivative financial instruments	衍生金融工具	71.02	-
Other financial assets	其他金融資產	1,085.00	1,063.00
Tax recoverable	可收回稅項	0.25	1.37
Pledged bank deposits	已抵押銀行存款	253.55	278.08
Bank balances and cash	銀行結餘及現金	2,682.40	2,011.23
Total Current Assets	流動資產合計	9,407.69	8,804.16
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	1,721.67	2,193.74
Advances from customers	客戶按金	253.52	198.89
Tax liabilities	稅項負債	9.39	19.61
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	180.32	-
Total Current Liabilities	流動負債合計	2,164.90	2,412.24
NET CURRENT ASSETS	流動資產淨值	7,242.79	6,391.92

The Company's net current assets increased from RMB6,391.92 million as of 31 December 2015 to RMB7,242.79 million as of 31 December 2016, primarily because the Company's debt investments will become due within a year and due to the decrease in trade and other payables.

As at 31 December 2016, the Group had no outstanding borrowings.

As of 31 December 2016, our available credit line from various financial institutions amounted to RMB3,795 million. As of 31 December 2015, approximately RMB1,906 million of our credit lines from various domestic and foreign financial institutions remained unused.

本公司流動資產淨額自2015年12月31日的人民幣6,391.92百萬元增加至2016年12月31日的人民幣7,242.79百萬元主要是由於公司之債務投資將在一年內到期以及貿易及其他應付款項的減少。

於2016年12月31日，本公司無未償還借款。

於2016年12月31日，本公司有來自多家金融機構的可用信用額度人民幣3,795百萬元。於2015年12月31日，本公司來自多家國內外金融機構的信用額度約人民幣1,906百萬元未使用。



Capital Adequacy Ratio

Capital adequacy ratio is calculated by dividing the total interest-bearing liabilities at the end of the year by total equity at the end of the year and multiplying by 100%.

As of 31 December 2016 and 31 December 2015, our capital adequacy ratio was 0, mainly because the Company had no bank borrowing as of 31 December 2016 and 31 December 2015.

Liquidity Risk

資本充足比率

資本充足比率乃按年末計息負債總額除以年末權益總額，再乘100%計算。

我們於2016年12月31日及2015年12月31日的資本充足比率為0，主要由於公司2016年12月31日及2015年12月31日無銀行借款。

流動資金風險

		Weighted average interest rate 加權 平均利率 %	On demand or less than 3 months 按要求或 少於3個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年 RMB'000 人民幣千元	Total undiscounted cashflows 未折現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
The Group	本集團					
As at 31 December 2016	於二零一六年十二月三十一日					
Trade and other payables	貿易及其他應付款項	–	1,320,446	281,165	1,601,611	1,601,611
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	–	180,322	–	180,322	180,322
			1,500,768	281,165	1,781,933	1,781,933

Credit Risk

As at 31 December 2016 and 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to bills receivable endorsed by the Group with full recourse as disclosed in note 40.

In order to minimize the credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management of the Company reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Company considers that the Group's credit risk is significantly reduced.

In the opinion of the directors of the Company, the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivable are issued and guaranteed by reputable PRC banks.

The Group has concentration of credit risk on liquid funds which are deposited with several banks. However, the credit risk on bank balances is limited because the majority of the counterparties are state-owned banks with good reputation or banks with good credit rating assigned by international credit-rating agencies and with good reputation.

The Group has concentration of credit risk as 11.28% (2015: 11.42%) and 29.33% (2015: 28.75%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

Interest Rate Risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits and variable-rate bank balances (see notes 30 for details). Currently, the Group does not have a specific policy to manage its interest rate risk, but the management will closely monitor interest rate exposures and consider hedging significant interest rate risk should the need arise.

Please refer to note 42(b) of the financial statements prepared under IFRSs for more quantitative information about the Company's credit risk.

信貸風險

於二零一六年及二零一五年十二月三十一日，本集團的最大信貸風險將導致由於交易對手未有履行責任而令本集團蒙受財務損失，乃由以下各項產生：

- 綜合財務狀況表所述各自己確認金融資產的賬面值；及
- 於附註40所披露與本集團具有全面追索權之已背書應收票據有關的或然負債金額。

為降低信貸風險，本公司管理層已委派一個團隊負責釐定信貸限額、信貸審批及實施其他監督程序，以確保採取跟進行動以收回逾期債務。此外，本公司管理層於各報告期末審閱各貿易債務的可收回程度，以確保就不可收回金額計提足夠減值虧損。為此，本公司管理層認為，本集團信貸風險已大幅降低。

本公司董事認為，拖欠支付已背書應收票據的風險不大，原因為全部已背書應收票據乃由中國具信譽的銀行發出及擔保。

本集團就存放於幾家銀行的流動資金承受集中信貸風險。然而，由於大部分對手方均為信譽良好的國有銀行或獲國際評級機構授予良好信貸評級且信譽良好的銀行，故銀行結餘的信貸風險有限。

由於本集團有11.28%(二零一五年：11.42%)及29.33%(二零一五年：28.75%)貿易應收款項總額乃分別應收其最大及五大客戶，故此本集團信貸風險集中。

利率風險

本集團就浮息已抵押銀行存款、浮息銀行結餘承受現金流利率風險(詳情請參閱附註30)。本集團現時並無特定政策管理其利率風險，但管理層將密切監控利率風險，並於有需要時考慮對沖重大利率風險。

更多關於本公司信貸風險的量化信息請參見按照國際財務報告準則編製的財務報表附註42(b)。

Currency Risk

The primary economic environment in which the company and its principal subsidiaries operate is the PRC and their functional currency is RMB. However, certain transactions of the Company and its principal subsidiaries including sales and purchases of goods are denominated in foreign currencies. In addition, the Company entered into an equity transfer agreement during the year (notes 28 and 43), and a large portion of the consideration shall be payable in USD equivalent.

The management of the Group monitors foreign exchange exposure by closely monitoring the foreign exchange risk profile and utilized forward foreign exchange contracts to hedge its exposure to variability in cash flows attributable to foreign currency risk between RMB/USD associated with the highly probable equity transfer agreement.

The Group is mainly exposed to the foreign currency risk between USD/RMB, EUR/RMB and HKD/RMB. Please refer to note 42(b) of the financial statements prepared under IFRSs for more quantitative information about the Group's currency risk.

Other Price Risk

The Group is exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments operating in coal industry sector quoted in the Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Please refer to note 42(b) of the financial statements prepared under IFRSs for more quantitative information about the Company's other price risk.

Business Review

1. The Group's Overall Operations in 2016

In 2016, under the prolonged slowdown of macroeconomic growth, the constantly destocking of the coal industry and the constantly shrinkage of the coal mining machinery market, the revenue generated by the Company decreased substantially year-on-year, whilst net profit attributable to parent company still recorded growth. In 2016, the Company achieved revenue of RMB3,628.53 million, representing a decrease of 19.6% as compared with 2015. Net profit attributable to parent company was RMB62.00 million, representing an increase of 46.9% as compared with 2015.

貨幣風險

本公司及其主要附屬公司營運的主要經濟環境為中國，而其功能貨幣為人民幣。然而，本公司及其主要附屬公司的若干交易(包括買賣商品)乃以外幣列值。此外，本公司已於年內訂立一項股權轉讓協議(附註28及43)，而代價的一大部份須以等值美元支付。

本集團管理層透過密切監察外匯風險組合監控外匯風險，以及利用遠期外匯合同對沖其人民幣/美元外匯風險導致的現金流量變化的風險(其與極可能簽立的股權轉讓協議有關)。

本集團主要承擔美元/人民幣、歐元/人民幣及港幣/人民幣的外匯風險。更多關於本集團匯率風險的量化信息請參見按照國際財務報告準則編製的財務報表附註42(b)。

其他價格風險

本集團因投資於上市股本證券而面臨股本價格風險。本集團的股本價格風險主要集中於經營煤炭行業並在聯交所報價的股本工具。此外，本集團已委任特定團隊監察有關價格風險，並於有需要時考慮對沖有關風險。

更多關於本公司其他價格風險的量化信息請參見按照國際財務報告準則編製的財務報表附註42(b)。

業務回顧

1. 2016年度本集團總體經營情況

2016年，受宏觀經濟增速持續放緩、煤炭行業持續去產能、煤機市場持續萎縮的影響，公司營業收入同比大幅下降，但是歸屬於母公司的淨利潤仍有所增長。2016年公司全年實現營業收入人民幣3,628.53百萬元，較2015年下降19.6%；實現歸屬於母公司的淨利潤人民幣62.00百萬元，較2015年增加46.9%。

Business Review (Continued)

2. Major Work Done in 2016

In 2016, in line with the annual goal of “securing collection of receivables while maintaining sales orders, uplifting efficiency for survival, adjusting structure for corporate transformation, and intensifying reforms while seeking innovation”, the Company took a key step forward towards its transformation. Key efforts were made to intensify reform and foster industrial transformation. Advocating its diversified array of sales modes and probing potentials for cost reduction, the Company achieved stable production operation as well as improved profit in the midst of the substantial drop in revenue.

In 2016, the Company made substantial progress in its industrial transformation, outlining the rough shape of a dual-driven pattern. Collection of debts by various means proved to be effective, while innovative sales mode achieved breakthroughs amidst adversity. Production methods continued to enhance, delivering products with steadily rising quality. Additionally, production technology and manufacturing processes also improved steadily and key projects continued to have ground-breaking performance.

3. Significant Events Subsequent to the End of the Financial Year

References are made to the announcement dated 24 March 2016 and the circular dated 23 May 2016 regarding the very substantial acquisition and connected transaction of the Company. All capitalized terms used herein shall have the same meanings as defined in the announcement and circular. As of the date of this report, the transfer of the Target Equity Interests had been completed. The change of share registration details in respect of the Consideration Shares had been completed. The issue of the Placing Shares had been completed.

Outlook for 2017

2017 will be a pivotal year in China's initiatives to foster structural reform as well as the first year for the Company in kicking start its comprehensively intensified reform and industrial transformation and upgrade. In 2017, in line with the annual goal of “intensifying reforms for business model, advance trial and practice for fostering innovation, solidifying foundation for quality, and stabilizing operation for sustained growth”, the Company will continue to push ahead with its transformation and upgrade. Firstly, capturing the opportunity presented by the reforms in the coal industry, the Company will pursue growth its coal mining machinery business in terms of strength and core competence. Secondly, it will seek to consolidate its new automotive component business, uplift its profitability, and pursue healthy and virtuous development on an ongoing basis. Further, it will strengthen risk control to ensure the stable operation of the Company.

業務回顧(續)

2. 2016年的主要工作成績

2016年，鄭煤機緊緊圍繞「回資金穩市場、提效率求生存、調結構促轉型、深改革謀創新」的年度方針目標，邁出了轉型升級的關鍵一步，重點推進深化改革和產業轉型，對外推廣多元化營銷模式，對內深挖潛力降成本，總體生產經營較為平穩，在營業收入大幅下滑的情況下，利潤有所增加。

2016年，公司產業轉型取得實質進展，雙輪驅動格局初步構建；多元回款方式成效顯著，創新銷售模式逆勢突破；生產組織方式持續優化，產品品質穩步提升；產品技術與製造工藝技術穩步提升，重大攻關項目持續突破。

3. 自會計年度結束後發生的重大事件

茲提述本公司日期為2016年3月24日的公告及日期為2016年5月23日的通函，內容有關本公司之非常重大收購事項及關連交易。下述所用詞彙與該公告及通函所界定者具有相同涵義，截至本報告之日期，目標股權已完成過戶，代價股份已辦理完畢股份登記手續，配售股份已完成發行。

2017年展望

2017年是國家推進結構性改革深化的攻堅之年，也是公司全面深化改革、產業轉型升級的開局之年。2017年，公司將圍繞「深化改革謀格局，先行先試促創新，夯實基礎抓質量，穩健經營保增長」的年度方針目標，持續推動公司轉型升級。首先要抓住煤炭行業發生變革的機會，將煤機業務做強做精；其次做好汽車零部件業務的整合，強化其自身的盈利能力，追求持續的健康良性發展；再次要加強風險管控，保持公司穩健經營。



Directors, Supervisors and Senior Management

董事、監事及高級管理層

Directors

Executive Directors

Mr. Jiao Chengyao (焦承堯), aged 53, is the Chairman and executive Director of the Company. Mr. Jiao is a professor-level senior engineer. He graduated from China Institute of Mining and Technology (中國礦業學院) (now known as China University of Mining and Technology (中國礦業大學)), majoring in mechanical design, manufacture and automation and obtained a bachelor's degree in engineering in July 1985. He obtained a master's degree in engineering from China University of Mining and Technology in December 2003, and obtained a doctoral degree in economics from Huazhong University of Science and Technology in December 2007. From July 1985 to May 1992, he served as a technician, a production dispatcher and an engineer of the No. 1 machinery sub-plant of Zhengzhou Coal Mining Machinery Factory. From May 1992 to May 1993, he was the manager of Zhengshen Import Vehicles Repair Station (鄭深進口汽車維修站). From May 1993 to January 1998, he was the deputy plant manager and the plant manager of the No. 1 machinery sub-plant of Zhengzhou Coal Mining Machinery Factory. From January 1998 to July 2000, he was the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he was the plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to December 2008, he served as the chairman and general manager of Zhengzhou Coal Mining Machinery Company. Since July 2015, he was appointed as chairman and director of Henan Machinery Investment Group Co., Ltd. Since December 2008, he has been the Chairman of the Company.

Mr. Xiang Jiayu (向家雨), aged 51, is the Vice Chairman and executive Director of the Company. Mr. Xiang is a senior engineer. From September 1980 to July 1984, he studied at the Department of Electrical and Mechanical Engineering of Jiaozuo Mining Institute (焦作礦業學院), majoring in mechanization. He studied at the China University of Mining and Technology, Master's Department (Beijing) (中國礦業大學北京研究生部) from September 1988 to January 1991, majoring in mining mechanical engineering and obtained a master's degree. From July 1984 to August 1988, he lectured at Yima Mining Technical School (義馬礦務局技校). From May 1991 to December 1992, he was a designer at the research center of Zhengzhou Coal Mining Machinery Factory. From December 1992 to July 1995, he was the executive officer of the No. 2 research center of Zhengzhou Coal Mining Machinery Factory. From August 1995 to November 1998, he was the deputy plant manager at the Huanghe Electronics Institute (黃河電動車廠) of Zhengzhou Coal Mining Machinery Factory. From November 1998 to July 2000, he was the executive officer of the hydraulic project center of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he served as the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to October 2008, he was the deputy general manager and standing deputy general manager of Zhengzhou Coal Mining Machinery Company. From October 2008 to December 2008, he was a director and the general manager of Zhengzhou Coal Mining Machinery Company. From December 2008 to February 2015, he was a director and the general manager of the Company. Since July 2015, he has been a director of Henan Machinery Investment Group Co., Ltd. Since February 2015, he has been the Vice Chairman of the Company.

董事

執行董事

焦承堯先生，53歲，現任本公司執行董事兼董事長。焦先生是教授級高級工程師。彼於一九八五年七月畢業於中國礦業學院(現中國礦業大學)機械設計製造與自動化專業，獲得工學學士學位；二零零三年十二月，獲得中國礦業大學工程碩士學位；二零零七年十二月獲得華中科技大學經濟學博士學位。一九八五年七月—一九九二年五月，任鄭州煤礦機械廠機一分廠技術員、生產調度員、工程師；一九九二年五月—一九九三年五月，任鄭深進口汽車維修站經理；一九九三年五月—一九九八年一月，任鄭州煤礦機械廠機一分廠副廠長、廠長；一九九八年一月—二零零零年七月，任鄭州煤礦機械廠副廠長；二零零零年七月—二零零二年十月，任鄭州煤礦機械廠廠長；二零零二年十月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司董事長兼總經理；二零一五年七月至今獲委任為河南機械裝備投資集團有限責任公司董事兼董事長。二零零八年十二月至今，任本公司董事長。

向家雨先生，51歲，現任本公司執行董事兼副董事長。向先生是高級工程師。彼於一九八零年九月—一九八四年七月，焦作礦業學院機電系機械化專業學習；一九八八年九月—一九九一年一月，中國礦業大學北京研究生部礦山機械工程學專業學習，獲碩士學位。一九八四年七月—一九八八年八月，義馬礦務局技校任教；一九九一年五月—一九九二年十二月，鄭州煤礦機械廠研究所任設計員；一九九二年十二月—一九九五年七月，鄭州煤礦機械廠第二研究所室主任；一九九五年八月—一九九八年十一月，鄭州煤礦機械廠黃河電動車廠副廠長；一九九八年十一月—二零零零年七月，鄭州煤礦機械廠液壓工程中心主任；二零零零年七月—二零零二年十月，鄭州煤礦機械廠副廠長；二零零二年十月—二零零八年十月，鄭州煤礦機械集團有限責任公司副總經理、常務副總經理；二零零八年十月—二零零八年十二月，鄭州煤礦機械集團有限責任公司董事、總經理。二零零八年十二月至二零一五年二月，任本公司董事、總經理；二零一五年七月至今，任河南機械裝備投資集團有限責任公司董事；二零一五年二月至今任本公司副董事長。



Directors, Supervisors and Senior Management 董事、監事及高級管理層

Directors (Continued)

Executive Directors (Continued)

Mr. Wang Xinying (王新瑩), aged 51, is an executive Director of the Company. Mr. Wang is a senior engineer. From September 1981 to July 1985, he studied at the Department of Mining Engineering of Chongqing University (重慶大學), majoring in mining machinery. From September 2004 to July 2007, he studied at the School of Mechanical Engineering of China University of Mining and Technology and obtained postgraduate qualification and a master's degree in engineering. From July 1985 to October 1992, he was an engineer of the equipment division of Zhengzhou Coal Mining Machinery Factory, and worked and studied in Toyota Motor Corporation between January 1991 and January 1992. From October 1992 to July 1994, he was a deputy manager of Zhengshen Import Vehicles Repair Station. From July 1994 to December 1996, he was a deputy plant manager of sub-plant of machinery repair of Zhengzhou Coal Mining Machinery Factory. From December 1996 to July 2000, he was a deputy director of the production division of Zhengzhou Coal Mining Machinery Factory. From July 2000 to January 2005, he was the head of corporate planning department of Zhengzhou Coal Mining Machinery Factory. From January 2005 to December 2008, he was a deputy general manager of Zhengzhou Coal Mining Machinery Company. From December 2008 to February 2015, he was a director and deputy general manager of the Company. He was appointed as a director of Luoyang LYC Bearing Co., Ltd. with effect from 29 June 2016 and was appointed as a chairman of Luoyang LYC Bearing Co., Ltd. with effect from 30 June 2016. Since February 2015, he has been a director of the Company.

Mr. Guo Haofeng (郭昊峰), aged 52, is an executive Director. Mr. Guo is a senior engineer. From September 1983 to July 1987, he studied at the Department of Mechanical Engineering of South China Institute of Technology (華南工學院) (now known as South China University of Technology (華南理工大學)), and obtained a bachelor's degree in engineering. He has a master's degree in engineering awarded by Huazhong University of Science and Technology (華中科技大學) in June 2007. From September 1987 to August 1991, he was a technician, an assistant engineer and an engineer of the sub-plant of casting of Zhengzhou Coal Mining Machinery Factory. From August 1991 to July 1994, he served as an assistant to plant manager of the sub-plant of casting of Zhengzhou Coal Mining Machinery Factory. From July 1994 to April 1997, he was the deputy plant manager of the sub-plant of casting of Zhengzhou Coal Mining Machinery Factory. From April 1997 to September 1998, he was the plant manager of the sub-plant of casting of Zhengzhou Coal Mining Machinery Factory. From September 1998 to July 2000, he was the head of the corporate planning department of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he was the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to September 2006, he served as the deputy general manager of Zhengzhou Coal Mining Machinery Company. From October 2006 to December 2008, he was a director and the deputy general manager of Zhengzhou Coal Mining Machinery Company ("ZCMM"). From December 2008 to February 2012, he was the director and deputy general manager of the Company. From February 2012 to February 2015, he was the deputy general manager of the Company. Since February 2015 he has been a director of the Company.

董事(續)

執行董事(續)

王新瑩先生，51歲，現任本公司執行董事。王先生是高級工程師。彼於一九八一年九月—一九八五年七月，重慶大學採礦工程系礦山機械專業學習；二零零四年九月—二零零七年七月，中國礦業大學機電學院學習，獲研究生學歷和工學碩士學位。一九八五年七月—一九九二年十月，鄭州煤礦機械廠設備處工程師，其中一九九一年一月—一九九二年一月，在日本豐田公司研修；一九九二年十月—一九九四年七月，鄭深進口汽車維修站副經理；一九九四年七月—一九九六年十二月，鄭州煤礦機械廠機修分廠副廠長；一九九六年十二月—二零零零年七月，鄭州煤礦機械廠生產處處長；二零零零年七月—二零零五年一月，鄭州煤礦機械廠企業規劃部部長；二零零五年一月—二零零八年十二月，鄭州煤礦機械集團有限責任公司副總經理。二零零八年十二月至二零一五年二月，任本公司董事、副總經理。彼於二零一六年六月二十九日獲委任為洛陽LYC軸承有限公司董事，並於二零一六年六月三十日獲委任為洛陽LYC軸承有限公司董事長。二零一五年二月至今，任本公司董事。

郭昊峰先生，52歲，現任本公司執行董事。郭先生是高級工程師。彼於一九八三年九月—一九八七年七月，華南工學院(現華南理工大學)機械工程系學習，獲得工學學士學位；二零零七年六月，獲得華中科技大學工程碩士學位；一九八七年九月—一九九一年八月，鄭州煤礦機械廠鍛造分廠任技術員、助理工程師、工程師；一九九一年八月—一九九四年七月，鄭州煤礦機械廠鍛造分廠廠長助理；一九九四年七月—一九九七年四月，鄭州煤礦機械廠鍛造分廠副廠長；一九九七年四月—一九九八年九月，鄭州煤礦機械廠鍛造分廠廠長；一九九八年九月—二零零零年七月，鄭州煤礦機械廠企業規劃部部長；二零零零年七月—二零零二年十月，鄭州煤礦機械廠副廠長；二零零二年十月—二零零六年九月，任鄭州煤礦機械集團有限責任公司副總經理；二零零六年十月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司(「鄭煤機械」)董事、副總經理。二零零八年十二月—二零一二年二月，任本公司董事、副總經理；二零一二年二月至二零一五年二月，任本公司副總經理；二零一五年二月至今任本公司董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Directors (Continued)

Executive Directors (Continued)

Mr. Liu Qiang (劉強), aged 47, and born in Yongcheng, Henan, is a member of the Communist Party of China. From September 1986 to July 1990, he studied at the Nankai University, majoring in economics management and law, and obtained bachelor's degrees in economics and law. In October 2004, he studied a master's degree in economics from Wuhan University, majoring in world economics. In July 2009, he studied at Henan University, majoring in regional economics and was admitted as a doctoral candidate. He obtained a doctoral degree in Economics in December 2009. Mr. Liu holds the qualification of senior auditor, asset valuer, lawyer and senior consultant. From July 1990 to November 2002, he successively served to a director-level officer at the agriculture audit division, general office and division of legal affairs under the Department of Audit of Henan Province. From November 2002 to July 2012, he was the deputy section-level supervisor of the Supervisory Committee for the State owned Enterprises Administered by Henan Provincial Government (河南省省管國有企業監事會). From July 2012 to November 2012, he served as the section-level supervisor of the Supervisory Committee for the State owned Enterprises Administered by Henan Provincial Government. From November 2012 to September 2014, he was also a researcher of Provincially Administered and State-owned Medium and Small Enterprise Department (省直中小企業處) of the State-owned Assets Supervision and Administration Commission of the People's Government of Henan province. He also served as a researcher of Economic Cooperation Department of the State-owned Assets Supervision and Administration Commission of the People's Government of Henan Province from September 2014 to December 2014. Since December 2014, he has been the secretary to the Disciplinary Commission of the Company. Since February 2015, he has been a director of the Company.

董事(續)

執行董事(續)

劉強先生，47歲，河南永城人，中共黨員。一九八六年九月—一九九零年七月，在南開大學經濟管理專業、法律專業學習，獲得經濟學學士、法學學士學位；二零零四年十月，在武漢大學世界經濟專業，獲得經濟學碩士學位；二零零九年七月，河南大學區域經濟學專業畢業並獲得博士研究生學歷，二零零九年十二月獲得經濟學博士學位。具有高級審計師、資產評估師、律師、高級諮詢師資格。一九九零年七月—二零零二年十一月，先後在河南省審計廳農業審計處、審計廳綜合處、法制處工作，至主任科員；二零零二年十一月—二零一二年七月，任河南省省管國有企業監事會專職監事(副處實職)；二零一二年七月—二零一二年十一月，任河南省省管國有企業監事會專職監事(正處實職)；二零一二年十一月—二零一四年九月，擔任河南省人民政府國有資產監督管理委員會省直中小企業處調研員，於二零一四年九月—二零一四年十二月，擔任河南省人民政府國有資產監督管理委員會經濟合作處調研員。二零一四年十二月至今，任本公司紀委書記；二零一五年二月至今，任本公司董事。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Directors (Continued)

Independent Non-executive Directors

Ms. Liu Yao (劉堯), aged 41, is an independent non-executive Director of the Company. Ms. Liu joined the Company on 5 June 2014. Ms. Liu has approximately 16 years of experience in financial industry. She worked in the investment banking department of UBS Securities Hong Kong Limited as an associate director, a director and an executive director and was responsible for Industrial projects in China from December 2009 to June 2014, and has served as a managing director of HK Griffin Reed Capital Group (瑞德資本集團) from June 2014 to May 2016. She founded RJ Capital (汭疆資本) and has been the chairman since July 2016. Since June 2014, she has been an independent director of the Company. Ms. Liu has worked as a key member of the sponsor or one of the joint sponsors (as the case may be) in a number of offerings of shares on the main board of Hong Kong Stock Exchange, including among others, the Company, China Huishan Dairy Holdings Company Limited (stock code: 06863), International Mining Machinery Holdings Limited (stock code: 01683; delisted), Zhongsheng Group Holdings Limited (stock code: 00881), China Lesso Group Holdings Limited (stock code: 02128) and Boer Power Holdings Limited (stock code: 01685). In the foregoing transactions, Ms. Liu reviewed and analyzed the audited accounts, management accounts, corporate governance and internal control of the relevant companies, coordinated prospectuses drafting (including the financial information sections), compared performance of the relevant companies against comparable companies in similar industries, and provided advice to the relevant companies to improve their corporate governance and internal control in accordance with the Listing Rules. She worked in Deutsche Bank at its corporate finance practice under the investment banking department as a manager from July 2007 to November 2009, during which period of time she participated in the offerings of shares by a company in the bi-pharmaceutical industry and a company in the ship building industry, subprime debt financing of Bank of China, an overseas acquisition by Industrial and Commercial Bank of China, etc. Ms. Liu served as an analyst, manager and department head for Capital One Bank from March 2001 to May 2007, mainly working on analysis of market data, risk analysis of subprime credit cards and strategic planning of bank's investment in housing loan business and non-subprime automobile loan business. Ms. Liu graduated from Xiamen University in July 1996 and obtained a bachelor's degree in chemistry. She graduated from the National University of Singapore with a master's degree in chemistry in December 1998. Ms. Liu possesses a second master's degree in materials engineering granted by Case Western Reserve University in Cleveland, the United States of America in March 2001. She also obtained an EMBA degree from the Wharton School of the University of Pennsylvania in Philadelphia, the United States of America in May 2007.

董事(續)

獨立非執行董事

劉堯女士，41歲，現任本公司獨立非執行董事。劉女士於二零一四年六月五日加入本公司。劉女士於金融業擁有約16年經驗。二零零九年十二月至二零一四年六月，瑞士銀行歷任投資銀行部副董事、董事、執行董事，負責中國區工業項目；二零一四年六月至二零一六年五月，瑞德資本集團董事總經理；二零一六年七月至今，創立汭疆資本並擔任董事長。二零一四年六月至今，任本公司獨立董事。劉女士作為保薦人或其中一名聯席保薦人(視乎情況而定)的重要成員曾參與香港聯交所主板的多項股份發售，其中包括本公司、中國輝山乳業控股有限公司(股份代碼：06863)、國際煤機集團(股份代碼：01683；已除牌)、中升集團控股有限公司(股份代碼：00881)、中國聯塑集團控股有限公司(股份代碼：02128)及博耳電力控股有限公司(股份代碼：01685)。於上述交易中，劉女士審閱並分析相關公司經審核帳目、管理層帳目、企業管治及內部監控、協調撰寫招股說明書(其中包括財務資料章節)、對比相關公司與類似行業可資比較公司的表現、根據上市規則向相關公司提供建議以改善其企業管治及內部監控。彼曾於二零零七年七月至二零零九年十一月於德意志銀行投資銀行部企業融資團隊任職經理，期間參與一家生物醫藥業公司及一家造船企業的股份發售、中國銀行次級債發行及中國工商銀行的一宗海外收購等。於二零零一年三月至二零零七年五月，劉女士於第一資本銀行歷任分析員、經理及部門主管，主要負責市場數據分析、次級信用卡的風險資料分析及銀行投資於房貸業務及非次級汽車貸款業務的策略計劃。劉女士於一九九六年七月畢業於廈門大學並取得化學學士學位。於一九九八年十二月，彼畢業於新加坡國立大學及取得化學碩士學位。劉女士持有第二個碩士學位，由美國克裏夫蘭凱斯西儲大學(Case Western Reserve University)於二零零一年三月頒發的材料工程碩士學位。彼亦於二零零七年五月取得美國費城賓夕法尼亞大學沃頓商學院(Wharton School of the University of Pennsylvania)高層管理人員工商管理碩士(EMBA)學位。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Directors (Continued)

Independent Non-executive Directors (Continued)

Mr. Jiang Hua (江華), aged 53, is an independent non-executive Director of the Company. Mr. Jiang joined the Company on 10 February 2015. Mr. Jiang was among the first batch of securities lawyers in China. From September 1981 to June 1985, he studied law at Renmin University of China and obtained a bachelor's degree. From September 1985 to June 1987, he studied civil law at Renmin University of China and obtained a master's degree in 1990. He began to practice law since 1993. From 1993-1994, he was a partner of the Beijing based Zhong Yin Law Firm (北京市中銀律師事務所). From June 1994 to 2001, he was a partner of the Beijing based Dacheng Law Offices (北京市大成律師事務所). From 2001 to 2003, he was a partner of the Beijing-based Tongwei Law Firm (北京市同維律師事務所). Since 2003, he has been a partner of Beijing Kangda Law Firm (北京市康達律師事務所). In 2012, Mr. Jiang was hired by the Law School and the Lawyer College of Renmin University of China as a parttime instructor for graduate students under the Juris Master program. He has provided legal services in various aspects, including transformation into shares based corporations, issue and listing of shares, refinancing, and merger and acquisition to more than a hundred enterprises including Beijing Tianqiao (北京天橋), Gu Yue Long Shan (古越龍山), Yintai Resources (銀泰資源) and so forth, contributing his profound theoretical knowledge and extensive practical experience. Mr. Jiang is qualified to become an independent director of listed companies. Mr. Jiang has been an independent director of Jonjee Hi-Tech Industrial & Commercial Holding Co. (中炬高新技術實業(集團)股份有限公司) (Shenzhen Stock Exchange: 000151) from 2003 to 2011; an independent director of Hangzhou Hikvision Digital Technology Co. Ltd. (杭州海康威視數字技術股份有限公司) (Shenzhen Stock Exchange: 002415) from 2008 to December 2014; an independent director of China Zhonghua Geotechnical Engineering Co., Ltd. (中化岩土工程股份有限公司) (Shenzhen Stock Exchange: 002542) since 2009; an independent director of Daheng New Epoch Technology Inc. (大恒新紀元科技股份有限公司) (Shanghai Stock Exchange: 600288) from 2009 to December 2014; an independent director of Huafa Industrial Co., Ltd. Zhuhai (珠海華發實業股份有限公司) (Shanghai Stock Exchange: 600325) since 2013; an independent director of China National Complete Plant Import and Export Corporation Limited (中成進出口股份有限公司) (Shenzhen Stock Exchange: 000151) since 2014; and an independent director of Shanxi Top Energy Company Ltd. (山西通寶能源股份有限公司) (Shenzhen Stock Exchange: 600780) since 2016.

董事(續)

獨立非執行董事(續)

江華先生，53歲，現任本公司獨立非執行董事。江先生於二零一五年二月十日加入本公司。江先生是中國首批證券律師。一九八一年九月—一九八五年六月，中國人民大學法律專業學習，獲得學士學位；一九八五年九月—一九八七年六月，中國人民大學民法專業學習，一九九零年獲得碩士學位；一九九三年開始從事律師業務，一九九三年—一九九四年，北京市中銀律師事務所合夥人，一九九四年六月—二零零一年，北京市大成律師事務所合夥人；二零零一年—二零零三年，北京市同維律師事務所合夥人；二零零三年至今，北京市康達律師事務所合夥人。二零一二年被中國人民大學法學院、律師學院聘為法律碩士專業學位研究生兼職導師。曾為北京天橋、古越龍山、銀泰資源等上百家企業提供了股份制改造、股票發行上市、再融資、收購兼並等法律服務業務，有深厚的理論功底和豐富的實踐經驗。江華律師具備上市公司獨立董事任職資格，二零零三年—二零一一年，中炬高新技術實業(集團)股份有限公司獨立董事(上交所，600872)；二零零八年—二零一四年十二月，杭州海康威視數字技術股份有限公司獨立董事(深交所，002415)；二零零九年至今，中化岩土工程股份有限公司獨立董事(深交所，002542)；二零零九年—二零一四年十二月，大恒新紀元科技股份有限公司獨立董事(上交所，600288)；二零一三年至今，珠海華發實業股份有限公司獨立董事(上交所，600325)；二零一四年至今，中成進出口股份有限公司獨立董事(深交所，000151)；二零一六年至今，山西通寶能源股份有限公司獨立董事(上交所，600780)。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Directors (Continued)

Independent Non-executive Directors (Continued)

Mr. Li Xudong (李旭冬), aged 46, is an independent non-executive Director of the Company. Mr. Li joined the Company on 10 February 2015. Mr. Li is a senior accountant, Chinese certified public accountant, Chinese certified assets valuer and Chinese certified tax agent. From 2000 to 2003, he studied at Central University of Finance and Economics and obtained a bachelor's degree in accounting. He is currently a managing partner (執行合夥人) of Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合伙)). Mr. Li was a member of the 13th, 14th and 15th session of the review committee for main board issue of China Securities Regulatory Commission. In 1996, Mr. Li commenced his CPA business and has focused on the partial and whole-scale listing of corporate assets, asset restructuring, and IPO audit and consulting for listed companies. Mr. Li has been a certified public accountant in respect of auditing for or signing the audit for listed companies and large-scale state-owned enterprises including Wanda Commercial Properties Co., Ltd. (萬達商業地產股份有限公司), Inner Mongolia Junzheng Energy & Chemical Industry Co., Ltd. (內蒙古君正能源化工股份有限公司), Zhejiang Hangxiao Steel Structure Co., Ltd. (浙江杭蕭鋼構股份有限公司), China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), and China National Machinery Industry Corporation (中國機械工業集團公司). He has accumulated professional experience in areas including accounting, auditing, asset appraisal, merger and acquisition and corporate governance consulting. Mr. Li has been appointed as an independent non-executive director of Tianjin TEDA Biomedical Engineering Company Limited (天津泰達生物醫學工程股份有限公司) (Hong Kong Stock Exchange: 8189) since December 2016.

Mr. Wu Guangming (吳光明), aged 55, is an independent non-executive Director of the Company. Mr. Wu joined the Company on 10 February 2015. He is a senior economist and senior engineer. He is currently the chairman of the board of directors of and general manager of Jiangsu Yuyue Medical Equipment and Supply Co., Ltd. (江蘇魚躍醫療設備股份有限公司) (Shenzhen Stock Exchange: 002223), and vice chairman of Chinese Medical Equipment Industry Association (中國醫療器械協會). Mr. Wu graduated from Jiangsu University of Technology (江蘇理工大學) in 1997, and was admitted to China Europe International Business School in 2010. Mr. Wu was the manager of Danyang Electronic Medical Apparatus Factory (丹陽城鎮醫療電子儀器廠) and manager of Danyang Medical Equipment Factory (丹陽醫用器械廠). Since 1998, he has been chairman of the board of directors of and general manager of Jiangsu Yuyue Medical Equipment and Supply Co., Ltd.

董事(續)

獨立非執行董事(續)

李旭冬先生，46歲，現任本公司獨立非執行董事。李先生於二零一五年二月十日加入本公司。李先生是高級會計師、中國註冊會計師、中國註冊資產評估師及中國註冊稅務師。二零零零年—二零零三年在中央財經大學學習，獲得會計學學士學位。現任大華會計師事務所(特殊普通合伙)執行合夥人。李先生曾任中國證監會第十三屆、第十四屆、第十五屆主板發行審核委員會委員。李先生自一九九六年開始從事註冊會計師業務，專注於企業部分資產及整體上市、資產重組、上市公司IPO審計及諮詢業務。曾擔任萬達商業地產股份有限公司、內蒙古君正能源化工股份有限公司、浙江杭蕭鋼構股份有限公司、中工國際工程股份有限公司、中國機械工業集團公司等上市公司、大型國有企業主審或簽字註冊會計師。積累了豐富的會計、審計、資產評估、併購及公司治理諮詢等方面的專業經驗。李先生自二零一六年十二月起任天津泰達生物醫學工程股份有限公司(港交所，8189)的獨立非執行董事。

吳光明先生，55歲，現任本公司獨立非執行董事。吳先生於二零一五年二月十日加入本公司。吳先生是高級經濟師、高級工程師，現任江蘇魚躍醫療設備股份有限公司(深交所，002223)董事長兼總經理、中國醫療器械協會副會長。一九九七年畢業於江蘇理工大學，二零一零年進入中歐國際工商學院學習。曾任丹陽城鎮醫療電子儀器廠廠長、丹陽醫用器械廠廠長，一九九八年至今，擔任江蘇魚躍醫療設備股份有限公司董事長兼總經理。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Supervisors

Mr. Li Chongqing (李重慶), aged 52, is a Supervisor of the Company. Mr. Li is a political worker and assistant engineer. He obtained a bachelor's degree in economics and management from the Party School of the Central Committee of the Chinese Communist Party. From July 1980 to September 1983, he worked for 83016 Military Force Service Station in Yixing County, Jiangsu. From September 1983 to September 1984, he worked in the General Dispatching Office of Zhengzhou Coal Mining Machinery Factory. From September 1984 to July 1987, he studied full-time in the Vocational University of Zhengzhou Coal Mining Machinery Factory, majoring in machinery manufacturing. From July 1987 to June 1990, he worked as a technician in the sub-plant of stanchion (workshop) of Zhengzhou Coal Mining Machinery Factory. From June 1990 to May 1995, he was the vice secretary and secretary of the Zhengzhou Coal Mining Machinery Factory Committee of the Chinese Communist Party Youth League, during which period of time he studied economics and management in the Party School of the Henan Province Committee of Chinese Communist Party and obtained a bachelor's degree. From May 1995 to February 1997, he was the deputy plant manager and the deputy party secretary of the subplant of welding of Zhengzhou Coal Mining Machinery Factory. From February 1997 to May 2000, he served as the plant manager of the sub-plant of mining of Zhengzhou Coal Mining Machinery Factory. From May 2000 to August 2000, he worked as the standing deputy general manager of Diversified Business Corporation of Zhengzhou Coal Mining Machinery Factory (鄭州煤礦機械廠多種經營總公司). From August 2000 to October 2002, he was the head of General Office of Zhengzhou Coal Mining Machinery Factory. From October 2002 to January 2006, he was the head of General Office of Zhengzhou Coal Mining Machinery Company. From January 2006 to September 2006, he worked as the director of the Human Resource Department of Zhengzhou Coal Mining Machinery Company. From October 2006 to December 2008, he served as the deputy general manager and a supervisor of Zhengzhou Coal Mining Machinery Company. From December 2008 to February 2012, he was the deputy general manager of the Company. Since February 2012, he has served as the chairman of Labor Union of the Company. Since February 2015, he has been a supervisor of the Company.

監事

李重慶先生，52歲，現任本公司監事。李先生是政工師、助理工程師。彼獲得中央黨校經濟管理學士學位。一九八零年七月—一九八三年九月，彼於江蘇省宜興縣83016部隊軍人服務社工作；一九八三年九月—一九八四年九月，鄭州煤礦機械廠總調度室工作；一九八四年九月—一九八七年七月，鄭州煤礦機械廠職工大學機械製造專業脫產學習；一九八七年七月—一九九零年六月，鄭州煤礦機械廠支柱分廠(車間)任技術員；一九九零年六月—一九九五年五月，任鄭州煤礦機械廠團委副書記、書記(期間參加河南省委黨校經濟管理專業學習，獲本科學歷)；一九九五年五月—一九九七年二月，任鄭州煤礦機械廠鉚焊分廠副廠長、副書記；一九九七年二月—二零零零年五月，任鄭州煤礦機械廠礦專分廠廠長；二零零零年五月—二零零零年八月，任鄭州煤礦機械廠多種經營總公司常務副總經理；二零零零年八月—二零零二年十月，任鄭州煤礦機械廠辦公室主任；二零零二年十月—二零零六年一月，任鄭州煤礦機械集團有限責任公司辦公室主任；二零零六年一月—二零零六年九月，任鄭州煤礦機械集團有限責任公司人力資源部長；二零零六年十月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司副總經理、監事；二零零八年十二月—二零一二年二月，任本公司副總經理；二零一二年二月至今，任本公司工會主席。二零一五年二月至今任本公司監事。



Directors, Supervisors and Senior Management 董事、監事及高級管理層

Supervisors (Continued)

Mr. Liu Fuying, aged 51, is a Supervisor of the Company. Mr. Liu is a senior engineer. He graduated from the China University of Mining and Technology, majoring in mechanical design and manufacturing and obtained a bachelor's degree in engineering in July 1987. In June 2008, he graduated from the China University of Mining and Technology majoring in mechanical design and theory and obtained a master's degree in engineering. Mr. Liu Fuying has been working for the Company since July 1987, responsible for technical work. He is a major technical personnel of the Company and the leader in the academia and technology field of the coal industry in the Henan Province. From November 1998 to February 2004, he served as the deputy director of the Research Center of Zhengzhou Coal Mining Machinery Factory. From February 2004 to February 2007, he was the deputy director of the Research Center of Zhengzhou Coal Mining Machinery Company. From February 2007 to December 2008, he was the deputy director of the Design and Research Institute of Zhengzhou Coal Mining Machinery Company. From December 2008 to August 2010, he was the deputy director of the Design and Research Institute of the Company. Since August 2010, he has been the director of the Design and Research Institute of the Company. Since February 2015, he has been a supervisor of the Company.

Mr. Zhou Rong (周榮), aged 45, is a Supervisor of the Company. Mr. Zhou is an engineer. He graduated with a bachelor's degree in chemical engineering and technology from Zhengzhou University of Light Industry in July 1996. He graduated from Zhengzhou University majoring in mechanical engineering and obtained a master's degree in engineering in June 2007. He served as the deputy plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Company from April 2002 to August 2006. From August 2006 to December 2007, he was the plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Company. From December 2007 to August 2009, he was the plant manager of the sub-plant of installation of the Company. From August 2009 to February 2010, he was the deputy head of the Marketing and Sales Department of the Company. From February 2010 to February 2011, he was the plant manager of the sub-plant of electroplating of the Company. From February 2011 to April 2011, he was the deputy plant manager of the plant of oil tanks and the plant manager of the sub-plant of electroplating of the Company. From April 2011 to February 2016, he was the head of the supply department of the Company. Since February 2015, he has been a supervisor of the Company. Since February 2016, he has been an assistant to chief financial officer of the Company.

監事(續)

劉付營先生，51歲，現任本公司監事。劉先生是高級工程師。劉先生是高級工程師。一九八七年七月畢業於中國礦業大學機械設計及製造專業，獲得工學學士學位，二零零八年六月畢業於中國礦業大學機械設計及理論專業，獲得工學碩士學位。劉付營先生自一九八七年七月開始一直在本公司從事技術工作，是公司的核心技術人員，是河南省煤炭行業學術技術帶頭人。一九九八年十一月一二零零四年二月，任鄭州煤礦機械廠研究所副所長；二零零四年二月一二零零七年二月，任鄭州煤礦機械集團有限責任公司研究所副所長；二零零七年二月一二零零八年十二月，任鄭州煤礦機械集團有限責任公司設計研究院副院長；二零零八年十二月一二零一年八月，任本公司設計研究院副院長；二零一零年八月至今，任本公司設計研究院院長。二零一五年二月至今任本公司監事。

周榮先生，45歲，現任本公司監事。周先生是工程師。周先生是工程師。一九九六年七月，畢業於鄭州輕工業學院化學工程與工藝專業，獲得學士學位；二零零七年六月，畢業於鄭州大學機械工程專業，獲得工程碩士學位；二零零二年四月一二零零六年八月，任鄭州煤礦機械集團有限責任公司電鍍分廠副廠長；二零零六年八月一二零零七年十二月，任鄭州煤礦機械集團有限責任公司電鍍分廠廠長；二零零七年十二月一二零零九年八月，任本公司安裝分廠廠長；二零零九年八月一二零一年二月，任本公司市場營銷部副部長；二零一零年二月一二零一年二月，任本公司電鍍分廠廠長；二零一一年二月一二零一年四月，任本公司油缸廠副廠長兼電鍍分廠廠長；二零一一年四月至二零一六年二月，任本公司物資供應部部長。二零一五年二月至今任本公司監事；二零一六年二月至今，任本公司財務總監助理。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Supervisors (Continued)

Mr. Zhang Zhiqiang (張志強), aged 57, is a Supervisor of the Company. From September 1988 to July 1991, Mr. Zhang studied economics and management through a correspondence course at the Correspondence Institute of the Party School of the Henan Province Committee of Chinese Communist Party and obtained a college diploma; from August 2003 to December 2005, he studied at the Party School of the Central Committee of Chinese Communist Party and obtained a bachelor's degree in economics and management. From September 1981 to March 1985, he was an operator at workshop No. 1 of Zhengzhou Coal Mining Machinery Factory. From March 1985 to November 1989, he was the secretary of the Workshop No. 1 of Zhengzhou Coal Mining Machinery Factory Committee of the Chinese Communist Youth League. From November 1989 to June 1994, he was the objectives management officer of the Office of Total Quality Management of Zhengzhou Coal Mining Machinery Factory; from June 1994 to November 1996, he was a secretary of the Office of the Zhengzhou Coal Mining Machinery Factory Committee of the Chinese Communist Party. From November 1996 to May 1998, he served as the division head of Project Developments Department of Diversified Business Corporation of Zhengzhou Coal Mining Machinery Factory. From May 1998 to October 2000, he was the deputy head of the Publicity and United Front Work Department and the chief editor of the factory newsletter; from October 2000 to May 2002, he was the head of the Publicity and United Front Work Department and the Organization Department of Zhengzhou Coal Mining Machinery Factory; from May 2002 to February 2005, he was the head of the Execution Department of the Zhengzhou Coal Mining Machinery Company Committee of the Chinese Communist Party, of which he was a member during the period. From February 2005 to February 2010, he was the secretary to branch Party Committee of the sub-plant of processing of Zhengzhou Coal Mining Machinery Company. From February 2010 to July 2011, he was the deputy head of the General Office of the Company and the vice chairman of the Labor Union of the Company. From July 2011 to September 2011, he was the head of the security department of the Company. From September 2011 to February 2015, he has been the head of the General Administration Division of the Company. From July 2012 to February 2015, he has been the vice secretary to the Disciplinary Commission and vice chairman of Labor Union of the Company. Since June 2014, he has been a supervisor of the Company.

Mr. Ni Heping (倪和平), aged 52, is a Supervisor of the Company. Mr. Ni joined the Group in 1987, and was appointed as the supervisor in December 2008 and was re-elected on 28 February 2012 and 10 February 2015. Mr. Ni has held various positions with the Company and its predecessor companies, including as the deputy director of the first research institute of, and a designer, the head of design office and the deputy director of the research institute of Zhengzhou Coal Mining Machinery Factory. He was also the director of the research institute of and the dean of the design and research institute of ZCMM. He is presently the deputy general engineer of design and the director of the general office of the technology centre of the Company. Since February 2015, he has been an assistant to general manager. Mr. Ni obtained a master's degree in engineering from China University of Mining and Technology in June 2007 and is a senior engineer.

監事(續)

張志強先生，57歲，現任本公司監事。張先生於一九八八年九月—一九九一年七月，在河南省委黨校函授經濟管理專業學習，獲黨校大專學歷；二零零三年八月—二零零五年十二月，在中央黨校經濟管理專業學習，獲黨校本科學歷；一九八一年九月—一九八五年三月，鄭州煤礦機械廠一機車間車工；一九八五年三月—一九八九年十一月，鄭州煤礦機械廠一機車間專職團總支書記；一九八九年十一月—一九九四年六月，鄭州煤礦機械廠全面品質管制辦公室方針目標管理員；一九九四年六月—一九九六年十一月，鄭州煤礦機械廠黨辦秘書；一九九六年十一月—一九九八年五月，鄭州煤礦機械廠多種經營總公司項目開發科長；一九九八年五月—二零零零年十月，鄭州煤礦機械廠宣傳統戰部副部長兼廠報主編；二零零零年十月—二零零二年五月，鄭州煤礦機械廠宣傳統戰部部長兼組織部部長；二零零二年五月—二零零五年二月，鄭州煤礦機械集團有限責任公司黨委工作部部長(期間任黨委委員)；二零零五年二月—二零一零年二月，鄭州煤礦機械集團有限責任公司機加工分廠黨支部書記；二零一零年二月—二零一一年七月，本公司辦公室副主任兼集團公司工會副主席；二零一一年七月—二零一一年九月，本公司安全保衛部部長；二零一一年九月至二零一五年二月，本公司綜合管理處處長；二零一二年七月至二零一五年二月，本公司紀委副書記，工會副主席；二零一四年六月至今，本公司監事。

倪和平先生，52歲，現任本公司監事。倪先生於一九八七年加入本集團，於二零零八年十二月獲委任為監事，曾於二零一二年二月二十八日及二零一五年二月十日獲重選。倪先生曾於本公司及前身公司出任多個職位，包括鄭州煤礦機械廠第一研究所副所長、研究所設計員、設計室主任、副所長。彼亦是鄭煤機械研究所所長和設計研究院院長。彼現時擔任本公司設計副總工程師兼技術中心辦公室主任。彼於二零一五年二月至今擔任本公司總經理助理職務。倪先生於二零零七年六月從中國礦業大學獲得工程學碩士學位，也是高級工程師。



Directors, Supervisors and Senior Management 董事、監事及高級管理層

Supervisors (Continued)

Ms. Xu Mingkai (徐明凱), aged 52, is a Supervisor of the Company. Ms. Xu joined the Group in 1984, and was appointed as the supervisor in April 2011 and was re-elected on 28 February 2012 and 10 February 2015. She has held various positions with the Company and its predecessor companies, including as a section member of quality office, a senior section member of publicity division of Communist Youth League Committee, a senior section member of the office, the deputy head of family planning office, the deputy head of corporate planning department and the deputy director of the office of Zhengzhou Coal Mining Machinery Factory, as well as the deputy director and the director of the office of ZCMM. She was also the director of the general office and the director of the human resource department of the Company. She is presently the director of the safety and environmental protection department of the Company. Ms. Xu graduated in economics and management through a correspondence course at the Correspondence Institute of the Party School of the Central Committee of C.P.C. (中共中央黨校函授學院) in December 2005.

Mr. Zhang Jun (張軍), aged 53, is a Supervisor of the Company. In November 1981, Mr. Zhang started to serve at Zhengzhou Coal Mining Machinery Factory. From 1981 to 2003, he served as a worker and dispatcher at the sub-plant of processing of Zhengzhou Coal Mining Machinery Factory. From January 2004 to February 2007, he worked at the general office of Zhengzhou Coal Mining Machinery Company. From March 2007 to December 2008, he served as the head of the reception section of the general office of Zhengzhou Coal Mining Machinery Company. From January 2009 to April 2012, he was the head of the reception section of the general office of the Company. From May 2012 to February 2014, he was the head of the reception section of the Company and head of the Beijing office of the Company. From March 2014 to February 2016, he was deputy head of general office of the Company. From March 2015 to date, he has been the vice chairman of the labour union of the Company. From February 2016 to date, he has been head of general office of the Company. Mr. Zhang Jun graduated from Henan University of Finance and Economics (河南財經學院) in December 1997 with a diploma in industrial economics and management.

監事(續)

徐明凱女士，52歲，現任本公司監事。徐女士於一九八四年加入本集團，於二零一一年四月獲委任為監事，曾於二零一二年二月二十八日及二零一五年二月十日獲重選。徐女士曾於本公司及前身公司出任多個職位，包括鄭州煤礦機械廠全質辦科員、團委宣傳部主任科員、辦公室主任科員、計生辦副主任、企業規劃部副部長、辦公室副主任以及鄭煤機械辦公室副主任及主任。彼亦曾任本公司辦公室主任、人力資源部部長。彼現任本公司安全環保部部長。徐女士於二零零五年十二月從中共中央黨校函授學院的經濟管理專業畢業。

張軍先生，53歲，現任本公司監事。一九八一年十一月進入鄭州煤礦機械廠工作，一九八一年至二零零三年，鄭州煤礦機械廠機加工分廠工人、外協調度；二零零四年一月至二零零七年二月，鄭州煤礦機械集團有限責任公司辦公室工作；二零零七年三月至二零零八年十二月，鄭州煤礦機械集團有限責任公司辦公室接待科科長；二零零九年一月至二零一二年四月，本公司辦公室接待科科長；二零一二年五月至二零一四年二月，本公司接待科科長兼北京辦事處主任；二零一四年三月至二零一六年二月，本公司辦公室副主任；二零一五年三月至今，本公司工會副主席；二零一六年二月至今，本公司辦公室主任。張軍先生於一九九七年十二月畢業於河南財經學院工業經濟管理專業，獲專科文憑。



Directors, Supervisors and Senior Management 董事、監事及高級管理層

Senior Management

Mr. Fu Zugang (付祖岡), aged 51, is a general manager of the Company. Mr. Fu is a senior engineer. From September 1981 to July 1985, he studied at Wuhan Technology College (武漢工學院) (now known as Wuhan University of Technology (武漢理工大學)), majoring in casting and obtained a bachelor's degree in engineering. From July 1985 to July 2000, he served as a technician, an assistant engineer, an engineer, a senior engineer, a team leader of technology team, an assistant to the plant manager, a deputy plant manager and a plant manager of the sub-plant of casting of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he was the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to November 2006, he was the chairman of labor union of ZCMM. From November 2006 to December 2008, he was a director and a deputy general manager of ZCMM. From December 2008 to February 2012, he was a deputy general manager of the Company. From February 2012 to February 2015, he was a director and a deputy general manager of the Company. Since February 2015, he has been the general manager of the Company.

Mr. Gao Youjin (高有進), aged 53, is a deputy general manager of the Company. Mr. Gao is a senior engineer. From September 1981 to July 1985, he studied at Jiaozuo Mining Institute (焦作礦業學院) (now known as Henan Polytechnic University), majoring in mining machinery. From July 1985 to December 1985, he was a technician of the sub-plant of installation of Zhengzhou Coal Mining Machinery Factory. From January 1986 to July 1993, he served as a designer, an officer and the deputy director of the research institute of Zhengzhou Coal Mining Machinery Factory. From August 1993 to August 1994, he was the deputy director of the planned sales division of Zhengzhou Coal Mining Machinery Factory. From September 1994 to November 1995, he served as the deputy director and the director of No.1 sales development division of Zhengzhou Coal Mining Machinery Factory. From November 1995 to July 2000 and from July 2000 to October 2002, he served as the deputy plant manager and the chief engineer of Zhengzhou Coal Mining Machinery Factory, respectively. From October 2002 to December 2008, he was the deputy general manager and the chief engineer of ZCMM. Since December 2008, he has been the deputy general manager and the chief engineer of the Company.

高級管理人員

付祖岡先生，51歲，現任本公司總經理。付先生是高級工程師。一九八一年九月—一九八五年七月，武漢工學院(現武漢理工大學)鑄造專業學習，獲工學學士學位；一九八五年七月—二零零零年七月，任鄭州煤礦機械廠鑄造分廠歷任技術員、助理工程師、工程師、高級工程師、技術組長、分廠廠長助理、分廠副廠長、廠長；二零零零年七月—二零零二年十月，任鄭州煤礦機械廠副廠長；二零零二年十月—二零零六年十一月，任鄭煤機械工會主席；二零零六年十一月—二零零八年十二月，任鄭煤機械董事、副總經理；二零零八年十二月—二零一二年二月，任本公司副總經理，二零一二年二月—二零一五年二月，任本公司董事、副總經理。二零一五年二月至今任本公司總經理。

高有進先生，53歲，現任本公司副總經理。高先生是高級工程師。一九八一年九月至一九八五年七月，焦作礦業學院(現河南理工大學)礦山機械系學習；一九八五年七月至一九八五年十二月，鄭州煤礦機械廠安裝分廠技術員；一九八六年一月至一九九三年七月，鄭州煤礦機械廠研究所設計員、研究所室主任、副所長；一九九三年八月至一九九四年八月，鄭州煤礦機械廠計畫銷售處副處長；一九九四年九月至一九九五年十一月，鄭州煤礦機械廠銷售開發一處副處長、處長；一九九五年十一月至二零零零年七月，鄭州煤礦機械廠副廠長；二零零零年七月至二零零二年十月，鄭州煤礦機械廠總工程師；二零零二年十月至二零零八年十二月，任鄭煤機械副總經理兼總工程師；二零零八年十二月至今，任本公司副總經理兼總工程師。



Directors, Supervisors and Senior Management 董事、監事及高級管理層

Senior Management (Continued)

Mr. Zhang Minglin (張命林), aged 54, is a deputy general manager of the Company. Mr. Zhang is a senior engineer. From September 1979 to July 1983, he studied at Huainan Mining Institute (淮南礦業學院), majoring in mining. From August 1983 to August 1987, he was a section member of Henan Coal Mine Supply Company (河南省煤礦供應公司). From August 1987 to May 1996, he worked as a section member, a deputy senior section member and a senior section member of Henan Coal Industrial Department. From August 1995 to February 1996, he went to Zhengqiao Village, Huzu Town, Gushi County in Xinyang District to participate in the party construction in rural areas which was organized by Henan Province Committee of Chinese Communist Party. From May 1996 to May 1999, he was the deputy general manager of Henan Coal Mine Supply Company. From May 1999 to April 2004, he served as the general manager and the secretary of the Party Committee of Henan Coal Mine Supply Company. From October 2000 to November 2004, he served as the general manager of Henan Coal Sales Company Limited (河南省煤炭銷售有限責任公司). Since November 2004, he has been the deputy general manager of ZCMM.

Mr. Fu Qi (付奇), aged 47, is a deputy general manager of the Company. Mr. Fu is a senior engineer. From September 1988 to July 1992, he studied at China University of Mining and Technology, majoring in mechanical design and theories. From July 1992 to September 1995, he was a section member of the first development division of Zhengzhou Coal Mining Machinery Factory. From September 1995 to May 1996 and from May 1996 to December 1996, he was a senior section member and the deputy head of the first development division, respectively. From December 1996 to January 2006, he was a section officer and the deputy head of the planned sales division, the deputy head of the marketing and sales department, and the deputy head of the sub-plant of installation. From January 2006 to March 2008, he was the head of the production and manufactory department. From April 2010 to February 2012, he was the chairman and the secretary of the Party Committee of Huainan ZMJ Shun Li Machinery Co., Ltd. Since February 2012, he has been the deputy general manager of the Company.

Mr. Jia Hao (賈浩), aged 47, is a deputy general manager of the Company. Mr. Jia graduated from University of Shanghai for Science and Technology in 1991, majoring in mechanical engineering. In the 1990s, he worked at Guangzhou Electrical and Mechanical Scientific Research Institute of China National Machinery Industry Corporation and was responsible for design and research. He also worked at Parker Hannifin Motion & Control (Shanghai) Co., Ltd., a foreign company, and was responsible for sales. In April 2001, he obtained an Executive Master of Business Administration (EMBA) degree from China Europe International Business School. He then worked as the general manager of the investment department of Salim Group (China) Company Limited, a foreign company. In March 2006, he began to serve as the president of Shanghai Huili Group Company Limited and a director of Shanghai Huili Company Limited, both of which are the subsidiaries of Salim Group, a listed company. Since March 2014, he has been the deputy general manager of the Company.

高級管理人員(續)

張命林先生，54歲，現任本公司副總經理。張先生是高級工程師。一九七九年九月至一九八三年七月，淮南礦業學院採礦系學習；一九八三年八月至一九八七年八月，河南省煤礦供應公司科員；一九八七年八月至一九九六年五月，河南省煤炭工業廳任科員、副主任科員、主任科員；一九九五年八月至一九九六年二月，赴信陽地區固始縣胡族鄉鄭橋村參加了中共河南省委組織的農村黨建工作；一九九六年五月至一九九九年五月，河南省煤礦供應公司副總經理；一九九九年五月至二零零四年四月，河南省煤礦供應公司總經理、黨委書記；二零零零年十月至二零零四年十一月，河南省煤炭銷售有限責任公司總經理；二零零四年十一月至今，任鄭煤機械副總經理。

付奇先生，47歲，現任本公司副總經理。付先生是高級工程師。一九八八年九月至一九九二年七月，中國礦業大學機械設計及理論專業學習。一九九二年七月至一九九五年九月，鄭州煤礦機械廠開發一處科員，一九九五年九月至一九九六年五月，擔任開發一處主任科員，一九九六年五月至一九九六年十二月，開發一處副處長，一九九六年十二月至二零零六年一月，擔任銷售計畫處科長、副處長，市場營銷部副部長，安裝分廠副廠長，二零零六年一月至二零零八年三月，擔任生產製造部部長。二零一零年四月至二零一二年二月，在鄭煤機淮南舜立公司擔任董事長兼黨委書記。二零一二年二月至今，任本公司副總經理。

賈浩先生，47歲，現任本公司副總經理。賈先生於一九九一年畢業於上海理工大學機械工程系，上世紀90年代在國機集團廣州機電科學研究院從事設計研發工作，在外資企業—派克漢尼芬流體傳動產品上海有限公司從事銷售工作；二零零一年四月，中歐國際工商管理學院EMBA工商管理碩士畢業；之後任外資企業—三林企業集團(中國)有限公司投資部總經理，二零零六年三月出任上市公司—三林企業集團所屬的上海匯麗集團有限公司總裁、上海匯麗股份有限公司董事。二零一四年三月至今，任本公司副總經理。

Directors, Supervisors and Senior Management 董事、監事及高級管理層

Senior Management (Continued)

Mr. Wang Yongqiang (王永強), aged 45, is a deputy general manager of the Company. Mr. Wang graduated from Zhengzhou University and obtained a master's degree in mechanical engineering in June 2007. He started his career in August 1993. From February 2003 to June 2007, he was the deputy executive officer of hydraulic project center of ZCMM. From June 2007 to December 2007, he served as full-time deputy executive officer of research and development centre for hydraulic control of ZCMM. From December 2007 to February 2010, he was the executive officer of hydraulic project center of the Company. From February 2010 to February 2014, he served as a manager and secretary of the party branch of hydraulic control company. From February 2014 to February 2015, he was the head of human resources department of the Company. Since February 2015, he has been the deputy general manager of the Company.

Mr. Guo Desheng (郭德生), aged 55, is the chief financial officer of the Company. Mr. Guo is a senior accountant. From February 1981 to October 1994, he was a section member of the finance division of Zhengzhou Coal Mining Machinery Factory. From October 1994 to October 2001 and from October 2001 to October 2002, he was the deputy division head and the division head of the finance division of Zhengzhou Coal Mining Machinery Factory, respectively. From January 2002 to December 2008, he served as head of the finance department of ZCMM. Since December 2008, he has been the chief financial officer of the Company.

Mr. Zhang Haibin (張海斌), aged 35, is a deputy general manager, the secretary to the Board and Company Secretary of the Company. Mr. Zhang graduated from China University of Mining and Technology and obtained a bachelor's degree in law in July 2005. From July 2005 to March 2007, he was a secretary of the general office of ZCMM. From March 2007 to December 2008, he served as the chief secretary of the general office of ZCMM. From December 2008 to March 2010, he was the chief secretary of the general office of the Company. From March 2010 to September 2010, he served as an assistant to the head of the general office of the Company. From September 2010 to January 2012, he served as the deputy head of capital operation department and representative for securities affairs of the Company. From January 2012 to February 2015, he was the head of general office, head of capital operation department and representative for securities affairs of the Company. From July 2012 to February 2015, he was the head of division of party and masses' affairs. Since February 2015, he has been the deputy general manager and secretary to the Board of the Company.

高級管理人員(續)

王永強先生，45歲，現任本公司副總經理。王先生於二零零七年六月畢業於鄭州大學，獲得機械工程碩士學位。一九九三年八月參加工作，二零零三年二月—二零零七年六月，任鄭煤機械液壓工程中心副主任；二零零七年六月—二零零七年十二月，任鄭煤機械液壓電控技術研發中心專職副主任；二零零七年十二月—二零一零年二月，任本公司液壓工程中心主任；二零一零年二月—二零一四年二月，任液壓電控公司經理、黨支部書記；二零一四年二月至二零一五年二月，任本公司人力資源部部長。二零一五年二月至今任本公司副總經理。

郭德生先生，55歲，現任本公司財務總監。郭先生是高級會計師。一九八一年二月至一九九四年十月，鄭州煤礦機械廠擔任財務處科員職位，一九九四年十月至二零零一年十月，鄭州煤礦機械廠擔任財務處副處長，二零零一年十月至二零零二年十月，擔任財務處處長。二零零二年一月至二零零八年十二月，擔任鄭煤機械財務部部長。二零零八年十二月至今，任鄭州煤礦機械集團股份有限公司財務總監。

張海斌先生，35歲，現任本公司副總經理、董事會秘書及公司秘書。張先生於二零零五年七月畢業於中國礦業大學，獲得法學學士學位。二零零五年七月—二零零七年三月，任鄭煤機械辦公室秘書；二零零七年三月—二零零八年十二月，任鄭煤機械辦公室秘書科長；二零零八年十二月—二零一零年三月，本公司辦公室秘書科長；二零一零年三月—二零一零年九月，任本公司辦公室主任助理；二零一零年九月—二零一二年一月，本公司資本運營部副部長、證券事務代表；二零一二年一月至二零一五年二月，任本公司辦公室主任兼資本運營部部長、證券事務代表；二零一二年七月至二零一五年二月，兼任黨群工作部部長。二零一五年二月至今，任本公司副總經理兼董事會秘書。



Directors, Supervisors and Senior Management 董事、監事及高級管理層

Company Secretary

Mr. Zhang Haibin is the Company Secretary. Please see “– Senior Management” of this section for his biography.

Ms. Chan Yin Wah (陳燕華), aged 41, is the assistant to the Company Secretary. Ms. Chan is an Associate Director of SW Corporate Services Group Limited. She has over 17 years of professional experience in handling the corporate secretarial, compliance and share registry matters for listed companies in Hong Kong. She has worked for various international professional firms and listed companies in Hong Kong. Ms. Chan holds a bachelor's degree in economics and a master's degree in professional accounting. She is a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is also a fellow member of the Association of Chartered Certified Accountants.

公司秘書

張海斌先生，現任公司秘書。有關彼之履歷，見本節「—高級管理人員」。

陳燕華女士，41歲，現任公司秘書助理。陳女士為信永方圓企業服務集團有限公司的聯席董事。彼擁有超過17年處理香港上市公司之公司秘書、合規服務及股份過戶服務之專業經驗。她曾在多家國際知名專業機構及香港上市公司工作。陳女士持有經濟學學士學位及專業會計學碩士學位，並為香港特許秘書公會及英國特許秘書及行政人員公會資深會士。彼亦是英國特許公認會計師公會資深會員。

Corporate Governance

The board of Directors (the “**Board**”) of the Company is committed to maintain a high standard of corporate governance practices. The Board believes that effective and reasonable corporate governance practices are essential to the development of the Group and can safeguard and enhance the interests of the shareholders.

During the year ended 31 December 2016 (the “**Review Period**”), the Company has complied with the requirements in the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), except for the deviation from Code Provision A.5.2(a) of the CG Code.

Pursuant to Code Provision A.5.2(a) of the CG Code, the Nomination Committee shall review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and put forth proposal for change to the Board in line with corporate strategies of the issuer. As the Nomination Committee of the Company considered that there was no compelling reason for the Company to change the structure, size and composition of the Board, the Nomination Committee did not convene any meeting during the year ended 31 December 2016 to review the structure, size and composition of the Board. However, on 26 August 2016, the Company reviewed and evaluated the structure, size and composition including skills, knowledge and experience of the Board through holding Board meetings.

Board of Directors

Responsibilities and Delegation to the Management

The Board is accountable to the shareholders for leading the Company in a responsible and effective manner; responsible for execution of the resolutions passed at general meetings; deciding on the Company’s operating plans, investment proposals and the establishment of its internal management units; preparing the Company’s annual financial budgets, final accounts and profit distribution plans; and appointing members of its senior management. Meanwhile, the Board has established four special committees under the Board, namely, the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Assessment Committee, and these Board committees are assigned respective responsibilities according to their terms of reference.

The Board delegated the authority and duties to the senior management to carry out the daily management, administration and operation of the Company. The general manager is accountable to the Board.

All Directors have carried out their duties in good faith in the best interests of the Company and in compliance with applicable laws and regulations, and act in the best interests of the Company and its shareholders at all times.

企業管治

本公司董事會(「**董事會**」)致力維護高水準企業管治。董事會相信，有效及合理的企業管治常規對本集團之發展至關重要，同時可保障及提升股東權益。

截至二零一六年十二月三十一日止年度(「**回顧期間**」)，本公司已遵守香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄十四《企業管治守則》及《企業管治報告》(「**《企業管治守則》**」)之守則條文(「**守則條文**」)所載規定(除惟偏離企業管治守則條文A.5.2(a)條外)。

根據企業管治守則之守則條文第A.5.2(a)條，提名委員會須至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合發行人的公司策略而擬對本公司董事會作出的變動提出建議。由於本公司提名委員會認為本公司並無改變董事會架構、人數及組成之任何迫切理由，故提名委員會於截至二零一六年十二月三十一日止年度內並無舉行任何會議，以檢討董事會的構架、人數及組成。但於二零一六年八月二十六日，公司通過召開董事會的形式，對公司董事會的架構、人數及組成(包括技能、知識及經驗方面)進行檢討評價。

董事會

職責及對管理層的授權

董事會須向股東負責，並以負責任及有成效的方式領導本公司。董事會執行股東大會的決議、決定公司的經營計畫、投資方案和內部管理機構設置，制定公司的年度財務預算、決算以及利潤分配方案，聘任高級管理人員等。此外，董事會已設立四個董事會專門委員會即戰略委員會、審計委員會、提名委員會、薪酬與考核委員會，並授予該等董事會專門委員會各自職責範圍內的職責。

董事會授予高級管理層權力及責任進行本公司的日常管理、行政及經營工作。總經理對董事會負責。

全體董事均真誠履行職責，為本公司最佳利益行事，遵守適用的法律法規，並始終為本公司及其股東的利益行事。



Board of Directors (Continued)

Corporate Governance Functions of the Board

The Board is collectively responsible for performing the corporate governance functions, of which at least include the following:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Company's annual report.

Board Meetings

The Board will convene at least four regular meetings each year at approximately quarterly intervals. Regular Board meetings will involve the active participation, either in person or through electronic means of communication, of a majority of Directors entitled to be present. A written notice should be sent to all the Directors and Supervisors 14 days prior to the regular Board meeting. For the extraordinary meetings of the Board, the written notice should be sent to all the Directors and Supervisors four days prior to the meeting. When an extraordinary meeting of the Board needs to be held as early as possible in case of an emergency, the meeting notice is allowed to be given by telephone or in other verbal forms at any time provided that the convener makes necessary explanations at the meeting. A written meeting notice shall at least include the subject matters for discussion and the meeting information as necessary for the Directors to make well-informed decisions.

When a Director and the enterprise(s) involved in a proposal of a Board meeting have connected relations, such Director shall not exercise his/her voting rights on such proposal nor shall he/she exercise any voting rights on behalf of other Directors.

Draft and final versions of minutes of Board meetings should be sent to all Directors for their comments and records respectively within a reasonable time after the Board meeting is held. The participating Directors shall sign the meeting minutes and resolutions records for confirmation on behalf of themselves and the Directors who authorize them to attend. Any Director who has different views on the meeting minutes or the resolutions records can make a written explanation when signing the name; when necessary, he/she shall report such views to the regulatory authorities timely; he/she can also make a public statement regarding such views.

董事會(續)

董事會的企業管治職能

董事會共同負責履行企業管治職能，該職能至少包括以下內容：

- 制定及檢討本公司的企業管治政策及常規；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- 檢討本公司遵守企業管治守則的情況及在本公司年報內的披露。

董事會會議

董事會每年至少召開四次定期會議，大約每季一次，每次召開董事會定期會議應由大部分有權出席會議的董事親身出席，或透過電子通訊方式積極參與。召開董事會定期會議，應於會議召開前十四日以書面通知全體董事和監事。召開董事會臨時會議，應於會議召開前四日書面通知全體董事和監事。情況緊急，需要儘快召開董事會臨時會議的，可以隨時通過電話或其他口頭方式發出會議通知。但召集人應在會議上作出說明。書面會議通知的內容至少包括擬審議的事項及董事表決所必須的會議材料等內容。

董事與董事會會議決議事項所涉及的企業有關聯關係的，不得對該項決議行事表決權，也不得代理其他董事行使表決權。

董事會會議結束後，應於合理時段內先後將會議記錄的初稿及最終定稿發送全體董事，初稿供董事表達意見，最終定稿則作為其記錄之用。與會董事應當代表其本人和委託其代為出席會議的董事對會議記錄和決議記錄進行簽字確認。董事對會議記錄或決議記錄有不同意見的，可以在簽字時作出書面說明。必要時，應當及時向各監管部門報告，也可以發表公開聲明。



Board of Directors (Continued)

Board Meetings (Continued)

During the Review Period, the Board held 11 meetings on 18 February 2016, 4 March 2016, 24 March 2016, 22 April 2016, 28 April 2016, 26 June 2016, 20 July 2016, 26 August 2016, 28 October 2016, 3 November 2016 and 24 November 2016 respectively.

Attendances of meetings by Directors during the Review Period are set out below:

Name of Director 董事姓名		Number of board meetings required to be attended 應出席董事會次數	Number of board meetings attended in person 親自出席次數	Number of board meetings attended by proxy 委托出席次數	Number of board meetings not attended 缺席次數	Attendance rate 出席率
Mr. Jiao Chengyao	焦承堯先生	11	11	0	0	100%
Mr. Xiang Jiayu	向家雨先生	11	11	0	0	100%
Mr. Wang Xinying	王新瑩先生	11	11	0	0	100%
Mr. Guo Haofeng	郭昊峰先生	11	11	0	0	100%
Mr. Liu Qiang	劉強先生	11	11	0	0	100%
Ms. Liu Yao	劉堯女士	11	8	3	0	100%
Mr. Jiang Hua	江華先生	11	11	0	0	100%
Mr. Li Xudong	李旭冬先生	11	11	0	0	100%
Mr. Wu Guangming	吳光明先生	11	11	0	0	100%

董事會 (續)

董事會會議 (續)

於回顧期間，董事會共召開11次會議，分別於二零一六年二月十八日、二零一六年三月四日、二零一六年三月二十四日、二零一六年四月二十二日、二零一六年四月二十八日、二零一六年六月二十六日、二零一六年七月二十日、二零一六年八月二十六日、二零一六年十月二十八日、二零一六年十一月三日及二零一六年十一月二十四日各舉行了一次會議。

各位董事於回顧期間舉行之會議的出席記錄如下：

Shareholder's Meetings

During the Review Period, the Company held two general meetings in total, part of the Directors, supervisors and senior management had attended the general meetings, in which records of the Directors are as follow:

股東大會

報告期內，本公司共召開了2次股東大會，部分董事、監事及高級管理人員出席了股東大會。以下為董事出席股東大會情況：

Name 姓名		Number of general meetings required to be attended 應出席股東大會次數	Number of general meetings attended 實際出席股東大會次數	Attendance rate 出席率
Mr. Jiao Chengyao	焦承堯先生	2	2	100%
Mr. Xiang Jiayu	向家雨先生	2	1	50%
Mr. Wang Xinying	王新瑩先生	2	2	100%
Mr. Guo Haofeng	郭昊峰先生	2	2	100%
Mr. Liu Qiang	劉強先生	2	2	100%
Ms. Liu Yao	劉堯女士	2	2	100%
Mr. Jiang Hua	江華先生	2	2	100%
Mr. Li Xudong	李旭冬先生	2	2	100%
Mr. Wu Guangming	吳光明先生	2	2	100%

Board of Directors (Continued)

Board Composition

During the Review Period, the Board consists of nine Directors, comprising five Executive Directors and four Independent Non-executive Directors. More than one-third of the members of the Board of the Company are Independent Non-executive Directors. The Executive Directors possess in-depth experience in coal mining equipment industry while the Independent Non-executive Directors have appropriate professional qualifications in law or accounting or related financial management expertise. In accordance with the Listing Rules of the Stock Exchange, the Independent Non-executive Directors are explicitly identified in all corporate communications.

As at the date of this annual report, the members of the Board are:

Executive Directors: Mr. Jiao Chengyao (Chairman), Mr. Xiang Jiayu (Vice Chairman), Mr. Wang Xinying (Executive Director), Mr. Guo Haofeng (Executive Director) and Mr. Liu Qiang (Executive Director).

Independent Non-executive Directors: Ms. Liu Yao, Mr. Jiang Hua, Mr. Li Xudong and Mr. Wu Guangming.

The biographies of all the Directors are set out in the “Directors, Supervisors and Senior Management” section of this annual report. Save as disclosed in such section, there is no other material relationship among the members of the Board (including financial, business, family or other material or relevant relationships).

The Company has received annual confirmation of independence from all the Independent Non-executive Directors. Based on the confirmation, the Board considers that all of the four Independent Non-executive Directors meet the independence requirements of the Listing Rules of the Stock Exchange.

Chairman and General Manager

The roles of the Chairman and the General Manager of the Company have been separated and performed by different individuals. Mr. Jiao Chengyao is the Chairman of the Company and Mr. Fu Zugang is the General Manager. The Chairman is primarily responsible for the leadership and effective running of the Board and ensuring that all significant and key issues are discussed and where required, resolved by the Board timely and constructively. The General Manager is delegated with the authority and responsibility to manage the Company's day-to-day business in all aspects effectively, implement major strategies and coordinate the overall business operation.

董事會(續)

董事會組成

於回顧期間，董事會由九名董事組成，其中包括五名執行董事，四名獨立非執行董事。本公司獨立非執行董事佔董事會成員超過三分之一人數。執行董事具有煤礦機械行業豐富經驗，而獨立非執行董事具有適當的法律、會計、專業資格及財務管理專業知識。根據聯交所上市規則，獨立非執行董事於所有公司通訊中均予以明確識別。

截至本年報日董事會成員為：

執行董事：焦承堯先生(董事長)、向家雨先生(副董事長)、王新瑩先生(執行董事)、郭昊峰先生(執行董事)和劉強先生(執行董事)。

獨立非執行董事：劉堯女士、江華先生、李旭冬先生和吳光明先生。

全體董事的履歷載於本年報「董事、監事及高級管理層」一章中。除該章節披露外，董事會各成員之間並無任何其他重大關係(包括財務、業務、家屬或其他重大或相關的關係)。

本公司已從各位獨立非執行董事獲得年度獨立性確認。根據確認，董事會認為，全部四位獨立非執行董事均滿足聯交所上市規則對於獨立性的要求。

董事長及總經理

本公司董事長及總經理之角色已被區分且由不同人士擔任。本公司董事長為焦承堯先生，總經理為付祖岡先生。董事長主要負責領導及有效管理董事會並確保重大及主要問題由董事會於必要情況下及時及積極商討及解決。總經理獲授予權力及職責以有效管理本公司各方面之日常業務、實施主要策略並協調整體業務經營。

Internal Control

The Board of Directors is fully responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving its strategic objectives. In accordance with the requirements set out in paragraph C.2 of the Corporate Governance Code in Appendix 14 to the Listing Rules, the Board has established a risk management and internal control system, and has continuously supervised and reviewed the effectiveness of the system's operation. The system is aimed at managing, instead of eliminating, the risks of failure to achieve business objectives, fostering effective and highly efficient operation, and offering reasonable assurances as to the reliability of the financial reports, compliance with the applicable laws and regulations, and protection of the Group's assets.

The structure of risk management and internal control functions

To ensure the adequacy of resources, staff qualifications and experience, training courses and the related budget available to the Company in respect of risk management and internal audit, the Company has established a sound organizational structure of risk management and internal control that includes the Board, the Audit Committee, the management of the Company, the audit department and the various departments of the Company.

The Board is ultimately responsible for the risk management and internal control of the Company by determining the overall risk preference and risk tolerance of the Company based on the strategic development objectives and ensuring the effectiveness of the risk management and internal control system. The Audit Committee under the Board monitors the operation of the Company's risk management and internal control system, advises the Board and makes recommendations on major decisions regarding the building of the risk management and internal control system. The management of the Company is responsible for laying down the risk management and internal control structure and basic requirements, and continuously improving the scope, substance, methodology and procedure of work of the structure. The Audit Department of the Company conducts internal audit and supervision for risk management, and is responsible to the management of the Company. As the first line of defence in risk management and internal control, the various departments of the Company organizes and carries out the daily work in risk management and accepts the organization, coordination, guidance and supervision by the management and the audit department of the Company in doing their part of risk management and internal control in their respective professional areas.

Commencement of risk management work

Risk prevention determines the course in building the Company's system and internal control structure. In 2016, based on the methodology of risk management covering risk identification, risk evaluation, risk response, risk reporting and monitoring, the Company focused on its overall operating objectives, combined the internal and external circumstances, as well as the management conditions of the Company, fully reorganized and identified the possible risks at different levels, such as strategy, operation, finance, market and law, thereby building up a risk incident database unique to the Company.

內部監控

董事會全面負責評估及釐定為達成公司戰略目標所願意接納的風險性質及程度，並按照《上市規則》附錄十四之《企業管治守則》第C.2段的要求建立了風險管理及內部監控系統，持續監督和檢討其運行的有效性。該系統旨在管理而非消除未能達成業務目標的風險，促進有效及高效運營，合理保證財務報告可靠性及遵守適用法律及法規以及保障本集團資產。

風險管理和內部監控職能架構

為確保公司在風險管理和內部審核方面具備足夠的資源、員工資歷及經驗、足夠的培訓課程和有關預算，公司建立了完善的風險管理和內部監控組織體系，包括董事會、審計委員會、公司管理層、審計部、公司各部門。

董事會承擔公司風險管理和內部監控的最終責任，根據戰略發展目標確定公司整體風險偏好和風險承受能力，確保風險管理及內部監控系統的有效性。董事會下設審計委員會，監管公司風險管理及內部監控系統的運行，為董事會在風險管理和內部監控體系建設方面的重大決策提供諮詢和建議。公司管理層負責建立風險管理和內部監控體系及基礎要求，對該體系的工作範圍、內容、方法、步驟等進行持續改進。公司審計部執行風險管理內部審核監督工作，對公司管理層負責。公司各部門作為風險管理和內部監控的第一道防線，組織實施風險管理日常工作，接受公司管理層和審計部的組織、協調、指導和監督，從各自的專業領域出發做好風險管理和內部監控工作。

風險管理工作開展

風險防範在公司制度和內控體系建設中具有導向作用。2016年公司根據風險識別、風險評估、風險應對、風險彙報及監察的風險管理方法論，圍繞總體經營目標，結合公司的內外部環境和管理狀況，從戰略、運營、財務、市場、法律等層面全面梳理和識別了可能面臨的風險，形成公司特有的風險事件庫。



Internal Control (Continued)

The structure of risk management and internal control functions (Continued)

Commencement of risk management work (Continued)

On the basis of risk identification, each responsible department for risks performs an in-depth analysis of the risks identified from the two perspectives of vulnerability to the occurrence of risk and the extent of impact from the occurrence of risk, in order to determine the different levels of risk and, through evaluation, ascertain the major risks the Company is faced with. This is to ensure appropriate management resources are allocated to the management of major risks in an effort to step up the risk prevention and control in key areas.

In 2016, the risk management work of the Company culminated in the Risk Management Report, mainly covering the methodology and procedure for commencing risk management work, along with the major risks the Company is faced with. The Risk Management Report has been approved by the Audit Committee, and has been submitted to the Board for review.

The Audit Department of the Company is responsible for internal audit in risk management. By organizing and commencing the supervision and assessment of risk management, the Audit Department of the Company continuously monitors and controls the major risks and information on changes in risks in the course of operation and management of each responsible department for risks, supervises and assesses whether each department is able to commence risk management work in accordance with the relevant regulations and the results of the work, and makes recommendations on improving the effectiveness of implementing risk management work.

The operation of the internal control system

The building and improvement of internal control is an effective response to risks. Every year, the Company reviews the effectiveness of the risk management and internal control system, and evaluates all the key areas of control, including financial control, operations control and compliance control.

On the basis of adequately identifying and evaluating risks, the Company implements the basic response measures to risks for internal control through specific business processes. In view of the management and business processes involved in major risks, the Company has formulated whole-process control measures covering every stage, including management procedure and internal control measures for important processes, such as the preparation and disclosure of financial reports, as well as the handling and dissemination of inside information. By fostering the gradual formation of a sound internal control environment, characterized by well-defined powers and responsibilities, effective checks and balances, and coordinated operation, the Company has laid a solid foundation for enhancing the level of internal control and risk management.

Risk management and internal control for the reporting period was reviewed at the Board meeting on 27 March 2017. The results of the commencement of risk management and internal control work in 2016 indicate no control failure for major risks in the Company and reveal no weakness in major risk control. The Company has been in strict compliance with the requirements about risk management and internal control in the Corporate Governance Code. The Board has assessed the Company's risk management and internal control system as effective and adequate.

內部監控(續)

風險管理和內部監控職能架構(續)

風險管理工作開展(續)

在風險識別的基礎上，各風險責任部門從風險發生的脆弱性和影響程度兩方面，對識別的風險進行深入分析，確定風險的不同級別，評估出公司面臨的重大風險，以為重大風險管理分配適當的管理資源，加強重點領域風險防控。

2016年公司風險管理工作形成了《風險管理報告》，主要涵蓋風險管理工作開展的方法和程序、公司面臨的主要風險等內容。《風險管理報告》經審計委員會批准，提交董事會審閱。

公司審計部負責風險管理內部審核工作，組織開展了風險管理監督評價工作，持續監控各風險責任部門經營管理中存在的重大風險和風險變化信息，並對各部門能否按照有關規定開展風險管理工作及其工作效果進行監督評價，對風險管理工作實施的有效性提出改進建議。

內部監控系統運行

內部控制的建設與完善是應對風險的有效方法，公司每年對風險管理及內部監控系統的有效性進行檢討，對所有重要的監控方面，包括財務監控、運作監控及合規監控等進行評估。

公司在充分識別和評估風險的基礎上，通過具體的業務流程落實內部控制的基本風險應對手段，針對重大風險所涉及的管理及業務流程，制定涵蓋各個環節的全流程控制措施，包括財務報告編製與披露、內幕消息處理及發布等重要流程的管理程序和內部監控措施，逐步形成權責明晰、有效制衡、協調運轉的良好的內控環境，為內控水平和風險管理水平的提高奠定堅實基礎。

2017年3月27日董事會會議對報告期內風險管理和內部監控工作進行了檢討，2016年風險管理和內部監控工作開展的結果表明，公司不存在重大風險監控失誤的情形，也未發現重大風險監控弱項。公司已嚴格遵守《企業管治守則》中有關風險管理及內部監控的規定，董事會評估公司風險管理和內部監控系統有效及足夠。

Directors

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's corporate documents such as the articles of association of the Company (the "Articles of Association"). In accordance with Article 144 of the Articles of Association of the Company, the Directors of the Company shall be elected or replaced at the general meetings and the terms of office of all directors (including executive directors and independent non-executive directors) will be three years. Upon the expiry of the terms, the Directors will be eligible for re-election and re-appointment. Subject to the compliance with relevant laws and administrative regulations, the general meeting may dismiss any Director during his/her service term by way of an ordinary resolution (except that any claim for compensation pursuant to any contract shall not be prejudiced thereby).

The Company has not entered into any service contract (except for any contract expiring or determinable by the Company within one year without payment of compensation other than statutory compensation) with any of the Directors/Supervisors.

Directors' Training and Professional Development

Each newly appointed Director has received formal, comprehensive and tailored induction after his/her initial appointment to ensure appropriate understanding of the business and operation of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules of the Stock Exchange and relevant statutory requirements.

The Directors also reviewed the amendments to or updates on the relevant laws, rules and regulations regularly. In addition, the Company has been encouraging the Directors and senior executives to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, companies ordinance/act and corporate governance practices organized by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills. From time to time, Directors are provided with written training materials to develop and refresh their professional skills.

All the Directors are encouraged to participate in continuous professional development so that their relevant knowledge and skills can be improved and updated. The Company has arranged internal training for the Directors by seminars and provision of training information. All the Directors have provided a record of training they received to the Company.

During the year ended 31 December 2016, all Directors have been given relevant guideline materials and attended a training regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors.

董事

委任、重選及罷免董事

委任、重選及罷免董事的制度及程式規定自本公司章程(「章程」)等公司文件中。按根據公司章程第144條，公司董事由股東大會選舉或更換，所有董事(包括執行董事及獨立非執行董事)的任期為三年，董事任期屆滿可以連選連任。股東大會在遵守有關法律、行政法規規定的前提下，可以以普通決議的方式將任何任期未屆滿的董事罷免(但依據任何合同可提出的索償要求不受此影響)。

本公司並無與任何董事/監事訂立任何服務合約(任何於一年內屆滿或公司可於一年內不付賠償(法定賠償除外)而終止的合約除外)。

董事培訓及專業發展

各新任董事均於首次獲委任後接受正式、全面而切身之培訓，以確保董事對本公司業務及運營有適當理解，並充分認識聯交所上市規則及相關法定要求下董事之職責與義務。

董事亦定期審閱相關法例、規則及規例之修訂或最新版本。此外，本公司一直鼓勵董事及行政人員報讀由香港專業團體、獨立核數師及、或商會舉辦有關上市規則、公司條例/法例及企業管治常規之全面專業發展課程及講座，使彼等可持續及進一步更新相關知識及技能。董事亦不時獲提供書面培訓材料以發展及重溫專業技能。

本公司鼓勵全體董事參與持續專業發展計劃以令彼等本身的相關知識及技巧進步及更新。本公司已透過研討會及提供培訓資料方式為董事安排內部培訓。全體董事均已向本公司提供彼等接受培訓的記錄。

於截至二零一六年十二月三十一日止年度，全體董事已獲提供相關指引資料及出席有關董事職務及職責、適用於董事的相關法律及法規的培訓。

Directors (Continued)

Insurance for Directors

To mitigate the exposure to liabilities of the Directors, at the annual general meeting held on 7 June 2013, the Company resolved to take out an insurance plan at a total premium of not more than US\$30 million for the directors, supervisors and senior management to cover their liabilities (the “**Liability Insurance**”) and confirmed that arrangements regarding the Liability Insurance have been completed. The Liability Insurance covered the period from 19 July 2014 to 18 July 2015, from 19 July 2015 to 18 July 2016 and from 19 July 2016 to 18 July 2017.

Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) set out in Appendix 10 to the Listing Rules of the Stock Exchange as its code of conduct regarding securities transactions by the directors and the supervisors. The Company has made specific enquiry with all the directors and supervisors of the Company, who have confirmed their compliance with the Model Code during the Review Period.

Emolument Policy

The Company has endeavored to improve its remuneration management measures for its directors, supervisors and senior management under the guidance of the relevant policies of the PRC. The Company’s remuneration policy for directors, supervisors and senior management is based on the principle of combining incentives and disciplines, and market adjustment and governmental regulation.

The Directors receive remuneration in the form of salaries, allowances, benefits in kind, discretionary bonuses and retirement scheme contributions made on their behalf.

During the Review Period, there was no arrangement under which a Director has waived or agreed to waive any remuneration.

董事(續)

董事保險

為降低須由董事承擔責任的風險，本公司在二零一三年六月七日舉行之股東周年大會上通過決議購買總額不超過三千萬美元的董事、監事及最高行政人員責任保險（「**責任保險**」），並確認已辦理責任保險的安排。責任保險的保險期間自二零一四年七月十九日至二零一五年七月十八日、二零一五年七月十九日至二零一六年七月十八日及二零一六年七月十九日至二零一七年七月十八日。

董事、監事進行證券交易的標準守則

本公司已採納聯交所上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》（「**標準守則**」），作為公司有關董事、監事證券交易的行為守則。本公司已向本公司全體董事和監事作出具體查詢，其已確認，於回顧期間，彼等一直遵守標準守則。

薪酬政策

本公司在國家相關政策指導下，努力完善董事、監事及高級管理人員的薪酬管理辦法。本公司董事、監事及高級管理人員的薪酬制度遵循激勵與約束相統一，政府監管與市場調節相結合的原則。

董事以不同形式收取薪酬，包括薪金、貼津、實物利益、酌情花紅和代其作出的退休計劃供款。

於回顧期間概無有關董事已放棄或同意放棄任何薪酬安排。

Directors (Continued)

Responsibility Statement of Directors Regarding Preparation of Account

All Directors of the Company had committed their responsibilities to the preparation of the Company's account for the year ended 31 December 2016.

The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis.

Board Committees

The Board has set up four specialised committees, namely, the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Assessment Committee, in accordance with the CG Code. These Board committees are assigned respective responsibilities according to their terms of reference. The composition and main functions of these specialised committees and their work during the Review Period are set out as follows:

Strategy Committee

As of the date of this annual report, the members of the Strategy Committee comprise Mr. Jiao Chengyao (Chairman), Mr. Xiang Jiayu, Mr. Wang Xinying, Mr. Guo Haofeng and Mr. Wu Guangming.

The primary responsibilities of the Strategy Committee are to study and comment on our long-term development plans and significant investment strategies, including: (i) reviewing the Company's long-term development strategies; (ii) reviewing and commenting on the Company's significant capital investment and financing proposals that require approval of the Board; (iii) reviewing and commenting on the significant capital expenditure and assets management projects that require approval of the Board; and (iv) exercising other functions and duties as authorized by the Board.

The Strategy Committee did not convene any meeting during the year.

董事(續)

董事關於編製帳目的責任聲明

本公司各董事承認其有編製本公司截至二零一六年十二月三十一日止年度帳目的責任。

董事會不認為有任何重大不明朗事件或情況可能會嚴重影響本集團持續經營的能力，故董事會編製財務報表時採用持續經營之基準。

董事會專門委員會

董事會已根據企業管治守則設立四個專門委員會即戰略委員會、審計委員會、提名委員會、薪酬與考核委員會，並授予該等董事會專門委員會各自職責範圍內的職責。有關該等專門委員會的組成情況、主要職責及於回顧期間的工作載列如下：

戰略委員會

截至本年報日，戰略委員會成員包括焦承堯先生(主席)、向家雨先生、王新瑩先生、郭昊峰先生和吳光明先生。

戰略委員會的主要職責是就本公司的長期發展戰略和重大投資決策進行研究並提出建議，其中包括：(i)審閱本公司的長期發展戰略；(ii)審閱並對本公司規定須經董事會批准的重大資本投資及融資方案提出意見；(iii)審閱並對規定須經董事會批准的重大資本開支及資產管理項目提出意見；及(iv)執行由董事會授權的其他職能及職務。

戰略委員會於本年度未召開會議。

Board Committees (Continued)

Audit Committee

As of the date of this annual report, the members of the Audit Committee comprise Mr. Li Xudong (Chairman), Ms. Liu Yao and Mr. Jiang Hua, all of whom are the Independent Non-executive Directors.

The primary responsibilities of the Audit Committee are to review and supervise the Company's financial reporting and auditing work, including: (i) proposing appointment and replacement of the Company's independent auditors; (ii) supervising the Company's internal auditing policies and their implementation, supervising the financial statements and annual reports and accounts of the Company, and reviewing material opinions regarding financial reporting as stated in financial statements and reports; (iii) coordinating the communication between our internal audit department and the independent auditors; (iv) reviewing the Company's financial information and disclosure of such information; (v) reviewing the Company's internal control systems and auditing on the material connected or related party transactions; (vi) reviewing the Company's financial controls, internal control and risk management systems and to evaluate whether there is material failure or weakness in the risk management and internal control of the Company; (vii) discussing the risk management and internal control system with management to ensure that management has performed its duty to establish effective systems; (viii) researching on major investigation findings on risk management and internal control matters and management's response to these findings as delegated by the Board or on its own initiative; (ix) evaluating the changes in the nature and extent of significance of the material risks the Company faces after the previous year and its ability in response to the changes in the business and the changes in external environment; and (x) exercising other functions and duties as authorized by the Board.

董事會專門委員會(續)

審計委員會

截至本年報日，審計委員會成員包括李旭冬先生(主席)、劉堯女士和江華先生。他們均為獨立非執行董事。

審計委員會的主要職責是審閱和監察本公司的財務報告及審計工作，包括：(i)提議聘請及更換本公司的獨立核數師；(ii)監督本公司的內部審計政策及其實施，監察公司的財務報表以及年度報告及帳目，並審閱報表及報告所載有關財務申報的重大意見；(iii)負責內部審計部與獨立核數師之間的協調溝通；(iv)審閱本公司的財務資訊及該等資訊的披露；(v)審閱本公司的內部監控制度，對重大關連或關聯人士交易進行審計；(vi)檢討公司的財務監控、內部監控及風險管理系統，評估公司是否存在重大風險管理及內部監控失誤或弱項；(vii)與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的該等系統；(viii)主動或應董事會的委派，就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；(ix)評估上一年度後公司面臨的重大風險的性質及嚴重程度的轉變，以及公司應付其業務轉變和外在環境轉變的能力；及(x)執行由董事會授權的其他職能及職務。



Board Committees (Continued)

Audit Committee (Continued)

The Audit Committee convened 4 meetings during year 2016, with full attendance of all members of the committee:

- (1) On 4 March 2016, the Audit Committee convened the 2016 first meeting, and considered and approved the Proposal on 2015 Audited Domestic and Overseas Financial Report of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2015 Annual Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2015 Annual Results Announcement of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorising the Chairman of the Company to Sign and Announce 2015 Annual Report of the Company's H Shares, the Proposal on the Report on Internal Control Assessment of Zhengzhou Coal Mining Machinery Group Company Limited for 2015, the Proposal on the Audit Report on Internal Control of Zhengzhou Coal Mining Machinery Group Company Limited for 2015, the Proposal on the Appointment of External Audit Institution for 2016 and Payment for the Auditing Fee for 2015;
- (2) On 22 April 2016, the Audit Committee convened the 2016 second meeting, and considered and approved the Proposal on the 2016 First Quarterly Report and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited;
- (3) On 26 August 2016, the Audit Committee convened the 2016 third meeting, and considered and approved the Proposal on the 2016 Unaudited Interim Financial Statements of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2016 Interim Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited and the Proposal on 2016 Interim Results Announcement of H Shares and 2016 Interim Report of Zhengzhou Coal Mining Machinery Group Company Limited;
- (4) On 28 October 2016, the Audit Committee convened the 2016 fourth meeting, and considered and approved the Proposal on the 2016 Third Quarterly Report and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited.

董事會專門委員會(續)

審計委員會(續)

2016年度，公司董事會審計委員會召開了4次會議，審計委員會委員均全員出席：

- (1) 二零一六年三月四日，召開2016年度董事會審計委員會第一次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2015年度經審計的境內外財務報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司A股2015年年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2015年年度業績公告及授權公司董事長簽署並公告公司H股2015年年度報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2015年度內部控制評價報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2015年度內部控制審計報告〉的議案》、《關於聘任2016年度外部審計機構及支付2015年度審計費用的議案》；
- (2) 二零一六年四月二十二日，召開2016年度董事會審計委員會第二次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2016年第一季度報告及其摘要〉的議案》；
- (3) 二零一六年八月二十六日，召開2016年度董事會審計委員會第三次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2016年半年度未經審計的財務報表〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司A股2016年半年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2016年中期業績公告及公司H股2016年中期報告〉的議案》；
- (4) 二零一六年十月二十八日，召開2016年度董事會審計委員會第四次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2016年第三季度報告及其摘要〉的議案》。

Board Committees (Continued)

Nomination Committee

As of the date of this annual report, the members of the Nomination Committee comprise Mr. Jiang Hua (Chairman), Mr. Liu Qiang and Ms. Liu Yao. The Nomination Committee is chaired by an Independent Non-executive Director and is comprised of a majority of Independent Non-executive Directors.

The primary responsibilities of the Nomination Committee are to: (i) advise on the size and structure of the Board in accordance with the position of the Company's operation, scale of assets and shareholding structure; (ii) formulate the selection criteria and procedures for candidates of the Company's directors and management personnel; (iii) search for qualified candidates of directors and management personnel; (iv) review the qualifications and other credentials of the candidates of directors and management personnel; (v) assess the independence of independent non-executive directors; (vi) make recommendations on the appointment and re-appointment of the Company's directors; and (vii) exercise other functions and duties as authorized by the Board.

As the Nomination Committee considered that there was no compelling reason for the Company to change the structure, size and composition of the Board, the Nomination Committee did not convene any meeting during the reporting period to review the structure, size and composition of the Board. However, on 26 August 2016, the Company reviewed and evaluated the structure, size and composition (including skills, knowledge and experience) of the Board through holding Board meetings.

Remuneration and Assessment Committee

As of the date of this annual report, the members of the Remuneration and Assessment Committee comprise Mr. Wu Guangming (Chairman), Mr. Wang Xinying and Ms. Liu Yao. The Remuneration and Assessment Committee is chaired by an Independent Non-executive Director and is comprised of a majority of Independent Non-executive Directors.

The primary responsibilities of the Remuneration and Assessment Committee are to: (i) formulate the remuneration and compensation policies and schemes for the Company's directors and management personnel; (ii) evaluate the performance of the Company's directors and management personnel and assess the appropriate remuneration package for such directors and officers; (iii) supervise the implementation of remuneration policies and schemes; and (iv) exercise other functions and duties as authorized by the Board.

董事會專門委員會(續)

提名委員會

截至本年報日，提名委員會成員包括江華先生(主席)、劉強先生和劉堯女士。其中獨立非執行董事擔任主席且佔多數。

提名委員會的主要職責是：(i)根據本公司經營活動情況、資產規模和股權結構對董事會的規模和架構作出建議；(ii)制定本公司董事、管理人員的遴選準則和程式；(iii)物色合資格的董事和管理人員人選；(iv)審查董事和管理人員候選人的資歷及其他資格；(v)評核獨立非執行董事的獨立性；(vi)就委任及重新委任本公司董事提供推薦意見；及(vii)執行董事會授權的其他職能及職務。

由於提名委員會認為本公司並無改變董事會構架、人數及組成之任何迫切理由，故提名委員會於報告期內並無舉行任何會議，未以檢討董事會的構架、人數及組成。但於二零一六年八月二十六日，公司通過召開董事會的形式，對公司董事會的架構、人數及組成(包括技能、知識及經驗方面)進行檢討評價。

薪酬與考核委員會

截至本年報日，薪酬與考核委員會包括吳光明先生(主席)、王新瑩先生和劉堯女士。其中獨立非執行董事擔任主席且佔多數。

薪酬與考核委員會的主要職責是：(i)制定本公司董事和管理人員的薪酬及賠償政策和制度；(ii)評定本公司董事和管理人員的表現和評估對這些董事和高級人員適當的薪酬方案；(iii)監督薪酬政策及制度的執行情況；及(iv)執行董事會授權的其他職能及職務。

Board Committees (Continued)

Remuneration and Assessment Committee (Continued)

The Remuneration and Assessment Committee did not convene any meeting during the year.

Pursuant to the Code Provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management by band for the year ended 31 December 2016 is set out below:

Remuneration band (RMB'000) 薪酬組別人數(人民幣千元)	Number of individuals 人數
1-500	3
500-750	3
750-1,000	7

Board Diversity Policy

Purpose

With a view to achieving a sustainable and balanced development, the Company sees the increasing diversity of the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Candidates of the Company's directors will be selected based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender and age) will be disclosed in the annual report of the Company annually.

董事會專門委員會 (續)

薪酬與考核委員會 (續)

薪酬與考核委員會於本年度未召開會議。

根據企業管治守則第B.1.5條守則條文，截至二零一六年十二月三十一日止年度高級管理人員的年度酬金按薪酬等級載列如下：

董事會多元化政策

宗旨

為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

可計量目標

公司董事候會人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。董事會組成(包括性別、年齡)將每年在公司年報內披露。

Board Diversity Policy (Continued)

Monitoring and Reporting

The Nomination Committee will report annually on the Board's composition under diversified perspectives, and monitor the implementation of Board Diversity Policy.

Auditors' Remuneration

The Company has appointed Deloitte Touche Tohmatsu and BDO CHINA SHU LUN PAN Certified Public Accountants LLP as the international and domestic auditors of the Company, respectively. Details of fees paid or payable to the auditors by the Group for the year ended 31 December 2016 are as follows:

Services rendered 所提供服務		Fees 收費金額 (RMB'000) (人民幣千元)
2016 annual audit	2016年度審核	2,980
Non-audit services	非審核服務	1,000
Total	總計	3,980

Company Secretary

The company secretary of the Company is Mr. Zhang Haibin ("Mr. Zhang"), who also acts as the board secretary of the Company, is an employee of the Company and has day-to-day knowledge of the Company's affairs.

In addition, the Company appointed Ms. Chan Yin Wah ("Ms. Chan") as the assistant to the company secretary, to work closely with Mr. Zhang and to provide assistance to Mr. Zhang to discharge his duties and responsibilities as company secretary such as organizing meetings of the Board and meetings of holders of the H Shares and in gaining the relevant experience as required under Rule 3.28 of Listing Rules of the Stock Exchange. Ms. Chan is an associate director of a corporate service provider, SW Corporate Services Group Limited. The primary corporate contact person at the Company is Mr. Zhang, whom Ms. Chan will contact on matters relating to corporate governance, the Listing Rules of Hong Kong as well as other laws and regulations which are relevant to the Company and other affairs of the Company.

Mr. Zhang and Ms. Chan have taken not less than 15 hours of relevant professional training during the reporting period, respectively.

董事會多元化政策(續)

監察及匯報

提名委員會每年檢討董事會在多元化層面的組成，並監察董事會多元化政策的執行。

核數師薪酬

本公司已分別聘請德勤•關黃陳方會計師行和立信會計師事務所(特殊普通合伙)作為本公司的國際和境內核數師。截至二零一六年十二月三十一日止年度，本集團已付或應付審計師的費用詳情如下：

公司秘書

本公司公司秘書為張海斌先生(「張先生」)，彼為本公司董事會秘書，是本公司的僱員，對本公司的日常事務有所認識。

此外，本公司已委任陳燕華女士(「陳女士」)為公司秘書助理，以與張先生密切合作，並協助張先生履行其作為公司秘書的職務及職責，例如籌辦董事會會議及H股持有人會議及取得聯交所上市規則第3.28條規定的相關經驗。陳女士為一所企業服務供應商信永方圓企業服務集團有限公司之聯席董事。就企業管治事宜、香港上市規則以及其他有關本公司及其他事宜的法律及法規，陳女士會與本公司的主要聯絡人張先生聯繫。

張先生及陳女士在報告期間，參加的相關專業培訓不少於15小時。

Investor Relations, Communication with Shareholders and General Meeting

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information. Information of the Company is communicated to shareholders mainly through the Company's corporate communications including interim and annual reports, announcements and circulars, etc. These publications are sent to the shareholders in a timely manner and are also available on the website of the Company (<http://www.zzmj.com>). The means of communication between the Company and the shareholders also include general meetings, analysts meetings or seminars, one-on-one meetings, telephone consultation, advertisements, media interviews and coverage, site visits and roadshows, etc.

Shareholders' Rights

According to the Articles of Association of the Company, shareholder(s) individually or in aggregate holding 10% or above of the shares of the Company shall have the right, by written requisition to the Board to propose an extraordinary general meeting to be called. The Board shall, in accordance with laws, administrative regulations, rules and the articles of association of the Company, make a response in writing on whether or not it agrees to convene an extraordinary general meeting, within ten days upon receipt of such requisition. If the Board agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five days after the Board resolves to do so. If the Board does not agree to convene the extraordinary general meeting or does not reply within 10 days upon receiving the request, shareholders individually or jointly holding 10% or above of the Company's issued shares have the right to propose the Board of Supervisors to convene an extraordinary general meeting by way of written request. If the Board of Supervisors agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders. If the Board of Supervisors does not issue notice of the general meeting within the required period, it will be considered as not going to convene and preside over the general meeting, and shareholders individually or jointly holding 10% or above of the shares of the Company for 90 consecutive days have the right to convene and preside over the meeting on their own. The requisitionists shall be compensated by the Company for any reasonable expenses incurred by the requisitionists by reason of failure by the Board of Directors and the Board of Supervisors to duly convene a meeting, and any sum so compensated shall be set-off against sums owed by the Company to the defaulting Directors.

投資者關係、與股東的溝通及股東大會

本公司相信，與股東有效溝通是加強投資者關係及令投資者加深瞭解本集團業務表現及戰略的關鍵。本公司亦認同保持透明度與及時披露公司資料的重要性。本公司的資訊主要通過公司通訊發佈，包括中期報告、年報、公告及通函等。該等刊物適時向股東寄發，亦可在本公司網站查閱(<http://www.zzmj.com>)。本公司與股東溝通的方式還包括召開股東大會、分析師會議或說明會、一對一溝通、電話諮詢、廣告、媒體採訪和報導、現場參觀以及路演等。

股東的權利

根據本公司章程，單獨或者合計持有本公司10%或以上股份的股東有權向董事會提出書面請求召開臨時股東大會，董事會根據法律、行政法規和本公司章程的規定，在收到股東請求後十日內提出同意或不同意的書面通知，如董事會同意召開，公司應在五日以內發出召開臨時股東大會的通知予所有股東。董事會不同意召開臨時股東大會，或者在收到請求後十日內未作出反饋的，單獨或者合計持有公司10%以上股份的股東有權向監事會提議召開臨時股東大會，並應當以書面形式向監事會提出請求。監事會同意召開臨時股東大會的，應在收到請求五日內發出召開股東大會的通知，通知中對原提案的變更，應當徵得相關股東的同意。監事會未在規定期限內發出股東大會通知，視為監事會不召集和主持股東大會，連續90日以上單獨或者合計持有公司10%以上股份的股東可以自行召集和主持。股東因董事會和監事會未應前述要求舉行會議而自行召集並舉行會議的，其所發生的合理費用，應當由公司承擔，並從公司欠付失職董事的款項中扣除。

Shareholders' Rights (Continued)

When a general meeting is convened, shareholder(s) individually or in aggregate holding 3% or above of the Company's issued shares shall have the right to submit proposals to the Company. Shareholders individually or jointly in aggregate holding 3% or above of the Company's issued shares can submit the temporary proposal to the convener 10 days prior to the general meeting.

Shareholders have the right to make enquiries and copies of the minutes of general meetings, resolutions of Board meetings and resolutions of the Board of Supervisors.

Shareholders may make enquiries about the Company's affairs through our investor relations consultant of the Company:

Strategic Development Division of Zhengzhou Coal Mining Machinery Group Company Limited

Address: No. 167 (Nan San Huan), 9th Street
Econ-Tech Development Zone
Zhengzhou
Henan Province
PRC
Telephone: (86371) 6789 1017
Fax: (86371) 6789 1100
Postal Code: 450016

Board of Supervisors

Composition of Board of Supervisors

As of the date of this annual report, the Board of Supervisors composes of seven members, four of whom are nominated by the shareholders and three are nominated by the employees. The Supervisors are appointed for a term of three years, upon the expiry of which they may be re-elected.

The members of the Board of Supervisors are Mr. Li Chongqing, Mr. Zhang Zhiqiang, Mr. Zhou Rong, Mr. Liu Fuying, Mr. Ni Heping, Ms. Xu Mingkai and Mr. Zhang Jun.

The biographies of the Supervisors of the Company are set out under section "Directors, Supervisors and Senior Management" of this annual report. Save as disclosed in that section, there is no any other material relationship among members of the Board of Supervisors.

股東的權利(續)

本公司召開股東大會，單獨或者合併持有公司3%或以上股份的股東，有權向公司提出提案。單獨或者合併持有公司3%以上股份的股東，可以在股東大會召開十日前提出臨時提案並書面提交召集人。

股東有權查詢和複印股東大會會議記錄、董事會會議決議和監事會決議。

股東可以通過聯繫本公司的投資者關係顧問獲得有關本公司的查詢：

鄭州煤礦機械集團股份有限公司戰略發展部

地址：中國
河南省
鄭州市
經濟技術開發區
第九大街167號(南三環)
電話：(86371) 6789 1017
傳真：(86371) 6789 1100
郵編：450016

監事會

監事會組成

截至本年報日，本公司監事會成員共7名，其中4名由股東委任，3名由僱員委任。監事的任期為3年，屆滿後可重選。

監事會成員為：李重慶先生、張志強先生、周榮先生、劉付營先生、倪和平先生、徐明凱女士及張軍先生。

本公司監事名單及履歷載於本年報「董事、監事及高級管理層」一章中。除該章節披露外，監事會成員之間並無任何其他重大關係。

Board of Supervisors (Continued)

Duties of Board of Supervisors

The Board of Supervisors shall be accountable to the general meetings and exercise the following powers in accordance with laws:

- reviewing regular corporate reports prepared by the Board and submitting written opinions regarding the same;
- examining the finance affairs of the Company;
- monitoring of the performance of duties of Directors and senior management, and proposing the dismissal of Directors and senior management who have violated the laws, administrative regulations and Articles of Association or resolutions of the general meeting;
- demanding for correction in the event of any damage to the interests of the Company caused by Directors or senior management;
- proposing the convening of extraordinary general meetings, and convening and chairing of general meetings in the event of the Board having failed to perform its duties to convene and chair the general meeting pursuant to the Company Law (公司法);
- proposing motions to general meetings;
- liaising with Directors on behalf of the Company and instituting legal proceedings against Directors and senior management pursuant to the provisions of Article 152 of the Company Law;
- in case of any irregularity related to the operation of the Company identified, to investigate and if necessary, to engage professional institutions such as accountants or law firms to assist in its work at the expense of the Company;
- reviewing the financial report, operation report and profit distribution plan to be submitted by the Board to the general meetings; and may, in the name of the Company, appoint a certified public accountant or a qualified auditor to re-examine such documents if a suspicious item was identified;
- exercising other duties and powers specified in the articles of association of the Company.

During the reporting period, the Board of Supervisors held 6 meetings.

監事會(續)

監事會的職責

監事會向股東大會負責，並依法行使下列職權：

- 應當對董事會編製的公司定期報告進行審核並提出書面審核意見；
- 檢查公司財務；
- 對董事、高級管理人員執行公司職務的行為進行監督，對違反法律、行政法規、公司章程或者股東大會決議的董事、高級管理人員提出罷免的建議；
- 當董事、高級管理人員的行為損害公司的利益時，要求董事、高級管理人員予以糾正；
- 提議召開臨時股東大會，在董事會不履行《公司法》規定的召集和主持股東大會職責時召集和主持股東大會；
- 向股東大會提出提案；
- 代表公司與董事交涉或依照《公司法》第一百五十二條的規定，對董事、高級管理人員提起訴訟；
- 發現公司經營情況異常，可以進行調查；必要時，可以聘請會計師事務所、律師事務所等專業機構協助其工作，費用由公司承擔；
- 核對董事會擬提交股東大會的財務報告、營業報告和利潤分配方案等財務資料，發現疑問的，可以公司名義委託註冊會計師、執業審計師幫助複審；
- 公司章程規定的其他職權。

於報告期間，監事會共召開了6次會議。



Report of the Board of Directors 董事會報告書

The Board is pleased to present its report together with the audited financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2016.

Principal Activities and Subsidiaries

The principal activities of the Company are the manufacturing of comprehensive coal mining and excavating equipment. Details of the principal activities of its subsidiaries are set out in note 44 to the financial statements. During the Review Period, there were no significant changes in the nature of the principal activities of the Group.

Compliance with Laws and Regulations

During the reporting period, to the knowledge of the Company, the Group had complied with the relevant laws and regulations that have a material impact on the business of the Group in all material aspects and there were no circumstances of material breach or non-compliance of applicable laws and regulations.

Environmental Policies and Performance

The Group endeavours to achieve long-term sustainable development in the environment and community where the Group operates. The Group actively contribute to the community and engage in public welfare activities in addition to striving for good performance to foster credibility and build a good corporate image. Besides, the Group will act in an environmentally responsible way and strive to comply with the relevant environmental laws and regulations. In addition, the Group also adopts effective measures to achieve efficient utilisation of resources and reduce wastage and utility savings.

Business Review

Please refer to the section of Management Discussion and Analysis. The section of Management Discussion and Analysis forms part of this Report of the Board of Directors.

Results and Dividends

The Group’s results for the year ended 31 December 2016 are set out in the financial statements of this annual report.

Relevant resolution has been passed at a meeting of the Board held on 27 March 2017, and the Board proposed the payment of a final dividend (the “**Dividend**”) of RMB0.11 per 10 shares for the year ended 31 December 2016, totalling approximately RMB19,057,185.07. If the proposal in relation to the profit distribution is approved by the shareholders at the 2016 annual general meeting to be held on 16 June 2017 (the “**2016 Annual General Meeting**”), the Final Dividend for H Shares of the Company will be distributed on or about 31 July 2017.

董事會欣然提呈彼等之報告連同本公司及其附屬公司（「**本集團**」）截至二零一六年十二月三十一日止年度的經審核財務報表。

主要業務及附屬公司

本公司的主要業務為煤炭綜採綜掘設備製造。其附屬公司的主要業務詳情載於財務報表附註44。本集團的主要業務性質於回顧期間並無任何重大變動。

遵守法律及法規

報告期內，就本公司所知，本集團已在各重要方面遵守對本集團業務有重大影響的相關法律及法規，概無嚴重違反或不遵守適用法律及法規的情況。

環境政策及表現

本集團致力於業務經營所在環境及社區長期發展的可持续性。本集團在持續創造良好業績的同時，積極回饋社會，開展各項公益活動，樹立良好的信譽和企業形象。此外，本集團以對環境負責的方式行事，竭力遵守有關環保的法律法規。此外，本集團也採取有效措施達致資源的有效利用，減少浪費，倡導節約用水用電。

業務回顧

請參見管理層討論與分析章節。管理層討論與分析章節成為本董事會報告之部份。

業績及股息

本集團截至二零一六年十二月三十一日止年度的業績載於本年報的財務報表內。

董事會於二零一七年三月二十七日舉行會議並通過相關決議案，建議派發截至二零一六年十二月三十一日止年度股息（「**股息**」）每十股人民幣0.11元，總計約人民幣19,057,185.07元。倘利潤分配預案獲股東於二零一七年六月十六日召開的二零一六年度股東週年大會（「**二零一六年度股東週年大會**」）上獲批准，則本公司H股末期股息將於二零一七年七月三十一日或前後派付。

Results and Dividends (Continued)

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) and its implementation regulations (the “EIT Law”), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered under the name of non-individual enterprise, including the H Shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the Final Dividend to those non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company’s H Share register should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to Computershare Hong Kong Investor Services Limited in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of the Circular SAT No.[1993] 045 (關於國稅發[1993] 045號文件廢止後有關個人所得稅徵管問題的通知) (the “Notice”) issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and Mainland China. Thus, 10% personal income tax will be withheld from the Dividend payable to any individual shareholders of H Shares whose names appear on the H Share register of members of the Company on the Record Date, unless otherwise stated in the relevant taxation regulations, taxation agreements or the Notice.

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

The Board is not aware of any shareholders who have waived or agreed to waive any dividends.

業績及股息(續)

根據《中華人民共和國企業所得稅法》及其實施條例(「企業所得稅法」)，非居民企業就其來源於中國境內的所得繳納企業所得稅的適用稅率為10%。為此，任何以非個人企業名義，包括以香港中央結算(代理人)有限公司、其它代理人或受託人、或其它組織及團體名義登記的H股股份皆被視為由非居民企業股東(定義見「企業所得稅法」)所持有的股份，本公司將在代扣代繳10%企業所得稅後，向該等非居民企業股東派發末期股息。

任何名列本公司H股股東名冊上的依法在中國境內註冊成立，或者依照外國(地區)法律成立但實際管理機構在中國境內的居民企業(定義見「企業所得稅法」)，倘不希望由本公司代扣代繳10%企業所得稅，須適時向香港中央證券登記有限公司呈交中國執業律師出具的認定其為居民企業的法律意見書(加蓋律師事務所公章)及相關文件。

根據國家稅務總局於二零一一年六月二十八日頒佈的《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(「通知」)，在香港發行股份的境內非外商投資企業向境外居民個人股東派發的股息，一般須按10%的稅率繳納個人所得稅。然而，各境外居民個人股東本身的所得稅率視乎其居住國家與中國大陸的相關稅收協議而有所不同。據此，在向於記錄日期名列本公司H股股東名冊的H股個人股東派發末期股息時，本公司將預扣10%的股息作為個人所得稅，除非相關稅務法規、稅收協定或通知另有規定。

對於任何因股東身份未能及時確定或錯誤確定而引致的任何索償或對代扣代繳機制的任何爭議，本公司概不負責。

董事會並不知悉任何股東已放棄或同意放棄任何股息。

Profit Distribution to Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A shares of the Company listed on the Shanghai Stock Exchange (the “**Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A shares of the Company.

Profit Distribution to Investors of Southbound Trading

For investors of the Shanghai Stock Exchange (including enterprises and individuals) investing in the H shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the Company will in due course enter into the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading (港股通H股股票現金紅利派發協議) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depository and clearing system.

The cash dividends for the investors of H shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No. 81), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H shares of the Company.

滬股通投資者利潤分配事宜

對於香港聯交所投資者(包括企業和個人)投資上海證券交易所本公司A股股票(「**滬股通**」)，其股息紅利將由本公司通過中國證券登記結算有限公司上海分公司按股票名義持有人賬戶以人民幣派發。本公司按照10%的稅率代扣所得稅，並向主管稅務機關辦理扣繳申報。對於滬股通投資者中屬於其他國家稅收居民且其所在國與中國簽訂的稅收協定規定股息紅利所得稅率低於10%的，企業或個人可以自行或委託代扣代繳義務人，向本公司主管稅務機關提出享受稅收協定待遇的申請，主管稅務機關審核後，按已徵稅款和根據稅收協定稅率計算的應納稅款的差額予以退稅。

滬股通投資者股權登記日、現金紅利派發日等時間安排與本公司A股股東一致。

港股通投資者利潤分配事宜

對於上海證券交易所投資者(包括企業和個人)投資香港聯交所本公司H股股票(「**港股通**」)，本公司將適時與中國證券登記結算有限責任公司上海分公司簽訂《港股通H股股票現金紅利派發協議》，中國證券登記結算有限公司上海分公司作為港股通H股投資者名義持有人接收本公司派發的現金紅利，並通過其登記結算系統將現金紅利發放至相關港股通H股股票投資者。

港股通H股股票投資者的現金紅利以人民幣派發。根據《關於滬港股票市場交易互聯互通機制試點有關稅收政策的規定(財稅[2014]81號)》的相關規定：對內地個人投資者通過滬港通投資香港聯交所上市H股取得的股息紅利，H股公司按照20%的稅率代扣個人所得稅。對內地證券投資基金通過滬港通投資香港聯交所上市股票取得的股息紅利所得，比照個人投資者徵稅。H股公司對內地企業投資者不代扣股息紅利所得稅款，應納稅款由企業自行申報繳納。

港股通投資者股權登記日、現金紅利派發日等時間安排與本公司H股股東一致。



Use of Proceeds from Initial Public Offer on the Stock Exchange

The H Shares of the Company were listed on the Stock Exchange on 5 December 2012 and the net proceeds were HK\$2,155.55 million after deducting the relevant expenses. During the Review Period, save as described in the announcement of the Company dated 31 March 2014 in relation to the update on the use of proceeds, the use of proceeds was in line with the usage disclosed in the prospectus of the Company.

Reserves

Details of movements in the reserves of the Company and the Group for the year ended 31 December 2016 are set out in the consolidated statements of changes in equity and note 45 to the financial statements, respectively.

Share Capital

Details of movements in share capital of the Company for the year ended 31 December 2016 are set out in note 33 to the financial statements.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the PRC which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Share Option Scheme

The Company has not adopted any share option scheme.

Major Suppliers and Customers

For the year ended 31 December 2016, the total sales attributable to the Group's five largest customers accounted for approximately 29.20% of the Group's total sales while the sales attributable to the Group's largest customer accounted for approximately 10.57% of the Group's total sales. For the year ended 31 December 2016, the total purchases attributable to the Group's five largest suppliers accounted for approximately 25.44% of the Group's total purchases while the purchases attributable to the Group's largest supplier accounted for approximately 10.96% of the Group's total purchases.

To the best knowledge of the Directors, none of the Directors, their associates or substantial shareholders who had more than 5% of the issued share capital of the Company has any equity interest in the Group's five largest customers or five largest suppliers.

The Group maintains steady development relationship with each of the customers and suppliers. The business of the Group does not rely on any individual customer or supplier which may cause any material impact on the Group.

在聯交所首次公開招股所得款項的使用

本公司H股於二零一二年十二月五日在聯交所上市，經扣除相關費用後，所得款項淨額為2,155.55百萬港元，於回顧期間，除本公司於2014年3月31日所作的所得款項用途之更新公告內所述外，本公司所得款項的使用符合招股書披露的使用方式。

儲備

本公司及本集團於截至二零一六年十二月三十一日止年度之儲備變動詳情分別載於綜合權益變動表及財務報表附註45。

股本

本公司股本於截至二零一六年十二月三十一日止年度之變化詳情載於財務報表附註33。

優先購買權

本公司公司章程及中國之法律均無規定本公司必須按現有股東之持股比例向現有股東發售新股之優先權。

購股權計劃

本公司並無採納任何購股權計劃。

主要供應商及客戶

於截至二零一六年十二月三十一日止年度，本集團五大客戶應佔銷售總額佔本集團總銷售額約29.20%，而本集團最大客戶應佔銷售額則佔本集團總銷售額約10.57%。於截至二零一六年十二月三十一日止年度，本集團五大供應商應佔採購總額佔本集團總採購額約25.44%，而本集團最大供應商應佔採購額則佔本集團總採購額約10.96%。

據董事所知，概無任何董事、彼等之聯繫人或擁有超過本公司已發行股本之5%的主要股東於本集團的五大客戶及五大供應商中擁有任何股本權益。

本集團與各客戶及供應商一直保持着持續穩定發展的關係。本集團的業務並無依賴任何個別客戶及供應商，以致對本集團有重大影響。

Property, Plant and Equipment

For the year ended 31 December 2016, details of movements in property, plant and equipment and land use rights during the year are set out in notes 16 and 17 to the financial statements.

Purchase, Sale or Redemption of the Shares of the Company

During the Review Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any shares of the Company.

Equity-Linked Agreement

During the year ended December 31, 2016, the Company and its subsidiaries neither entered into any agreements in relation to equity-linked products nor participated in any arrangement to purchase equity-linked financial products.

Directors and Supervisors

During the Review Period and as of the date of this report, the Directors and the Supervisors are:

Directors:

As of the date of this report:

Jiao Chengyao (*Executive Director, Chairman*), Xiang Jiayu (*Executive Director, Vice Chairman*), Wang Xinying (*Executive Director*), Guo Haofeng (*Executive Director*), Liu Qiang (*Executive Director*), Liu Yao (*Independent Non-executive Director*), Jiang Hua (*Independent Non-executive Director*), Li Xudong (*Independent Non-executive Director*), Wu Guangming (*Independent Non-executive Director*)

Supervisors:

During the Review Period and as of the date of this report, the Supervisors are:

From 1 January 2016 to 17 January 2016:

Mr. Li Chongqing, Mr. Zhang Zhiqiang, Mr. Zhou Rong, Mr. Liu Fuying, Mr. Ni Heping, Mr. Jia Jingcheng, Ms. Xu Mingkai

From 18 January 2016 to 25 February 2016:

Mr. Li Chongqing, Mr. Zhang Zhiqiang, Mr. Zhou Rong, Mr. Liu Fuying, Mr. Ni Heping, Ms. Xu Mingkai

From 26 February 2016 to the date of this report:

Mr. Li Chongqing, Mr. Zhang Zhiqiang, Mr. Zhou Rong, Mr. Liu Fuying, Mr. Ni Heping, Ms. Xu Mingkai, Mr. Zhang Jun

物業、廠房及設備

截至二零一六年十二月三十一日止年度，物業、廠房及設備以及土地使用權於年內的變動詳情載於財務報表附註16及17。

購買、出售或贖回本公司股份

於回顧期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

股票掛鈎協議

於截至2016年12月31日止年度，本公司及附屬公司概無簽署任何股票掛鈎產品協議，亦無參與股票掛鈎理財產品認購安排。

董事及監事

於回顧期間及直至本報告日期止的董事及監事如下：

董事：

截至本報告日期：

焦承堯(執行董事、董事長)、向家雨(執行董事、副董事長)、王新瑩(執行董事)、郭昊峰(執行董事)、劉強(執行董事)、劉堯(獨立非執行董事)、江華(獨立非執行董事)、李旭冬(獨立非執行董事)、吳光明(獨立非執行董事)

監事：

於回顧期間及直至本報告日期止的監事如下：

2016年1月1日至2016年1月17日：

李重慶先生、張志強先生、周榮先生、劉付營先生、倪和平先生、賈景程先生、徐明凱女士

2016年1月18日至2016年2月25日：

李重慶先生、張志強先生、周榮先生、劉付營先生、倪和平先生、徐明凱女士

2016年2月26日至本報告日期：

李重慶先生、張志強先生、周榮先生、劉付營先生、倪和平先生、徐明凱女士、張軍先生



Directors' and Supervisors' Service Contracts

During the Review Period, none of the Directors or the Supervisors had entered into or proposed to enter into any service contract with any member of the Group other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended December 31, 2016.

Remuneration of Directors and Supervisors

Details of the remuneration of the Directors and the Supervisors for the year ended 31 December 2016 are set out in note 12 to the financial statements.

Insurance for Directors

The Company has taken out valid insurance for the Directors.

Directors' and Supervisors' Interests in Material Contracts

No contracts of significance (as defined in Appendix 16 to the Listing Rules of the Stock Exchange) in which a Director or a Supervisor is or was materially interested, directly or indirectly, subsisted during the Review Period.

During the Review Period, no contracts of significance in relation to the Company's business in which the Company, its subsidiaries, its holding company or any subsidiary of its holding company was a party and in which a Director or a Supervisor is or was materially interested in any way, directly or indirectly, subsisted at any time during the period.

No contracts or proposed contracts with the Company in relation to the Company's business and in which a Director or a Supervisor is or was materially interested in any way, directly or indirectly, subsisted during the Review Period.

Directors' Interests in Competing Business

Pursuant to Rule 8.10 of the Listing Rules of the Stock Exchange, the Company hereby discloses that none of the Directors had any interest in any business (other than the business of the Group) which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Directors' and Supervisors' Rights to Acquire Shares or Debentures

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

董事及監事服務合約

於回顧期間董事或監事概無與本集團任何成員公司訂立有或擬訂服務協議(於一年內屆滿或可由僱主於一年內不支付賠償(不包括法定賠償)而終止之協議除外)。

管理合約

於截至二零一六年十二月三十一日止年度期間,本公司並無就有關全部或任何重大部份業務的管理及行政工作簽訂或存在任何合約。

董事及監事薪酬

截至二零一六年十二月三十一日止年度本公司董事及監事薪酬之詳情載列於財務報表附註12。

董事保險

公司為董事購買了有效的董事保險。

董事及監事於重大合約之權益

於回顧期間,概無任何董事或監事於或曾於其中直接或間接擁有重大權益且仍續存的重大合約(定義見聯交所上市規則附錄16)。

於回顧期間,概無任何本公司、其附屬公司、其控股公司或其控股公司之附屬公司參與訂立而董事或監事以任何方式於或曾於或在該期間任何時間於其中直接或間接擁有重大權益且仍續存的有關本公司業務的重大合約。

於回顧期間,概無任何與或擬與本公司訂立與本公司業務有關而董事或監事以任何方式於其中直接或間接擁有任何重大權益之重大合約。

董事於競爭業務之權益

根據聯交所上市規則第8.10條,本公司謹此披露,董事概無於本集團業務以外任何對本集團業務構成或可能構成直接或間接競爭的業務中擁有任何權益。

董事及監事購買股份或債券之權利

於回顧期間,任何董事及監事或彼等各自的配偶或未成年子女概無獲授或行使可透過購買本公司股份或債券獲益的權利,而本公司、其控股公司或其任何附屬公司及同系附屬公司亦無參與任何安排,致使董事及監事可於任何其他法團獲取該等權利。

Directors', Supervisors' and Chief Executives' Interests and Short Positions in Securities of the Company and its Associated Corporations

To the best knowledge of the Directors, as at 31 December 2016, the Directors, the Supervisors and chief executives of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the Securities and Futures Ordinance (the "SFO") of Hong Kong) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under relevant provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein (including interests and short positions which they are taken or deemed to have under relevant provisions of the SFO); or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules of the Stock Exchange as follows:

董事、監事及最高行政人員於本公司及其相聯法團的證券中之權益及淡倉

據董事所知，於二零一六年十二月三十一日，本公司各董事、監事及本公司最高行政人員於本公司或其任何相聯法團（定義見香港《證券及期貨條例》）的股份、相關股份及債券中擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括彼根據《證券及期貨條例》的有關條文而被當作或視作擁有的權益及淡倉），或根據《證券及期貨條例》第352條須載入該條例所述的登記冊的權益及淡倉（包括彼根據《證券及期貨條例》的有關條文而被當作或視作擁有的權益及淡倉），或根據上市規則內上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

Name	Director/ Supervisor/ Chief executive	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool
姓名	董事／監事／ 最高行政人員	身份／權益性質	股份類別	股份數目			好倉／淡倉／ 可供借出的股份
Jiao Chengyao 焦承堯	Director 董事	Beneficial owner 實益擁有人	A Share A股	2,901,964	0.21	0.18	Long position 好倉
Xiang Jiayu 向家雨	Director 董事	Beneficial owner 實益擁有人	A Share A股	1,895,120	0.14	0.12	Long position 好倉
Wang Xinying 王新瑩	Director 董事	Beneficial owner 實益擁有人	A Share A股	1,895,040	0.14	0.12	Long position 好倉
Guo Haofeng 郭昊峰	Director 董事	Beneficial owner 實益擁有人	A Share A股	2,226,720	0.16	0.14	Long position 好倉
Liu Qiang 劉強	Director 董事	Beneficial owner 實益擁有人	A Share A股	11,500	0.00	0.00	Long position 好倉
Zhang Zhiqiang 張志強	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	600	0.00	0.00	Long position 好倉
Ni Heping 倪和平	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	2,217,200	0.16	0.14	Long position 好倉
Xu Mingkai 徐明凱	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	16,000	0.00	0.00	Long position 好倉



Directors', Supervisors' and Chief Executives' Interests and Short Positions in Securities of the Company and its Associated Corporations (Continued)

董事、監事及最高行政人員於本公司及其相聯法團的證券中之權益及淡倉(續)

Name	Director/ Supervisor/ Chief executive	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares %	Long position/ Short position/ Lending pool
姓名	董事／監事／ 最高行政人員	身份／權益性質	股份類別	股份數目		佔股份總數的 概約百分比%	好倉／淡倉／ 可供借出的股份
Zhou Rong 周榮	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	40,000	0.00	0.00	Long position 好倉
Liu Fuying 劉付營	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	599,060	0.04	0.04	Long position 好倉
Fu Zugang 付祖岡	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	2,526,720	0.18	0.16	Long position 好倉
		Interest of spouse 配偶的權益	A Share A股	200,000	0.01	0.01	Long position 好倉
Gao Youjin 高有進	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	2,380,000	0.17	0.15	Long position 好倉
Zhang Minglin 張命林	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	1,895,040	0.14	0.12	Long position 好倉
Wang Yongqiang 王永強	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	54,500	0.00	0.00	Long position 好倉
Guo Desheng 郭德生	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	2,012,500	0.15	0.12	Long position 好倉

Save as disclosed above, as at 31 December 2016, none of the Directors, the Supervisors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO of Hong Kong) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed to have); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules of the Stock Exchange.

除上文所披露者外，於二零一六年十二月三十一日，本公司各董事、監事或本公司最高行政人員概無於本公司或任何相聯法團(定義見香港《證券及期貨條例》)的股份、相關股份或債券中，擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括彼等視為擁有的權益或淡倉)，或根據《證券及期貨條例》第352條須載入該條例所述的登記冊的權益或淡倉，或根據聯交所上市規則內上市公司董事進行證券交易的標準守則須知會本公司和聯交所的權益或淡倉。

Structure and Number of Shareholders

Details of the shareholders as recorded in the register of shareholders of the Company as at 31 December 2016 are as follows:

Holders of A Shares	A股股東	58,034
Holders of H Shares	H股股東	100
Total number of shareholders		股東總數
		58,134

股東結構及股東人數

於二零一六年十二月三十一日，本公司股東名冊所記錄的股東詳情如下：

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

As at 31 December 2016, so far as the Directors were aware, the following shareholders (other than the Directors, Supervisors or chief executives) had interests or short positions in any shares and the underlying shares of the Company which were required to be notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register kept by the Company:

主要股東於本公司所持股份、相關股份之權益及淡倉

據董事所知，於二零一六年十二月三十一日，下列股東（董事、監事或最高行政人員除外）於本公司的任何股份及相關股份中，擁有根據《證券及期貨條例》第XV部第2及3分部須知會本公司的權益或淡倉，或根據《證券及期貨條例》第336條須記入本公司備存的登記冊的權益或淡倉：

Name	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool 好倉／淡倉／ 可供借出的股份
姓名／名稱	身份／權益性質	股份類別	股份數目			
State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government ⁽¹⁾ 河南省人民政府國有資產 監督管理委員會 ⁽¹⁾	Beneficial owner 實益擁有人	A Share A股	521,087,800	37.82	32.14	Long position 好倉
Henan Machinery Investment Group Co., Ltd. ⁽¹⁾ 河南機械裝備投資集團 有限責任公司 ⁽¹⁾	Beneficial owner 實益擁有人	A Share A股	521,087,800	37.82	32.14	Long position 好倉
National Council for Social Security Fund 全國社會保障基金理事會	Beneficial owner 實益擁有人	H Share H股	23,709,400	9.75	1.46	Long position 好倉
CITIC Securities Company Limited ⁽²⁾	Interest of controlled corporation 受控制的法團 的權益	H Share H股	22,402,600	9.21	1.38	Long position 好倉



Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company (Continued)

主要股東於本公司所持股份、相關股份之權益及淡倉(續)

Name	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool 好倉/淡倉/ 可供借出的股份
姓名/名稱	身份/權益性質	股份類別	股份數目			
CITIC Securities International Company Limited ⁽²⁾	Interest of controlled corporation 受控制的法團的權益	H Share H股	22,402,600	9.21	1.38	Long position 好倉
CSI Capital Management Limited ⁽²⁾	Beneficial owner 實益擁有人	H Share H股	22,402,600	9.21	1.38	Long position 好倉
UBS Group AG	Person having a security interest in Shares 對股份持有保證權益的人	H Share H股	12,245,800	5.04	0.76	Long position 好倉
	Interest of controlled corporation 受控制的法團的權益		15,600	0.00	0.00	Long position 好倉

Notes:

- (1) Henan Machinery Investment Group Co., Ltd. directly held 521,087,800 shares in the A Shares of the Company. Henan Machinery Investment Group Co., Ltd. is a wholly-owned subsidiary of State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government. By virtue of the SFO, State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government is deemed to own 521,087,800 shares in the A Shares of the Company which were in the same block directly held by Henan Machinery Investment Group Co., Ltd.
- (2) CSI Capital Management Limited directly held 22,402,600 shares in the H Shares of the Company. CSI Capital Management Limited is a wholly-owned subsidiary of CITIC Securities International Company Limited, which was wholly-owned by CITIC Securities Company Limited. By virtue of the SFO, CITIC Securities International Company Limited and CITIC Securities Company Limited were deemed to own 22,402,600 shares in the H Shares of the Company which were in the same block directly held by CSI Capital Management Limited.

附註：

- (1) 河南機械裝備投資集團有限責任公司直接持有521,087,800股本公司A股。河南機械裝備投資集團有限責任公司為河南省人民政府國有資產監督管理委員會全資附屬公司。根據證券及期貨條例，河南省人民政府國有資產監督管理委員會被視作擁有由河南機械裝備投資集團有限責任公司直接持有同一批521,087,800股本公司A股。
- (2) CSI Capital Management Limited直接持有22,402,600股本公司H股。CSI Capital Management Limited為CITIC Securities International Company Limited全資附屬公司。CITIC Securities Company Limited全資擁有CITIC Securities International Company Limited。根據證券及期貨條例，CITIC Securities International Company Limited及CITIC Securities Company Limited被視作擁有由CSI Capital Management Limited直接持有同一批22,402,600股本公司H股。

Public Float

Based on the public information available to and the knowledge of the Directors, as at the date of this annual report, the Company has maintained sufficient public float as required by the Listing Rules of the Stock Exchange.

公眾持股量

截至本年報日期，據董事可以得悉而亦知悉的公開資料作為基準，本公司始終根據聯交所上市規則規定維持充足的公眾持股量。

Retirement Benefit Scheme

The Group's full-time employees in the PRC are covered by a defined contribution pension scheme operated by the government, and are entitled to a monthly pension from the date of retirement. The PRC government is responsible to perform the pension obligation for these retired employees. The Group is required to make annual contributions to the retirement scheme at a rate of 20% of employees' basic salaries, which are charged as an expense when the employees have rendered services entitling them to the contributions and when the contributions are due. For the year ended 31 December 2016, a total contribution of RMB54.3 million made by the Group to the retirement scheme was charged to the statement of income. Further information about the Group's pension scheme is set out in note 37 to the financial statements.

Corporate Governance Code

During the Review Period, save as the deviation disclosed in the Corporate Governance Report set out in the annual report of last year, the Company had complied with the applicable Corporate Governance Code set out in Appendix 14 to the Listing Rules of the Stock Exchange.

Permitted Indemnity Provision

During the financial year and up to the date of this annual report, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors (including former Directors) of the Company or its associated companies. The permitted indemnity provisions are provided for in the directors and officers liability insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against such Directors.

Subsequent Events

Since the end of the reporting period, the updates on the material asset reorganization of the Company (the **"Material Asset Reorganization"**) are as follows:

Since 18 December 2015, trading in the A shares and H shares of the Company has been suspended due to the planning of material matters of the Company. Trading in the H shares resumed on 12 January 2016 while trading in the A shares remained suspended. On 25 December 2015, the Company published the Announcement on the Material Asset Reorganization and Suspension of Trading in relation to the commencement of the procedures of Material Asset Reorganization.

On 24 March 2016, the Company and its counterparties entered into an Equity Transfer Agreement, pursuant to which the Company would acquire equities in six Target Companies, at an aggregate consideration of RMB2,200,000,000, to be settled by way of issue of the Consideration Shares, and with the cash proceeds from the issue of the Placing Shares. The Placees of the Placing Shares include the Company's Employee Share Ownership Scheme, in which the Directors, supervisors and general manager of the Company participate.

退休福利計劃

本集團在中國之全職僱員享有政府營運的定額供款退休金計劃的保障，有權自退休之日起每月享有退休金。中國政府負責向該等退休僱員履行退休金責任。集團須按僱員基本薪金的20%向退休計劃作出年度供款，有關金額於僱員提供可獲得該等供款的服務及供款到期支付時計入開支。截至二零一六年十二月三十一日止年度，本集團對退休計劃的總供款人民幣54.3百萬元自收益表中扣除。有關本集團的退休金計劃載於財務報表附註37。

企業管治守則

於回顧期間，除去本年報中企業管治報告內的披露的偏離外，本公司已遵守適用的聯交所上市規則附錄14所載的企業管治守則。

獲准許的彌償條文

於本財政年度內及截至本年報日期為止，公司按有關法規的允許，備有以本公司或其有聯繫公司董事（包括前董事）為受益人的彌償條文。獲准許彌償條文的規定載於本公司為董事及高級行政人員購買的責任保險內，有關保險就董事的責任和他們可能面對法律訴訟而產生相關費用而作出賠償。

結算日後事項

自報告期末日之後至今，有關本公司進行的重大資產重組（「**重大資產重組**」）的最新資料如下：

因本公司籌劃重大事項，本公司的A股及H股股票已於2015年12月18日起停牌，而H股於2016年1月12日復牌，A股則繼續停牌。本公司於2015年12月25日發布了《重大資產重組停牌公告》，進入重大資產重組程序。

本公司於2016年3月24日與交易對方訂立了股權轉讓協議，購買總共六家目標公司的股權，購買價格總額為人民幣22億元，交易代價將通過發行代價股份及發行配售股份之現金所得款項之方式合併支付。配售股份之承配人中包含本公司的員工持股計劃，而員工持股計劃中有本公司董事、監事及總經理參加。

Subsequent Events (Continued)

The Material Asset Reorganization constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements thereunder. The Employee Share Ownership Scheme constitutes a connected transaction under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent Shareholders' approval requirements thereunder. As of the date of this report, the transfer of the Target Equity Interests, and the issue of the Consideration Shares and Placing Shares had been completed.

Closure of the Register of Members

The 2016 Annual General Meeting of the Company will be held on 16 June 2017 (Friday). In order to determine the H Share holders' entitlement to attend the Annual General Meeting, the H Share register of members of the Company will be closed from 17 May 2017 (Wednesday) to 16 June 2017 (Friday), both days inclusive, during which no transfer of shares will be registered. For the H Shareholders who wish to attend the 2016 Annual General Meeting but not yet registered, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 16 May 2017 (Tuesday).

If the resolution of the proposed dividend is approved in the 2016 Annual General Meeting, the H Share dividends will be paid to H Share holders whose names appear on the Company's H Share register of members after the close of trading as at 30 June 2017 (Friday). The Company's register of shareholders will be closed from 25 June 2017 (Sunday) to 30 June 2017 (Friday), both days inclusive, during which no transfer of shares will be registered. For the H Share holders who wish to receive the Final Dividend but not yet registered, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 23 June 2017 (Friday).

Audit Committee

The audit committee has reviewed the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2016 with the management team and the external auditor.

Auditor

The consolidated financial statements for the year ended 31 December 2016 has been audited by Deloitte Touche Tohmatsu. A resolution to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board
Jiao Chengyao
Chairman

Zhengzhou, the People's Republic of China
27 March 2017

結算日後事項(續)

根據上市規則第14章，重大資產重組事項構成非常重大收購事項，並須遵守有關申報、公布及股東批准規定。員工持股計劃構成上市規則第14A章下的關連交易，須遵守有關申報、公布及獨立性股東批准規定。截至本報告日期，目標股權已完成過戶，代價股份及配售股份已完成發行。

暫停辦理股東過戶登記

本行二零一六年度股東大會訂於二零一七年六月十六日(星期五)舉行。為確定有權出席年度股東大會的H股股東名單，本公司將自二零一七年五月十七日(星期三)至二零一七年六月十六日(星期五)(包括首尾兩天)暫停辦理股東過戶登記，在此期間將暫停股份過戶。擬出席二零一六年度股東大會但尚未登記之本行H股股東請於二零一七年五月十六日(星期二)下午4時30分或之前把所有過戶文件及相關股票交回本公司香港股份過戶登記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17樓1712-1716室。

如股息宣派相關議案於二零一六年度股東大會上獲得批准，H股股息將支付予在二零一七年六月三十日(星期五)收市後名列本行H股股東名冊的H股股東。本公司將自二零一七年六月二十五日(星期日)至二零一七年六月三十日(星期五)(包括首尾兩天)暫停辦理股東過戶登記，在此期間將暫停股份過戶。本行H股股東如欲獲派發末期股息而尚未登記過戶檔，須於二零一七年六月二十三日(星期五)下午4時30分或之前把所有過戶文件及相關股票交回本公司香港股份過戶登記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17樓1712-1716室。

審計委員會

審計委員會已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至二零一六年十二月三十一日止年度的經審核年度綜合財務報表。

核數師

截至二零一六年十二月三十一日止年度的綜合財務報表已由德勤•關黃陳方會計師行審核。本公司將於應屆股東週年大會上提呈一項決議案續聘德勤•關黃陳方會計師行為本公司核數師。

承董事會命
董事長
焦承堯

中華人民共和國•鄭州
二零一七年三月二十七日



Report of the Board of Supervisors 監事會工作報告

During 2016, in accordance with the relevant requirements of the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors of the Company, the Company's Board of Supervisors dutifully and conscientiously discharged their obligations and exercised their supervisory duties towards the directors and senior management of the Company in compliance with the principle of being accountable to all shareholders of the Company, playing a positive role for the standardized operation and development of the Company.

I. Basic Evaluation on Management Behavior of the Board of Directors and Manager and the Performance Achieved in 2016

Through our supervision over the directors and senior management of the Company, the Board of Supervisors considered that the Board was able to strictly comply with the requirements of the Company Law, Articles of Association and the other relevant laws and regulations and operated in accordance with the laws. All major operation decisions of the Company were rational and the decision-making process was lawful and valid. The Company has further established and enhanced its internal management systems and internal control mechanisms to further regulate its operation. The directors and senior management of the Company conscientiously executed their respective duties in accordance with the national laws, regulations, the Articles of Association, and the resolutions of the shareholders' general meetings and the Board meetings, and they were devoted to their duties, giving their utmost efforts in exploration and expansion. None of the directors and senior management of the Company were discovered for violating any laws, regulations, the Articles of Association when discharging their duties of the Company and no acts which contravene the interests of the shareholders or the Company was found.

2016年，公司監事會根據《公司法》、《公司章程》和《公司監事會議事規則》的有關規定，本著對全體股東負責的精神，恪盡職守，認真履行各項職權和義務，充分行使對公司董事及高級管理人員的監督職能，為企業的規範運作和發展起到了積極作用。

一、對2016年董事會、經理層經營行為及業績的基本評價

通過對公司董事及高級管理人員的監督，監事會認為：公司董事會能夠嚴格按照《公司法》、《公司章程》及其他有關法律法規和制度的要求，依法經營。公司重大經營決策合理，其程序合法有效，為進一步規範運作，公司進一步建立健全了各項內部管理制度和內部控制機制；公司董事、高級管理人員在執行公司職務時，均能認真貫徹執行國家法律、法規、《公司章程》和股東大會、董事會決議，忠於職守、兢兢業業、開拓進取。未發現公司董事、高級管理人員在執行公司職務時違反法律、法規、公司章程或損害公司股東、公司利益的行為。



II. The Work Overview of the Board of Supervisors

During the reporting period, the Board of Supervisors held six meetings. Details are set out below:

1. The sixth meeting of the third session of the Board of Supervisors was held on 4 March 2016, considering and approving eight resolutions, including the Proposal on the 2015 Work Report of the Board of Supervisors of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2015 Audited Domestic and Overseas Financial Report of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2015 Annual Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2015 Annual Results Announcement of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorising the Chairman of the Company to Sign and Announce 2015 Annual Report of the Company's H Shares, the Proposal on the 2015 Specific Audit Report on the Deposit and Use of Proceeds of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2015 Report on Internal Control Assessment of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2015 Audit Report on Internal Control of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2015 Profit Distribution Plan of Zhengzhou Coal Mining Machinery Group Company Limited;
2. The seventh meeting of the third session of the Board of Supervisors was held on 24 March 2016, considering and approving two resolutions, including the Proposal on Fulfilling Conditions of Purchase of Assets by Share Issue and Cash Payment and the Fundraising of the Company and the Proposal on the Completeness and Compliance of Legal Procedures Performed and the Validity of Legal Documents Submitted for the Material Asset Reorganization.

二、 監事會工作情況

報告期內公司共召開了六次監事會會議，詳細情況如下：

- 1、 2016年3月4日，監事會召開第三屆監事會第六次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2015年度監事會工作報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2015年度經審計的境內外財務報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司A股2015年年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2015年年度業績公告及授權公司董事長簽署並公告公司H股2015年年度報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2015年度募集資金存放與使用的專項審核報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2015年度內部控制評價報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2015年度內部控制審計報告〉的議案》、《關於2015年度利潤分配的議案》等8項議案；
- 2、 2016年3月24日，監事會召開第三屆監事會第七次會議，審議通過了《關於公司符合發行股份及支付現金購買資產並募集配套資金條件的議案》、《關於本次重大資產重組履行法定程序的完備性、合規性及提交的法律文件的有效性的說明的議案》等2項議案。

II. The Work Overview of the Board of Supervisors (Continued)

The number of votes was less than three since the connected supervisors abstained from voting. Therefore, the twelve resolutions, including the Proposal on the Purchase of Assets by Share Issue and the Fundraising of the Company Constitutes A Connected Transaction, the Proposal on Purchase of Assets by Share Issue and Cash Payment and the Fundraising (Connected Transaction) of the Company, the Proposal on the Feasibility of the Use of Proceeds from the Fundraising, the Proposal on the Material Asset Reorganization of the Company Satisfies the Requirements of Article 4 of the Regulations Concerning the Standardization of Certain Issues of Material Asset Reorganization of Listed Companies, the Proposal on the Material Asset Reorganization of the Company Satisfies the Requirements of Article 43 of the Administrative Measures for Material Asset Reorganization of Listed Companies, the Proposal on the Material Asset Reorganization of the Company Does Not Constitute a Back-door Listing as Specified in Article 13 of the Administrative Measures for Material Asset Reorganization of Listed Companies, the Proposal on the Plan on the Purchase of Assets by Share Issue and Cash Payment and the Fundraising (Connected Transaction) of Zhengzhou Coal Mining Machinery Group Company Limited and Its Summary, the Proposal on Conditional Agreement on Equity Transfer and Purchase of Assets by Cash Payment and Share Issue entered into between the Company and its Counterparty, the Proposal on the Authorization of the Board of Directors of the Company to Handle the Matters in Relation to the Purchase of Assets by Share Issue and Cash Payment and the Fundraising (Connected Transaction) of the Company, the Proposal on the Employee Share Ownership Scheme of Zhengzhou Coal Mining Machinery Group Company Limited (Draft) and Its Summary, the Proposal on the Conditional Share Subscription Agreement entered into between Zhengzhou Coal Mining Machinery Group Company Limited and Huatai Securities (Shanghai) Asset Management Co. Ltd., and the Proposal on Authorization of the Board of Directors to Handle All Matters in relation to the Employee Share Ownership Scheme were directly submitted to the general meeting of the Company for consideration.

二、 監事會工作情況(續)

因關聯監事回避表決，導致表決人數低於3人，故《關於公司發行股份購買資產並募集配套資金構成關聯交易的議案》、《關於公司發行股份及支付現金購買資產並募集配套資金暨關聯交易方案的議案》、《關於本次募集配套資金使用可行性的議案》、《關於本次重大資產重組符合〈關於規範上市公司重大資產重組若干問題的規定〉第四條規定的議案》、《關於本次重大資產重組符合〈上市公司重大資產重組管理辦法〉第四十三條規定的議案》、《關於本次重大資產重組不構成〈上市公司重大資產重組管理辦法〉第十三條規定的借殼上市的議案》、《關於〈鄭州煤礦機械集團股份有限公司發行股份及支付現金購買資產並募集配套資金暨關聯交易預案〉及其摘要的議案》、《關於公司與交易對象簽訂附條件生效的〈股權轉讓及以現金、發行股份購買資產協議〉的議案》、《關於提請股東大會授權董事會辦理本次發行股份及支付現金購買資產並募集配套資金暨關聯交易相關事項的議案》、《關於〈鄭州煤礦機械集團股份有限公司員工持股計劃(草案)〉及摘要的議案》、《關於鄭州煤礦機械集團股份有限公司與華泰證券(上海)資產管理有限公司簽訂附條件生效的〈股份認購協議〉的議案》、《關於提請股東大會授權董事會辦理公司員工持股計劃相關事宜的議案》12項議案直接提交公司股東大會審議。

II. The Work Overview of the Board of Supervisors

(Continued)

3. The eighth meeting of the third session of the Board of Supervisors was held on 22 April 2016, considering and approving one resolution, the Proposal on the 2016 First Quarterly Report and the Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited.
4. The ninth meeting of the third session of the Board of Supervisors was held on 28 April 2016, considering and approving five resolutions, including the Proposal on the Completeness and Compliance of Legal Procedures Performed and the Validity of Legal Documents Submitted for the Material Asset Reorganization, the Proposal on the Dilution Effect of the Reorganization on the Current Returns of the Company and the Remedial Measures Adopted by the Company, the Proposal on the Letter of Undertaking Issued by all the Directors and Senior Management Members of the Company on the Remedial Measures Adopted in Relation to the Dilution of Current Returns by the Material Asset Reorganization of the Company, the Proposal on the Formulation of the Dividend Distribution Plan for Shareholders of the Company for the Next Three Years (2016-2018) and the Proposal on the Amendments to the Articles of Association of Zhengzhou Coal Mining Machinery Group Company Limited.

The number of votes was less than three since the connected supervisors abstained from voting. Therefore, the four resolutions, including the Proposal on the Purchase of Assets by Share Issue and Cash Payment and the Fundraising (Connected Transaction) of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the Report in relation to the Purchase of Assets by Share Issue and Cash Payment and the Fundraising (Connected Transaction) of Zhengzhou Coal Mining Machinery Group Company Limited (Draft) and Its Summary, the Proposal on the Conditional Supplemental Agreement of the Agreement on Equity Transfer and Purchase of Assets by Cash Payment and Share Issue entered into between the Company and Its Counterparty, and the Proposal on the Independency of the Appraiser, Reasonableness of the Assumptions Used in the Evaluation, Relevance of the Evaluation Methods and Evaluation Purposes and Fairness of the Appraised Price were directly submitted to the general meeting of the Company for consideration.

二、 監事會工作情況(續)

- 3、 2016年4月22日，監事會召開第三屆監事會第八次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2016年第一季度報告及其摘要〉的議案》等1項議案。
- 4、 2016年4月28日，監事會召開第三屆監事會第九次會議，審議通過了《關於本次重大資產重組履行法定程序的完備性、合規性及提交的法律文件的有效性的說明的議案》、《關於本次重組攤薄即期回報影響及公司採取的填補措施的議案》、《關於全體董事、高級管理人員出具對關於公司重大資產重組攤薄即期回報採取填補措施的承諾函的議案》、《關於制定公司未來三年(2016-2018年)股東分紅回報規劃的議案》、《關於修改〈鄭州煤礦機械集團股份有限公司章程〉的議案》等5項議案。

因關聯監事回避表決，導致表決人數低於3人，故《關於公司發行股份及支付現金購買資產並募集配套資金暨關聯交易方案的議案》、《關於〈鄭州煤礦機械集團股份有限公司發行股份及支付現金購買資產並募集配套資金暨關聯交易報告書(草案)〉及其摘要的議案》、《關於公司與交易對象簽訂附條件生效的〈股權轉讓及以現金、發行股份購買資產協議之補充協議〉的議案》、《關於評估機構的獨立性、評估假設前提的合理性、評估方法與評估目的的相關性及評估定價的公允性的議案》等4項議案直接提交公司股東大會審議。

II. The Work Overview of the Board of Supervisors

(Continued)

5. The tenth meeting of the third session of the Board of Supervisors was held on 26 August 2016, considering and approving four resolutions, including the Proposal on 2016 Interim Report on A Shares and the Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2016 Interim Results Announcement of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorising the Chairman of the Company to Sign and Announce 2016 Interim Report of the Company's H Shares, the Proposal on the Specific Report on the Deposit and Actual Use of Proceeds of Zhengzhou Coal Mining Machinery Group Company Limited and the Proposal on the Daily Connected Transactions with Zhengzhou Suda Coal Machinery Service Co.,Ltd in 2016.
6. The eleventh meeting of the third session of the Board of Supervisors was held on 28 October 2016, considering and approving one resolution, the Proposal on 2016 Third Quarterly Report on A Shares and the Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited.

The Board of Supervisors took part in the Company's major work by attending the Board meetings and effectively supervised the meeting agendas, voting procedures and voting results, etc. and offered recommendations on operation activities, proposals and profit distribution plans, etc. The Board of Supervisors also effectively supervised the guiding principles for decision-making and the decisions made to ensure their compliance with the laws and regulations of the state, the Articles of Association and the resolutions of the shareholders' general meetings and that they are in the interests of shareholders.

III. The Independent Opinion of the Board of Supervisors on the Company's Operations in 2016

1. Lawful operation of the Company

The Board has complied with relevant requirements stipulated in the Company Law, the Articles of Association, and the Rules of Procedure of the Board of Supervisors of the Company and carried on regulated operations and the decision-making procedures were lawful and valid. The Company has established and improved internal control system; the directors and senior management of the Company discharged their duties in the Company diligently and dutifully, with no acts of violation of any laws, regulations and the Articles of Association or prejudice to the Company's interests were discovered.

二、 監事會工作情況(續)

- 5、 2016年8月26日，監事會召開第三屆監事會第十次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司A股2016年半年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2016年中期業績公告〉及授權公司董事長簽署並公告〈公司H股2016年中期報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司募集資金存放與實際使用情況的專項報告〉的議案》、《關於2016年度與鄭州速達煤炭機械服務股份有限公司日常關聯交易的議案》等4項議案。
- 6、 2016年10月28日，監事會召開第三屆監事會第十一次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司A股2016年第三季度報告及其摘要〉的議案》等1項議案。

監事會通過列席董事會會議的形式參與公司重要工作，對會議議程、表決程序、表決結果等進行有效監督，對公司的經營活動、議案、利潤分配方案等提出建議，對決策的指導思想及作出的具體決定是否符合國家的法律法規、《公司章程》和股東大會決議以及股東的利益進行了有效的監督。

三、 監事會對2016年度公司運作的獨立意見

1、 公司依法運作情況

公司董事會遵循了《公司法》、《公司章程》及《董事會議事規則》的有關要求，規範運作，決策程序合法有效；公司建立和完善了內部控制制度，公司董事、經理執行職務時能夠勤勉盡責，未發現違反法律、法規、公司章程或損害公司利益的行為的情形。



III. The Independent Opinion of the Board of Supervisors on the Company's Operations in 2016 (Continued)

2. Inspection of financial status of the Company

The Board of Supervisors has reviewed the financial status of the Company and considered that the financial report of the Company reflected the actual state of the Company's financial position and operation results and that the audit report was truthful and reasonable, and was favorable for the shareholders to truly understand the financial and operational status of the Company. The 2016 Annual Report prepared by the Board truthfully, lawfully and completely reflected the Company's position without any false record, misleading statement or any material omissions.

3. Inspection of the utilization of the raised proceeds

The Board of Supervisors has inspected the utilization of the raised proceeds, and the Company has established the management system for the raised proceeds. The proceeds were used in a regulated manner and were invested in the projects as undertaken. No breaches in respect of the raised proceeds were found.

4. Acquisition and disposal of assets by the Company

During 2016, the acquisition and disposal of assets by the Company were conducted in strict compliance with the Articles of Association and the relevant requirements of Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Relevant decision-making procedures were carried out in compliance with the law. The transactions were fair, operations were regulated, and no insider dealing was discovered. No prejudice to the interests of certain shareholders or dissipation of the Company's assets was discovered.

5. Connected transactions

The connected transactions of the Company in 2016 were conducted in strict compliance with the Articles of Association and pursuant to the connected transaction agreements and that the transactions were fair and reasonable; major connected transactions were conducted on an arm's length basis and the statutory approval process was fulfilled, with no act that is prejudicial to the interests of the Company and its shareholders.

三、監事會對2016年度公司運作的獨立意見(續)

2、檢查公司財務的情況

監事會對公司的財務狀況進行了檢查，認為公司的財務報告真實反映公司的財務狀況和經營成果，審計報告真實合理，有利於股東對公司財務狀況及經營情況的正確理解。公司董事會編製的2016年年度報告真實、合法、完整地反映了公司的情況，不存在虛假記載、誤導性陳述或重大遺漏。

3、檢查募集資金使用情況

監事會對募集資金使用情況進行了檢查，公司建立了募集資金管理制度，資金使用程序規範，實際投入項目與承諾投入項目一致，沒有發現募集資金違規行為。

4、公司收購、出售資產情況

2016年度公司收購、出售資產行為，嚴格按照《公司章程》及上海證券交易所、香港聯合交易所有限公司的有關規定，依法履行相關決策程序，交易公允，運作規範，沒有發現內幕交易，沒有發現損害股東權益或造成公司資產流失的情況。

5、關聯交易情況

公司2016年度發生的關聯交易嚴格遵守《公司章程》的規定，嚴格按照相關關聯交易協議進行，交易公平合理；重大關聯交易公允，履行了法定的批准程序，不存在損害公司和股東利益的行為。

III. The Independent Opinion of the Board of Supervisors on the Company's Operations in 2016 (Continued)

6. Internal control self-assessment report

The Board of Supervisors has reviewed the 2016 self-assessment report on the Company's internal control prepared by the Board and the establishment and implementation of the Company's internal control system, and considered that the Company has established a relatively sound internal control system which could be effectively implemented. The self-assessment report on the Company's internal control truly and objectively reflected the establishment and implementation of such control in the Company.

7. The Board of Supervisors' review opinions on the 2016 Annual Report of the Company

The preparation of and procedures for reviewing the 2016 Annual Report of the Company were in compliance with the relevant requirements of the laws, regulations and the Articles of Association. The content and the format thereof were in line with all the requirements of China Securities Regulatory Commission and Shanghai Stock Exchange, with the information contained therein giving a true view of the business management and financial position of the Company in that year. No staff involved in the preparation and review of the annual report was found to have violated the confidentiality requirement.

IV. Working Plan of the Board of Supervisors

The Board of Supervisors will strictly comply with the requirements of the Company Law, the Articles of Association and the relevant laws, regulations and policies of the state, truthfully perform its duties, and further promote regulated operations of the Company.

(1) Comply with the laws and regulations and discharge duties conscientiously

In 2017, the Board of Supervisors will strictly implement the relevant requirements of the Company Law and the Articles of Association and supervise the Board and the senior management according to the laws with the purpose to further regulate the decision-making and operation activities to ensure their compliance with the laws. Firstly, it will urge the Company to further improve the corporate governance structure and enhance governance standards according to the requirements of modern corporate system. Secondly, in accordance with the Rules of Procedure of the Board of Supervisors of the Company, it will continue to strengthen the enforcement of its supervisory functions and attend the Board meetings according to the laws so as to timely grasp the Company's major decisions and the lawfulness of the decision-making procedures, thereby further safeguarding the interests of the shareholders. Thirdly, it will convene working meetings of the Board of Supervisors on a regular basis to implement the Rules of Procedure of the Board of Supervisors of the Company.

三、監事會對2016年度公司運作的獨立意見(續)

6、內部控制自我評價報告

對董事會關於公司2016年度內部控制的自我評價報告、公司內部控制制度的建設和運行情況進行了審核，認為公司已建立了較為完善的內部控制制度並能得到有效的執行。公司內部控制的自我評價報告真實、客觀地反映了公司內部控制制度的建設及運行情況。

7、監事會對公司2016年年度報告的審核意見

公司2016年年度報告的編製和審議程序符合法律、法規和公司章程的有關規定。其內容與格式符合中國證監會和上海證券交易所的各項規定，所包含的信息能真實地反映出公司當年的經營管理和財務狀況，未發現參與年度報告編製和審議的人員有違反保密規定的行為。

四、監事會工作計劃

本屆監事會將繼續嚴格按照《公司法》、《公司章程》和國家有關法規政策的規定，忠實履行自己的職責，進一步促進公司的規範運作。

(一) 按照法律法規，認真履行職責

2017年度，監事會將嚴格執行《公司法》、《公司章程》等有關規定，依法對董事會、高級管理人員進行監督，以便使其決策和經營活動更加規範、合法。一是按照現代企業制度的要求，督促公司進一步完善法人治理結構，提高治理水準。二是按照《監事會議事規則》的規定，繼續加強落實監督職能，依法列席公司董事會，及時掌握公司重大決策事項和各項決策程序的合法性，從而更好地維護股東的權益。三是為落實《監事會議事規則》，定期組織召開監事會工作會議。



IV. Working Plan of the Board of Supervisors

(Continued)

(2) Strengthen supervision and inspection to avoid operational risks

The Board of Supervisors will constantly strengthen the supervision over the directors and other senior management on their performance of duties, execution of resolutions and compliance with the laws and regulations.

Firstly, the financial supervision will be maintained as a focus, and the Board of Supervisors will monitor the financial position of the Company in accordance with the laws.

Secondly, the internal control system will be further strengthened to prevent corporate risks and the loss of the Company's assets. The Board of Supervisors will regularly keep informed of and understand the operation status of the Company from the holding companies, especially the major operation activities and investment projects, and provide prompt suggestions to stop and remedy the situation when problems are found.

Thirdly, the Board of Supervisors will maintain communications and liaison with internal audit function and external accountants (auditors) entrusted by the Company, taking full use of internal and external audit information to keep abreast of the updates.

Fourthly, the Board of Supervisors will focus on the high risk areas of the Company, carry out inspections on the critical matters, such as major investments, management of raised proceeds and connected transactions.

(3) Uplift professional capabilities through self-improvement

To better perform the role of the Board of Supervisors, it should uplift its professional qualifications first in order to work efficiently. In this regard, members of the Board of Supervisors will receive more trainings, attend relevant programs in a planned manner and persist in self-improvement this year in an attempt to broaden their professional knowledge and improve their professional capabilities so as to further safeguard the interests of the Company and the shareholders. It will strictly comply with the laws, regulations and the Articles of Association, conscientiously discharge their duties and better perform the supervisory duties of the Board of Supervisors.

The Board of Supervisors of
Zhengzhou Coal Mining Machinery Group Company Limited

27 March 2017

四、監事會工作計劃(續)

(二) 加強監督檢查，防範經營風險

監事會不斷加大對董事和其他高級管理人員在履行職責，執行決議和遵守法規方面的監督。

第一，堅持以財務監督為核心，依法對公司的財務情況進行監督檢查。

第二，為了防範企業風險和防止公司資產流失，進一步加強內部控制制度，定期向控股公司瞭解並掌握公司的經營狀況，特別是重大經營活動和投資項目，一旦發現問題，及時建議予以制止和糾正。

第三，經常保持與內部審計和公司所委託的會(審)計事務所進行溝通及聯繫，充分利用內外部審計信息，及時瞭解和掌握有關情況。

第四，重點關注公司高風險領域，對公司重大投資、募集資金管理、關聯交易等重要方面實施檢查。

(三) 加強自身學習，提高業務水平

要發揮好監事會作用，首先要提高自身專業素質，才能有效地做好工作。對此，監事會成員將在新的一年裏，為了進一步維護公司和股東的利益，監事會將繼續加強學習，有計劃的參加有關培訓和堅持自學，不斷拓寬專業知識和提高業務水平，嚴格依照法律法規和公司章程，認真履行職責，更好地發揮監事會的監督職能。

鄭州煤礦機械集團股份有限公司
監事會

2017年3月27日



Environmental, Social and Governance Report

環境、社會及管治報告

Environmental, Social and Governance Report

To comply with provisions set out in “Environmental, Social and Governance Reporting Guide” issued by the Stock Exchange of Hong Kong Limited in December 2015, Zhengzhou Coal Mining Machinery Group Company Limited (“ZMJ”, “the Company”, or “We”) presents Environmental, Social and Governance Report (“ESG Report”) for the year from 1 January 2016 to 31 December 2016.

The Board of Directors of the Company is responsible for our environmental, social and governance strategies and reporting, including the assessment and identification of environmental, social and governance risks and ensuring that appropriate and effective environmental, social and governance risk management and internal control systems are in place. We have appointed our departments of business functions to review the Company’s operations and hold internal discussions to identify relevant environmental, social and governance issues and assess the importance of the matter to our business and stakeholders. Management has confirmed the effectiveness of the environmental, social and governance risk management and internal control systems to the Board. According to the general disclosure requirements of environmental, social and governance guidelines, the identified major environmental, social and governance issues have been included in this environmental, social and governance report and are intended to disclose, in a balanced manner, environmental, social and governance performance of ZMJ in operations.

1. Communication with Stakeholders

While adhering to the belief of creating a world-class brand and tirelessly pursuing its own development, ZMJ has due regard to the needs of stakeholders, including shareholders/investors, the government/regulatory authorities, staff members, customers, suppliers/partners, the environment and the community/the public. By establishing avenues conducive to the participation of stakeholders, the Company brings in the views of each party to the whole decision-making and operating process of the Company.

The report provides the stakeholders of the Company with the latest information about the Company’s activities and performance in environmental, social and governance areas, conveying the Company’s wish to create the best value for its stakeholders.

環境、社會及管治報告

為符合香港聯合交易所有限公司2015年12月頒布的《環境、社會及管治報告指引》所載的規定，鄭州煤礦機械集團股份有限公司（「鄭煤機」、「公司」或「我們」）謹此呈報2016年1月1日至2016年12月31日的年度環境、社會及管治報告（「環境、社會及管治報告」）。

公司董事會負責我們的環境、社會及管治策略及報告，包括評估及確定環境、社會及管治相關風險，並確保已設有適當及有效的環境、社會及管治風險管理及內部監控系統。我們已委任我們的業務職能部門通過檢討公司的營運以及舉行內部討論，以識別相關環境、社會及管治事宜及評估有關事宜對我們的業務及利益相關方的重要性。管理層已對環境、社會及管治風險管理及內部監控系統的有效性向董事會作出確認。根據環境、社會及管治指引的一般披露規定，有關已識別的重大環境、社會及管治事宜已載入本環境、社會及管治報告，旨在以平衡的原則披露鄭煤機營運中的環境、社會及管治的表現。

1. 權益者溝通

鄭煤機在秉承締造世界名牌的信念、不懈追求自身發展的同時，充分考慮各利益相關方包括股東／投資者、政府／監管機構、員工、客戶、供應商／合作夥伴、環境、社區／公眾等的訴求，通過建立便於利益相關方參與的通道，將各方意見引入公司決策經營的全過程。

本報告向公司利益相關方提供了公司在環境、社會及管治方面的活動和表現的最新信息，傳達公司為利益相關方創造最優價值的意願。



1. Communication with Stakeholders (Continued)

Communication with Stakeholders and Participation of Stakeholders

1. 權益者溝通(續)

利益相關方的溝通與參與

Stakeholders 利益相關方	Means of Communication 溝通方式	Expectations and Needs 期望與訴求
Shareholders/Investors 股東／投資者	<ul style="list-style-type: none"> General meetings 股東大會 Press release and announcements 新聞稿及公告 Corporate reporting 公司報告 Company website 公司網站 Investor conferences 投資者會議 	<ul style="list-style-type: none"> Safeguarding the rights and interests of shareholders 保障股東權利及權益 Preserving and enhancing the value of assets 資產保值增值 Corporate governance 公司治理 True, accurate, timely and complete disclosure of information 信息披露真實、準確、及時和完整
Government/Regulatory Authorities 政府／監管機構	<ul style="list-style-type: none"> Conferences 會議 Compliance reports 合規報告 On-site inspection 實地檢查 Conferences/seminars 會議／研討會 Special inquiries/verification 特別查詢／檢查 Proper submission of documents 妥善提交文件 	<ul style="list-style-type: none"> Operation in compliance with laws 合法經營 Environmental protection 保護環境 Equal employment opportunities 平等僱傭 Occupational safety 職業安全 Giving back to society 回饋社會
Staff Members 員工	<ul style="list-style-type: none"> Labour contracts 勞動合同 Trade unions 工會 Leisure activities 業餘活動 Manager's mailbox 經理郵箱 Volunteering activities 志願活動 Daily interaction 日常交流 	<ul style="list-style-type: none"> Equal employment opportunities 平等僱傭 Competitive remuneration and benefits 富有競爭力的薪酬福利 Democratic management 民主管理 Career development 職業發展 Caring for staff members 關愛員工 Staff safety and health management 員工安全健康管理 Safety enhancement and improvement 安全提升改進

Environmental, Social and Governance Report

環境、社會及管治報告

1. Communication with Stakeholders (Continued)

Communication with Stakeholders and Participation of Stakeholders (Continued)

Stakeholders
利益相關方

Means of Communication
溝通方式

Expectations and Needs
期望與訴求

Customers
客戶

- Daily operation/interaction
- 日常營運／互動
- Customer satisfaction surveys
- 客戶滿意度調查
- Regular visits
- 定期走訪
- Customer service centres/hotline
- 客戶服務中心／熱線

- Customer service
- 客戶服務
- Product technology enhancement
- 產品技術提升
- Product quality guarantee
- 產品質量保證
- Product return management
- 產品退回管理

Suppliers/Partners
供應商／合作夥伴

- High-level meetings
- 高層會晤
- Seminars
- 研討會
- Sales summits
- 營銷峰會
- Approval and evaluation of suppliers
- 供應商准入與評估
- On-site inspection
- 實地考察
- Daily interactions
- 日常交流

- Suppliers' code of conduct
- 供應商行為準則
- Evaluation of suppliers
- 供應商評估
- Cooperation with suppliers
- 供應商合作

The Environment
環境

- Environmental monitoring
- 環境監察
- Environmental disclosure reports
- 環境披露報告
- Implementing green operation and management
- 推行綠色經營與管理

- Environmental protection systems
- 環保體系
- Measures to save energy and reduce consumption
- 節能降耗舉措
- Reducing the emission of pollutants
- 減少污染排放
- Recycling of resources
- 資源循環利用

The Community/The Public
社區／公眾

- Community service
- 社區服務
- Charity donations
- 慈善捐助

- Active participation in community activities
- 熱心社區活動
- Commitment to poverty relief
- 致力幫貧扶困

1. 權益者溝通(續)

利益相關方的溝通與參與(續)

2. Environmental Protection

Always holding on to the development philosophy of “saving energy and protecting the environment”, ZMJ has adhered to “energy-saving, low-carbon” green practices in the course of development, conscientiously complied with the law in the course of operation, and ensured all activities of the Company are in compliance with the law by rigorously implementing environmental laws, regulations and standards, including the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the PRC on the Prevention and Control of Environmental Pollution by Noise (《中華人民共和國環境噪聲污染防治法》), the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Provisions on Urban Drainage and Wastewater Treatment of the PRC (《中華人民共和國城鎮排水與污水處理條例》), the Implementation Rules of the Law of the PRC on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣防治法實施細則》), the Environmental Quality Standard for Surface Water of the PRC (《中華人民共和國地表水環境質量標準》), the Environmental Quality Standard for Noise of the PRC GB3096-2008 (《中華人民共和國聲環境質量標準GB3096-2008》) and the Regulations on the Safety Administration of Hazardous Chemicals of the PRC (《中華人民共和國危險化學品安全管理條例》).

Environmental Protection Systems

ZMJ has passed the ISO14001 certification for environmental management systems. By regularly organizing and launching internal review and external monitoring of the Company's environment management every year, the Company ensured the controllability and durability of the environmental management systems, persistently optimized the environmental and energy management systems and fostered the standardization and systematization of saving energy and cutting emission.

Commitment to Saving Energy and Cutting Emission

In the course of production and operation, ZMJ adhered to the fundamental principles of saving energy and protecting the environment by actively fostering green recycling and low-carbon development, and endeavouring to enhance the Company's capability of sustainable development. As of the end of 2016, ZMJ consumed a total of 439,990 tons of water (the subsidiaries, ZMJ International Trading (Hong Kong) Co., Ltd., Zhengzhou Coal Mining Machinery Group Lu An Xinjiang Co., Ltd. and Zhengzhou Coal Mining Longwall Face Machinery Co., Ltd., have been excluded from the statistics), 73,012,308 kilowatt-hours of power (the subsidiaries, ZMJ International Trading (Hong Kong) Co., Ltd. and Zhengzhou Coal Mining Machinery Group Lu An Xinjiang Co., Ltd., have been excluded from the statistics), and 3,518,860 cubic meters of natural gas (the subsidiaries, ZMJ International Trading (Hong Kong) Co., Ltd., Zhengzhou Coal Mining Machinery Group Lu An Xinjiang Co., Ltd. and Zhengzhou Coal Mining Zhu Duan Co., Ltd., have been excluded from the statistics).

2. 保護環境

鄭煤機始終秉承「節約能源、保護環境」的發展理念，發展中堅持「節能、低碳」的綠色實踐，恪守守法經營之道，嚴格執行《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國環境噪聲污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國城鎮排水與污水處理條例》、《中華人民共和國大氣防治法實施細則》、《中華人民共和國地表水環境質量標準》、《中華人民共和國聲環境質量標準GB3096-2008》、《中華人民共和國危險化學品安全管理條例》等環境法律法規標準，確保公司所有活動合法化。

環保體系

鄭煤機通過了ISO14001環境管理體系認證，每年定期組織開展公司環境內部審查和外部監測活動，確保環境管理體系的可控性、長效性，不斷優化環境、能源管理體系制度，促進節能減排管理規範化、制度化。

致力節能減排

鄭煤機在生產經營過程中堅持節約資源和保護環境的基本原則，積極推動綠色循環低碳發展，努力增強可持續發展能力。截至2016年年底，鄭煤機共消耗水439,990噸(統計範圍不包括下屬鄭煤機國際貿易(香港)有限公司、鄭煤機集團瀋安新疆機械有限公司和鄭州煤機長壁機械有限公司)、電73,012,308千瓦時(統計範圍不包括下屬鄭煤機國際貿易(香港)有限公司和鄭煤機集團瀋安新疆機械有限公司)、天然氣3,518,860立方米(統計範圍不包括下屬鄭煤機國際貿易(香港)有限公司、鄭煤機集團瀋安新疆機械有限公司和鄭州煤機鑄鍛有限公司)。

2. Environmental Protection (Continued)

Commitment to Saving Energy and Cutting Emission (Continued)

The Company also had due regard to the environmental requirements for the packaging materials of its products. In the course of production, the main packaging materials included packaging boxes, packaging bags, plastic cloth, cable ties, straw mats and straps. In 2016, ZMJ consumed a total of packaging materials amounting to RMB1,300,712.83.

Measures to Save Energy and Reduce Consumption

ZMJ actively promotes energy saving and consumption reduction through taking measures such as the replacement of raw materials and auxiliary materials, improvements in technologies and techniques, maintenance and update of equipment, optimization and control of processes and the recycling of waste to enhance energy saving and consumption reduction. Adopting such measures not only cut costs and raised the efficiency of production and operation, but also created desirable environmental benefits.

Clean Production

In 2016, ZMJ stepped up its efforts at saving energy and reducing consumption by implementing numerous clean production initiatives, such as improving the techniques involving telescopic girders, jacking machines, articulated axle and spacing holes, overhauling the dust removal system for welding fumes and optimizing the circuits for machine tools. An analysis of the results of implementation pointed to a considerable increase in the energy and resources saved for the Company. For example, the power consumption per unit of product, which was at 289 kilowatt-hours/ton of product before the implementation, decreased to 277 kilowatt-hours/ton of product after the implementation, representing a decrease in power consumption by 4.15%. The water consumption per unit of product, which was at 0.5918 ton of water/ton of product before the implementation, decreased to 0.5661 ton of water/ton of product after the implementation, representing a decrease in water consumption by 4.34%. The Company also saw a drop in the emission of major pollutants, as shown by the decrease in the emission of Chemical Oxygen Demand from 3.4 tons/year before the review to 3.298 tons/year after the review, representing a decrease in emission by 3%. Clean production achieved significant results in energy saving and consumption reduction.

2. 保護環境(續)

致力節能減排(續)

公司在產品包裝材料方面也充分考慮環保要求，生產過程中主要使用的包裝材料包括包裝箱、包裝袋、塑料布、扎帶、草苫、吊帶等，2016年鄭煤機共耗用的包裝材料金額為1,300,712.83元。

節能降耗舉措

鄭煤機積極推廣節能降耗工作，通過原輔材料替代、技術工藝改造、設備維護和更新、過程優化和控制、廢物回收利用等措施，提升節能降耗效果，不僅促進了生產經營的降本增效，同時創造了良好的環境效益。

清潔生產

2016年鄭煤機加強節能降耗工作的推進，實施了包括伸縮梁千斤頂鉸接軸限位孔工藝改善、焊接煙塵除塵系統改造、機床線路優化等在內的多條清潔生產方案。通過實施效果分析發現，公司的資源和能源節約效果有了明顯提高，如單位產品電耗由實施前0.0289萬千瓦時/噸產品，下降到實施後0.0277萬千瓦時/噸產品，電消耗率下降4.15%；單位產品水耗由實施前0.5918噸/噸產品，下降到實施後0.5661噸/噸產品，水消耗率下降4.34%。公司主要污染物排放也有所下降，化學需氧量COD (Chemical Oxygen Demand) 排放量由審核前3.4噸/年，下降到審核後3.298噸/年，排放量下降3%。清潔生產的節能降耗效果顯著。

2. Environmental Protection (Continued)

Commitment to Saving Energy and Cutting Emission (Continued)

Measures to Save Energy and Reduce Consumption (Continued)

Green Operation

ZMJ has formulated and promoted energy saving measures for its office systems and everyday life by clearly demonstrating the philosophy of green operation in areas such as power sources, lighting, air-conditioning, computers and office equipment. LED lights and voice activated lights are gradually in use in restrooms, corridors and halls where normal lighting requirements are satisfied in these areas. Staff members are supposed to turn off their computers and monitors, and air conditioners before they leave work or if they are away from the office for over two hours to avoid the waste of resources. ZMJ seeks to conserve office resources by putting in place a comprehensive system for procuring, allocating and distributing office supplies. Priority is given to energy-saving products when it comes to procurement. The OA smart office system is promoted with the aid of internet resources. Paperless office operation has been achieved. ZMJ advocates using less disposable pens for signing documents and encourages the use of fountain pens instead. ZMJ has stepped up the management of assets by advocating the use of both sides of paper and reminding the staff of reusing portfolios and photocopy paper.

The "Energy Saving Month" Activities

In 2016, in accordance with the "Notification about the Province-wide Energy Saving Promotion Week and Low-carbon Day Activities 2016" (《關於2016年全省節能宣傳周和低碳日活動的通知》) jointly issued by 16 authorities, including the Development and Reform Committee of Henan Province, ZMJ combined the actual circumstances of the Company and formulated measures for saving energy, cutting emission and reducing carbon. Centered on the theme of "green development with energy saving as the trailblazer" (節能領跑，綠色發展) for the "Energy Saving Promotion Month" activities and the theme of "green development, low-carbon innovation" (綠色發展、低碳創新) for the "Low-carbon Day" activities, a number of activities have been organized and launched, such as the study of documents related to energy saving and carbon reduction, promotion and education, inspection and rectification, experience of energy shortage and green, low-carbon field trips.

2. 保護環境(續)

致力節能減排(續)

節能降耗舉措(續)

綠色運營

鄭煤機制定和推廣辦公系統及生活節能措施，從電源及照明、空調製冷、電腦及辦公設備等方面明確了綠色運營理念，包括各衛生間、走廊、大廳等在滿足正常照明的情況下，逐步更換為LED燈、聲控燈；下班或外出辦事超過兩小時不使用電腦和空調時，應將電腦及顯示器、空調電源關閉，以免造成資源浪費；節約辦公資源，建立健全辦公用品的採購、配備、領用制度；優先採購節能產品；利用網絡資源，推廣OA智能辦公系統，實現無紙化辦公，提倡減少使用一次性簽字筆，鼓勵使用鋼筆；加強資產管理，提倡雙面用紙，注意檔案袋、複印紙的再利用等。

節能月活動

2016年，鄭煤機根據河南省發改委等16部門聯合印發的《關於2016年全省節能宣傳周和低碳日活動的通知》，結合公司實際情況，制定了節能減排、降碳方案措施，緊緊圍繞「節能領跑，綠色發展」的節能宣傳月活動主題和「綠色發展、低碳創新」低碳日活動主題，組織和開展了節能降碳相關文件學習、宣傳教育、檢查整治、能源緊缺體驗和綠色低碳出行等活動。

2. Environmental Protection (Continued)

Commitment to Saving Energy and Cutting Emission
(Continued)

Measures to Save Energy and Reduce Consumption (Continued)

The “Energy Saving Month” Activities (Continued)

The “Energy Saving Month” activities included the creation of promotion banners for the theme of “green development with energy saving as the trailblazer; green development, low-carbon innovation” (節能領跑·綠色發展；綠色發展、低碳創新). Energy saving measures were promoted from time to time through such channels as the OA system, Wechat and broadcast for the 4 areas of energy saving measures for office systems, energy saving measures for production systems, measures for carbon reduction and measures for environmental protection. Inspection of production equipment for effectiveness in energy saving was arranged.

Promotion of the energy saving philosophy 節能理念宣傳



2. 保護環境(續)

致力節能減排(續)

節能降耗舉措(續)

節能月活動(續)

節能月活動內容包括製作以「節能領跑·綠色發展；綠色發展，低碳創新」為活動主題的宣傳條幅；以辦公系統節能措施、生產系統節能措施、降碳措施、環境保護措施四方面為主要內容，利用OA系統、微信、廣播等渠道分期對節能措施進行宣傳；生產設備節能排查等。





2. Environmental Protection (Continued)

Commitment to Saving Energy and Cutting Emission
 (Continued)

Measures to Save Energy and Reduce Consumption (Continued)

The “Energy Saving Month” Activities (Continued)

Inspection of production equipment for effectiveness in energy saving
 生產設備節能排查



Organizing the “Energy Saving Month” activities gave the Company’s staff members a taste of environmental responsibilities and obligations, created a sound ambience of energy saving and consumption reduction characterized by “individuals driving units, units influencing society”, and turned the notion of “saving energy with my actions and leading a new, low-carbon lifestyle” into the conscious actions of every individual, thereby working tirelessly towards protecting the Earth and safeguarding the home of humanity.

2. 保護環境(續)

致力節能減排(續)

節能降耗舉措(續)

節能月活動(續)



通過節能宣傳月活動的舉辦，公司員工切身感受到了環保的責任和義務，營造了「個人帶動單位，單位影響社會」的節能降耗良好氛圍，把「節能我行動，低碳新生活」變成每一個人的自覺行動，為保護地球、維護人類共同的家園而不懈努力!

2. Environmental Protection (Continued)

Commitment to Saving Energy and Cutting Emission (Continued)

Reducing the Emission of Pollutants

The Company is committed to reducing the emission of pollutants by stepping up the management of the emission of pollutants including waste water, exhaust gas, solid waste and noise at the levels of systems and execution in order to mitigate the damage to and impact on the ecological environment.

Treatment of Waste Water

The waste water from the Company includes the waste water from the processing work done on the coal mining machines in production workshops and the waste water from daily life. The sources of waste water from processing work are mainly the waste water from paint and the waste water from recycling. The sources of waste water from daily life are mainly the water discharged from office restrooms and kitchens, free of poisonous, hazardous or special substances.

In 2016, the Company constructed new sewage treatment plants to divert the waste water from workshops and the waste water from daily life, to be discharged into the municipal sewage network after treatment. In 2016, the externally discharged waste water of the Company satisfied the requirements under Level 2 of the "Integrated Waste Water Discharge Standards of the PRC" (《中華人民共和國污水綜合排放標準》) (GB8978-1996).



New sewage treatment plants constructed by the Company
公司新建污水處理站

2. 保護環境(續)

致力節能減排(續)

減少污染排放

公司致力於減少污染排放，從制度層面和執行層面加強廢水、廢氣、固體廢棄物和噪聲等污染物的排放治理，降低對生態環境的破壞和影響。

廢水處理

公司廢水包括生產車間採煤機加工廢水和生活廢水。加工廢水主要來源於噴漆廢水和循環廢水，生活廢水主要來源於辦公衛生間及廚房排水，並無有毒、有害物質和特殊物質排放。

2016年公司新建污水處理站，對產生的車間廢水和生活污水進行分流處理，處理後排入城市污水管網。2016年公司外排廢水滿足《中華人民共和國污水綜合排放標準》(GB8978-1996)二級標準要求。

2. Environmental Protection (Continued)

Commitment to Saving Energy and Cutting Emission (Continued)

Reducing the Emission of Pollutants (Continued)

Treatment of Exhaust Gas

The sources of the exhaust gas generated by ZMJ mainly include the exhaust gas from paint, the exhaust gas from the drying process, the dust and the soot from the production processes. We purify the exhaust gas with purification facilities before discharging the exhaust gas. For example, after coming into sufficient contact with water and being absorbed in water cyclones, the exhaust gas from paint is discharged via vents 15 meters in height. After cooling off in cooling towers, the exhaust gas from the drying process is absorbed by activated carbon and discharged via vents 15 meters in height. The dust generated in the course of shot blasting on shot blasting machines is treated by bag dust removal devices before being discharged via vents 15 meters in height. The soot generated by raw materials and welding workshops is treated by a centralized soot purification system before being discharged.

In view of coal burning as a key source of atmospheric pollution, Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. stopped using preheating furnaces and burning coal since July 2016 in an effort to reduce environmental pollution, which slashed the emission of exhaust gas and reduced the damage to the environment.

In 2016, both the intensity of the exhaust gas discharged and the rate of discharge by the Company satisfied the requirements under Level 2 of the "Comprehensive Air Emission Standards of the PRC" (《中華人民共和國大氣污染物綜合排放標準》) (GB16297-1996).

Treatment of Waste

In the course of production, ZMJ generates hazardous waste including emulsion, paint slag, chromium III slag, chromium VI slag, filter cotton tainted with cyanide and packaging materials. The Company has put in place the Management System for Hazardous Waste (《危險廢物管理制度》) to provide clear regulations on the processes for treating the waste generated in the course of production and operation. In accordance with the "National Hazardous Waste List of the PRC" (《中華人民共和國國家危險廢物名錄》), the Company has classified and identified waste, set up a dynamic management mechanism for hazardous waste, persistently monitored the stages such as the clean-up, storage and transfer of hazardous waste, and engaged a qualified third-party professional treatment firm to carry out the waste treatment so as to ensure that it is conducted in compliance with the law and regulations.

Treatment of Noise

The key noise of ZMJ includes the noise from machines, the noise from compressed gas, the noise from audible and visible alarm apparatus, traffic noise and the noise from ventilation facilities. We have adopted basic vibration reduction, confinement and insulation measures for noisy equipment. The results of monitoring the daytime and nighttime noise level at the boundaries of our plants satisfied the requirements under the Class 2 standards and limits of the "Emission Standard for Industrial Enterprises Noise at Boundary of the PRC" (《中華人民共和國工業企業廠界環境噪聲排放標準》), suggesting minimal impact the noise had on the surrounding community.

2. 保護環境(續)

致力節能減排(續)

減少污染排放(續)

廢氣處理

鄭煤機產生的廢氣主要來源於生產過程中的噴漆廢氣、烘乾廢氣、粉塵、煙塵等，我們採用淨化設施對廢氣進行淨化處理後排放，如噴漆廢氣經水旋器與水充分接觸吸收後經15米高排氣筒排放；烘乾廢氣經冷卻塔降溫後，採用活性炭吸附處理後經15米高排氣筒排放；拋丸機拋丸過程中產生的粉塵經布袋除塵器處理後經15米高排氣筒排放；下料及焊接車間產生的煙塵經過中央煙塵淨化系統處理後排放。

燃煤是大氣污染的主要來源，鄭州煤機綜機設備有限公司為減少環境污染，自2016年7月份起，停止使用預熱爐和燃煤，大大減少了廢氣排放量，降低了對環境的破壞。

2016年公司廢氣排放濃度及排放速率均滿足《中華人民共和國大氣污染物綜合排放標準》(GB16297-1996)二級標準限值要求。

廢棄物處理

鄭煤機生產過程中會產生乳化液、漆渣、三價鉻渣、六價鉻渣、含氰過濾棉芯及包裝物等危險廢棄物。公司頒布了《危險廢物管理制度》，對生產和經營活動中所產生的廢棄物的處理流程進行了明確規定。公司按照《中華人民共和國國家危險廢物名錄》對廢棄物進行分類辨識，建立了危險廢物動態管理機制，不斷監測危廢物的清理、貯存、轉運等環節，並聘請具有資質的第三方專業處理機構對廢棄物進行處理，確保危廢物處理合法合規。

噪聲處理

鄭煤機主要噪聲包括機械噪聲、壓縮氣體噪聲、聲光報警噪聲、車輛行駛噪聲、抽風設施噪聲等。我們對於高噪聲設備採取基礎減震、密閉、隔聲等措施降噪。廠界晝、夜間噪聲測量結果均可以達到《中華人民共和國工業企業廠界環境噪聲排放標準》的二類標準限值要求，對周邊社區環境的噪聲影響很小。

2. Environmental Protection (Continued)

Recycling of Resources

Recycling of Raw Materials

In processing and manufacturing products, ZMJ mainly uses metal, such as steel and stainless steel, as raw materials. We actively recycle the scrap metal and sweepings of metal generated in the course of project operation and sell the scrap metal and sweepings of metal to professional firms for recycling, thus raising our sales revenue while significantly reducing the use of iron ore.

The Company has put in place the System Related to the Processing of Scrap and Used Articles (《廢舊品處理相關制度》) to standardize the rules for the bidding of disposal and selling of scrap materials from raw materials, such as scrap steel, sweepings of iron, robotic arms, discrete chunks of steel, welding slag from robotic arms and scrap mixed steel, ensuring and enhancing the efficiency of recycling raw materials.

Reuse of Residual Heat

The Company has sufficiently reused the residual heat generated in the course of production to reduce the consumption of energy. The investment in the construction of facilities reusing residual heat in the production zone to the east of ZMJ's Group headquarters has left in place facilities utilizing the residual heat generated by thermal treatment heating furnaces for natural gas to heat up water up to 60 degrees Celsius for staff members to take a shower, satisfying the showering needs of nearly 1,000 workers in the production zone. Heating 1 ton of water from 15 degrees Celsius (the ordinary daily temperature) up to 60 degrees Celsius consumes 6.45 kilograms of standard coal. In 2016, the monthly average output of hot water in the production zone to the east of ZMJ's Group headquarters was 1,496 tons, with 9.65 tons of standard coal saved every month and a total of 115.82 tons of standard coal saved over 12 months.

2. 保護環境(續)

資源循環利用

原材料回收使用

鄭煤機主要使用鋼鐵、不銹鋼等金屬材料作為原材料進行產品加工製造。我們積極回收項目運營過程中產生的金屬廢料、廢金屬屑，並銷售給專業公司回收利用，在增加銷售收入的同時，也大大減少了鐵礦石的使用。

公司制定了《廢舊品處理相關制度》，對生產廢鋼、鐵屑、機械手及碎鋼塊、機械手焊渣、廢雜鋼等原材料廢料的招標清運銷售細則進行了規範，保證和提高原材料的回收使用效率。

餘熱二次利用

公司對生產過程中產生的餘熱充分進行二次利用，以減少能源的消耗。鄭煤機集團本部東生產區投資修建了餘熱二次利用設備，利用熱處理天然氣加熱爐產生的餘熱對水進行加熱，把水加熱到60度供員工洗澡，滿足了生產區工人近千人洗澡需求。把1噸水從15度(日常溫度)加熱到60度，消耗6.45千克標準煤，2016年鄭煤機集團本部東生產區月均生產熱水1,496噸，每月節省9.65噸標準煤，12個月共節省了115.82噸標準煤。

3. Responsibilities towards Staff

Adhering to the development strategy of “an enterprise driven by technologies and talents”, ZMJ considers talents as the Company’s most valuable assets. The competition of comprehensive strength among companies comes down to a competition of talents. Based on ZMJ’s core values of “integrity and mutual benefit”, the Company’s principles of “contributing to society and benefitting staff members” and the safety philosophy of “caring for the life and health of staff members is our prime responsibility”, ZMJ respects its staff members, respects knowledge, respects labour, and has built a work, study and living environment with ZMJ’s characteristics where the excellent internal relations are characterized by solidarity, friendship, harmony, cohesion, stability and orderliness. The character and dignity of staff members are duly respected. ZMJ endeavours to create a sound environment for individuals to grow along with the organization, thus setting the stage for the development of talents on an extensive scale.

Safeguarding of Interests

Equal Employment Opportunities

In accordance with the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) and the requirements under other laws, regulations and policies, ZMJ recruits staff members based on the principles of open recruitment, fair competition, hiring solely on merit, putting quality before quantity and giving precedence to internal transfer over external recruitment. Comprehensive review is conducted for applicants in respect of their knowledge, integrity, capability, experience and stamina, etc. The Company is opposed to all forms of employment discrimination and forced labour. There was no employment of child labour or compulsive labour. The Company has entered into labour contracts with its staff members, guaranteeing that staff members will not be subject to discrimination on the ground of their race, nationality, colour, religion, bodily disability, gender, sexual orientation, membership in any organization or marital status, etc.

With the aid of multiple channels, including campus, the internet, society and the information system of the Company, ZMJ has established internal and external recruitment platforms, and persistently enhanced the level of systematization and standardization for recruitment. In respect of staff team-building, ZMJ has always emphasized the reform and innovation of the personnel system. ZMJ has fully implemented the reform of the “4 systems” of “hiring through competition, remuneration on an annual basis, appointment on fixed terms and elimination of underperformers” for middle-level cadres, which revitalized the teams of cadres in their capability to innovate on their own initiative and persistently led to breakthroughs in the areas of market-oriented selection, appointment and incentive and restraint mechanisms, etc.

3. 員工責任

鄭煤機堅持「科技興企，人才興企」的發展戰略，認為人才是公司最寶貴的財產，公司綜合實力的競爭，歸根結底是人才的競爭。鄭煤機本著「誠信、共贏」的核心價值觀、「奉獻社會、造福職工」的公司宗旨和「關愛員工生命和健康是我們的第一責任」的安全理念，尊重員工、尊重知識、尊重勞動，建立了具有鄭煤機特色的工作、學習、生活環境，形成了團結友愛、和諧融洽、安定有序的內部良好關係，充分尊重員工的人格和尊嚴，努力創造良好的環境，使個人與組織共同成長，為人才的發展搭建一個廣闊的舞臺。

權益保障

平等僱傭

鄭煤機根據《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他法律法規和政策的要求，遵循公開招聘、平等競爭、擇優錄取、寧缺毋濫、先內後外的原則招聘員工，從學識、品德、能力、經驗、體格等方面進行全面審核。公司反對各種形式的就業歧視和強迫勞動，不存在僱傭童工、強制勞動等情況。公司與員工簽訂勞動合同，保證員工不因種族、國籍、膚色、宗教、身體殘疾、性別、性取向、社團成員或婚姻狀況等方面等因素受到歧視。

鄭煤機借助校園、互聯網、社會、公司信息系統等多種途徑搭建內外部招聘平台，不斷提升招聘的制度化、規範化水平。在員工隊伍建設方面，鄭煤機歷來重視人事制度的改革和創新，全面推行中層幹部「競聘制、年薪制、任期制、末位淘汰制」的「四制」改革，激活了幹部隊伍的自主創新能力，在市場化選人用人 and 激勵約束機制等方面不斷實現突破。

Environmental, Social and Governance Report

環境、社會及管治報告

3. Responsibilities towards Staff (Continued)

Safeguarding of Interests (Continued)

Equal Employment Opportunities (Continued)

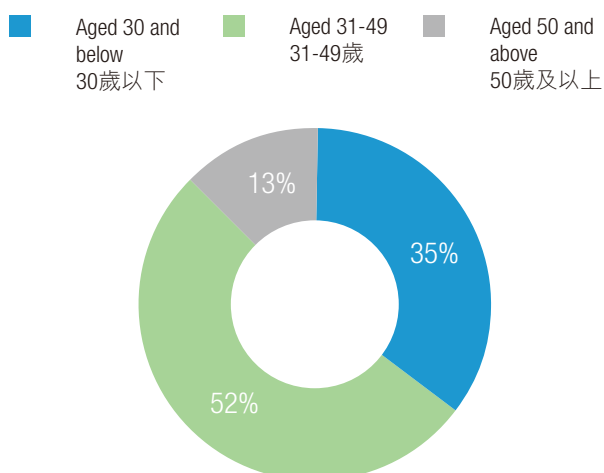
3. 員工責任(續)

權益保障(續)

平等僱傭(續)

<p>Hiring of cadres through competition at the Group headquarters</p> <p>In 2016, the Group headquarters of ZMJ hired middle-level cadres through competition. During the hiring process, personal characteristics unrelated to work, such as the applicant's gender, ethnicity, religious belief and place of household registration, were excluded from the criteria for consideration. Such hiring of middle-level cadres through competition turned out 4 female cadres, leading to a persistent increase in the proportion of female staff members among the Group's personnel at the middle-level or above.</p>	<p>The personnel structure at the Group headquarters</p> <p>As of 31 December 2016, the Group headquarters of ZMJ had a total of 2,068 staff members, of which female staff members in total represented 17.50% of the staff, while staff members aged 26-30 represented 31.77% of the staff. The staff structure has become more reasonable.</p> <p>In 2016, the Group headquarters saw personnel turnover of 7.9%, indicating that the Group retained a relatively high level of appeal to talents.</p>
<p>集團本部干部競聘</p> <p>2016年鄭煤機集團本部進行了中層干部競聘，選聘時不以應聘人員的性別、民族、宗教信仰、戶籍所在地等與工作無關的個人特徵作為標準。通過此次中層競聘，產生4名女性干部，集團本部中層及以上人員中女性員工比例不斷提高。</p>	<p>集團本部人員結構</p> <p>截至2016年12月31日，鄭煤機集團本部員工總數2,068人。其中，女性員工佔員工總數的比例為17.50%；26-30歲年齡層員工佔員工總數的比例為31.77%。員工結構更趨合理。</p> <p>2016年集團本部人員流失率7.9%，保持了較高人才吸引力。</p>

The age structure of the staff at the Group headquarters of ZMJ in 2016
2016年鄭煤機集團本部員工年齡結構



3. Responsibilities towards Staff (Continued)

Safeguarding of Interests (Continued)

Competitive Remuneration and Benefits

In strict compliance with the requirements of the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Regulations of Insurance for Employment Injury of the PRC (《中華人民共和國工傷保險條例》) and other laws and regulations on labour and social security, ZMJ has made timely payments to the various social security programs for the staff, including the premiums for medical insurance, employment injury insurance, maternity insurance and contributions to the housing provident fund. The Company has put in place a sophisticated remuneration and incentive system that combines the work performance, personal contribution, competence at work, experience with performance in the position of staff members, thereby establishing a fair and attractive career development path.

The Company offers its staff members competitive remuneration and benefits, including paid maternity leave, marriage leave and retirement benefit plans, while providing staff members with a variety of subsidies and benefits in areas such as transportation, lunch, communication, housing, heating, cooling and holiday benefits.



Distribution of benefits for Chinese New Year
春節福利發放



Distribution of items for cooling during the summer
防暑降溫物品發放

3. 員工責任(續)

權益保障(續)

富有競爭力的薪酬福利

鄭煤機嚴格按照《中華人民共和國社會保險法》、《中華人民共和國工傷保險條例》等勞動和社會保障法律法規的要求，按時為員工繳納醫療保險費、工傷保險費、生育保險費等社會保險費和住房公積金等各項社會保障。公司建立了完善的薪酬激勵制度，將員工的工作績效、個人貢獻、工作能力及經驗與崗位績效結合，建立公平的有吸引力的職業發展通道。

公司為員工提供具有競爭力的薪酬和福利，包括有薪產假及婚假，退休福利計劃等，同時也為員工提供交通、午餐、通訊、住房、取暖、降溫、節日慰問等多項補貼福利。



Distribution of benefits for Chinese New Year
春節福利發放

3. Responsibilities towards Staff (Continued)

Safeguarding of Interests (Continued)

Competitive Remuneration and Benefits (Continued)

Moreover, ZMJ has set up a mutual aid fund for staff members to offer assistance covering clinical visits and hospitalization for staff members suffering from 13 major diseases (including malignant tumours, uraemia, or those in need of kidney transplant, liver transplant, bone grafting, bone marrow transplant or those who have sustained severe burns) and other major diseases, as well as staff members in particular difficulties. By doing so, ZMJ has helped its staff members solve their everyday problems at the practical level.

Democratic Management

ZMJ has established and refined the work systems, such as the staff representative congress. Through convening the staff representative congress, ZMJ and staff representatives studied the key development matters of the Company and the hot issues directly pertinent to the interests of staff members to safeguard the right of staff members to be informed, to supervise and to take part in decision-making. Through a number of paths and channels, including pre-work meetings, sub-plant meetings and party congress, ZMJ enhanced the communication with staff members, listened to the needs of the staff members and extensively called for views and suggestions from staff members to tap into their collective wisdom for the Company's development in order to inspire a sense of belonging and ownership among the staff.

On 26 February 2016, the second congress of the third session of staff-cum-member representatives of ZMJ was convened, where the groups of representatives discussed the hot issues staff members concerning including "bringing lunch to the frontline of production", "hot water for shower for frontline staff members", "work environment of workshops with high temperature and a high level of dust" and "group purchasing for staff housing". The management of the Company offered specific solving directions and solutions regarding the various issues discussed during the congress.

At the venue of the second congress of the third session of staff-cum-member representatives 三屆二次員工暨會員代表大會現場



3. 員工責任(續)

權益保障(續)

富有競爭力的薪酬福利(續)

此外，鄭煤機設立了職工醫療互助基金，對患有13種重大疾病(包括惡性腫瘤、尿毒癥、腎臟、肝臟、骨、骨髓移植手術、嚴重燒傷等)及其他重大疾病的職工、特困職工就診和住院進行補助，切實幫助解決員工的生活難題。

民主管理

鄭煤機建立健全了職工代表大會等工作制度，通過召開職代會，研究公司重大發展事項和關係員工切身利益的熱點問題，保障員工的知情權、監督權和參與決策權。通過班前會、分廠會、黨代會等各種途徑和渠道加強與員工的溝通，聽取員工的訴求，廣泛徵集員工意見和建議，為公司發展集思廣益，激發全體員工的歸屬感和主人翁意識。

2016年2月26日，鄭煤機三屆二次員工暨會員代表大會召開，各代表團小組在會上討論了「將午餐送到生產一線」、「一線員工洗浴熱水」、「高溫高塵車間作業環境」、「員工房屋團購」等員工關注的熱點問題，公司管理層在會上就討論的各項問題給予了確切的解決方向和解決方案。



3. Responsibilities towards Staff (Continued)

Safeguarding of Interests (Continued)

Career Development

Career Development Path

Adhering to the core values of “integrity and mutual benefit”, and the development philosophy of “keeping pace with the times, updating philosophy, enhancing capability and continuous improvement”, ZMJ has formulated the “Measures for the Administration of Staff Career Development” (《員工職業生涯發展管理辦法》) and “Staff Manual” (《員工手冊》), setting out clear development paths for all kinds of staff members, such as graduates, undergraduates and technical workers. ZMJ has been steadfast in building a career development platform for staff members where individuals grow along with the Company.

In accordance with the management requirements of ZMJ, Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. has formulated the “Measures for Promoting and Appraising Staff Members of the Technical Path” (《技術通道員工晉級及考核辦法》) as a means of providing technical staff members with a clear path of advancement in order to sufficiently and effectively develop technical human resources, continuously inspire staff members to work at a high level of efficiency and stay aspiring, with the ultimate goal of fostering highly efficient operation in the work of the technical departments.

Career Development and Training

With the rapid development of ZMJ, we have developed a relatively complete training system, established a training organizational system combining control by the Company's senior leadership, management by the human resources department and cooperation from the grassroots units. We have a team of internal training specialists led by the well-respected senior level and middle level staff, and made up of experienced and skillful senior engineers and senior technicians. As the system of training courses for all kinds of staff members is gradually being refined, an education and training layout is formed where training is available at various levels, in various categories, through multiple channels, in multiple forms, with an emphasis on results, full of energy and open to all staff members.

3. 員工責任(續)

權益保障(續)

職業發展

職業發展路徑

鄭煤機秉承「誠信、共贏」的核心價值觀和「與時俱進、更新觀念、提升能力、持續改善」的發展理念，制定了《員工職業生涯發展管理辦法》和《員工手冊》，明確了研究生、本科生、技術工人等各類員工的清晰的發展路徑，堅持為員工打造個人與公司共同成長的職業發展平台。

根據鄭煤機的管理要求，鄭州煤機液壓電控有限公司制定了《技術通道員工晉級及考核辦法》，為技術員工提供了明確的晉升路徑，以充分、有效利用和開發技術人力資源，持續激勵員工高效工作、積極進取，進而推動各技術部門各項工作的高效開展。

職業發展培訓

隨著鄭煤機的高速發展，我們形成了較為完整的培訓體系，建立了由公司高層領導主抓、人力資源部主管、基層單位配合的三位一體的培訓組織體系，擁有一支由德高望重的高中層領導和經驗豐富、技藝高超的高級工程師、高級技師組成的內部培訓師隊伍。各類人員的培訓課程體系正逐步完善，形成了分層次、分類別、多渠道、多形式、重實效、充滿活力、全員參與的教育培訓格局。

3. Responsibilities towards Staff (Continued)

Safeguarding of Interests (Continued)

Career Development (Continued)

Career Development and Training (Continued)

Currently, we conduct staff training through sending staff members to external institutions for study opportunities, joint initiatives between schools and enterprises and internal training. The training projects include selecting and sending a certain proportion of management staff at the senior level and middle level, and the core professional, technical staff to reputable universities in the PRC for education at the master's and doctoral level. Outstanding grassroots staff members have been selected to participate in the conversion education programs jointly organized by universities and the Company to convert their technical education into undergraduate education. Based on the development needs of the Company, we have arranged for all kinds of staff members to take part in the various types of continuous education and professional training offered by the government, the industry and training firms. Within the Company and based on plans, the leadership at the senior level and middle level, the management technical staff, the planning and scheduling staff, supervisors in charge of work zones, squad leaders and team leaders, technical workers, new hires and staff members who have moved to a different position have been provided with position-related training in areas such as technology, marketing, production, quality, safety, corporate culture, computer, English and professional skills.

In 2016, the Group headquarters of ZMJ held a total of 185 training classes specifically for the frontline staff of production, general management staff, marketing staff, and design and technical staff, spending a total of RMB980,000 on training and training 5,500 attendees, with 9.31 hours of training per person.

3. 員工責任(續)

權益保障(續)

職業發展(續)

職業發展培訓(續)

目前我們採取送外學習、校企聯合、內部培訓相結合的方式開展員工培訓，培訓項目包括每年選送一定比例的高中層管理人員、專業技術骨幹到中國知名高校接受碩、博士學歷教育；選拔優秀基層員工參加高校與公司聯辦的專升本學歷教育；根據公司發展需要，組織各類人員參加政府、行業和培訓機構的各類繼續教育、專業培訓；在公司內部按計劃對高中層領導、管理技術人員、計劃調度、工區主任、班組長、技術工人、新進員工和轉崗人員進行技術、營銷、生產、質量、安全、公司文化、計算機、英語及專業技能等崗位培訓。

2016年，鄭煤機集團本部針對生產一線員工、一般管理人員、市場營銷人員和設計工藝人員等共舉辦了185個培訓班，培訓總投入金額98萬元，培訓5,500人次，人均培訓9.31小時。

3. Responsibilities towards Staff (Continued)

Safeguarding of Interests (Continued)

Caring for the Staff

ZMJ is committed to creating a healthy and comfortable working and living environment for the staff members in order to relieve their work stress, help them balance work and life, strengthen their sense of belonging, and actively foster a happy, open, healthy, friendly, and harmonious working and living atmosphere.

To enrich the leisure and cultural life of the staff members, strengthen their constitution and enhance the cohesion among staff members within the departments, the Company has organized sports activities on an irregular basis, such as shuttlecock, football and basketball. In 2016, the Company organized sports and cultural activities that spanned the entire year, including a series of sports competitions, such as basketball games for young workers, shuttlecock games for 3 and tug-of-war for staff. The activities are meant to form part of the Company's production and operation, foster higher work efficiency on the part of staff members, enhance a sense of bliss among them, and guide them towards identifying with the culture of ZMJ, staying loyal to ZMJ and concentrating on the development of ZMJ so as to enhance the vitality of the Company and create a harmonious development environment.

Sports and cultural activities in 2016 2016年體育文化節活動



To let the female staff members of the Company have a relaxed and enjoyable "8 March" International Working Women's day, the Female Workers' Committee of the trade union at the Group headquarters of ZMJ meticulously planned and organized a diversity of fun activities centered on competitions and entertainment. More than 300 staff members from the Group headquarters of ZMJ participated in the activities.

3. 員工責任(續)

權益保障(續)

關愛員工

鄭煤機致力為員工打造健康、舒適的工作及生活環境，緩解工作壓力，平衡工作與生活，提高員工的歸屬感，積極營造快樂、開放、健康、友善、和諧的工作生活氛圍。

公司為豐富員工業餘文化生活，增強員工體質，提高部門員工凝聚力，不定期舉辦毽球、足球、籃球等體育活動。2016年公司舉辦了貫穿全年的體育文化節活動，包括青工籃球賽、三人毽球賽、員工拔河賽等一系列體育賽事，旨在將活動的動力融入公司生產經營中，促進員工工作效率的提高，努力提升員工幸福感，引導員工認可鄭煤機文化、忠於鄭煤機、潛心鄭煤機發展，增強公司活力，營造和諧的發展環境。



為讓公司廣大女員工度過一個輕鬆、愉快的「三八」國際勞動婦女節，鄭煤機集團本部工會女工委經過精心策劃，以競技比賽、趣味娛樂的主旨，組織了一系列豐富多彩的趣味活動。來自鄭煤機集團本部的300餘名員工代表參加了此次活動。

3. Responsibilities towards Staff (Continued)

Safeguarding of Interests (Continued)

Caring for the Staff (Continued)

Fun activities during the "8 March" Festival 「三八」節趣味活動



Occupational Safety

Caring for the life and health of staff members is our prime mission. We always regard staff members as our most valuable assets. We are committed to creating a healthy and safe workplace for staff members. We have obtained the GB/T28001-2011/OHSAS18001 certification for occupational safety and health management system of the PRC.

Staff Safety and Health Management

In strict compliance with the Labour Law of the PRC (《中華人民共和國勞動法》), the Law on the Prevention and Treatment of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》) and the local regulations on the prevention and treatment of occupational diseases, ZMJ has persistently refined staff health management and actively adopted management measures, such as production safety training, monitoring of and protection against hazards of occupational diseases, medical examinations and sports activities, to mitigate the hazards of occupational diseases. In 2016, the Company monitored positions with the hazards of occupational diseases including workers in the fields of power, natural gas, fire welding and oxygen generation. Workers have already obtained the relevant certificates they needed for their position. The Company's safety facilities and protection facilities against occupational diseases have been reviewed and approved by the Henan Provincial Administration on Production Safety (河南省安全生產監督管理局) and the Health Office of Henan Province (河南省衛生廳).

3. 員工責任(續)

權益保障(續)

關愛員工(續)



職業安全

關愛員工的生命和健康是我們的第一責任，我們一直視員工為最寶貴的資產，致力為員工打造健康安全的工作場所。我們獲得了中華人民共和國GB/T28001-2011/OHSAS18001職業安全健康管理體系認證。

員工安全健康管理

鄭煤機嚴格遵守《中華人民共和國勞動法》、《中華人民共和國職業病防治法》和地方職業病防治法規，不斷完善員工健康管理，積極採取安全生產培訓、職業病危害因素檢測與防護、健康檢查、體育活動開展等管理措施，降低職業病危害。2016年公司檢測的職業病危害崗位數包括電/氣、火焊工、制氧工等，需要持證上崗的崗位人員均已獲取相關證書，公司的安全設施和職業病防護設施經河南省安全生產監督管理局、河南省衛生廳審查後確認合格。



3. Responsibilities towards Staff (Continued)

Occupational Safety (Continued)

Staff Safety and Health Management (Continued)

3. 員工責任(續)

職業安全(續)

員工安全健康管理(續)

<p>The production safety management system 安全生產管理體系</p>
<p>Production safety training 安全生產培訓</p>
<p>Production safety training sessions covering the commencement of work in a position, safety knowledge and safety skills have been organized on an irregular basis. Professional personnel informed staff members of the safe operation skills, possible risk factors and ways of addressing them, as well as the hazards of occupational diseases and their preventive measures in the course of work.</p> <p>不定期組織上崗作業、安全知識、安全技巧等安全生產培訓，專業人員將工作過程中的安全操作技能、可能存在的不安全因素及其處理方法、職業病的危害及預防措施等告知員工。</p>
<p>Monitoring hazards on the site of work 作業現場危害因素檢測</p>
<p>Monitoring of occupational hazards at the workplace has been enhanced. In accordance with the relevant standards of Henan Province, monitoring of hazards on the site of work and medical examinations to prevent occupational diseases are conducted regularly every year to identify and prevent diseases in advance, which led to the effective reduction in the incidence of disease among the staff.</p> <p>加強工作場所職業危害因素監測。按照河南省相關標準，每年定期開展作業現場危害因素檢測，職業病防範體檢等工作，提前發現和預防，有效減少了員工職業病的發病率。</p>
<p>Distributing protective work gear 勞防用品發放</p>
<p>The criteria for distributing protective work gear have been optimized in light of the actual circumstances of production. The protective work gear used by the operational staff on the frontline of production has been distributed on the basis of need, thereby ensuring effective protection for staff members in terms of materials.</p> <p>根據生產實際情況，優化了勞動防護用品的發放標準。生產一線的作業人員使用的勞動防護用品，實行按需發放的原則，從物資上保證了員工的有效防護。</p>
<p>Organizing medical examinations 組織健康體檢</p>
<p>Medical examinations have been organized for staff members as a preventive measure. Medical examinations have been organized for all staff members to identify latent diseases, thereby preventing, controlling and treating any health issue as early as possible.</p> <p>組織員工體檢，做好預防工作。定期組織全體員工健康體檢，預警疾病隱患，做到及早預防、控制、治療。</p>
<p>Launching sports activities 體育活動開展</p>
<p>Sports competitions that help strengthen the constitution and contribute to the physiological and psychological well-being of staff members, such as badminton, shuttlecock and basketball, have been actively launched to enrich the leisure life of staff members. The sports activities have been well received by staff members.</p> <p>積極開展羽毛球、毽球、籃球等有益增強員工體質及身心健康的運動比賽，豐富員工業餘生活，受到員工們的歡迎。</p>

3. Responsibilities towards Staff (Continued)

Occupational Safety (Continued)

Staff Safety and Health Management (Continued)

At the same time, the Company launched health lectures on an irregular basis every year to popularize health knowledge, spread the health philosophy, help staff members understand their own health status and offer staff members medical assistance to mitigate latent diseases.

Health lectures launched in 2016

2016年開展的健康講座



Safety Enhancement and Improvement

To safeguard the health and safety of ZMJ's staff members to the highest level possible, we actively promote the production safety philosophy and formulated the Measures Related to the Protection of the Health of Labourers (《保護勞動者身體健康的相關措施》), persistently enhanced workplace safety, including the technological innovation and revamp of the high-speed plasma production line and the spray painting production line, to improve the environment of the workplace. We have protected the health of the operational staff by updating the plated line-based ventilation system, cleaning the settling pond in the water cycle and effectively reducing the fugitive emission of gas at the workplace, etc.

3. 員工責任(續)

職業安全(續)

員工安全健康管理(續)

同時，公司每年不定期開展健康講座，普及健康知識，傳播健康理念，幫助員工了解其自身身體狀況，及時對員工進行健康干預來降低疾病隱患。

安全提升改進

為最大限度的保障鄭煤機員工健康與安全，我們積極宣傳安全生產理念，並制定了《保護勞動者身體健康的相關措施》，不斷提升現場安全生產條件，包括對高速等離子生產線、噴漆生產線進行技術革新和改造，改善現場作業環境；更新電鍍線抽風設施、清理水循環的沉澱池，有效降低作業現場的氣體無組織排放情況等，保護作業人員的身體健康。

3. Responsibilities towards Staff (Continued)

Occupational Safety (Continued)

Safety Enhancement and Improvement (Continued)

Wall for promoting production safety
安全生產宣傳牆

3. 員工責任(續)

職業安全(續)

安全提升改進(續)



Safety and Health Management of Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd.

Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd., being the earliest and largest controlled subsidiary of ZMJ, is specifically engaged in the design, manufacturing and overhaul of comprehensive coal mining equipment and its spare parts. With the worth of annual output exceeding RMB1 billion for many years in a row, Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. is a key designated producer of comprehensive coal mining equipment and its spare parts in the PRC. As a manufacturer of equipment, Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has followed ZMJ's safety and health management principles and built up a comprehensive staff health and safety management system in the course of production and operation.

鄭州煤機綜機設備有限公司安全健康管理

鄭州煤機綜機設備有限公司是鄭煤機最早和最大控股的子公司，專業從事煤礦綜採設備、配件的設計製造及大修工作，連續多年年產值超10億元，是中國煤礦綜採設備、配件主要定點生產單位。作為設備製造公司，鄭州煤機綜機設備有限公司遵循鄭煤機的安全健康管理原則，在生產經營過程中形成了一套全面的員工健康安全管理体系。

3. Responsibilities towards Staff (Continued)

Occupational Safety (Continued)

Safety Management System

The safety management committee is the highest body in charge of safety management at Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd., and is also responsible for formulating various types of safety management regulations and systems. To conscientiously and thoroughly implement the Production Safety Law of the PRC (《中華人民共和國安全生產法》), as well as the laws and regulations on the prevention and control of the hazards of occupational diseases and environmental protection, and to enhance production safety management, Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. formulated and promulgated a series of production safety management systems to truly safeguard the health and safety of staff members, including the "Production Safety Responsibility System of Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd." (《鄭州煤機綜機設備有限公司安全生產責任制》), "Measures for the Administration of Bonuses and Penalties Related to the Security Deposit for Risks in Production Safety" (《安全生產風險抵押金獎懲管理辦法》) and "Regulations of Administrative Accountability for Major Safety Incidents" (《重大安全事故行政責任追究的規定》).

Education and Training about Health and Safety

Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has formulated plans for education and training about health and safety every year. Through a number of formats, including pre-work meetings, training videos and professional training courses, Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has actively launched and pushed ahead with a variety of training, including the standardization of the operating rules and operational safety of production tools and protection against occupational diseases, to truly and effectively implement the production safety philosophy at the workplace and achieve the production safety target of "zero injury".

At the venue of education and training

教育培訓現場



3. 員工責任(續)

職業安全(續)

安全管理制度

安全管理委員會是鄭州煤機綜機設備有限公司安全管理的最高機構，也是各種安全管理規定、制度的制定者。為認真貫徹執行中華人民共和國《安全生產法》、職業病危害防治、環境保護的法律法規，加強安全生產管理，鄭州煤機綜機設備有限公司制定下發了《鄭州煤機綜機設備有限公司安全生產責任制》、《安全生產風險抵押金獎懲管理辦法》、《重大安全事故行政責任追究的規定》等一系列安全生產管理制度，切實保障員工的健康與安全。

健康安全教育培訓

鄭州煤機綜機設備有限公司每年制定健康安全教育培訓計劃，通過班前會、培訓視頻、專業培訓課程等形式，積極開展和推進生產工具操作規程、安全標準化工作、職業病防護等各種類型的培訓，使安全生產理念在現場切實有效落地，實現「零傷害」的安全生產目標。





3. Responsibilities towards Staff (Continued)

Occupational Safety (Continued)

Health Management and the Prevention and Control of Occupational Diseases

In the course of manufacturing equipment, various hazards of occupational diseases exist in the processes involved, including casting, forging, thermal treatment, machining and fabrication. Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has adopted a series of effective measures for prevention and control (listed in the table below) to minimize the occupational hazards and protect the safety and health of staff members, and prevent the occurrence of occupational diseases.

Identifying and monitoring the types of work involving hazards of occupational diseases 職業病危害工種的識別和監測
Indicating the hazards of occupational diseases in contracts 職業病危害因素合同告知
Wearing protective work gear in key work zones 重點工區勞動防護用品佩戴
Medical examinations for occupational health 職業健康檢查
Establishing staff health archives and the Safety and Health Card 建立員工健康檔案和安全健康卡
Daily monitoring and publishing of the hazards of occupational diseases 職業病危害因素日常監測和公示

Contingency Plans and Emergency Drills

To prevent personal injuries in the course of work, based on the characteristics and requirements of production, Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has formulated 3 levels of contingency plans at the company level, the sub-plant level, and the work zone level. Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has also identified the areas with a high rate of major incidents, as well as the key locations and equipment involved in the incidents that had occurred, to conduct the key preventive work and contingency preparations, and to update the contingency equipment and medication in a timely manner. At the same time, the Company has conducted emergency drills based on the contingency plans formulated on an irregular basis to ensure that, in the event of an incident, the personnel on the spot could react to the incident quickly, direct the handling of the incident in a timely manner, adopt effective contingency measures to handle the incident and minimize the loss arising from the incident.

3. 員工責任(續)

職業安全(續)

職業病健康管理和防治

設備製造過程中的鑄造、鍛造、熱處理、機械加工和裝配等工藝，均存在各種職業病危害因素。鄭州煤機綜機設備有限公司採取了如下表所列的一系列有效的預防控制措施，最大限度地降低職業危害和防護員工安全健康，避免職業病的發生。

應急預案和應急演練

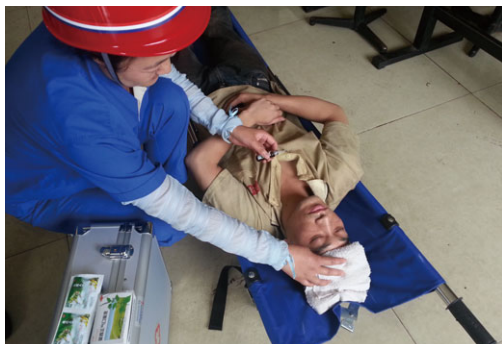
為防止作業過程中發生人身傷害事故，鄭州煤機綜機設備有限公司根據生產特點和要求制定了公司級、分廠級、工區級三級應急預案，並識別重點事故高發區、已發生事故的重點部位和設備，做好重點防範工作和應急準備，及時更新應急器材和藥品。同時，公司根據制定的應急預案不定期組織應急演練，保證事故發生時現場人員能夠快速反應，及時指導事故的處理，採取有效的應急處理措施，最大限度地減少事故損失。

3. Responsibilities towards Staff (Continued)

Occupational Safety (Continued)

Contingency Plans and Emergency Drills (Continued)

Emergency drill for heatstroke 防暑應急演練



Safety Management Inspection

Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. has put in place a reporting mechanism for daily, weekly and monthly safety inspection. The safety and environmental protection division conducts safety inspection on a daily basis, issues notices for rectifying latent safety problems, as well as appraisal and penalty notices for the problems identified, and immediately reports the on-site violations of rules and rectification of latent problems. Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. convenes regular safety meetings on a weekly/monthly basis, where the safety and environmental protection division reports on the safety work and safety inspection conducted, the violations of rules that have been investigated and latent problems for the week/month, formulates the plan for safety work for the following week/month, raises requests for the enhancement of safety management and supervises the effective implementation of safety management.

3. 員工責任(續)

職業安全(續)

應急預案和應急演練(續)



安全管理工作檢查

鄭州煤機綜機設備有限公司建立了每日、每周、每月安全檢查彙報機制。安環科每日執行安全檢查工作，針對發現的問題開具安全隱患整改通知單、考核處罰單，並即時通報現場違章和隱患整改情況；公司每周/每月召開安全例會，安環科對本周/本月執行的安全工作、安全檢查情況、查處違章和隱患情況進行彙報，制定下周/下月的安全工作計劃，提出安全管理提升要求，督促安全管理工作的有效實施。

4. Green Supply Chain

Always adhering to the operating philosophy and values of integrity and mutual benefit, ZMJ is committed to forming long-term strategic partnerships with suppliers to lay down a synergistic development mechanism where ZMJ grows along with the suppliers on the basis of mutual trust and mutual benefit, to jointly forge a safe and reliable green supply chain, and to develop strong competitive advantage in the industry.

Suppliers' Code of Conduct

We foster a business code of conduct based on integrity and actively fulfil social responsibilities. We have formulated the "Measures for the Administration of Management by Grading and Classification, Approval and Appraisal for Suppliers" (《供應商分級分類管理和准入、評價管理辦法》) to set out our requirements for suppliers in areas such as quality systems, operation with integrity, health and safety, environmental protection and business ethics. It is our requirement that suppliers have to be in compliance with the laws and regulations of the place where they operate. We encourage our suppliers to obtain certification from the ISO quality assurance system. Suppliers of special industries and specific products have to obtain other relevant and necessary certification.

We have formulated the "Management System for the Procurement of Materials" (《物資採購管理制度》), thereby establishing scientific criteria for the evaluation, approval, appraisal, holding to account, and elimination of suppliers, an internal control system and a team of talents characterized by a high level of efficiency and swiftness, which led to the refinement of the centralized procurement management and control procedure and the related implementation rules, and ensured the legality, timeliness and economy of the supply of materials.

Evaluation of Suppliers

In the course of daily management, we have rigorously and impartially implemented the supplier evaluation mechanism to supervise suppliers in striving to ensure the quality and safety of products, so as to persistently enhance supply chain management. We have put in place a management mechanism for the basic information about procuring materials and suppliers to document every stage of procurement and register the whole process of procurement. Suppliers are rated regularly based on the information recorded.

Every month, the Company appraises the suppliers it works with based on the rating factors, appraisal indicators and the methodology for calculating the indicators mandated by the "Measures for the Administration of Management by Grading and Classification, Approval and Appraisal for Suppliers" (《供應商分級分類管理和准入、評價管理辦法》). On the basis of the supplier appraisal results, the Company determines the response measures to take, such as giving precedence to placing orders with a certain supplier, procuring as usual, restricting procurement or suspending procurement.

4. 綠色供應鏈

鄭煤機始終堅持誠信、共贏的經營理念和價值觀，致力於與供應商建立長期的戰略合作夥伴，建立一個與供應商共同成長、互信互惠的協同發展機制，共同打造安全可靠的綠色供應鏈，形成行業內強有力的競爭優勢。

供應商行為準則

我們推行誠信的商業行為準則，積極履行社會責任。我們制定了《供應商分級分類管理和准入、評價管理辦法》，對我們的供應商從質量體系、誠信經營、健康安全、保護環境和商業道德等方面提出要求，我們要求供應商必須遵循經營所在地的法律法規，鼓勵我們的供應商通過ISO質量保證體系認證，特種行業和特殊產品供應商需通過其他相關的必要認證。

我們擬定了《物資採購管理制度》，建立科學的供應商評估、准入、考核、追究及淘汰標準、高效快捷的內控機制和人才隊伍，完善集中採購管控程序和相關實施細則，確保材料供應的合法性、及時性和經濟性。

供應商評估

在日常管理過程中，我們執行嚴格公正的供應商評估機制，督促供應商致力於保證產品質量安全，不斷提高供應鏈管理水平。我們建立了物資採購及供應商基礎信息管理機制，做好採購各個環節的記錄，實行全過程的採購登記，並根據記錄信息，定期對供應商進行評價。

每月，公司按照《供應商分級分類管理和准入、評價管理辦法》中規定的評價因素、考核指標和指標計算方法對合作的供應商進行考核，並根據供應商考核結果採用優先訂貨、正常採購、限制或暫停採購等應對措施。

4. Green Supply Chain (Continued)

Evaluation of Suppliers (Continued)

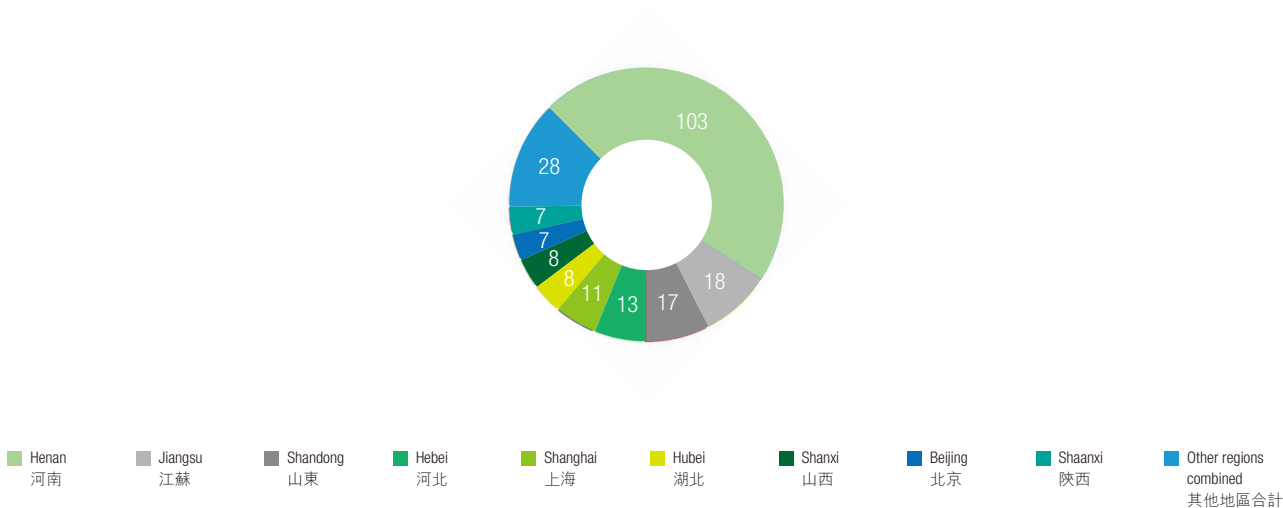
Every year, the Company conducts comprehensive rating that combines the monthly rating of suppliers with the overall standard of service of suppliers. Based on the annual supplier appraisal results, the Company takes the response measures of suspending procurement from barely qualified suppliers, and directly eliminating disqualified suppliers to ensure the quality of procurement.

Cooperation with Suppliers

Contemporary corporations compete not only in technology, cost and management, but also in industrial chain. ZMJ is committed to building a procurement channel that combines the diversity of local and indigenous industrial chain, and encourages suppliers of different regions, ethnicities, cultures and races to join our supply chain system in a fair and impartial manner, so as to enhance the value creation of the industrial chain.

In 2016, the Group headquarters of ZMJ worked with over 200 suppliers across 22 provinces and cities in the PRC. At the same time, against the backdrop of procuring from multiple regions, the Group headquarters of ZMJ is also committed to procuring locally and looking for excellent local suppliers to significantly lower procurement costs, positively promote local economic development and create local employment opportunities, as well as reduce transport energy consumption, carbon emissions, and the impact on the environment. In 2016, the local suppliers in Henan represented approximately 46.82% of all the suppliers for the Group headquarters of ZMJ.

The number and geographical breakdown of suppliers for the Group headquarters of ZMJ in 2016
2016年鄭煤機集團本部供應商數量和地區分佈



4. 綠色供應鏈(續)

供應商評估(續)

每年，公司以月度評價為基礎，根據月度評分情況，結合供應商整體服務水平進行綜合評價。根據供應商年度考核結果，公司對於基本合格的供應商採取暫停採購、不合格供應商直接淘汰的應對措施來保證採購質量。

供應商合作

當代公司競爭已超越技術、成本和管理的單項角逐，成為產業鏈條的競爭。鄭煤機致力於建立本地、本土多元化供應鏈相結合的採購渠道，鼓勵不同地區、不同民族、不同文化、不同種族的供應商公平公正地加入我們供應鏈體系，提升產業鏈條的價值創造。

2016年鄭煤機集團本部合作的供應商超過200家，分布在中國境內22個省市。同時，在多地區採購背景下鄭煤機集團本部也致力於本地化採購，積極尋找本地優秀供應商，大大降低採購成本，積極促進當地經濟發展，創造當地就業機會，減少運輸能源消耗，減少碳排放，減小對環境的影響。2016年河南當地供應商約佔鄭煤機集團本部全部供應商的46.82%。

4. Green Supply Chain (Continued)

Product Responsibility

We have been adhering to “high standards, delicacy and zero defect” quality ideal. Guided by Scientific Outlook on Development and focusing on quality, brand, standard, service, reputation and efficiency and revolving around the spirit of quality for survival, quality for development, quality for efficiency, we seek to create a favourable atmosphere of attention towards quality, pursuit of quality, emphasis of quality by every employee. We enhance quality awareness of all employees and enhance technology, lower cost and boost efficiency so as to raise customers' satisfaction. The Company passed ISO90001 quality management system certification.

Product technology upgrade

ZMJ possesses advanced technology and strong research and development capabilities. We build up advanced and efficient production facilities and production processes with patented technology research and development and production transformation, allowing us to efficiently produce high-quality coal mining equipment. In 2016 group headquarters of ZMJ and subordinate Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. accumulated a total of 185 valid patents, of which 25 are invention patents, 21 are appearance patents and 139 are utility model patents. Technical achievements are significant.

To standardize the Company's work on intellectual property rights, strengthen the management, protection and utilization of intellectual property rights, encourage inventions and promote the Company's technological progress and innovation, we have formulated “Management Measures for Intellectual Property Rights” to clearly regulate the ownership of intellectual property rights, management measures, award and punishment rules, etc.

Henan Provincial People's Government awarded ZMJ “Excellent technological innovation enterprise of Henan Province” title.

Product quality assurance

ZMJ established a whole-process testing and inspection system from entry of raw materials into warehouses to finished products' delivery from warehouses.

- After arrival of raw materials procured, through such procedures as preliminary checking of arrived goods and quality inspection, we undertake control of products entering the Company to ensure no products which are not tested or fail in testing enter production process or are used for processing.
- In manufacturing process of product, we ensure testing and inspection of product during production process are under proper control through first inspection of work in process, inspection, establishment of production process quality management point so that all products meet stipulated quality requirements.
- After product completion, the product is tested for performance and appearance quality. We ensure products delivered to customers meet stipulated quality requirements through the final inspection and test of the product.

4. 綠色供應鏈(續)

產品責任

我們一直秉承「高標準、精細化、零缺陷」的質量理念，以科學發展觀為統領，以質量、品牌、標準、服務、信譽和效益為重點，圍繞「以質量求生存，以質量求發展，向質量要效益」的精神，努力營造全員關注質量、追求質量、崇尚質量的良好氛圍，全面提高全員質量意識，提升技術、降低成本、增加效益，提高客戶滿意度。公司通過了ISO90001質量管理體系認證。

產品技術提升

鄭煤機具備先進的技術和強勁的研發能力，專利技術的研發和生產轉化形成了先進高效的生產設施及生產流程，使我們得以高效地生產優質煤炭採掘設備。2016年鄭煤機集團本部和下屬鄭州煤機液壓電控有限公司累計有效專利185項，其中發明專利25項，外觀專利21項，實用新型專利139項，技術成果顯著。

為規範公司的知識產權工作，加強對知識產權的管理、保護和利用，鼓勵發明創造，促進公司科技進步和創新，我們制定了《知識產權管理辦法》，對知識產權的權利歸屬、管理方式及措施、獎懲規則等進行了明確規定。

河南省人民政府授予鄭煤機「河南省優秀技術創新企業」稱號。

產品質量保證

鄭煤機建立了從原材料入庫到產成品出庫的全過程檢驗體系：

- 採購原材料到貨後，通過到貨初步清點、質檢等程序，對進入本公司的產品進行控制，以確保未經檢驗或未經檢驗合格的產品，不投入使用或加工；
- 產品生產製造過程中，通過在製品首檢、巡檢、工序質量管理點建立等程序，確保產品在製造過程中的檢驗、試驗得到有效控制，使之符合規定的質量要求；
- 產品完工後，對產品進行操作性能檢驗和外觀質量的檢驗，通過產品的最終檢驗和試驗，保證向顧客交付的產品符合規定要求。

4. Green Supply Chain (Continued)

Product Responsibility (Continued)

Product recall management

In order to enhance the quality of after-sales service and enhance the influence of ZMJ products on the users, we have developed “Management methods for after-sales service information processing” to clarify operational requirements regarding recall of products back to different business nodes and improve the work standard of various nodes and properly solve after-sales problems about product components returned for repairing and compensatory production. The above management methods clarify assessment and punishment measures for responsible departments failing to complete product recall work according to schedule to ensure that product recall can be handled in a timely and efficient manner.

In 2016, ZMJ did not record any case of recall of sold or shipped products for safety and health reasons.

4. 綠色供應鏈(續)

產品責任(續)

產品退回管理

為了提高售後服務質量，增強鄭煤機產品對用戶的影響力，我們制定了《售後服務信息處理管理辦法》，明確產品退回各業務節點的操作要求，完善各節點工作標準，妥善解決產品返修件、補制等售後問題。對於未按照進度要求完成退回處理工作的責任部門，管理辦法明確了考核處罰措施，保證產品退回能夠得到及時有效處理。

2016年鄭煤機未發生已售或已運送產品總數中因安全與健康理由而回收的案例。

Product responsibility assurance system of the Company		
公司產品責任保證體系		
Supply chain management 供應鏈管理	Testing and measurement 檢驗測量	After-sales assurance 售後保障
Perfect supply chain management, execute stringent entry, assessment and elimination mechanism to ensure sustainable development and improvement 完善供應鏈管理，執行嚴格的準入、評估、淘汰機制，確保可持續性發展與改進	Establish whole process testing and assessment mechanism from entry of raw materials into warehouses to finished products' delivery from warehouses to ensure product quality at each step. 建立原料入庫到產品出庫全流程檢測審核機制，確保每一環節的產品品質	Establish after-sales assurance mechanism and form comprehensive product recall processing procedure to overcome customers' worries. 建立售後保障機制，形成完善的產品退回處理流程，解決客戶後顧之憂

Quality theme activities

To enhance the quality awareness of all staff, improve the enthusiasm of all staff to participate in quality, enhance the company cohesion and competitiveness, and promote the company's stable and healthy development, ZMJ from time to time organizes quality theme activities.

In September 2016 we held a quality month activity with the theme of quality and innovation, so that all employees can improve the quality of awareness in that activity and pay attention to product quality in work, creating a good atmosphere of every one stressing quality and innovation.

ZMJ set up activities group, formulated detailed quality activity programs and seriously implemented them. In order to improve production efficiency, reduce the waiting time for product delivery, ZMJ group headquarters improved the product inspection system, saved inspection time, and achieved remarkable results.

質量主題活動

為提升全體員工的質量意識，提高全體員工參與質量的積極性，增強公司凝聚力和競爭力，推動公司穩定健康發展，鄭煤機不定期組織質量主題活動。

2016年9月份我們舉辦了以質量和創新為主題的質量月活動，使全體員工在活動中提高質量認識，在工作中關注產品質量，營造人人講質量、重創新的良好氛圍。

鄭煤機成立活動小組，制定詳細的質量活動方案並認真實施。如鄭煤機集團本部為了提高生產效率，減少完工文件的等待時間，不斷完善產品檢驗制度，節省檢驗時間，並取得顯著成績。

4. Green Supply Chain (Continued)

Product Responsibility (Continued)

Quality theme activities (Continued)

In order to encourage employees' active participation, various affiliated companies of ZMJ posted banners or produced management notice board so as to create an atmosphere of activity, and organized a variety of labor competitions, truly realizing "every one knows, every one cares, every one joins and every one acts".

Quality promotion banner 質量標識條幅



In quality month activities, ZMJ also actively carries out staff training regarding quality and develops quality control measures to strengthen the staff's quality awareness and operational skills.

ZMJ group headquarters provided training for new factory employees in theoretical level and operational skills. Guidance is provided for staff with regard to such aspects as production process, copper plating of guide sleeve and transport so that staff can master work methods and skills and product quality can be effectively enhanced. In addition, ZMJ headquarters also organized two learning sessions for management personnel in quality system related documents, to make managers work in a more standardized and regulated manner.

Different production zones of Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. organized targeted on-site special course training. Excellent employees are encouraged to share their working methods and experience with others.

4. 綠色供應鏈(續)

產品責任(續)

質量主題活動(續)

為了使員工積極參與，鄭煤機各下屬公司均在主要幹道張貼標識條幅或製作活動管理看板，營造活動氛圍，並組織開展各種各樣的勞動競賽，真正做到了「人人都知道，人人都重視，人人都參與，人人都作為」。



在質量月活動中，鄭煤機還積極開展質量方面的員工培訓，制定質量控制措施，強化了員工的質量意識和操作技能。

鄭煤機集團本部對新進廠員工進行理論水平、操作技能等方面培訓，從工藝流程、導向套鍍銅、轉運等各方面對員工進行了指導，使員工掌握了工作方法和技巧，產品品質得到有效提升。此外，鄭煤機集團本部還組織了兩次管理人員參加的質量體系相關文件學習，使管理人員工作更加規範化、標準化。

鄭州煤機液壓電控有限公司的各工區均組織了有針對性的現場專項課程培訓，召集優秀員工將好的工作方法和心得體會與其他人分享。

4. Green Supply Chain (Continued)

Product Responsibility (Continued)

Quality theme activities (Continued)

Quality training activities

質量培訓活動



Through conducting activities with the theme of quality, we instill quality consciousness into the heart of every employee of ZMJ and instill quality behavior into each employee's actions, promoting the company's quality management work effectively.

Customer Service

"Enhance the level of customer service, meet the differentiated needs of users and provide customers with tailor-made whole coal mining solutions" is our principle of service. We are committed to providing users with satisfactory products and services. In order to protect the privacy of our customers, we set up rights of access to customer documents according to the responsibilities of sales staff so as to protect the privacy of our customers to the maximum extent, and to clarify the confidentiality obligations of the two parties in sales contracts.

We have formulated the Measures for Handling Complaints, and have made explanations on the responsibilities of complaints handling, handling process, time requirements and complaint assessment, etc., in order to effectively deal with customer complaints and promote the improvement of service quality, improve after-sales service and maintain the Company's reputation. In 2016, the company did not record any customer complaint.

Anti-corruption

In order to strengthen the construction of clean governance and clarify the responsibilities of managers at all levels in the construction of clean governance and ensure the implementation of various tasks of anti-corruption construction, ZMJ has established a mechanism of anti-corruption and promotion of honesty, insisting on addressing both the symptoms and root cause, adopting both punishment and prevention measures, focusing on prevention solidly promoting the construction of the system of punishing and preventing corruption. We have formed programmatic document "Implementation measures for two responsibilities of party atmosphere and clean governance construction" and "Implementation plan for strengthening corruption risk prevention and control power operation mechanism construction work". The Company won "Anti-bribery, fair competition" honor trophy in Henan Province business community alliance activities.

4. 綠色供應鏈(續)

產品責任(續)

質量主題活動(續)



通過質量主題活動的開展，將質量意識植入到鄭煤機的每位員工心中，將質量行為深入到每位員工的行動中，有力促進了公司的質量管理工作。

客戶服務

「提升客戶服務水平，滿足用戶差異化需求，為顧客提供度身訂制的成套採煤解決方案」是我們的服務宗旨，我們致力於為用戶提供滿意的產品和服務。為保障客戶的隱私，我們根據銷售人員的職責對客戶文檔訪問權限進行設置，最大限度地保障我們客戶的隱私，並在銷售合同中明確雙方的保密義務。

為積極有效地處理客戶投訴，促進服務質量改善，完善售後服務，維護公司信譽，我們制訂了《投訴處理管理辦法》，對投訴處理職責、處理流程、時效要求、投訴考核等進行了說明。2016年公司未出現客戶投訴情況。

反腐倡廉

為了加強廉政建設，明確鄭煤機各級領導人員在廉政建設中的責任，保證反腐倡廉建設各項任務的貫徹落實，鄭煤機建立了反腐倡廉廉潔機制，堅持標本兼治、綜合治理、懲防並舉、注重預防，扎實推進懲治和預防腐敗體系建設，並形成綱領性文件《落實黨風廉政建設兩個責任的實施辦法》、《加強廉潔風險防控規範權力運行機制建設工作實施方案》。公司在河南省工商界聯盟活動中獲得「反對賄賂、公平競爭」榮譽獎杯。

4. Green Supply Chain (Continued)

Anti-corruption (Continued)

At the same time, ZMJ set up “2016 annual clean governance building responsibility objectives”, carried out specialised rectification work such as “rectifying unhealthy tendencies in clubs”, “regulating wedding and funeral matters of party members and cadres” etc. in accordance with relevant requirements of the State Council of the People’s Republic of China and the Henan Provincial Party Committee, to create a healthy business environment.

As of 31 December 2016, we have not committed any acts of corruption, bribery, blackmail, fraud and money laundering, and no litigation cases caused by the above have occurred.

4. 綠色供應鏈(續)

反腐倡廉(續)

同時，鄭煤機根據中華人民共和國國務院和河南省委等的有關要求，設立了《2016年度黨風廉政建設責任目標》，開展了「整治會所中的歪風」、「規範黨員幹部操辦婚喪喜慶事宜」等專項治理工作，營造積極健康的經營環境。

截至2016年12月31日，我們未有貪污、賄賂、勒索、欺詐及洗黑錢的行為發生，也未有上述事項引起的訴訟案件發生。

System of anti-corruption

反腐倡廉體系

1. Establish anti-corruption leadership system and work mechanism under unified leadership of the Company’s party committee and coordination of Discipline Inspection Commission.
一 建立由公司黨委統一領導、紀委組織協調的反舞弊的領導體制和工作機制。
2. Establish corruption risk prevention and control mechanism leading group. Develop clean governance prevention and control mechanism regarding position power risk composed of self prevention and control, organizational prevention and control and inspection prevention and control.
二 設立廉潔風險防控機制領導小組，組織構建崗位構力風險自我防控、組織防控、監督防控「三位一體」的廉政風險防控機制。
3. Management personnel of the Company of different ranks signed clean governance construction commitment and compile clean governance report every year.
三 公司各級領導成員逐級簽訂廉政建設責任書、每年撰寫述廉報告。
4. Undertake clean governance education and organize learning sessions of clean governance construction theories and laws and regulations so as to strengthen anti-corruption culture construction.
四 開展廉潔從業教育，組織學習廉政建設理論和法規制度，加強廉潔文化建設。

5. Giving back to society

While grasping production and operation and economic benefits, ZMJ at the same time cares about social welfare activities and actively contributes to society and introduce and continually perfect relevant policies. We actively support and cooperate with the community to carry out various public welfare activities.

Active Participation in Community Activities

ZMJ used its own funds, manpower, technology to actively participate in the construction of local communities, forming a series of routine public welfare activities, such as the following: Cooperate with ZMJ community to provide elderly people aged 80 above with material subsidies; provide festive condolences for retiring staff members and their families; Cooperate with community to organize large-scale cultural and entertainment and cultural performances; Cooperate with community to launch activities including civilized family with five virtues, moral model, public welfare activists and floor management advanced individual; Cooperate with community to set up a "poll group" to actively assist the community to mediate different disputes and contradictions of the mass.

5. 回饋社會

鄭煤機在抓好生產經營和經濟效益的同時，歷年來都十分重視社會公益活動，積極回饋社會，並出台和不斷完善相關的政策，積極支持和配合社會開展各種公益活動。

熱心社區活動

鄭煤機利用自己的資金、人力、技術積極主動參與地方社區建設，形成了一系列慣例的公益活動，如每年配合鄭煤機社區為八十歲以上的老年人發放物資補助；為離退休職工和家屬發放節日慰問品；配合社區大型文化娛樂和文體表演活動；配合社區開展評選表彰「五好文明家庭」、「道德模範」、「公益活動積極分子」和「樓院管理先進個人」活動；配合社區組建「民調小組」，積極協助社區調解居民群眾的各種糾紛和矛盾等。

Social welfare activities carried out by the Company in 2016
2016年公司開展的社會公益活動

Event Name 活動名稱	Event Date 活動日期	Number of participants 參與人數
Spring Festival greeting to the elderly over the age of 80 and old model workers, and old cadres with 50 catties of rice and 10 catties of edible oil delivered to each person 春節慰問80歲以上老人及老勞模、老幹部等每人發放50斤大米和10斤食用油	During Spring Festival 2016 2016年春節期間	430
Spring Festival greetings to retired workers with each person being paid RMB100 coupons 春節慰問離退休職工每人發放100元慰問券	During Spring Festival 2016 2016年春節期間	3,500
Provided workers with spring festival couplets greeting bags etc during Spring Festival 春節為職工群眾發放年畫春聯慰問袋等	During Spring Festival 2016 2016年春節期間	4,000
Quarterly greetings to retired poor workers and poor party members in community 每季度慰問社區特困退休職工和特困黨員	2016.1.1–2016.10.31	96
Issued birthday coupons to retired workers aged 70 or above 為七十歲以上退休職工發發生日券	2016.1.1–2016.12.31	1,211
Art show to celebrate 8 March Festival and Selection of "civilized family with five virtues" mobilization conference 《慶三八社區居民文藝匯演暨開展評選「五好文明家庭」動員大會》	2016.3.8	480
ZMJ community residents' Art show and "civilized family with five virtues" Awards ceremony 《鄭煤機社區居民文藝匯演暨「五好文明家庭」表彰大會》	2016.10.19	560
Dealt with relevant issues about community retired workers and their families 處理社區退休職工及家屬善後事宜	2016.1.1–2016.10.31	45
Total 合計		10,322

5. Giving back to society (Continued)

Active Participation in Community Activities (Continued)



Visits to retired staff and their family
退休職工及家屬慰問

ZMJ actively fulfils its social responsibility and public obligations in order to create a harmonious and healthy ZMJ community, create a harmonious and stable production and business environment, maintain a healthy social order and atmosphere and promote the socialist core values and positive energy of society. ZMJ has been awarded “care for the elderly love unit” and “elderly culture advanced unit” title by the Henan Provincial Department of Culture, Civil Affairs Department and aging problem committee. It was awarded “Elderly sports advanced unit” by Provincial aging problem committee, Provincial old cadre bureau and Provincial elderly sports association. It was also awarded “First prize in female fitness activities in celebration of 8 March and moral standard prize” by Provincial Women’s Federation, Provincial Federation of Trade Unions, Provincial Civilisation Committee and Provincial Sports Bureau. It was awarded “Advanced unit in support of local community construction” by local community office.

Commitment to Poverty Relief

Helping the poor is the virtue of the Chinese nation. ZMJ strengthens its work on helping people and actively carries out poverty alleviation research, “precision” poverty relief, etc to help grassroots citizens and the general public discover and solve problems.

Precision poverty relief provided for counties in need

Liu Cao Lou Village of Da Wang Zhuang Township, Xihua County, Zhoukou City, Henan Province mainly relies on agriculture and is a typical poor village of Henan Province. In 2011, the village started to face new community planning and demolition of old buildings for new construction.

5. 回饋社會(續)

熱心社區活動(續)



Birthday coupons issued to retired staff
退休職工發放生日券

鄭煤機為創建和諧健康的鄭煤機社區，為營造和諧穩定的生產經營環境、維護良好健康的社會秩序和氛圍、弘揚社會主義核心價值觀和社會正能量，積極履行社會責任和公共義務。鄭煤機曾榮獲河南省文化廳、民政廳、老齡委授予的「關愛老年人愛心單位」和「老年文化先進單位」稱號；榮獲省老齡委、省老幹部局、省老年體協授予的「河南省老年體育先進單位」稱號；榮獲省婦聯、省總工會、省文明委、省體育局授予的「慶三八婦女健身活動一等獎和體育道德風尚獎」；被所在社區辦事處評為「支持街道社區建設先進單位」等榮譽稱號。

致力幫貧扶困

扶危濟困是中華民族的美德，鄭煤機切實加強幫扶工作，積極開展幫貧扶困調查研究、定點幫扶等活動，幫助基層和群眾發現問題、解決問題。

定點扶貧困難縣

河南省周口市西華縣大王莊鄉劉草樓村以農業為主，是河南省典型貧困鄉村，2011年開始該村面臨新型社區規劃和拆遷新建。

5. Giving back to society (Continued)

Commitment to Poverty Relief (Continued)

Precision poverty relief provided for counties in need (Continued)

ZMJ visited Liu Cao Lou Village to inspect new rural construction condition so as to develop an in-depth understanding of the degree of emergency needs of different facilities. During the construction period, the Company's infrastructure office formulated a practical work plan according to the actual situation of Liu Cao Lou Village. It assisted in purchasing relevant building materials in local area and raise funds according to actual condition and demand to help Liu Cao Lou Village to carry out infrastructure construction or renovation.

In addition, from 2014 onwards, the Company continued to provide households in poverty with necessities such as electric fans, edible oil, etc. according to the actual situation of Liu Cao Lou Village to help improve the lives of poor households.

Donations to university students in poverty

On 9 August 2016, ZMJ, through field investigation, learned that four teenagers from Zhecheng County, Shangqiu City, Henan Province would soon enter university. Their family economic conditions were difficult and they led a hard life. In spite of difficult livelihood, those four teenagers have good character and are positive and motivated. They all belong to university students in poverty truly in need.

To help these four poor university students who are excellent in character and learning to realize their university dream, the Company decided to make donations to them. During 2016 and 2020 their university fees would be subsidized so as to tackle their worries.

5. 回饋社會(續)

致力幫貧扶困(續)

定點扶貧困難縣(續)

鄭煤機實地走訪了劉草樓村新農村建設情況，深入了解各項設施緊急需求程度。在建設期間，公司基建辦根據劉草樓村實際情況制定了切實可行的工作方案，在當地幫助採買相關建築材料，並根據實際和需求籌集資金幫助劉草樓村進行基礎設施建設或改造。

此外，從2014年起，公司根據劉草樓村實際調研情況，不斷為貧困戶贈送慰問品，如電風扇、食用油等生活用品，幫助改善貧困戶的生活。

捐助貧困大學生

2016年8月9日，鄭煤機通過實地調研了解到，河南省商丘市柘城縣四位即將踏入大學的孩子，家庭經濟條件困難，生活異常艱苦。四位孩子雖然平時生活困難，但是善良樸實、積極上進，均屬於真正需要幫助、資助的貧困大學生。

為使四位品學兼優的貧苦大學生能圓大學夢，公司決定對其進行捐助，在2016-2020年期間捐助四位大學生的學費費用，解決他們的後顧之憂。



Visits to university students in poverty from the Company
公司慰問貧困大學生

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF ZHENGZHOU COAL MINING MACHINERY GROUP COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Zhengzhou Coal Mining Machinery Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 122 to 219, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

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

致鄭州煤礦機械集團股份有限公司股東

(於中華人民共和國註冊成立之有限公司)

意見

本行已審核載列於第122至219頁鄭州煤礦機械集團股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表、以及綜合財務報表的附註(包括重大會計政策概要)。

本行認為，該等綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基準

本行已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「守則」)，本行獨立於 貴集團，並已履行守則中的其他道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。

關鍵審計事項

關鍵審計事項為根據本行的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會對該等事項提供獨立的意見。

Key audit matters (Continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

Impairment of trade receivables

貿易應收款項減值

We identified impairment of trade receivables as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the use of judgment and estimates in assessing the recoverability of trade receivables.

In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

As at 31 December 2016 the carrying amount of trade receivables was RMB2,341,729,000, net of allowance for doubtful debts of RMB1,183,432,000.

The relevant disclosures are set out in notes 4 and 27 to the consolidated financial statements.

本行認為貿易應收款項減值為關鍵審計事項，原因為其整體對財務報表結餘的重要性，加上評估貿易應收款項是否可收回時使用的判斷及估計有關。

於釐定貿易應收款項撥備時，管理層會考慮信貸記錄，包括拖欠或延期付款、結算記錄、其後結算及貿易應收款項之賬齡分析。

於二零一六年十二月三十一日，貿易應收款項的賬面值為人民幣2,341,729,000元，扣除呆賬撥備人民幣1,183,432,000元。

貿易應收款項的相關披露載於綜合財務報表附註4及27。

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

Our audit procedures in relation to impairment of trade receivables included:

- Obtaining an understanding of how allowance for doubtful debts is estimated by the management and testing the key controls in relation to impairment of trade receivables including: preparation and periodic review of the aging analysis, analyzing reason and expected recovery rates for overdue debts and follow-up actions taken to recover overdue debts;
- Understanding the reasons for those past due but not impaired trade receivable balances and assessing the reasonableness of recoverability of those trade receivables with reference to the credit history of the customers, including default or delay in payments, settlement records;
- Challenging the reasonableness of the key assumptions in determining management's provision for future default, including the expected recovery rates on overdue debts and any observed changes in credit quality in the current year;
- Reviewing and testing the aging analysis of the trade receivables; and
- Testing subsequent settlements on a sample basis.

本行有關貿易應收款項減值的程序包括：

- 了解管理層如何估計呆賬撥備，並檢測就貿易應收款項減值的重要監控，包括：編製及定期審閱賬齡分析、分析逾期債務的原因及其預期可收回率、以及就收回逾期債務所採取的行動；
- 了解過往已逾期但未減值貿易應收款項結餘的原因，並參考客戶過往信貸記錄(包括拖欠或延期付款、結算記錄)以評估該等貿易應收款項可收回性的合理性；
- 質疑管理層就未來拖欠(包括年內的逾期債務的預期可收回率及任何可見的信用素質變動)的關鍵假設的合理性；
- 審閱及測試貿易應收款項的賬齡分析；及
- 按抽樣形式測試期後付款。



Independent Auditor's Report 獨立核數師報告

Other information

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

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

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

Responsibilities of directors and those charged with governance for the consolidated financial statements

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及本行載於其中的核數師報告。

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

就本行對綜合財務報表的審計，本行的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本行在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。本行就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據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平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督貴集團的財務報告過程。

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表須承擔的責任

本行的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，並按照協定的委聘條款僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本行概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，本行運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。



Independent Auditor's Report 獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in the independent auditor's report is Kay Man Wo, Dick.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
27 March 2017

核數師就審計綜合財務報表須承擔的責任(續)

- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督及執行。本行為審計意見承擔全部責任。

本行與治理層溝通審計的計劃範圍及時間以及重大審計發現等，其中包括本行在審計中識別出內部控制的任何重大不足之處。

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

從與治理層溝通的事項中，本行確定該等對本期綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。本行在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於本行之報告中註明某事項造成的負面後果超過產生的公眾利益，則本行決定不應在報告中註明該事項。

出具獨立核數師報告的審計項目合夥人為紀文和。

德勤•關黃陳方會計師行
執業會計師

香港
二零一七年三月二十七日

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

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

		NOTES 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	5	3,628,530	4,510,858
Cost of sales	銷售成本		(2,915,417)	(3,653,833)
Gross profit	毛利		713,113	857,025
Other income	其他收入	7	101,867	120,724
Other gains and losses	其他收益及虧損	8	(168,711)	(335,881)
Selling and distribution expenses	銷售及分銷開支		(187,964)	(214,900)
Administrative expenses	行政開支		(300,376)	(304,242)
Research and development expenses	研發費用		(102,474)	(102,562)
Share of (loss) profit of associates	應佔聯營公司(虧損)溢利		(18,113)	13,361
Share of profit (loss) of joint ventures	應佔合營企業溢利(虧損)		42	(1,000)
Finance costs	融資成本	9	—	(2,160)
Profit before tax	除稅前溢利		37,384	30,365
Income tax expense	所得稅開支	10	(736)	(19,756)
Profit for the year	年內溢利	11	36,648	10,609
Other comprehensive income:	其他全面收入			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可能於其後重新分類至損益之項目：</i>			
Exchange differences arising on translation	換算產生之匯兌差額		5,250	(1,075)
Fair value gain (loss) on available-for-sale financial assets	可供出售之金融資產公平值收益(虧損)		6,541	(4,804)
Reclassification adjustment upon impairment of available-for-sale financial assets	可供出售之金融資產減值時重新分類調整		—	60,071
Share of fair value gain (loss) on available-for-sale financial assets of an associate	應佔一間聯營公司可供出售之金融資產公平值收益(虧損)		19,787	(5,511)
Share of reclassification adjustment upon impairment of available-for-sale financial assets held by an associate	應佔一間聯營公司可供出售之金融資產減值時重新分類調整		—	15,978
Fair value gain on hedging instruments in cash flow hedges	指定進行現金流量對沖的對沖工具的公平值收益		71,020	—
Other comprehensive income for the year, net of income tax	年內其他全面收入，扣除所得稅		102,598	64,659
Total comprehensive income for the year	年內全面收入總額		139,246	75,268

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

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

		NOTES 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit for the year attributable to:	以下人士應佔年內溢利：			
Owners of the Company	本公司股東		61,997	42,198
Non-controlling interests	非控股權益		(25,349)	(31,589)
			36,648	10,609
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收入總額：			
Owners of the Company	本公司股東		164,595	106,857
Non-controlling interests	非控股權益		(25,349)	(31,589)
			139,246	75,268
EARNINGS PER SHARE	每股盈利			
– Basic (RMB cents)	– 基本(人民幣分)	15	3.82	2.60

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

	NOTES 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,390,786	1,607,658
Prepaid lease payments	預付土地租賃款項	317,752	381,013
Investment properties	投資物業	45,598	47,187
Intangible assets	無形資產	2,260	4,330
Investments in associates	於聯營公司之投資	431,416	420,424
Investments in joint ventures	於合營企業之投資	–	2,383
Available-for-sale investments	可供出售之投資	36,669	31,174
Deferred tax assets	遞延稅項資產	197,742	171,830
Debt investment	債券投資	–	390,027
Finance lease receivables	融資租賃應收款項	51,482	58,096
Long-term receivables	長期應收款項	46,782	131,206
		2,520,487	3,245,328
CURRENT ASSETS	流動資產		
Prepaid lease payments	預付土地租賃款項	7,405	8,681
Debt investment	債務投資	416,631	–
Inventories	存貨	827,794	1,175,829
Loan receivables from an associate	應收一家聯營公司貸款	64,000	80,000
Trade and other receivables	貿易及其他應收款項	3,648,445	4,054,923
Transferred trade receivables	已劃轉的貿易應收款項	180,322	–
Finance lease receivables within one year	一年內融資租賃應收款項	39,146	25,992
Long-term receivables within one year	一年內到期的長期應收款項	131,726	105,059
Derivative financial instruments	衍生金融工具	71,020	–
Other financial assets	其他金融資產	1,085,000	1,063,000
Tax recoverable	可收回稅項	247	1,374
Pledged bank deposits	已抵押銀行存款	253,550	278,080
Bank balances and cash	銀行結餘及現金	2,682,402	2,011,221
		9,407,688	8,804,159
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	1,721,669	2,193,738
Advances from customers	客戶按金	253,519	198,888
Tax liabilities	稅項負債	9,385	19,618
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	180,322	–
		2,164,895	2,412,244
NET CURRENT ASSETS	流動資產淨值	7,242,793	6,391,915
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	9,763,280	9,637,243

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		NOTES 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Other non-current liabilities	其他非流動負債		4,750	14,784
NET ASSETS	資產淨值		9,758,530	9,622,459
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	33	1,621,122	1,621,122
Share premium	股份溢價		3,409,354	3,409,354
Reserves	儲備		4,643,697	4,472,096
Equity attributable to owners of the Company	本公司股東應佔權益		9,674,173	9,502,572
Non-controlling interests	非控股權益	34	84,357	119,887
TOTAL EQUITY	權益總額		9,758,530	9,622,459

The consolidated financial statements on pages 122 to 219 were approved and authorised for issue by the Board of Directors on 27 March 2017 and are signed on its behalf by:

載列於第122至219頁的綜合財務報表於二零一七年三月二十七日經董事會批准及授權刊發，並由下列人士代表簽署：

Jiao Chengyao
焦承堯
DIRECTOR
董事

Xiang Jiayu
向家雨
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Share capital	Share premium	Revaluation reserve	Statutory surplus reserve	Translation reserve	Cash flow hedging reserves	Other reserves	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
		股本	股份溢價	重估儲備	儲備	匯兌儲備	對沖儲備	其他儲備	保留盈利	擁有人應佔	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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
					(note a)		(note c)	(note b)		本公司		
					(附註a)		(附註c)	(附註b)				
Balance at 1 January 2015	於二零一五年一月一日之結餘	1,621,122	3,409,354	(65,734)	520,096	(810)	-	52,902	3,895,388	9,432,318	151,476	9,583,794
Profit for the year	年內溢利	-	-	-	-	-	-	-	42,198	42,198	(31,589)	10,609
Other comprehensive expense for the year	年內其他全面開支	-	-	65,734	-	(1,075)	-	-	-	64,659	-	64,659
Total comprehensive income for the year	年內全面收入總額	-	-	65,734	-	(1,075)	-	-	42,198	106,857	(31,589)	75,268
Contribution from ultimate controlling party of the Company	本公司最終控制方之出資	-	-	-	-	-	-	25,000	-	25,000	-	25,000
Transfer	轉撥	-	-	-	4,976	-	-	-	(4,976)	-	-	-
Dividends (note 14)	股息(附註14)	-	-	-	-	-	-	-	(61,603)	(61,603)	-	(61,603)
Balance at 31 December 2015	於二零一五年十二月三十一日之結餘	1,621,122	3,409,354	-	525,072	(1,885)	-	77,902	3,871,007	9,502,572	119,887	9,622,459
Profit for the year	年內溢利	-	-	-	-	-	-	-	61,997	61,997	(25,349)	36,648
Other comprehensive expense for the year	年內其他全面開支	-	-	26,328	-	5,250	71,020	-	-	102,598	-	102,598
Total comprehensive income for the year	年內全面收入總額	-	-	26,328	-	5,250	71,020	-	61,997	164,595	(25,349)	139,246
Contribution from ultimate controlling party of the Company	本公司最終控制方之出資	-	-	-	-	-	-	20,000	-	20,000	-	20,000
Transfer	轉撥	-	-	-	27,467	-	-	-	(27,467)	-	-	-
Disposal of a subsidiary (note 39)	出售一家附屬公司(附註39)	-	-	-	-	-	-	-	-	-	(10,181)	(10,181)
Dividends (note 14)	股息(附註14)	-	-	-	-	-	-	-	(12,969)	(12,969)	-	(12,969)
Others	其他	-	-	-	-	-	-	(25)	-	(25)	-	(25)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	1,621,122	3,409,354	26,328	552,539	3,365	71,020	97,877	3,892,568	9,674,173	84,357	9,758,530

Note a: In accordance with the Company Law of PRC and the Articles of Association of the Company and all subsidiaries established in the PRC, the Company and these subsidiaries are required to transfer 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the Company and these subsidiaries.

Note b: The other reserves mainly represent the contribution from the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government, the ultimate controlling party of the Company, and is recognised as contribution from the ultimate controlling party of the Company.

Note c: The cash flow hedging reserve presents the cumulative effective portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains and losses arising on changes in fair value of the hedging instrument that are recognised and accumulate under the cash flow hedging reserve will be reclassified to profit or loss only when the hedged item affects the profit or loss, or is included as an adjustment to the non-financial hedged item.

附註a: 根據中國公司法及本公司及其所有中國附屬公司的章程細則, 本公司及該等附屬公司需要將法定財務報表所呈報的除稅後溢利撥出10%至法定盈餘儲備, 直至法定盈餘儲備已達相關公司的註冊資本50%為止。進行轉撥必須在向權益持有人分派股息前進行。法定盈餘儲備可用於彌補以前年度的虧損, 擴充現有營運或轉為本公司及該等附屬公司的額外資本。

附註b: 其他儲備主要指本公司的最終控制方河南省政府國有資產監督管理委員會的出資, 並確認為本公司最終控制方之出資。

附註c: 現金流量對沖儲備指對沖工具進入現金流量對沖後產生之公平值變動的收益及虧損的累計有效部分。已確認及於現金流量對沖儲備累計的對沖工具之公平值變動的累計收益及虧損僅在對沖項目影響損益時方會重新分類至損益, 或計入非財務對沖項目的調整之內。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	37,384	30,365
Adjustments for:	調整：		
Finance costs	融資成本	-	2,160
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項及融資租賃應收款項之利息收入	(82,483)	(98,706)
Interest income on debt investment	債務投資之利息收入	(13,398)	(11,300)
Dividends income on available-for-sale investments	可供出售投資之股息收入	-	(1,256)
Share of loss (profit) of associates	應佔聯營公司虧損(溢利)	18,114	(13,361)
Share of (profit) loss of joint ventures	應佔合營企業(溢利)虧損	(42)	1,000
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(4,007)	(3,988)
Gain on disposal of subsidiary	出售附屬公司之收益	(14,274)	-
Gain on disposal of an associate	出售一家聯營公司之收益	(26)	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	174,970	172,777
Depreciation of investments properties	投資物業折舊	1,589	597
Amortisation of intangible assets	無形資產之攤銷	2,062	2,454
Release of prepaid lease payments	預付土地租賃款項撥回	8,823	8,823
Allowance provided for doubtful debts	呆賬撥備	230,296	312,139
Write-down of inventories	存貨撇銷	14,544	9,343
Impairment of available-for-sale investments	可供出售投資之減值	1,046	66,526
Effect of foreign exchange rate changes	匯率變動之影響	(65,510)	(40,938)
Operating cash flows before movements in working capital	營運資金變動前之營運現金流量	309,088	436,635
Decrease in inventories	存貨減少	281,756	264,000
Increase in trade and other receivables	貿易及其他應收款項增加	(76,177)	(13,143)
Decrease (increase) in long-term receivables and finance lease receivables	長期應收款項及融資租賃應收款項減少(增加)	69,314	(232,355)
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(238,628)	148,993
Increase (decrease) in advances from customers	客戶按金增加(減少)	55,333	(251,514)
Cash generated from operations	經營業務所得現金	400,686	352,616
Income tax paid	已付所得稅	(39,801)	(34,213)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	360,885	318,403

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項及融資租賃應收款項之利息收入	64,386	98,706
Interest income on debt investment	債務投資之利息收入	13,453	11,132
Dividends income on available-for-sale investments	可供出售投資之股息收入	–	1,256
Dividends received from associates	已收聯營公司股息	950	10,200
Dividends received from joint ventures	已收合營企業股息	–	98
Proceeds on disposal of a subsidiary	出售一家附屬公司之收益	19,216	–
Proceeds on disposal of an associate	出售一家聯營公司之收益	3,782	–
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	11,378	8,190
Purchases of property, plant and equipment	購置物業、廠房及設備	(74,399)	(60,893)
Purchases of investment property	購置投資物業	–	(37,588)
Purchases of other intangible assets	購置其他無形資產	(103)	(1,049)
Purchase of other financial assets	購買其他金融資產	(4,334,000)	(2,623,418)
Proceeds on other financial assets	其他金融資產所得款項	4,312,000	2,065,418
Payments for loan receivables from an associate	應收一家聯營公司貸款之付款	–	(80,000)
Repayment of loan receivables from an associate	應收一家聯營公司貸款之還款	–	80,000
Placement of bank deposits with original maturity over three months	存放原到期日三個月以上的銀行存款	(50,000)	(310,000)
Withdrawal of bank deposits with original maturity over three months	提取原到期日三個月以上的銀行存款	285,000	571,657
Payment of pledged bank deposits	支付已抵押銀行存款	(431,864)	(519,057)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	456,394	487,294
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資活動所得(所用)現金淨額	276,193	(298,054)
FINANCING ACTIVITIES	融資活動		
Contribution from ultimate controlling party of the Company	本公司最終控制方注資	20,000	25,000
Proceeds received from the equipment leasing companies (note 32)	自設備租賃公司所得款項(附註32)	223,166	–
Repayment of borrowings	償還借貸	–	(97,170)
Interest paid	已付利息	–	(2,160)
Dividends paid	已付股息	(12,969)	(61,603)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所用)現金淨額	230,197	(135,933)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值物增加(減少)淨額	867,275	(115,584)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	38,906	20,148
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等值物	1,726,221	1,821,657
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash (note 30)	於十二月三十一日之現金及現金等值物代表銀行結餘及現金(附註30)	2,632,402	1,726,221

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. General information

The Company was established in the People's Republic of China (the "PRC") on 28 December 2008 as a joint stock company with limited liability under the Company Law of the PRC after a reorganisation of Zhengzhou Coal Mining Machinery Group Co., Ltd., a state owned enterprise in the PRC. On October 28 2015, 32.14% of the Company's total issued share capital held by the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government ("Henan SASAC") were transferred to Henan Machinery Investment Group, a wholly-owned subsidiary of Henan SASAC. In the opinion of the directors of the Company, upon completion of the share transfer, the parent of the Company is Henan Machinery Investment Group and its ultimate controlling party is Henan SASAC of the PRC Government.

On 3 August 2010, the Company completed its initial public offering and listing of 140,000,000 A shares on the Shanghai Stock Exchange under the stock code 601717.SS. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 December 2012.

The respective addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section of the annual report. The principal activities of the Company and its subsidiaries (collectively the "Group") are manufacturing of coal mining machinery and trading of steel and other raw materials.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and its principal subsidiaries. Details of the Company's subsidiaries are set out in note 44.

2. Application of new and amendments to international financial reporting standards ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year:

Amendments to IFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle

1. 一般資料

本公司於中國國有企業鄭煤機械重組後，根據中國公司法於二零零八年十二月二十八日在中華人民共和國（「中國」）成立為股份有限公司。於二零一五年十月二十八日，由河南省國有資產監督管理委員會（「河南國資委」）持有之本公司已發行股本總額的32.14%轉讓予河南省國資委之全資附屬公司河南機械投資集團。本公司董事認為，在股份轉讓完成後，本公司母公司為河南機械投資集團，其最終控制方是中國政府轄下之河南國資委。

於二零一零年八月三日，本公司完成140,000,000股A股首次公開發售並在上海證券交易所上市（股份代號601717.SS）。本公司於二零一二年十二月五日在香港聯合交易所有限公司（「聯交所」）主板上市。

本公司相關註冊辦事處地址及主要營業地點於年報「公司資料」一節披露。本公司及其附屬公司（合稱「本集團」）的主要業務為生產煤炭開採機械及買賣鋼材及其他原材料。

綜合財務報表以人民幣（「人民幣」）呈列，與本公司及其主要附屬公司之功能貨幣相同。本公司附屬公司之詳情載於附註44。

2. 應用新訂的國際財務報告準則（「國際財務報告準則」）及其修訂

於本年度強制生效的國際財務報告準則修訂

本集團已於本年度首次應用下列由國際會計準則理事會頒佈的國際財務報告準則：

國際財務報告準則第11號的修訂	收購合資經營權益之會計處理
國際會計準則第1號的修訂	主動披露
國際會計準則第16號及國際會計準則第38號的修訂	澄清折舊及攤銷之可接受方式
國際會計準則第16號及國際會計準則第41號的修訂	農業：生產性植物
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28號的修訂	投資實體：綜合豁免的應用
國際財務報告準則的修訂	二零一二年至二零一四年週期的年度改進

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

2. Application of new and amendments to international financial reporting standards (“IFRSs”) (Continued)

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

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

New and amendments to IFRSs and International Financial Reporting Interpretations Committee (“IFRIC”) in issue but not yet effective

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

IFRSs	
IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers and related Amendments ¹
IFRS 16	Leases ²
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 7	Disclosure Initiative ⁴
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
Amendments to IAS 40	Transfers of Investment Property ¹
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle ⁵

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after a date to be determined
- ⁴ Effective for annual periods beginning on or after 1 January 2017
- ⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

於本年度強制生效的國際財務報告準則修訂(續)

於本年度內應用國際財務報告準則的修訂對本年度及過往年度的財務表現及狀況及/或於該等綜合財務報表內所載的披露資料並無重大影響。

已頒佈但尚未生效的新訂國際財務報告準則及國際財務報告詮釋委員會(「國際財務報告詮釋委員會」)詮釋以及其修訂

本集團並無提早應用以下已頒佈但未生效之新訂的國際財務報告準則及其修訂：

國際財務報告準則	
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第15號	客戶合約收益及相關修訂 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告詮釋委員會詮釋第22號	外幣交易與預收(付)對價 ¹
國際財務報告準則第2號的修訂	以股份為基礎之付款交易之分類及計量 ¹
國際財務報告準則第4號的修訂	應用國際財務報告準則第9號金融工具與國際財務報告準則第4號保險合約 ¹
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業之間之資產出售或投入 ³
國際會計準則第7號的修訂	主動披露 ⁴
國際會計準則第12號的修訂	就未變現虧損確認遞延稅項資產 ⁴
國際會計準則第40號的修訂	投資物業的轉移 ¹
國際財務報告準則的修訂	二零一四年至二零一六年週期國際財務報告準則之年度改進 ⁵

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一九年一月一日或之後開始之年度期間生效
- ³ 於尚未確定的某個日期或之後開始之年度期間生效
- ⁴ 於二零一七年一月一日或之後開始之年度期間生效
- ⁵ 於二零一七年一月一日或二零一八年一月一日(如適用)之後開始之年度期間生效

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2. Application of new and amendments to international financial reporting standards (“IFRSs”) (Continued)

IFRS 9 *Financial instruments*

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

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

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.

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

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第9號金融工具

國際財務報告準則第9號引進有關金融資產、金融負債、一般對沖會計處理方法及金融資產減值規定之分類及計量之新規定。

與本集團有關的國際財務報告準則第9號關鍵規定如下：

所有屬國際財務報告準則第9號範圍內的須於確認金融資產其後均按攤銷成本或公平值計量。具體而言，目的是收取合約現金流量的業務模式內持有的債務投資，及合約現金流量僅為償還本金及尚未償還本金利息的債務投資，一般於其後會計期末按攤銷成本計量。

倘債務工具乃於同時透過收取合約現金流量及出售金融資產而達到目標的業務模式內持有，而其合約條款於特定日期帶來純粹為本金及尚欠本金額利息付款的現金流，則一般當作金融資產按公平值列賬於其他全面收入(「按公平值列賬於其他全面收入」)計量。所有其他債務投資及權益投資均於其後會計期間結算日按公平值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回之選擇，於其他全面收入呈列權益投資(並非持作買賣者)公平值的其後變動，而一般只有股息收入於損益中確認。

就金融資產減值而言，與國際會計準則第39號項下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等信貸虧損之預期變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。



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2. Application of new and amendments to international financial reporting standards (“IFRSs”) (Continued)

IFRS 9 *Financial instruments* (Continued)

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, application of IFRS 9 in the future may have a material impact on the classification and measurement of the Group’s financial assets. The Group’s available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost. The directors of the Company anticipate that the application of new hedging requirements may not have a material impact on the Group’s current hedge designation and hedge accounting. However, it is not practicable to provide a reasonable estimate of the financial effect on the Group’s financial statements until a detailed review has been completed.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第9號金融工具(續)

新訂一般對沖會計規定保留國際會計準則第39號現有三種對沖會計機制。根據國際財務報告準則第9號，新規定為合資格作對沖會計處理之各類交易提供更大靈活性，特別是擴大符合作為對沖工具之工具類別以及合資格作對沖會計處理之非金融項目之風險組成部分類別。此外，成效測試已作重整，並以「經濟關係」原則取代。對沖成效亦毋須進行追溯評估。新規定同時引入增加披露有關實體風險管理活動之規定。

基於本集團截至二零一六年十二月三十一日的金融工具及風險管理政策，未來應用國際財務報告準則第9號可能會對本集團金融資產的分類及計量造成重大影響。本集團的可供出售投資(包括目前以成本減去減值呈列的可供出售投資)將以公允值計入損益的方式計量或按公允值計入其他全面收益之方式計量(視乎是否達到指定標準而定)。此外，預期信貸虧損模式可能導致提前對與本集團以攤銷成本計量的金融資產相關的尚未發生的信貸虧損進行撥備。本公司董事預期應用新的對沖規定，對本集團目前的對沖指定及對沖會計處理未必有重大影響。然而，倘本公司未完成詳細審閱，就本集團財務報表所受財務影響作出合理估計並不實際可行。

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2. Application of new and amendments to international financial reporting standards (“IFRSs”) (Continued)

IFRS 15 *Revenue from contracts with customers*

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

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

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

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

In 2016, the IASB issued clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

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

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第15號客戶合約之收入

國際財務報告準則第15號已頒布並為實體建立了一個單一的綜合模型，以確認來自客戶合同的收入。當國際財務報告準則第15號生效時，將取代現時沿用的收入確認指引，包括國際會計準則第18號，國際會計準則第11號及相關的詮釋。

國際財務報告準則第15號的核心原則乃一個實體應確認收入以體現向客戶轉讓承諾貨品或服務的數額，並反映實體預期交換該等貨品或服務而應得的代價。具體來說，該準則引入了五步法來確認收入：

- 第1步：確定與客戶的合同
- 第2步：確定合同內的履約義務
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合同內的履約義務
- 第5步：當實體符合履約義務時確認收入

根據國際財務報告準則第15號，當一個實體符合履約義務時確認收入，即當貨品或服務按特定的履約義務轉移並由客戶「控制」時。國際財務報告準則第15號加入更為規範的指引以茲處理特別的情況。此外，國際財務報告準則第15號亦要求較廣泛的披露。

於二零一六年，國際會計準則委員會頒佈國際財務報告準則第15號的澄清，內容有關識別履約責任、主體代理安排、以及許可應用指引。

本公司董事預計將來應用國際財務報告準則第15號可能導致更多披露。然而，本公司董事預計應用國際財務報告準則第15號將不會對在各報告期間所確認收益的時間及金額產生重大影響。



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2. Application of new and amendments to international financial reporting standards (“IFRSs”) (Continued)

IFRS 16 *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 and the related interpretations when it becomes effective.

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

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

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

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第16號租賃

國際財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入綜合模式。於國際財務報告準則第16號生效後，其將取代國際會計準則第17號租賃及相關詮釋。

國際財務報告準則第16號按客戶是否控制所識別資產以區分租賃及服務合約。承租人會計處理中移除區分經營租賃及融資租賃，並以承租人須就所有租賃確認使用權資產及相應負債的模式取代，惟短期租賃及低價值資產租賃除外。

使用權資產初步按成本計量，其後按成本(受若干例外情況所規限)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。租賃負債初步按該日尚未支付的租賃款項現值計量。其後，租賃負債就利息及租賃款項以及(其中包括)租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將首次預付租賃款項呈列為有關自用租賃土地及分類為投資物業的投資現金流量，而其他經營租賃付款則呈列為經營現金流量。根據國際財務報告準則第16號，有關租賃負債的租賃款項將分配至呈列為融資現金流量的本金及利息的部分。

根據國際會計準則第17號，本集團已就本集團為承租人的租賃土地確認已償還租賃款項。應用國際財務報告準則第16號可能導致該等資產分類潛在變動，視乎本集團是否分開呈列有權使用的資產或按將呈列相應相關資產(倘擁有)的相同項目內呈列。

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2. Application of new and amendments to international financial reporting standards (“IFRSs”) (Continued)

IFRS 16 *Leases* (Continued)

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of RMB62,682,000 as disclosed in note 36. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

Except as described above, the directors of the Company anticipate that the application of amendments to IFRSs will have no material effect on the Group's consolidated financial statements in future.

3. Summary of significant accounting policies

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

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

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

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第16號租賃(續)

與承租人會計處理相比，國際財務報告準則第16號大致轉承國際會計準則第17號的出租人會計處理規定，並且繼續要求出租人將其租賃分類為經營租賃或融資租賃。

此外，國際財務報告準則第16號要求作出詳盡披露。

於二零一六年十二月三十一日，本集團的不可撤銷經營租賃承擔為人民幣62,682,000元(於附註36披露)。初步評估顯示該等安排將符合國際財務報告準則第16號項下租賃的定義，因此本集團將就所有該等租賃確認使用權資產及相應負債，除非有關租賃於應用國際財務報告準則第16號後符合低價值或短期租賃，則作別論。此外，應用新規定可能導致上文所列的計量、呈列及披露資料出現變動。然而，於董事完成詳細檢討前，對財務影響作出合理估計並不可行。

除上文所述，本公司董事預期應用國際財務報告準則之修訂將不會對本集團之綜合財務報表造成重大影響。

3. 主要會計政策概要

綜合財務報表乃根據國際會計準則理事會頒布之國際財務報告準則一致的會計政策編製。另外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例(「公司條例」)規定之適用披露事項。

綜合財務報表乃按歷史成本基準編製，惟若干金融工具於各報告期末按公平值計量，於下文會計政策闡釋。

歷史成本通常按交換貨品及服務時所付代價之公平值計算。



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

3. Summary of significant accounting policies

(Continued)

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

The principal accounting policies are set out below.

3. 主要會計政策概要(續)

公平值乃市場參與者間於計量日期進行之有序交易中，出售資產所收取或轉讓負債所支付之價格，不論該價格乃可直接觀察或以其他估值方法估計。於估計一項資產或負債之公平值時，本集團考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮之資產或負債特徵。在該等綜合財務報表中計量及／或披露之公平值均在此基礎上予以確定，惟國際會計準則第17號租賃範圍內之租賃交易，以及與公平值類似惟並非公平值之計量(例如國際會計準則第2號存貨內之可變現淨值或國際會計準則第36號資產減值內之使用存貨價值)除外。

非金融資產公平價值之計量及市場參與者可透過按該資產之最高及最佳用途使用該資產，或將該資產售予另一可按該資產之最高及最佳用途使用該資產之市場參與者，從而產生經濟效益之能力。

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及公平值計量之輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據為就資產或負債直接或間接可觀察之輸入數據(包括於第一級內之報價除外)；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策載列於下文。

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

3. Summary of significant accounting policies

(Continued)

Basis of consolidation

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

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

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

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

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

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

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

3. 主要會計政策概要(續)

綜合基準

本綜合財務報表包含本公司以及由本公司控制之實體(其附屬公司)之財務報表。取得控制權指本公司：

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

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本公司將重新評估是否仍然控制被投資方。

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

損益及其他全面收益各項目均歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益結餘為負數。

如有需要，附屬公司之財務報表將作出調整，以使其會計政策與本集團之會計政策一致。

所有集團內成員間有關資產及負債、權益、收入、支出及現金流之交易均於綜合入賬時全數對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interest in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

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

3. 主要會計政策概要(續)

綜合基準(續)

本集團於現有附屬公司之擁有權益變動

倘本集團於附屬公司之擁有權益變動並無導致本集團失去對有關附屬公司之控制權，則按權益交易入賬。本集團權益及非控股權益之賬面值將作出調整，以反映其於附屬公司之相關權益變動。非控股權益之調整金額以及已付或已收代價之公平值之間之任何差額直接於權益確認，並歸屬於本公司擁有人。

當本集團失去對一家附屬公司之控制權，則收益或虧損將計入損益，並計算為下各項之間之差額：(i) 已收取代價公平值之總和及任何保留權益之公平值；及(ii)附屬公司資產(包括商譽)及負債之原來賬面值及任何非控股權益。所有原先在其他全面收入中確認有關該附屬公司之金額猶如本集團已直接出售附屬公司之相關資產或負債入賬(即按適用國際財務報告準則所規定/准許，重新分類至損益或轉移至另一類權益)。在失去控制權當日，任何保留在前附屬公司投資之公平值將被視作其後根據國際會計準則第39號入賬之初步確認公平值，即初步確認於聯營公司或合營企業投資之成本(如適用)。

業務合併

業務收購乃採用收購法入賬。於業務合併過程中轉撥之代價按公平值計量，其計算方式為本集團轉撥之資產、本集團欠付被收購方前擁有人之負債及本集團就交換被收購方之控制權所發行之股權於收購日期之公平值總和。與收購事項有關之成本通常於產生時在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Business combinations (Continued)

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

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another IFRS.

3. 主要會計政策概要(續)

綜合基準(續)

於收購日期，所收購可識別資產及所承擔負債應按其於收購日期的公平值確認，惟下列各項除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據國際會計準則第12號*所得稅*及國際會計準則第19號*僱員福利*確認及計量；
- 與被收購方之股份付款安排或以本集團之股份付款安排取代被收購方之股份付款安排相關之負債或股本工具於收購日期根據國際財務報告準則第2號*股份付款*計量；及
- 根據國際財務報告準則第5號*持作出售之非流動資產及已終止營運業務*劃分為持作出售之資產(或出售組合)按該準則計量。

商譽按所轉撥之代價、任何非控股權益於被收購方中所佔金額及收購方先前所持被收購方股權之公平值(如有)之總和超出所收購可識別資產及所承擔負債於收購日期之淨額的差額計算。倘經重估後，所收購可識別資產及所承擔負債於收購日期之淨額超出所轉撥之代價、任何於被收購方非控股權益之金額及收購方先前所持被收購方股權之公平值(如有)之總和，則超出部分即時於損益中確認為議價購買收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值之非控股權益，初步按非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。其他類別之非控股權益乃按其公平值(倘適用)另一項國際財務報告準則規定之基準計量。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

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

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

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

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. 主要會計政策概要(續)

商譽

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

就減值測試而言，商譽會分配予預期會因收購之協同效益而受惠之各現金產生單位(或現金產生單位組別)。

獲分配商譽之現金產生單位每年會進行減值測試，或當該單位出現可能減值之蹟象時，則會更加頻繁地進行減值測試。就於某一報告期間自收購所產生之商譽而言，已獲分配商譽之現金產生單位於該報告期末之前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則先將有關減值虧損分配，以降低該單位已獲分配之任何商譽之賬面值，再根據該單位每項資產之賬面值按比例分配至該單位之其他資產。商譽之任何減值虧損直接於綜合全面收益表中確認。就商譽確認的減值虧損不會於往後期間撥回。

於出售相關現金產生單位時，釐定出售損益金額時須計入商譽之應佔金額。

本集團就收購聯營公司產生商譽所應用的政策於下文闡述。

於聯營公司及合營企業之投資

聯營公司乃本集團對其擁有重大影響之實體。重大影響指有權參與制訂被投資方之財務及營運決策，但無法控制或共同控制該等政策。

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之淨資產擁有權利。共同控制是指按照合約約定對某項安排所共有之控制，共同控制僅於相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

Notes to the Consolidated Financial Statements

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

3. Summary of significant accounting policies

(Continued)

Investments in associates and joint ventures (Continued)

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

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

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

3. 主要會計政策概要(續)

於聯營公司及合營企業之投資(續)

聯營公司及合營企業之業績及資產與負債採用權益會計法並納入綜合財務報表。就權益會計使用的聯營公司及合營企業之財務報表乃使用與本集團於類似情況下就類似交易及事項所採用的會計政策一致者編製。根據權益法，於聯營公司或合營企業之投資初步按成本於綜合財務狀況表確認，隨後就確認本集團分佔該聯營公司或合營企業之損益及其他全面收入而作出調整。倘本集團分佔聯營公司或合營企業虧損超出其於該聯營公司或合營企業之權益（包括實質上構成本集團於聯營公司或合營企業之投資淨額一部分之任何長期權益），則本集團不再就其分佔之進一步虧損確認入賬。本集團會就額外虧損作出確認，惟僅以本集團已產生法定或推定責任或代表聯營公司或合營企業支付款項之情況為限。

於聯營公司或合營企業之投資於被投資方成為聯營公司或合營企業當日採用權益法入賬。於收購一家聯營公司或合營企業之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值之任何部分乃確認為商譽，並計入投資之賬面值。倘本集團所佔可識別資產及負債於重新評估後之公平淨值高於投資成本，則會即時於進行該投資之期間內在損益確認。

國際會計準則第39號之規定通用於釐定是否需要就本集團於聯營公司或合營企業之投資確認任何減值虧損。於有需要時，投資之全部賬面值（包括商譽）會根據國際會計準則第36號*資產減值*作為單一資產進行減值測試，方法為將可收回金額（即使用價值與公平值減出售成本之較高者）與賬面值進行比較。任何已確認減值虧損構成投資賬面值之一部分。有關減值虧損之任何撥回於該項投資可收回金額其後增加時根據國際會計準則第36號確認。



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3. Summary of significant accounting policies

(Continued)

Investments in associates and joint ventures (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. 主要會計政策概要(續)

於聯營公司及合營企業之投資(續)

當投資不再為聯營公司或合營企業，或於投資(或其中一部分)分類為持作出售當日起，本集團終止使用權益法。當本集團保留於前聯營公司或合營企業之權益，且保留權益為金融資產時，則本集團於該日按公平值計量保留權益，而公平值則被視為其根據國際會計準則第39號首次確認時之公平值。聯營公司或合營企業於終止使用權益法當日之賬面值與任何保留權益之公平值及任何自出售聯營公司或合營企業部分權益之所得款項差額將計入釐定出售聯營公司或合營企業之收益或虧損。此外，倘該聯營公司或合營企業已直接出售相關資產或負債，則本集團可能須按相同基準將有關該聯營公司或合營企業先前於其他全面收入中確認之所有金額入賬。因此，倘聯營公司或合營企業先前於其他全面收入確認之收益或虧損重新分類至出售相關資產或負債之損益，則本集團於終止使用權益法時將收益或虧損由權益重新分類至損益(列作重新分類調整)。

當於聯營公司之投資成為對合營企業之投資或於合營企業之投資成為對聯營公司之投資，則本集團繼續使用權益法。於發生該等擁有權變動時，將不會對公平值進行重新計量。

當本集團削減於聯營公司或合營企業之擁有權權益但繼續使用權益法時，倘以往於其他全面收入確認有關削減所有權權益之盈虧部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

倘某一集團實體與其聯營公司或合營企業交易(例如銷售或注入資產)，則於本集團之綜合財務報表確認與該聯營公司或合營企業交易所產生之損益，惟僅以該聯營公司或合營企業之權益與本集團無關之情況為限。

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綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

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

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

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

3. 主要會計政策概要(續)

收益確認

收益乃按已收或應收代價之公平值計算，指日常業務過程中所提供服務之應收款項(扣除折扣及銷售相關稅項)。

貨品銷售所得收益乃於貨品交付及其所有權轉移時確認，其時以下條件將獲達成：

- 本集團將貨品擁有權之重大風險及回報轉嫁予買方；
- 本集團對所售貨品不再具有一般與擁有權相關的程度的持續管理參與權，亦無實際控制權；
- 收入金額能可靠計量；
- 與交易相關的經濟利益可能流入本集團；及
- 交易已產生或將予產生的成本能可靠計量。

服務收益於提供服務時確認。

投資股息收入在確定股東有權收取股息時被確認(惟以經濟利益將可能流入集團及收益金額能可靠計量為限)。

在經濟利益可能流入本集團及收入金額能夠可靠地計量之情況下，金融資產之利息收入會被確認。利息收入乃參照未償還本金按適用之實際利率及時間基準累計，適用之實際利率即準確貼現金融資產預計年內估計未來現金收入至資產於初步確認時之賬面淨值之利率。

本集團對確認來自經營租賃的收入所應用的政策於下述有關租賃之會計政策闡述。

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

3. Summary of significant accounting policies

(Continued)

Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land for own use

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

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

3. 主要會計政策概要(續)

租賃

倘租約條款將絕大部分之所有權風險及回報轉移至承租人，則租約會分類為融資租賃。所有其他租約乃分類為經營租賃。

本集團作為出租人

根據融資租賃應收承租人之款額按本集團於該等租約之投資淨額列作應收款項。融資租賃收入分配予各會計期間，以反映本集團就該等租賃尚餘投資淨額之固定回報率。

經營租賃的租金收入於有關租賃年期以直線法在損益確認。

本集團作為承租人

經營租賃付款於租賃年期以直線法確認為開支。

自用租賃土地

當租賃包括土地及樓宇部分，本集團根據對附於各部分所有權的絕大部分風險及回報是否已轉移本集團之評估，分別將各部分的分類評定為融資或經營租賃。除非土地及樓宇部分均明確為經營租賃，於此情況下整項租賃分類為經營租賃。具體而言，最低租賃付款(包括任何一筆過預付款項)於租約訂立時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分之間分配。

倘租賃付款能可靠分配，則以經營租賃列賬之租賃土地權益於綜合財務狀況表中呈列為「預付土地租賃款項」，且於租賃期內按直線法攤銷，惟根據公平值模式分類及列賬為投資物業者則除外。倘租賃付款無法於土地及樓宇部分之間可靠分配，則整份租賃一般分類為融資租賃並列賬作物業、廠房及設備。

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3. Summary of significant accounting policies

(Continued)

Foreign currencies

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

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

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

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

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

3. 主要會計政策概要(續)

外幣

編製個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易乃於交易日期當時之匯率記錄。於報告期末，以外幣列值之貨幣項目以結算當日之匯率重新換算。按公平值列賬並按外幣列值之非貨幣項目乃按釐定公平值當日之匯率重新換算。以外幣過往成本計算之非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生之匯兌差額，於其產生期間在損益中確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於各報告期末之適用匯率換算為本集團之列賬貨幣。收入及開支項目乃按該期間之平均匯率進行換算。所產生之匯兌差額(如有)乃確認為其他全面收入及累計於換算儲備的權益中(視情況分配至非控股權益)。

當出售海外業務(即出售本集團海外業務的全部權益或出售涉及失去包括海外業務之附屬公司控制權，或出售部分包括海外業務之合營安排或聯營公司的權益而當中的保留權益變為金融資產時)，本公司擁有人應佔業務而於權益累計之所有匯兌差額重新分類至損益。

此外，倘部分出售附屬公司並不會導致本集團失去對該附屬公司之控制權，按比例所佔累計匯兌差額乃重新歸於非控股權益，且不會於損益內確認。倘為所有其他部分出售(即不會導致本集團失去重大影響力或共同控制權之部分出售聯營公司或共同安排)，則按比例計算佔份之累計匯兌差額重新分類至損益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3. 主要會計政策概要(續)

借貸成本

收購、建設或生產合資格資產(指需要用上大量時間方能投入擬定用途或出售之資產)直接應佔之借貸成本，乃計入該等資產之成本，直至該等資產絕大部分已準備就緒投入使用或出售為止。

若未用作合資格資產開支之特定借貸暫時用於投資，所賺取之投資收入於合資格資本化之借貸成本扣除。

所有其他借貸成本於產生期間於損益中確認。

政府補助

政府補助於出現合理保證本集團將會遵守附帶之條件及收取補助前，均不會確認。

政府補助於本集團確認該等補助擬作補償之有關成本為開支之期間內按系統基準在損益中確認。具體而言，主要條件為本集團應購買、興建或以其他方法收購非流動資產之政府補助於綜合財務狀況表確認為遞延收入並且在有關資產之可使用年內轉撥至損益內。

作為補償已產生之支出或虧損而應收取或為給予本集團即時財務支持而無日後相關成本之政府補助，於其應收期間在損益中確認。

退休福利成本

國家管理退休福利計劃供款於僱員提供服務而有權獲得供款時列作開支。

短期僱員福利

在提供相關服務之期間，就僱員收取之工資及薪金之應計福利，按預期為換取該服務支付之福利之未折現金額確認負債。

就短期僱員福利確認之負債，按預期為換取該服務支付之福利之未折現金額計量。

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3. Summary of significant accounting policies

(Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3. 主要會計政策概要(續)

稅項

所得稅開支為應付即期稅項與遞延稅項之總和。

即期稅項

應付即期稅項乃按本年度之應納稅溢利計算。由於應納稅溢利不包括於其他年度內應納稅或可扣減之收支項目，亦不包括毋須課稅或不可扣減之項目，故應納稅溢利與綜合損益及其他全面收益表中呈列之「除稅前溢利」不同。本集團乃按報告期末已實行或實質已實行之稅率計算即期稅項之負債。

遞延稅項

遞延稅項就綜合財務報表中資產及負債之賬面值與計算應納稅溢利所採用之相應稅基兩者間之暫時差額確認。一般就所有應納稅暫時差額確認遞延稅項負債。倘應納稅溢利可能足以抵銷可扣減暫時差額，則就所有可扣減暫時差額確認遞延稅項資產。倘暫時差額乃因商譽或初步確認一項不影響應納稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)而產生，則有關資產及負債不予確認。

遞延稅項負債乃就與於附屬公司、聯營公司及共同安排之投資相關之應納稅暫時差額而確認，惟若本集團可控制暫時差額撥回及暫時差額可能不會於可預見未來撥回則除外。與該等投資及權益相關之可扣減暫時差額所產生之遞延稅項資產，僅在按可能有可利用暫時差額扣稅之足夠應納稅溢利，並預期於可見將來撥回時確認。

遞延稅項資產之賬面值會於報告期末作檢討，並扣減至應納稅溢利不可能足以收回全部或部分資產為止。

遞延稅項資產及負債按預期於清償負債或變現資產之期間適用之稅率計量，並根據報告期末前已頒布或大致已頒布之稅率(及稅法)計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Taxation (Continued)

Deferred tax (Continued)

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

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

Property, plant and equipment

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

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

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

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

3. 主要會計政策概要(續)

稅項(續)

遞延稅項(續)

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或償還其資產及負債賬面值之方式之稅務結果。

即期及遞延稅項於損益表內確認，惟當其與其他全面收入或直接於權益中確認之項目相關則除外，於該情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益內確認。就因對業務合併進行初步會計處理而產生之即期稅項或遞延稅項而言，稅務影響乃計入業務合併之會計處理內。

物業、廠房及設備

物業、廠房及設備包括持有用以生產或供應貨品或服務或作行政用途之樓宇(下文所述的在建工程除外)，乃按成本減其後累計折舊及累計減值虧損(如有)列賬。

為生產、供應或行政用途而仍在建設中之物業按成本減任何已確認之減值虧損列賬。成本包括專業費用，乃就合資格資產而言，包括根據本集團之會計政策資本化之借貸成本。有關物業在完工及準備作擬定用途時分類至物業、廠房及設備之適當類別。該等資產在其準備作擬定用途時按與其他物業資產相同之基準開始折舊。

折舊乃按物業、廠房及設備(在建工程除外)之項目成本，於其估計可使用年內以直線法撇銷其剩餘價值。估計可使用年期、剩餘價值及折舊方法會在各報告期末檢討，而任何估計變動之影響按前瞻基準入賬。

物業、廠房及設備項目乃於出售后或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於出售或廢棄物業、廠房及設備項目產生之任何收益或虧損按出售所得款項與資產賬面值之差額計算，並於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Property, plant and equipment (Continued)

Buildings under development for future owner-occupied purpose

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

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

3. 主要會計政策概要(續)

物業、廠房及設備(續)

日後供業主自用之發展中樓宇

倘發展中樓宇作生產或行政用途，則興建期間就預付租賃款項之攤銷列作在建樓宇成本之一部分。在建樓宇按成本減任何已識別減值虧損列賬。樓宇於可供使用時(即樓宇達致按管理層擬定方式運作所需地點及狀況時)開始折舊。

投資物業

投資物業為持有作賺取租金及/或作為資本增值之物業(包括為此等目的在建設中之物業)。投資物業包括未確定將來用途持有之土地，其被視為持有作資本增值用途。

投資物業於初步確認時按成本(包括任何直接應佔支出)計量。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊乃按投資物業的估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本確認。

在建投資物業產生之建築成本資本化為在建投資物業之賬面值之一部分。

投資物業於出售、永久停用及預期出售不會帶來未來經濟利益時終止確認。終止確認物業所產生任何收益或虧損乃按出售所得款項淨額與資產賬面值的差額計算，於該項目終止確認的期間計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

3. 主要會計政策概要(續)

無形資產

獨立收購之無形資產

獨立收購而使用年期有限之無形資產按成本減累計攤銷及任何累計減值虧損列賬。使用年期有限之無形資產按估計使用年期以直線法攤銷。估計使用年期及攤銷方法於各報告期末審閱，而任何估計變動的影響則按前瞻基準入賬。

內部產生之無形資產－研發開支

研究活動開支於其產生期內確認為開支。

倘僅出現所有下列情況，方確認開發（或內部項目之開發階段）所產生之內部產生無形資產：

- 完成無形資產至可用或出售程度之技術可行性；
- 完成無形資產並作運用或銷售之意向；
- 運用或銷售無形資產之能力；
- 無形資產可能產生日後經濟利益之方式；
- 完成開發並運用或銷售無形資產之可用充足技術、財務或其他資源；及
- 可靠計量無形資產於開發時應佔開支之能力。

倘無形資產首次符合上列確認標準，則內部產生無形資產之初步確認金額為自該日起產生之開支總額。倘未能確認任何內部產生無形資產，則開發開支於其產生期內於損益中確認。

於初步確認後，內部產生無形資產按與獨立收購之無形資產相同之基準，列賬為成本減累計攤銷及累計減值虧損（如有）。

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3. Summary of significant accounting policies

(Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill

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

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

3. 主要會計政策概要(續)

無形資產(續)

於業務合併所收購的無形資產

於業務合併所收購的無形資產乃於商譽以外另行確認，並於收購日按公平值初步確認(被視為其成本)。

於初步確認後，使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬，基準與獨立收購的無形資產相同。

無形資產於出售或當預期使用或出售不會產生未來經濟利益時終止確認。終止確認無形資產所產生之任何盈虧乃以出售所得款項淨額與資產賬面值的差額計量，並於該資產終止確認的期間於損益確認。

商譽以外之有形及無形資產之減值

於各報告期末，本集團評估其使用年期有限的有形及無形資產之賬面值，以確定該等資產有否減值虧損之蹟象。倘出現任何有關蹟象，則會估計資產之可收回金額以釐定減值虧損之數額(如有)。倘無法估計個別資產之可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理一致之分配基準，公司資產亦分配至個別現金產生單位，否則將分配至可識別合理一致之分配基準之最小現金產生單位組別。

可收回金額為減除銷售成本後的公平值與使用價值兩者的較高者。在評估使用價值時，估計未來現金流量乃使用除稅前折現率折減至其現值，以反映當前市場對貨幣時間值的評估及該資產(其估計未來現金流量未予調整)特有的風險。



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3. Summary of significant accounting policies

(Continued)

Impairment of tangible and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

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

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

3. 主要會計政策概要(續)

商譽以外之有形及無形資產之減值(續)

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則將該資產(或現金產生單位)的賬面值減至其可收回金額。減值虧損即時於損益確認。

倘於其後撥回減值虧損，則該資產(或現金產生單位)的賬面值將增加至經修訂的估計可收回金額，惟增加後的賬面值不會超逾該資產(或現金產生單位)倘於以前年度並無確認減值虧損的應有賬面值。減值虧損撥回即時於損益確認。

存貨

存貨按成本及可變現淨值之較低者列賬。成本乃按標準成本法計算。可變現淨值指存貨估計售價減完成估計成本及銷售所需成本。

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文之一方時確認。

金融資產及金融負債乃初步按公平值計量。收購或發行金融資產及金融負債(透過損益以公平值列賬之金融資產或金融負債除外)直接應佔之交易成本於初步確認時計入或扣除自金融資產或金融負債之公平值(倘適合)。收購透過損益以公平值列賬之金融資產或金融負債直接應佔之交易成本即時於損益中確認。

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綜合財務報表附註

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3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策概要(續)

金融工具(續)

金融資產

金融資產劃分為以下特定類別：「透過損益以公平值列賬」(透過損益以公平值列賬)之金融資產「可供出售」(可供出售)金融資產以及「貸款及應收款項」。該分類視乎金融資產之性質及用途，並於初步確認時釐定。所有以正常方式買賣之金融資產於交易日確認或終止確認。以正常方式買賣之金融資產指購買或出售須於根據有關市場規則或慣例設定之時限內交付之金融資產。

實際利率法

實際利率法是一種計算金融資產之攤銷成本以及有關期間利息收入分配之方法。實際利率是將估計未來現金收入(包括所有構成實際利率整體部分之已付或已收費用、交易費用及其他溢價或折讓)透過金融資產估計年期或(倘適用)更短期間準確貼現至初步確認時之賬面淨值之利率。

債務工具(分類為透過損益以公平值列賬之金融資產除外)之收入按實際利率法確認，其利息收入計入收益或虧損淨額。

透過損益以公平值列賬之金融資產

當金融資產乃持作買賣或指定為透過損益以公平值列賬時，其將分類為透過損益以公平值列賬之金融資產。

倘某項金融資產出現下列情況，則分類為持作買賣：

- 購入之主要目的為於不久將來出售；或
- 於初步確認時屬於本集團整體管理之可識別金融工具組合之一部分，且近期事實上有出售以賺取短期溢利之模式；或
- 屬非指定及有效作為對沖工具之衍生工具。

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3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 42.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits, bank balances and cash, finance lease receivable, long term receivable, debt investment, loan receivable from an associate and transferred trade receivables) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

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

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at FVTPL or loans and receivables.

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

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

透過損益以公平值列賬之金融資產(續)

透過損益以公平值列賬之金融資產以公平值計量，自重估產生之任何盈虧則於損益中確認。於損益確認之盈虧淨額包括金融資產所獲得之任何股息或賺取之利息，並計入「其他收益及虧損」項目中。公平值按附註42所述之方式釐定。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生金融資產，該等資產於活躍市場上並無報價。於初步確認後，貸款及應收款項(包括貿易及其他應收款項、已抵押銀行存款、銀行結餘、現金、融資租賃應收款項、長期應收款項、債務投資、應收聯營公司貸款及已劃轉的貿易應收款項)乃使用實際利率法按攤銷成本，減任何已識別減值虧損列賬(見下文有關金融資產減值虧損的會計政策)。

利息收入乃採用實際利率確認，惟倘確認利息屬不重大，則短期應收款項除外。

可供出售金融資產

可供出售金融資產乃指定為可供出售或非分類為透過損益以公平值列賬之金融資產之非衍生工具或貸款及應收款項。

本集團所持有分類為可供出售金融資產，並於活躍市場買賣的權益及債務證券按各報告期末的公平值計量。以實際利率法計算的利息收入有關之可供出售貨幣性金融資產賬面值變動及可供出售股本投資之股息於損益內確認。其他可供出售金融資產賬面值變動乃於其他全面收入內確認，並於投資重估儲備項下累計。倘投資被出售或確定已減值，則過往於投資重估儲備累計的累計收益或虧損重新分類至損益(見下文有關金融資產減值虧損的會計政策)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

AFS financial assets (Continued)

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

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

Impairment of financial assets

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

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

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

可供出售金融資產(續)

當本集團確立可獲得股息之權利時，則於損益確認可供出售股本投資之股息。

並無於活躍市場報價的可供出售股本投資，其公平值無法可靠計算，且所掛鈎之衍生工具須藉由交付有關非報價股本工具之方式結算，於各報告期末按成本扣除任何已識別減值虧損列賬(見下文金融資產減值虧損的會計政策)。

金融資產減值

金融資產(透過損益以公平值列賬者之金融資產除外)於各報告期末會評估是否有任何減值跡象。倘若有任何客觀證據表明，由於一項或多項於初步確認金融資產後發生的事項，金融資產的估計未來現金流量受到影響，則金融資產被視為減值。

就可供出售股本投資而言，如該投資的公平值顯著或持續下降至低於其成本，可被視為需要減值的客觀證據。

有關所有其他金融資產，減值的客觀證據可能包括：

- 發行人或交易對方出現嚴重財務困難；或
- 欠繳或拖欠利息或本金付款等違約情況；或
- 借款人很有可能將宣告破產或進行財務重組。

就貿易及其他應收款項等若干金融資產類別而言，被評估為非個別減值之資產其後按整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超逾客戶平均信貸期之次數增加，以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。



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3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本列賬之金融資產而言，減值虧損金額按該資產之賬面值與按金融資產原先實際利率折現之估計未來現金流量之現值間之差額確認。

就按成本列賬之金融資產而言，減值虧損金額按資產賬面值與按類似金融資產現行市場回報率折現之估計未來現金流量現值間之差額計量。該項減值虧損不會於往後期間撥回(見下文會計政策)。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟貿易及其他應收款項除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目之賬面值變動於損益賬內確認。倘貿易及其他應收款項被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入損益賬內。

當可供出售金融資產被釐定為已減值，先於其他全面收入確認之累計收益或虧損乃於期間重新分類至損益。

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益賬撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

就可供出售股本投資而言，先前於損益確認之減值虧損不會透過損益撥回。任何減值虧損後之公平值增加，會於其他全面收入確認及於投資重估儲備累計。就可供出售債務投資而言，倘投資之公平值上升可與減值虧損確認後所發生事件有客觀聯繫，減值虧損於其後會透過損益撥回。

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綜合財務報表附註

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

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables and borrowings, liabilities associated with transferred trade receivables) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3. 主要會計政策概要(續)

金融工具(續)

金融負債及股本工具

由集團實體所發行之債務及股本工具乃根據已訂立合約安排之內容及金融負債及股本工具之定義分類為金融負債或股本。

股本工具

股本工具乃證明本集團資產於扣除其所有負債後之剩餘權益之任何合約。本集團發行之股本工具按所得款項減直接發行成本確認。

金融負債

金融負債(包括貿易及其他應付款項及借貸、與已劃轉的貿易應收款項相關的負債)其後以採用實際利率法按攤銷成本計量。

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息支出之方法。實際利率乃將估計未來現金付款(包括所有構成實際利率整體部分的已付或已收的費用、交易費用及其他溢價或折價)透過金融負債的預期年期或(倘適用)更短期間準確折現至初步確認時之賬面值的利率。利息開支按實際利率法確認。

衍生金融工具

衍生工具於訂立衍生工具合約之日按公平值初步確認，其後按其於報告期末的公平值重新計量。所產生的收益或虧損將即時在損益中確認，除非該衍生工具乃指定及有效的對沖工具，在此情況下，於損益中確認的時間取決於對沖關係的性質。



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3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Derivative financial instruments (Continued)

Hedge accounting

The Group designates a derivative as hedging instrument for cash flow hedge.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains or losses' line item.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

3. 主要會計政策概要(續)

金融工具(續)

衍生金融工具(續)

對沖會計處理

本集團指定一項衍生工具為現金流量對沖工具。

於對沖關係開始時，本集團已記錄對沖工具和被對沖項目的關係，及進行各類對沖交易的風險管理目標及其策略。此外，於對沖的開始和進行期間，本集團記錄對沖關係中的對沖工具是否高度有效地抵銷被對沖項目的現金流量變動。

現金流量對沖

指定及符合現金流量對沖的衍生工具的公平值變動中有效的部分在其他全面收入中確認並於現金流量對沖儲備中累積，其無效部分產生的收益或虧損則即時在損益中確認並將納入為「其他收益或虧損」的單項。

終止確認

本集團僅於自資產獲取現金流量之合約權利屆滿時，或本集團將金融資產及該資產所有權之絕大部分風險及回報轉讓予另一實體時終止確認金融資產。倘本集團未轉讓亦無保留所有權之絕大部分風險及回報，而是繼續控制已轉讓資產，則本集團繼續按持續參與之程度確認該資產及相關負債。倘本集團保留已轉讓金融資產所有權之絕大部分風險及回報，則本集團繼續確認該金融資產，亦會就已收取之所得款項確認擔保借貸。

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3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Derivative financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an 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.

3. 主要會計政策概要(續)

金融工具(續)

衍生金融工具(續)

終止確認(續)

除全面終止確認金融資產外，於終止確認金融資產時，本集團將金融資產之過往賬面值在其仍確認為繼續參與之部分及不再確認之部分之間，按照該等部分於轉讓日期之相關公平值作出分配。不再確認部分獲分配之賬面值與該部分已收代價及其任何已於其他全面收入確認之獲分配累計盈虧之總和間之差額，乃於損益內確認。已於其他全面收入確認之累計盈虧乃按繼續確認部分及不再確認部分之相關公平值在該兩者間作出分配。

本集團僅於其責任獲免除、取消或屆滿時，方會終止確認金融負債。終止確認之金融負債之賬面值與已付及應付代價間之差額乃於損益內確認。

4. 重大會計判斷及估計不確定因素之主要來源

於應用附註3所述本集團之會計政策時，本公司董事須對未能從其他來源獲得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關之其他因素。實際結果可能與該等估計不同。

估計及相關假設乃按持續經營基準予以審閱。倘會計估計之修訂僅影響估計獲修訂之期間，則會計估計之修訂於該期間予以確認，倘若修訂影響現時及未來期間，則於現時及未來期間內予以確認。

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4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Critical judgements in applying the entity's accounting policies

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

Revenue recognition

The Group sells hydraulic roof supports and is required to install them on the customers' premises. The directors of the Company were required to consider whether it is appropriate to recognise the revenue from these transactions when the hydraulic roof supports are delivered to the customers, or whether it is more appropriate to recognise the revenue upon completion of installation of hydraulic roof supports.

In making their judgment, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods. As the installation is an integral part of the transaction and the installation process is not simple in nature, the directors consider the installation cannot be unbundled from the sales of hydraulic roof supports and the significant risks and rewards of the transaction could only be transferred to the customers upon the completion of installation. Thus, the directors are satisfied that recognition of the revenue from sales of hydraulic roof supports upon the completion of installation is appropriate.

Key sources of estimation uncertainty

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

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2016 the carrying amount of trade receivables was RMB2,341,729,000 (2015: RMB2,957,003,000), net of allowance for doubtful debts of RMB1,183,432,000 (2015: RMB1,032,712,000).

4. 重大會計判斷及估計不確定因素之主要來源(續)

應用實體的會計政策的重大判斷

除涉及估計者(見下文)外，下列重大判斷為董事在應用實體的會計政策過程中所作出，且對在財務報表所確認的金額構成最重大影響者。

收益確認

本集團銷售液壓支架，並須於客戶的廠房安裝該等設備，因此，本公司董事須考慮當液壓支架付運給客戶後確認該等交易產生的收益是否恰當，還是延至液壓支架完成安裝後才確認收益較為合適。

在作出判斷時，董事曾考慮國際會計準則第18號收益所載確認售貨收益的詳細準則，特別是，本集團是否已將貨品擁有權的重大風險及回報轉移予買家。由於安裝是交易的不可或缺部分，且安裝程序本身並不簡單，故董事認為，安裝程序不能與銷售液壓支架分離，且交易的重大風險及回報僅於安裝完成後方轉移予客戶。因此，董事信納，於安裝完成後確認銷售液壓支架的收益乃屬適當。

估計不確定因素之主要來源

以下為於報告期末之估計不明朗因素之主要來源，其具有造成於下個財政年度對資產以及負債之賬面值作出重大調整之重大風險。

貿易應收款項的估計減值

當有減值虧損的客觀證據時，本集團會考慮未來現金流量的估計。減值虧損金額按該項資產賬面值與按該金融資產的原實際利率(即於初步確認時計算的實際利率)貼現的估計未來現金流量的現值(不包括並未產生的未來信貸虧損)的差額計量。倘實際未來現金流量低於預期，則可能產生重大減值虧損。於二零一六年十二月三十一日，貿易應收款項的賬面值為人民幣2,341,729,000元(二零一五年：人民幣2,957,003,000元)，扣除呆賬撥備人民幣1,183,432,000元(二零一五年：人民幣1,032,712,000元)。

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

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of available-for-sale

When there is an objective evidence of impairment loss, the directors of the Company were required to determine the amount of any impairment loss. The directors of the Company consider whether significant changes with an adverse effect have taken place in the technological, market, economic or legal environment in which the issuer operates that indicates the cost of the investment in the equity instrument may not be recovered. The directors of the Company were also required to consider whether a 'significant or prolonged' decline in fair value of an investment in an equity instrument below its cost has taken place. When an AFS equity investment is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss.

Estimated useful lives and residual values of property, plant and equipment and investment properties

The Group estimates the useful lives, residual values and related depreciation charges for its items of property, plant and equipment and investment properties. This estimate is based on the management's experience of the actual useful lives and residual values of items of property, plant and equipment and investment properties of similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors. Management will increase the depreciation charge where useful lives and residual values are less than previously estimated. The carrying amounts of property, plant and equipment as at 31 December 2016 was RMB1,390,786,000 (2015: RMB1,607,658,000). The carrying amounts of investment properties as at 31 December 2016 was RMB45,598,000 (2015: RMB47,187,000).

Impairment of property, plant and equipment, intangible assets and prepaid lease payments for Land

As described in Note 3 above, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and prepaid lease payment for lands to determine whether there is any indication that those assets have suffered an impairment loss. Determining whether property, plant and equipment, intangible assets and prepaid lease payment for lands are impaired requires an estimation of the recoverable amount, which is the higher of value in use of the assets and the fair value less costs of disposal. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the continuing use of the assets and from its ultimate disposal and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4. 重大會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

可供出售估計減值

當有客觀證據證明出現減值虧損，本公司董事須釐定任何減值虧損之金額。本公司董事會考慮是否在發行人經營業務所在科技、市場、經濟或法律環境出現任何具不利影響的變動，顯示權益工具之投資成本未必能夠收回。本公司董事亦須考慮權益工具之投資是否出現「大幅或持久」之公平值跌至低於成本值之情況。當可供出售權益投資被視為有所減值，過往在其他全面收入確認之累計收益或虧損由權益分類至損益。

物業、廠房及設備以及投資物業之估計可使用年期及剩餘價值

本集團就其物業、廠房及設備以及投資物業項目估計使用年期、剩餘價值及相關折舊費用。該估計乃根據管理層對類似性質及功能的物業、廠房及設備以及投資物業項目實際使用年期及剩餘價值的經驗釐定，可能因技術革新及競爭對手的行為而有重大改變。當可使用年期及剩餘價值少於先前估計時，管理層將增加折舊費用。於二零一六年十二月三十一日，物業、廠房及設備的賬面值為人民幣1,390,786,000元(二零一五年：人民幣1,607,658,000元)。於二零一六年十二月三十一日，投資物業的賬面值為人民幣45,598,000元(二零一五年：人民幣47,187,000元)。

物業、廠房及設備、無形資產以及預付土地租賃款項減值

誠如上文附註3所述，本集團會審閱其物業、廠房及設備、無形資產以及預付土地租賃款項之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。釐定物業、廠房及設備、無形資產以及預付土地租賃款項是否減值須對該等資產之可收回金額，即使用價值及公平值減出售成本兩者中較高者作出估計。使用價值計算要求該實體估計預期持續使用該等資產及其最終出售將產生之未來現金流量及合適貼現率以計算現值。倘實際未來現金流量較預期為少，則可能產生重大減值虧損。

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

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets is measured at the tax rates that are expected to apply to the period when the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The Company and certain subsidiaries of the Company received the High and New Technology Enterprise Certificates (the "Technology Certificates") and are entitled to preferential tax rate of 15% for three years before the respective expiration dates (see note 10 for details). In the opinion of the directors of the Company, these entities will be able to receive the renewed Technology Certificates and continue to enjoy preferential tax treatments after the respective expiration dates, and pass the required annual assessment to qualify for preferential tax treatments, therefore the tax rates for measurement of deferred tax assets of these entities are expected to be 15%. If the applicable tax rates are higher than the expectation, changes in the deferred tax assets are recognised in profit or loss as deferred tax income.

5. Revenue

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of hydraulic roof supports	2,132,777	2,815,835
Revenue from steel and other materials trading	805,779	920,820
Sales of spare parts	504,677	601,895
Sales of other coal mining equipment	142,414	120,789
Other revenue	42,883	51,519
	3,628,530	4,510,858

4. 重大會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

遞延稅項資產

遞延稅項資產乃根據預期變現相關資產期間使用的稅率計量，該稅率根據報告期末已頒布或實際上已頒布的稅率(及稅法)計算。本公司及若干附屬公司取得高新技術企業證書(「技術證書」)並有權於各技術證書到期前三年享有優惠稅率15%(詳情見附註10)。本公司董事認為，該等實體將可獲延續技術證書並於各技術證書到期日後繼續享有優惠稅務待遇，且通過所需之年度評核以符合優惠稅務待遇資格，因此計量該等實體遞延稅項資產之稅率預期將為15%。倘適用稅率高於預期，則遞延稅項資產之變動將於損益內確認為遞延稅項收益。

5. 收入

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

6. Segment information

The Group identifies an operating segment which is a component of the Group (a) that engages in business activities from which it may earn revenues and incur expenses; and (b) whose operating results are reviewed regularly by the executive directors, being the chief operating decision maker, to make decisions about resources allocation and performance assessment.

The Group has only one operating segment which is the manufacture of coal mining machinery and the Group's operating results before tax are reviewed regularly by the Group's chief operating decision maker to make decisions about resources allocation and performance assessment. As no other discretionary financial information is provided to the Group's chief operating decision maker, no segment information is presentation other than the entity-wide information.

Geographical information

The analysis of revenue by geographical location of customers is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
The PRC	中國	3,438,057	4,430,628
Other countries	其他國家	190,473	80,230
		3,628,530	4,510,858

No geographical segment information for assets is presented as the Group's non-current assets are mostly located in the PRC, which is considered to be one geographical location with similar risks and returns.

6. 分部信息

本集團將下列識別為組成集團之經營分部：(a)從事可賺取收入及產生開支之業務活動；及(b)該等經營業績定期由執行董事(主要經營決策人)所覆核，以就資源分配及表現評估作出決策。

本集團只有一個經營分部，即生產煤機設備，其除稅前經營業績定期由本集團的主要經營決策人所覆核，以就資源分配及表現評估作出決策。鑑於並無向本集團主要經營決策人提供其他酌情決定提供的財務信息，故除實體範圍信息外，並無呈列分部信息。

地域資料

收入按客戶地點分析如下：

由於本集團的非流動資產大多位於中國，而中國被認為是風險和回報相近的地點，故此並無呈列資產的地域分部資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

6. Segment information (Continued)

Information about major customers

The following illustrates the revenue from customers which contributing over 10% of the total revenue of the Group:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Customer A	客戶A	383,430	563,529
Customer B	客戶B	N/A ¹	551,961

1: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. 分部信息(續)

有關主要客戶之資料

以下列示來自客戶且佔本集團總收入超過10%的收入：

1 相關收入佔本集團總收入不足10%。

7. Other income

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Government grants (note)	政府補助(附註)	5,986	9,462
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項和融資租賃應收款項之利息收入	82,483	98,706
Interest income on debt investment	債務投資利息收入	13,398	11,300
Dividends income on available-for-sale investments	可供出售之投資之股息收入	-	1,256
		101,867	120,724

Note: Government grants mainly represent unconditional government grants received from the local government for compensation of research and development expenses incurred, and in respect of construction of the Group's new plant, which are transferred from deferred income to profit or loss over the useful lives of the relevant assets.

7. 其他收入

附註：政府補助主要指就補償所產生研發費用及就本集團的新建廠房而自地方政府獲取的無條件政府補助，本集團在相關資產使用期限自遞延收益轉撥損益。

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8. Other gains and losses

8. 其他收益及虧損

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gain on disposal of property, plant and equipment	處置物業、廠房及設備收益	4,007	3,988
Gain on disposal of a subsidiary	出售一間附屬公司的收益	14,274	-
Gain on disposal of an associate	出售一間聯營公司收益	26	-
Net foreign exchange gains	匯兌淨收益	65,510	40,938
Allowance for doubtful debts	呆賬撥備	(230,296)	(312,139)
Write-down of inventories	存貨撇銷	(14,544)	(9,343)
Impairment loss on available-for-sale investments measured at cost	按成本計量可供出售之投資之減值虧損	(1,046)	(6,454)
Cumulative loss reclassified from equity to profit or loss on impairment of available-for-sale investments measured at fair value	按公允價值計量可供出售之投資減值時由權益重新分類至損益之累計虧損	-	(60,071)
Others	其他	(6,642)	7,200
		(168,711)	(335,881)

9. Finance costs

9. 融資成本

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interests on bank borrowings	銀行貸款之利息	-	2,160

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

10. Income tax expense

10. 所得稅開支

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Income tax expenses comprise:	所得稅開支包括：		
Current tax: – PRC enterprise income tax	即期稅項：－中國企業所得稅	31,953	60,339
– Over provision in prior years	－過往年度超額之撥備	(1,717)	(1,348)
		30,236	58,991
Deferred tax – current year	遞延稅項－本年度	(29,500)	(39,235)
		736	19,756

The tax rates of the major group entities for the year ended 31 December 2016 and 2015 are as follows:

截至二零一六年及二零一五年十二月三十一日止年度主要集團實體稅率如下：

		2016 二零一六年	2015 二零一五年
The Company (Note 1)	本公司(附註1)	15%	15%
Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. ("ZMJ Comprehensive Equipment") (Note 2)	鄭州煤機綜機設備有限公司 (「鄭煤機綜機」)(附註2)	15%	15%
Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. ("ZMJ Hydraulic Control") (Note 3)	鄭州煤機液壓電控有限公司 (「鄭煤機液壓電控」)(附註3)	15%	15%
Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd. ("ZMJ Material Trading")	鄭州煤礦機械集團物資供銷有限公司 (「鄭煤機物資供銷」)	25%	25%
Zhengzhou Coal Mining Longwall Face Machinery Co., Ltd. ("ZMJ Longwall Machinery")	鄭州煤機長壁機械有限公司 (「鄭煤機長壁機械」)	25%	25%
Zhengzhou Coal Mining Machinery Group Lu An Xinjiang Co., Ltd. ("ZMJ Lu An Xinjiang") (Note 4)	鄭煤機集團潞安新疆機械有限公司 (「鄭煤機潞安新疆」) (附註4)	15%	15%

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

10. Income tax expense (Continued)

Note 1: The Company received the High and New Technology Enterprises Certificate ("Technology Certificate") on 31 July 2014, which entitles to a preferential tax rate of 15% from 1 January 2014 to 31 December 2016. The Company previously was entitled to a preferential tax rate of 15% from 1 January 2011 to 31 December 2013 under a separate certificate. In the opinion of the directors of the Company, the renewed certificate can be obtained in due time without incurring significant cost.

Note 2: ZMJ Comprehensive Equipment received the "Technology Certificate" on 1 December 2016 and is entitled to a preferential tax rate of 15% from 1 January 2016 to 31 December 2018. ZMJ Comprehensive Equipment previously was entitled to a preferential tax rate of 15% from 1 January 2013 to 31 December 2015 under a separate certificate.

Note 3: ZMJ Hydraulic Control received the "Technology Certificate" on 1 December 2016 and is entitled to a preferential tax rate of 15% from 1 January 2016 to 31 December 2018. ZMJ Hydraulic Control previously was entitled to a preferential tax rate of 15% from 1 January 2013 to 31 December 2015 under a separate certificate.

Note 4: ZMJ Lu An Xinjiang received the "Technology Certificate" on 9 June 2014 and is entitled to a preferential tax rate of 15% from 1 January 2014 to 31 December 2016.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	37,384	30,365
Tax at the PRC enterprise income tax rate of 15%	按中國企業所得稅率15%計算之稅項	5,608	4,555
Tax effect of share of profit of associates and joint ventures	應佔聯營公司和合營企業溢利的稅務影響	2,711	(1,854)
Tax effect of income not taxable for tax purpose	不可扣稅收入之稅務影響	(9,213)	-
Tax effect of expenses that are not deductible for tax purpose	不可扣稅開支之稅務影響	1,320	14,369
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	7,730	9,897
Utilisation of tax losses previously not recognised	利用先前未確認稅項虧損	(279)	(2,717)
Effect of different tax rate of subsidiaries	附屬公司不同稅率之影響	746	1,354
Additional deduction for qualified research and development expenses	額外扣除符合規定的研發費用	(6,170)	(4,500)
Over provision in prior years	過往年度超額撥備	(1,717)	(1,348)
		736	19,756

Details of deferred taxation for the year are set out in note 21.

10. 所得稅開支(續)

附註1：本公司於2014年7月31日取得高新技術企業證書(「技術證書」)，由2014年1月1日至2016年12月31日有權享有優惠稅率15%。根據另一份證書，本公司之前由2011年1月1日至2013年12月31日有權享有優惠稅率15%。本公司董事認為，可在不招致大額成本的情況下適時續訂證書。

附註2：鄭煤機綜機於2016年12月1日取得「技術證書」，由2016年1月1日至2018年12月31日有權享有優惠稅率15%。根據另一份證書，鄭煤機綜機之前由2013年1月1日至2015年12月31日有權享有優惠稅率15%。

附註3：鄭煤機液壓電控於2016年12月1日取得「技術證書」，由2016年1月1日至2018年12月31日有權享有優惠稅率15%。根據另一份證書，鄭煤機液壓電控之前由2013年1月1日至2015年12月31日有權享有優惠稅率15%。

附註4：鄭煤機潞安新疆於2014年6月9日取得「技術證書」，由2014年1月1日至2016年12月31日有權享有優惠稅率15%。

年內稅項費用按綜合損益及其他全面收益表所示除稅前溢利對賬如下：

本年度遞延稅項之詳情載於附註21。

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綜合財務報表附註

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

11. Profit for the year

Profit for the year has been arrived at after charging (crediting):

11. 年內溢利

年內溢利經扣除(計入)以下各項得出：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Depreciation for property, plant and equipment	物業、廠房及設備折舊	174,970	172,777
Depreciation for investment properties	投資物業折舊	1,589	597
Amortisation of intangible assets	無形資產攤銷	2,062	2,454
Release of prepaid lease payments	預付土地租賃款項撥回	8,823	8,823
Total depreciation and amortisation	折舊及攤銷總額	187,444	184,651
Employee benefits expenses (including directors):	僱員福利開支(包括董事)：		
– Salary and other benefits	– 工資及其他福利	351,269	352,853
– Retirement benefits scheme contributions	– 退休福利計劃供款	54,267	55,746
		405,536	408,599
Auditors' remuneration	核數師酬金	2,980	2,980
Cost of inventories recognised as an expense	確認為開支之存貨成本	2,915,417	3,653,833
Gross rental income from investment properties	投資物業租金收入總額	(8,486)	(5,344)
Less: direct operating expenses from investment properties that generated rental income	減：產生租金收入之投資物業之直接經營開支	3,991	1,143
		(4,495)	(4,201)
Minimum operating lease rentals in respect of rented premises	租用房屋之最低經營租賃租金	5,224	5,224

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

12. Directors', chief executive's and supervisors' remuneration

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度				
		Salary, wages and other benefits	Performance incentive payments	Retirement benefit scheme contributions	Directors' fee	Total
		薪金、工資及其他福利	與表現掛鈎的獎金	退休福利計劃供款	董事袍金	總數
		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
<i>Executive directors:</i>	<i>執行董事：</i>					
Mr Jiao Chengyao (note 1, 2)	焦承堯先生(附註1、2)	255	79	75	–	409
Mr Xiang Jiayu	向家雨先生	386	115	112	–	613
Mr Wang Xinying (note 2)	王新瑩先生(附註2)	192	55	69	–	316
Mr Liu Qiang	劉強先生	286	92	46	–	424
Mr Guo Haofeng	郭昊峰先生	336	373	97	–	806
Sub-total	小計	1,455	714	399	–	2,568

The executive directors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

12. 董事、最高行政人員及監事酬金

根據適用之上市規則及公司條例披露之董事及監事酬金如下：

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度				
		Salary, wages and other benefits	Performance incentive payments	Retirement benefit scheme contributions	Directors' fee	Total
		薪金、工資及其他福利	與表現掛鈎的獎金	退休福利計劃供款	董事袍金	總數
		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
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>					
Ms Liu Yao	劉堯女士	–	–	–	161	161
Mr Jiang Hua	江華先生	–	–	–	140	140
Mr Li Xudong	李旭冬先生	–	–	–	140	140
Mr Wu Guangming	吳光明先生	–	–	–	140	140
Sub-total	小計	–	–	–	581	581

The independent non-executive directors' remuneration shown above were paid for their services as directors of the Company.

上述獨立非執行董事酬金乃就彼等擔任本公司之董事而提供之服務而支付。

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

12. Directors', chief executive's and supervisors' remuneration (Continued)

12. 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Supervisors:</i>	<i>監事:</i>					
Mr Ni Heping	倪和平先生	243	306	98	—	647
Mr Jia Jingcheng (resigned in January 2016)	賈景程先生 (於二零一六年一月辭任)	9	6	4	—	19
Ms Xu Mingkai	徐明凱女士	115	135	48	—	298
Mr Zhang Zhiqiang	張志強先生	36	80	32	—	148
Mr. Zhang Jun (appointed in February 2016)	張軍先生(於二零一六年 二月獲委任)	110	162	33	—	305
Mr Li Chongqing	李重慶先生	313	12	91	—	416
Mr Liu Fuying	劉付營先生	240	306	93	—	639
Mr Zhou Rong	周榮先生	89	221	46	—	356
Sub-total	小計	1,155	1,228	445	—	2,828
Total	總計	2,610	1,942	844	581	5,977

The supervisors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

上述監事酬金乃就彼等對本公司及本集團事務之管理而提供之服務。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

12. Directors', chief executive's and supervisors' remuneration (Continued)

12. 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Executive directors:</i>	<i>執行董事：</i>					
Mr Jiao Chengyao (note 1)	焦承堯先生(附註1)	597	–	131	–	728
Mr Shao Chunsheng (resigned in February 2015)	邵春生先生 (於二零一五年二月辭任)	66	–	22	–	88
Mr Xiang Jiayu	向家雨先生	645	–	145	–	790
Mr Fu Zugang (resigned in February 2015)	付祖岡先生 (於二零一五年二月辭任)	555	327	117	–	999
Mr Wang Xinying	王新瑩先生	525	–	118	–	643
Mr Liu Qiang (appointed in February 2015)	劉強先生 (於二零一五年二月獲委任)	383	–	40	–	423
Mr Guo Haofeng (appointed in February 2015)	郭昊峰先生 (於二零一五年二月獲委任)	393	256	97	–	746
Sub-total	小計	3,164	583	670	–	4,417

The executive directors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

上述執行董事酬金乃就彼等對本公司及本集團事務之管理而提供之服務而支付。

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

12. Directors', chief executive's and supervisors' remuneration (Continued)

12. 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度				
		Salary, wages and other benefits	Performance incentive payments	Retirement benefit scheme contributions	Directors' fee	Total
		薪金、工資 及其他福利	與表現掛鉤 的獎金	退休福利 計劃供款	董事袍金	總數
		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
<i>Independent non-executive directors:</i> 獨立非執行董事：						
Mr Li Bin (resigned in February 2015)	李斌先生 (於二零一五年二月辭任)	-	-	-	-	-
Mr Gao Guoan (resigned in February 2015)	高國安先生 (於二零一五年二月辭任)	-	-	-	-	-
Mr Luo Jiamang (resigned in February 2015)	駱家驍先生 (於二零一五年二月辭任)	-	-	-	-	-
Ms Liu Yao	劉堯女士	-	-	-	143	143
Mr Jiang Hua (appointed in February 2015)	江華先生 (於二零一五年二月獲委任)	-	-	-	140	140
Mr Li Xudong (appointed in February 2015)	李旭冬先生 (於二零一五年二月獲委任)	-	-	-	140	140
Mr Wu Guangming (appointed in February 2015)	吳光明先生 (於二零一五年二月獲委任)	-	-	-	140	140
Sub-total	小計	-	-	-	563	563

The independent non-executive directors' remuneration shown above were paid for their services as directors of the Company.

上述獨立非執行董事酬金乃就彼等擔任本公司之董事而提供之服務而支付。

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

12. Directors', chief executive's and supervisors' remuneration (Continued)

12. 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Supervisors:</i>	<i>監事:</i>					
Mr Wang Tiehan (resigned in February 2015)	王鐵漢先生 (於二零一五年二月辭任)	33	–	14	–	47
Mr Ding Hui (resigned in February 2015)	丁輝先生 (於二零一五年二月辭任)	39	35	15	–	89
Mr Ni Heping	倪和平先生	244	318	103	–	665
Mr Jia Jingcheng	賈景程先生	129	222	49	–	400
Ms Xu Mingkai	徐明凱女士	117	143	46	–	306
Mr Zhang Zhiqiang	張志強先生	37	108	36	–	181
Mr Li Chongqing (appointed in February 2015)	李重慶先生 (於二零一五年二月獲委任)	400	–	87	–	487
Mr Liu Fuying (appointed in February 2015)	劉付營先生 (於二零一五年二月獲委任)	203	273	85	–	561
Mr Zhou Rong (appointed in February 2015)	周榮先生 (於二零一五年二月獲委任)	72	176	37	–	285
Sub-total	小計	1,274	1,275	472	–	3,021
Total	總計	4,438	1,858	1,142	563	8,001

The supervisors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

上述監事酬金主要就彼等對本公司及本集團事務之管理而提供之服務。

Note 1: Mr Jiao Chengyao is also the chief executive of the Company and his emolument for the role as chief executive is also included above.

附註1: 焦承堯先生亦為本公司的最高行政人員，而其擔任最高行政人員的薪酬亦已計入上述金額內。

Note 2: These directors' remuneration for the year ended 31 December 2016 was partially borne by the parent of the Company.

附註2: 截至二零一六年十二月三十一日止年度的此等董事酬金由本公司母公司部份承擔。

The performance incentive payment is mainly determined on the basis of the Group's and individual performance for years ended 31 December 2016 and 2015, respectively.

與表現掛鈎的獎金主要按本集團及個別人員於截至二零一六年及二零一五年十二月三十一日止年度之表現釐定。

No remuneration was paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office in the year ended 31 December 2016 and 2015. None of the directors or supervisors has waived any remuneration in the year ended 31 December 2016 and 2015.

截至二零一六年及二零一五年十二月三十一日止年度，本集團並無向董事或監事支付任何酬金，作為其加盟或於加盟本集團時之誘金或離職補償。截至二零一六年及二零一五年十二月三十一日止年度，並無董事或監事放棄任何酬金。

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

13. Employees' remuneration

Of the five individuals with the highest remuneration in the Group, one (2015: one) was director or supervisor of the Company whose remuneration is included in the disclosures in note 12 above. The remuneration of the remaining four individuals (2015: four) was as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other benefits	工資及其他福利	1,358	2,486
Performance related incentive payments	與表現掛鈎的獎金	1,612	1,740
Retirement benefit scheme contributions	退休福利計劃供款	322	615
		3,292	4,841

The number of five highest paid individuals whose remuneration fell within the following bands is as follows:

酬金介乎下列範圍之五名最高薪人士數目如下：

		2016 二零一六年 No. of employees 僱員數目	2015 二零一五年 No. of employees 僱員數目
Nil to HK\$1,000,000	零至1,000,000港元	5	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	-	3
		5	5

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

14. Dividends

14. 股息

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Dividends recognised as distribution during the year	年內確認分派以下股息：		
– 2015 Final (RMB0.008 per share)	– 二零一五年末期 (每股人民幣0.008元)	12,969	–
– 2014 Final (RMB0.038 per share)	– 二零一四年末期 (每股人民幣0.038元)	–	61,603
		12,969	61,603

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2016 of RMB0.011 per share (2015: final dividend in respect of the year ended 31 December 2015 of RMB0.008 per share), in an aggregate amount of RMB19,057,185.07, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

報告期末後，本公司董事已建議就截至二零一六年十二月三十一日止年度派付末期股息每股人民幣0.011元(二零一五年：就截至二零一五年十二月三十一日止年度派付末期股息每股人民幣0.008元)，總額為人民幣19,057,185.07元，須待股東於應屆股東週年大會批准，方可作實。

15. Earnings per share

15. 每股盈利

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

本公司股東應佔的每股基本盈利按以下數據計算：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Earning for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	就每股基本盈利而言之盈利 (本公司股東應佔年內溢利)	61,997	42,198
Number of ordinary shares for the purpose of basic earnings per share	就每股基本盈利而言之普通股數目	1,621,122,000	1,621,122,000

No diluted earnings per share is presented for both years as there were no potential ordinary shares outstanding for both years.

由於兩年度均無已發行具潛在攤薄作用的普通股，故此兩年度均無呈列每股攤薄盈利。

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

16. Property, plant and equipment

16. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 車輛 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST 成本							
At 1 January 2015	於二零一五年一月一日	1,070,254	1,021,209	47,780	91,756	117,194	2,348,193
Additions	添置	783	8,439	1,661	1,969	44,685	57,537
Transfer	轉撥	65,020	14,412	–	–	(79,432)	–
Disposals	處置	(2,304)	(31,080)	(11,360)	(6,626)	–	(51,370)
At 31 December 2015	於二零一五年十二月三十一日	1,133,753	1,012,980	38,081	87,099	82,447	2,354,360
Additions	添置	3,779	53,134	2,195	5,584	14,391	79,083
Transfer	轉撥	64,750	–	–	–	(64,750)	–
Disposals	處置	–	(85,637)	(6,594)	(731)	–	(92,962)
Disposal of a subsidiary	出售一家附屬公司	(93,992)	(58,063)	(2,948)	(6,838)	–	(161,841)
At 31 December 2016	於二零一六年十二月三十一日	1,108,290	922,414	30,734	85,114	32,088	2,178,640
ACCUMULATED DEPRECIATION 累計折舊							
At 1 January 2015	於二零一五年一月一日	131,565	399,840	32,468	57,220	–	621,093
Provided for the year	年內撥備	37,860	114,822	5,382	14,713	–	172,777
Elimination on disposals	處置時對銷	(1,287)	(29,606)	(9,860)	(6,415)	–	(47,168)
At 31 December 2015	於二零一五年十二月三十一日	168,138	485,056	27,990	65,518	–	746,702
Provided for the year	年內撥備	47,152	110,381	4,038	13,399	–	174,970
Elimination on disposals	處置時對銷	–	(79,027)	(5,872)	(692)	–	(85,591)
Disposal of a subsidiary	出售一家附屬公司	(14,803)	(32,572)	(226)	(626)	–	(48,227)
At 31 December 2016	於二零一六年十二月三十一日	200,487	483,838	25,930	77,599	–	787,854
CARRYING VALUES 賬面值							
At 31 December 2015	於二零一五年十二月三十一日	965,615	527,924	10,091	21,581	82,447	1,607,658
At 31 December 2016	於二零一六年十二月三十一日	907,803	438,576	4,804	7,515	32,088	1,390,786

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

16. Property, plant and equipment (Continued)

All the buildings are located in the PRC. The Group was in process of obtaining the relevant property ownership certificates for buildings with a net book value of RMB34,555,000 as at 31 December 2016 (2015: RMB116,115,000). In the opinion of the directors of the Company, the relevant property ownership certificates can be obtained in due time without incurring significant costs.

The above items of property, plant and equipment except for construction in progress are depreciated on a straight-line basis, taking into account their residual value, at the following rates per annum:

Buildings	2.71%–3.17%
Plant and machinery	9.50%
Motor vehicles	19.00%
Other equipment	19.00%

17. Prepaid lease payments

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Analysed for the reporting purpose as:	就呈報目的分析如下：		
Current portion	流動部分	7,405	8,681
Non-current portion	非流動部分	317,752	381,013
		325,157	389,694

The Group has obtained all relevant land use right certificates for the leasehold land as at 31 December 2016 and 2015.

16. 物業、廠房及設備(續)

所有樓宇均座落在中國境內。本集團仍待獲取於二零一六年十二月三十一日賬面淨值為人民幣34,555,000元(二零一五年：人民幣116,115,000元)的樓宇相關物業所有權證。本公司董事認為，可適時取得相關物業所有權證，而不會產生重大成本。

除在建工程外，上述物業、廠房及設備項目經計及其剩餘價值後以直線法折舊，採用的年率如下：

樓宇	2.71%至3.17%
廠房及機器	9.50%
車輛	19.00%
其他設備	19.00%

17. 預付土地租賃款項

於二零一六年及二零一五年十二月三十一日，本集團已取得所有租賃土地相關土地使用權證。

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

18. Investment properties

18. 投資物業

		Buildings 樓宇 RMB'000 人民幣千元
COST		
At 1 January 2015	成本 於二零一五年一月一日	12,591
Additions	添置	37,588
<hr/>		
At 31 December 2015 and 2016	於二零一五年及二零一六年十二月三十一日	50,179
<hr/>		
DEPRECIATION		
At 1 January, 2015	折舊 於二零一五年一月一日	2,395
Provided for the year	年內撥備	597
<hr/>		
At 31 December 2015	於二零一五年十二月三十一日	2,992
Provided for the year	年內撥備	1,589
<hr/>		
At 31 December 2016	於二零一六年十二月三十一日	4,581
<hr/>		
CARRYING VALUES		
At 31 December 2015	賬面值 於二零一五年十二月三十一日	47,187
<hr/>		
At 31 December 2016	於二零一六年十二月三十一日	45,598

As at 31 December 2016, the fair value of the Group's investment properties was RMB58,958,000 (2015: RMB53,413,000). The fair value has been arrived at based on a valuation carried out by the management of the Company. The fair value was determined based on the direct comparison approach, which the directors of the Company are of the view that it is the best estimate of the fair value of these investment properties. The direct comparison approach reflects recent transaction prices or current asking prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

於二零一六年十二月三十一日，本集團投資物業的公平值為人民幣58,958,000元（二零一五年：人民幣53,413,000元）。公平值是根據本公司管理層作出的估值得出。公平值是根據直接比較法估算得出，本公司董事認為此乃估算此等投資物業的公平值的最佳辦法。直接比較法反映類似物業的最近交易價格或當時沽盤價。於估算物業之公平值時，其現有用途為價值最高及其最佳用途。

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

18. Investment properties (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2016 are as follows:

	Level 3 第3級 RMB'000 人民幣千元	Fair value as at 31 December 2016 於二零一六年 十二月三十一日 的公平值 RMB'000 人民幣千元
Investment properties located in Zhengzhou, the PRC 位於中國鄭州的投資物業	58,958	58,958

	Level 3 第3級 RMB'000 人民幣千元	Fair value as at 31 December 2015 於二零一五年 十二月三十一日 的公平值 RMB'000 人民幣千元
Investment properties located in Zhengzhou, the PRC 位於中國鄭州的投資物業	53,413	53,413

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

年內概無轉進或轉出第3級。

The above investment properties are depreciated on a straight-line basis, taking into account their residual value, at the following rates per annum:

以上投資物業是經計及其剩餘價值後以直線法折舊，採用的年率如下：

Buildings 2.71%-3.17%

樓宇 2.71%至3.17%

All the buildings are located in the PRC. The Group had not obtained the relevant property certificates for buildings with a net book value of RMB5,004,000 as at 31 December 2016 (2015: RMB42,602,000). In the opinion of the directors of the Company, the relevant property ownership certificates can be obtained in due time without incurring significant costs.

所有樓宇均位於中國境內。本集團尚未獲取於二零一六年十二月三十一日賬面淨值為人民幣5,004,000元(二零一五年：人民幣42,602,000元)的樓宇相關物業所有權證。本公司董事認為，可適時獲取相關房屋所有權證而不招致重大費用。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

19. Investments in associates

19. 於聯營公司之投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of investments in unlisted associates	於非上市聯營公司之投資成本	395,724	394,392
Share of post-acquisition profits and other comprehensive income, net of dividends received	分佔收購後溢利及其他全面收入，扣除已收股息	35,692	26,032
		431,416	420,424

As at 31 December 2016 and 2015, the Group had interests in the following associates:

截至二零一六年及二零一五年十二月三十一日止，本集團於以下聯營公司擁有權益：

Name of entity 實體名稱	Place of registration 註冊地	Proportion of nominal value of registered capital 佔註冊資本面值比例		Proportion of voting power held 佔持有表決權比例		Principal activities 主要業務
		2016	2015	2016	2015	
		二零一六年	二零一五年	二零一六年	二零一五年	
鄭州煤機速達配件服務有限公司 ZMJ Suda Parts and Services Co., Ltd.	The PRC 中國	31.48%	31.48%	31.48%	31.48%	Aftermarket services 售後服務
華軒(上海)股權投資基金有限公司 Hua Xuan (Shanghai) Equity Investment Fund Co., Ltd.	The PRC 中國	49.18%	49.18%	49.18%	49.18%	Equity investment and financial management 股本投資及財務管理
淮南鄭煤機舜立機械有限公司 (「鄭煤機舜立」)(附註) Huainan ZMJ Shun Li Machinery Co., Ltd. ("ZMJ Shun Li") (note)	The PRC 中國	22.6%	N/A 不適用	22.6%	N/A 不適用	Manufacture of mining machinery 生產採礦機械

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

上表載列本公司董事認為對本集團業績及資產具有重大影響的聯營公司。本公司董事認為倘詳列其他聯營公司，將致使有關資料篇幅過長。

Note: In December 2016, ZMJ Shun Li ceased to be a subsidiary of the Group and the Company held the remaining 22.6% equity interest in ZMJ Shun Li and accounted for as interest in an associate, details of which are set out in note 39.

附註：於二零一六年十二月，鄭煤機舜立不再為本集團的附屬公司，本公司持有鄭煤機舜立餘下的22.6%股權而將之入賬為於聯營公司權益，有關詳情載於附註39。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. Investments in associates (Continued)

Aggregate information of associates that are not individually significant

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
The Group's share of (loss) profit	本集團分佔(虧損)溢利	(18,113)	13,361
The Group's share of other comprehensive income	本集團分佔其他全面收入	19,787	10,467
The Group's share of total comprehensive income		1,674	23,828
Aggregate carrying amount of the Group's interests in these associates		431,416	420,424

19. 於聯營公司之投資(續)

個別而言並不重大之聯營公司綜合資料

20. Available-for-sale investments

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Equity securities listed in Hong Kong, at fair value	於香港上市之股本證券 (按公平值)	35,834	29,293
Unlisted equity securities (Note)	非上市股本證券(附註)	835	1,881
		36,669	31,174
Analysed for reporting purposes as: Non-current assets	就呈報目的分析如下: 非流動資產	36,669	31,174

20. 可供出售之投資

Note: The above unlisted equity investments represent investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

附註：上述非上市股本投資是指於在中國註冊成立之民營公司所發行非上市股本證券之投資。該等投資於報告期末按成本扣除減值計量，原因是公平值的合理估計數值範圍太大，故本公司董事認為其公平值不能可靠計量。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

21. Deferred tax assets

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred tax assets 遞延稅項資產	197,742	171,830

21. 遞延稅項資產

就財務申報而言，有關遞延稅項結餘之分析如下：

The following are the major deferred tax assets recognised and movements thereon:

於本年度確認之主要遞延稅項資產及其變動如下：

		Bad debt Provision 呆賬撥備 RMB'000 人民幣千元	Write-down of inventory 存貨撇銷 RMB'000 人民幣千元	Other provision 其他撥備 RMB'000 人民幣千元	Accruals 應計開支 RMB'000 人民幣千元	Unrealized profit 未實現利潤 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
The Group 本集團							
At 1 January 2015 於二零一五年一月一日		120,115	3,450	1,280	3,427	4,323	132,595
Credit (charge) to profit or loss 於損益扣除(計入)		37,295	1,223	1,021	-	(304)	39,235
At 31 December 2015 於二零一五年十二月三十一日		157,410	4,673	2,301	3,427	4,019	171,830
Credit (charge) to profit or loss 於損益扣除(計入)		26,897	2,182	805	600	(984)	29,500
Disposal of a subsidiary (note 39) 出售一家附屬公司(附註39)		(1,134)	(17)	(860)	(1,577)	-	(3,588)
At 31 December 2016 於二零一六年十二月三十一日		183,173	6,838	2,246	2,450	3,035	197,742

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

21. Deferred tax assets (Continued)

At the end of the reporting period, the Group has the following unrecognised unused tax losses:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Unused tax losses	未動用稅項虧損	120,212	180,582

No deferred tax asset has been recognised in relation to the above tax losses due to the unpredictability of future profit streams.

The expiry dates of the above unrecognised tax losses are as follow:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
31 December 2016	二零一六年十二月三十一日	-	6,583
31 December 2017	二零一七年十二月三十一日	8,961	8,961
31 December 2018	二零一八年十二月三十一日	11,969	62,419
31 December 2019	二零一九年十二月三十一日	30,477	36,639
31 December 2020	二零二零年十二月三十一日	26,901	65,980
31 December 2021	二零二一年十二月三十一日	41,904	-
		120,212	180,582

21. 遞延稅項資產(續)

於各報告期末，本集團有下列未確認之未動用稅項虧損：

未就上述稅項虧損確認遞延稅項資產乃由於無法預期未來溢利流入。

上述未確認稅項虧損之屆滿日期如下：

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

22. Debt investment

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Debt securities	債務證券	416,631	390,027
Analysed for reporting purposes as:			
Current portion	就呈報目的分析如下： 流動部分	416,631	-
Non-current portion	非流動部分	-	390,027

On 26 March 2014, the Company entered into a subscription agreement with Sun Hung Kai & Co. (BVI) Limited and Sun Hung Kai & Co. Limited, pursuant to which, the Company agreed to subscribe for the notes in the principal amount of USD60,000,000, with a coupon rate of 3.0% per annum, semi-annually payable in arrears. The notes will expire on 28 December 2017.

22. 債務投資

於二零一四年三月二十六日，本公司與Sun Hung Kai & Co. (BVI) Limited及Sun Hung Kai & Co. Limited訂立認購協議，據此，本公司同意認購本金額為60,000,000美元的票據，年票息率為3.0%，每半年以後付方式支付。票據將於二零一七年十二月二十八日屆滿。

23. Finance lease receivables

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current finance lease receivables	流動融資租賃應收款項	39,146	25,992
Non-current finance lease receivables	非流動融資租賃應收款項	51,482	58,096
		90,628	84,088

Certain of the Group's equipment are leased out under finance leases. All leases are denominated in RMB. The term of finance leases entered into ranged from 3 to 5 years.

23. 融資租賃應收款項

本集團若干設備根據融資租賃出租。所有租賃以人民幣計值。融資租賃年期為三至五年。

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23. Finance lease receivables (Continued)

Amounts receivable under finance leases

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		31/12/2016 二零一六年 十二月 三十一日 RMB'000 人民幣千元	31/12/2015 二零一五年 十二月 三十一日 RMB'000 人民幣千元	31/12/2016 二零一六年 十二月 三十一日 RMB'000 人民幣千元	31/12/2015 二零一五年 十二月 三十一日 RMB'000 人民幣千元
Within 1 year	1年內	45,773	26,830	43,504	25,992
Over 1 year but less than 2 years	超過1年但少於2年	32,233	16,445	28,311	15,424
Over 2 years but less than 5 years	超過2年但少於5年	22,291	45,803	18,813	42,672
Less: unearned finance income	減：未實現融資收益	(9,669)	(4,990)	N/A	N/A
Present value of minimum lease payments receivable	最低租賃應收款項現值	90,628	84,088	90,628	84,088

The interest rates inherent in the leases are fixed at the contract date for the entire lease terms. The weighted average effective interest rate is approximately 5.80% (2015: 6.01%) per annum.

Finance lease receivable balances are secured over the leased storage equipment. The Group is not permitted to sell or pledge the collateral in the absence of default by the lessee.

The finance lease receivables at the end of the reporting period are neither past due nor impaired.

23. 融資租賃應收款項(續)

融資租賃項下應收款項

租賃附帶之息率於合約日釐定，適用於整個租賃期。加權平均實際年利率約為5.80%(二零一五年：6.01%)。

融資租賃應收款項結餘以租出的設備作擔保。本集團不得在承租人沒有違約時出售或再抵押抵押品。

於報告期末，融資租賃應收款項並無逾期亦無減值。

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24. Long-term receivables

24. 長期應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Long term receivable due from customers (Note 1)	應收客戶長期應收款項(附註1)	60,065	64,121
Long term receivable due from an associate (Note 2)	應收一間聯營公司長期應收款項 (附註2)	118,443	172,144
Less: Long-term receivable due within 1 year	減：一年內到期之長期應收款項	(131,726)	(105,059)
Long-term receivable due after 1 year	一年後到期之長期應收款項	46,782	131,206
The amount is expected to be received as follows:	款項預期於以下時間收取：		
Within 1 year	1年內	161,337	111,297
Over 1 year but less than 2 years	超過1年但少於2年	3,450	142,578
Over 2 years but less than 5 years	超過2年但少於5年	40,443	15,523
Over 5 years	超過5年	12,074	18,973
Less: unearned finance income	減：未實現融資收益	(38,796)	(52,106)
		178,508	236,265

Note 1: The balance represents long term receivables from third-party customers arising from sales of goods. The amount is interest free, unsecured and repayable in 2 to 8 years. Deemed interest income of RMB2,221,000 calculated based on effective interest method was recognised during the current year (2015: RMB738,000).

附註1：該結餘指因貨品銷售而應收第三方客戶之長期應收款項。該款項為免息、無抵押及須於二至八年內償還。視作按實際利息法計算之利息收入人民幣2,221,000元乃於本年度內確認(二零一五年：人民幣738,000元)。

Note 2: In December 2015, the Company has entered into an agreement with an associate and its controlling shareholder, pursuant to which, the Company has agreed to extend the credit period of trade receivable from this associate of RMB215,180,000 and the associate has agreed to repay the amount by installments at the end of each quarter from 1 January 2016 to 31 December 2017. The amount is interest free and unsecured. Deemed interest income of RMB11,089,000 calculated based on effective interest method was recognised during the current year (2015: Nil).

附註2：於二零一五年十二月，本公司已與一間聯營公司及其控股股東訂立協議，據此，本公司已同意延展應收該聯營公司之人民幣215,180,000元貿易款項之信貸期，而該聯營公司已同意於二零一六年一月一日至二零一七年十二月三十一日期間各季季末，分期償還有關款項。該款項為免息及無抵押。視作按實際利息法計算之利息收入人民幣11,089,000元乃於本年度內確認(二零一五年：無)。

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綜合財務報表附註

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25. Inventories

25. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials and consumables	原料及消耗品	181,430	258,650
Work in progress	半成品	159,048	117,615
Finished goods	產成品	487,316	799,564
		827,794	1,175,829

26. Loan receivables from an associate

26. 應收一家聯營公司貸款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Analysed for the reporting purpose as:	就呈報目的分析如下：		
Current portion	流動部分	64,000	80,000

The balance as at 31 December 2016 represented loan receivables from an associate Heilongjiang Zhenglong Coal Mining Machinery Co., Ltd., which were denominated in RMB, unsecured and repaid on demand. The Group has individually provided allowance of RMB16,000,000 for this loan receivable during the year.

於二零一六年十二月三十一日，該結餘指應收聯營公司黑龍江鄭龍煤礦機械有限公司之貸款，該貸款以人民幣計值，無抵押，並按要求償還。於年內，本集團為此應收貸款個別計提人民幣16,000,000元的撥備。

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27. Trade and other receivables

27. 貿易及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bills receivable	應收票據	1,038,280	1,004,413
Trade receivables	貿易應收款項	3,525,161	3,989,715
Less: allowance for doubtful debts	減：呆賬撥備	(1,183,432)	(1,032,712)
		3,380,009	3,961,416
Prepayments to suppliers	向供應商預付款項	227,856	52,329
Deposits	訂金	25,674	6,919
Other tax recoverable	其他可收回稅項	3,328	20,985
Staff advances	僱員墊款	2,850	4,896
Dividend receivable	應收股息	-	950
Others	其他	20,619	16,213
Less: allowance for doubtful debts	減：呆賬撥備	(11,891)	(8,785)
		268,436	93,507
Total trade and other receivables	貿易及其他應收款項合計	3,648,445	4,054,923

The Group generally allows a credit period of 180 days to its customers. Bills receivable have a maximum maturity of 6 months. The credit period provided to a customer can vary significantly based on a number of factors, including the Group's relationship with the customer, the customer's credit profile and payment history, total contract value and market conditions. The following is an aged analysis of bills receivable and trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of each reporting period:

本集團一般給予客戶之信貸期為180天。應收票據的最長屆滿期限為六個月。給予客戶之信貸期可能因多項因素而有明顯差異，包括本集團與客戶之關係、客戶之信用狀況與付款記錄、合約總值及市況。以下為各報告期末按發票日期呈列之應收票據及貿易應收款項扣除呆賬撥備後之賬齡分析：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 180 days	180天內	1,506,393	2,078,089
Over 180 days but within 1 year	超過180天但1年內	988,052	1,083,649
Over 1 year but within 2 years	超過1年但2年內	700,945	509,190
Over 2 years within 3 years	超過2年但3年內	184,619	290,488
		3,380,009	3,961,416

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27. Trade and other receivables (Continued)

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date of credit was initially granted up to the reporting date. The Group closely monitors the credit quality of trade receivables and considers trade receivables that are neither past due nor impaired to be of a good credit quality. The Group has provided impairment allowance individually or collectively for all past due receivables.

Aging of trade receivables which are past due

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Over 180 days but within 1 year	超過180天但1年內	790,537	694,315
Over 1 year but within 2 years	超過1年但2年內	624,530	475,827
Over 2 years within 3 years	超過2年但3年內	184,619	290,488
		1,599,686	1,460,630

The Group has provided fully for all receivables over 3 years because historical experience is such that receivables are past due beyond 3 years are generally not recoverable. The Group does not hold any collateral over these balances.

27. 貿易及其他應收款項(續)

在確定貿易應收款項之可回收性時，本集團考慮貿易應收款項信用質量於最初授出信貸當日至報告日期期間之任何變化。本集團密切監察貿易應收款項的信貸質量，並認為未逾期或未減值貿易應收款項信貸質量良好。本集團已就所有逾期應收款項個別或共同計提減值撥備。

已逾期之貿易應收款項賬齡

本集團已對3年以上應收款項全額計提撥備，因為根據歷史經驗逾期超過3年之應收款項一般無法收回。本集團並無就該等結餘持有任何抵押品。

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27. Trade and other receivables (Continued)

Movement of allowance for doubtful debts on trade and other receivables

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Opening balance	年初結餘	1,041,497	793,176
Provided for the year	年內撥備	214,296	312,139
Disposal of a subsidiary	出售一家附屬公司	(7,562)	-
Write off	撇銷	(52,908)	(63,818)
Closing balance		1,195,323	1,041,497

Included in the allowance for doubtful debts of the Group are individually impaired trade receivables with an aggregate balance of RMB791,040,000 as at 31 December 2016 (2015: RMB529,496,000), the counterparties of which have been in significant financial difficulties. The Group holds no collateral over these balances as at 31 December 2016 and 2015.

27. 貿易及其他應收款項(續)

貿易及其他應收款項之呆賬撥備變動

於二零一六年十二月三十一日，計入本集團呆賬撥備之款項的個別已減值貿易應收款項總金額為人民幣791,040,000元(二零一五年：人民幣529,496,000元)，該等款項的對方乃面臨重大財務困難。於二零一六年及二零一五年十二月三十一日，本集團並無持有該等結餘之抵押品。

28. Derivative financial instruments

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Derivatives qualifying for hedge accounting	符合對沖會計條件的衍生工具		
Cash flow hedges:	現金流量對沖：		
- Forward foreign exchange contracts	- 遠期外匯合同	71,020	-

28. 衍生金融工具

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28. Derivative financial instruments (Continued)

As disclosed in the Company's circular dated on 22 May 2016, the Company has entered into an equity transfer agreement with independent third parties, namely Axle ATL Cayman Limited, ASIMCO Technologies Hong Kong Limited, ASIMCO Technologies Limited and ASIMCO (China) Limited ("the Sellers"), pursuant to which the Company agreed to acquire from the Sellers the interests of six entities (the "Target Equity Interests") in the auto-parts industry with nominal consideration of RMB2,200,000,000, including cash consideration of RMB1,650,000,000 (which shall be payable in its USD equivalent) and consideration shares (as defined in the circular) with nominal value of RMB550,000,000.

The Group utilized forward foreign exchange contracts to hedge its exposure to variability in cash flows attributable to foreign currency risk between RMB/USD associated with the highly probable equity transfer agreement. The terms of the foreign exchange contracts have been negotiated to match the terms of the designated hedged items. The major terms of the contract are as follows:

Notional amount 面值	Maturity 到期日	Exchange rate 匯率
Buy USD252 million 購入252百萬美元	3 January 2017 二零一七年一月三日	RMB6.48: USD1.00 人民幣6.48元：1.00美元

As at 31 December 2016, fair value gains of approximately RMB71,020,000 have been recognised in other comprehensive income and accumulated in equity.

28. 衍生金融工具(續)

誠如本公司日期為二零一六年五月二十二日的通函所披露，本公司已與獨立第三方，即Axle ATL Cayman Limited、ASIMCO Technologies Hong Kong Limited、ASIMCO Technologies Limited及亞新科(中國)投資有限公司(「賣方」)簽訂股權轉讓協議，據此，本公司同意向賣方收購於汽車零部件行業的六家實體的股權(「目標股權」)，名義代價為人民幣2,200,000,000元，包括現金代價人民幣1,650,000,000元(其將依等值美元支付)及名義價值為人民幣550,000,000元的代價股份(定義見通函)。

本集團利用遠期外匯合同對沖人民幣/美元外匯風險導致的現金流量變化的風險(其與極可能簽立的股權轉讓協議有關)。合同主要條款已經磋商，以使其配合指定對沖項目的條款。合同的主要條款如下：

於二零一六年十二月三十一日，公平值收益約人民幣71,020,000元已於其他全面收益確認及於權益中累計。

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29. Other financial assets

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Structured deposit	結構性存款	1,085,000	1,063,000

Other financial assets as at 31 December 2016 represented the structured deposits with certain banks in the PRC carrying fixed interest rates from 2.85% to 3.50% per annum and maturity period of one or three months. These structured deposits could not be redeemed until the expiration date.

29. 其他金融資產

於二零一六年十二月三十一日，其他金融資產為若干中國的銀行的結構性存款，固定年利率介乎2.85%至3.50%，期限為一個月或三個月。此等結構性存款在到期日前不能贖回。

30. Bank balances and cash/pledged bank deposits

Bank balances and cash of the Group comprise cash and short-term bank deposits. The bank balances carry interest at market rates which range from 0.30% to 3.15% per annum as at 31 December 2016 (2015: 0.39% to 3.15% per annum).

30. 銀行結餘及現金／已抵押銀行存款

本集團銀行結餘及現金包括現金及短期銀行存款。銀行結餘按市場利率計息，於二零一六年十二月三十一日，年利率分別介乎0.30%至3.15%（二零一五年：年利率0.39%至3.15%）。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash	現金	90	120
Bank deposits with original maturity within three months or less	原到期日為3個月或以下之銀行存款	2,632,312	1,726,101
Cash and cash equivalents	現金及現金等值物	2,632,402	1,726,221
Bank deposits with original maturity over three months	原到期日為3個月以上之銀行存款	50,000	285,000
Bank balances and cash	銀行結餘及現金	2,682,402	2,011,221

Pledged bank deposits represent deposits pledged to banks to secure bank acceptance bills and letters of guarantee and forward foreign exchange contracts and are therefore classified as current assets. The pledged bank deposits carry interest at market rates which range from 0.30% to 3.15% per annum as at 31 December 2016 (2015: 0.39% to 3.15% per annum).

已抵押銀行存款為抵押予銀行作為銀行承兌匯票、保函及遠期外匯合約之保證金，因此被分類為流動資產。已抵押銀行存款按市場利率計息，於二零一六年十二月三十一日，年利率介乎0.30%至3.15%（二零一五年：年利率0.39%至3.15%）。

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31. Trade and other payables

31. 貿易及其他應付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bills payable (Note i)	應付票據(附註i)	367,269	698,336
Trade payable (Note i)	貿易應付款項(附註i)	1,139,227	1,188,824
		1,506,496	1,887,160
Salary and bonus payables	應付工資與獎金	69,584	68,304
Amount due to a non-controlling shareholder of a former subsidiary (Note ii)	應付一間原附屬公司一名非控股股東的款項(附註ii)	-	107,711
Deposits (Note iii)	訂金(附註iii)	23,710	28,294
Deferred income to be recognised within one year (Note iv)	一年內確認之遞延收入(附註iv)	9,528	9,528
Other taxes payable	其他應付稅項	40,946	18,301
Accruals and other payables (Note v)	預提及其他應付款項(附註v)	71,405	74,440
		1,721,669	2,193,738

Notes:

附註:

- i) The following is an aged analysis of bills payable and trade payables presented based on invoice date at the end of each reporting period:

- i) 以下為於各報告期末按發票日期呈列之應付票據及貿易應付款項賬齡分析:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 90 days	90天內	700,994	878,996
Over 90 days but within 1 year	超過90天但1年內	541,746	724,600
Over 1 year	超過1年	263,756	283,564
		1,506,496	1,887,160

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31. Trade and other payables (Continued)

Notes: (Continued)

- ii) The balance represents the amount due to a non-controlling shareholder of ZMJ Shun Li. In December 2016, ZMJ Shun Li ceased to be a subsidiary of the Group and the Company held remaining 22.6% equity interest in ZMJ Shun Li and accounted for as interest in an associate, details of which are set out in note 39.
- iii) Deposits represent the deposits received from suppliers for transportation and other services.
- iv) Deferred income to be recognised within one year represents the government subsidies received by the Group towards certain research projects. The amount has been treated as deferred income and will be transferred to profit or loss over the useful lives of the relevant assets.
- v) Accruals and other payables mainly consist of payables for the acquisition of property, plant and equipment, rental payables and payables for other services.

32. Transfers of financial assets

During the year, the Group entered into agreements with certain equipment leasing companies and end-user customers, pursuant to which:

- i) the Group sold hydraulic roof supports (which were designated to be used by end-user customers) to the equipment leasing companies and received the payments from leasing companies;
- ii) the equipment leasing companies lease the hydraulic roof supports to the end-user customer;
- iii) the Group are obliged to settle the unsettled leased amounts due by the end-user customers to the leasing companies if the end-user customers defaulted on repayments to the equipment leasing companies in the manner as specified in the agreement.

Given the substance of the transaction, the Group continues to recognise receivables to the extent of outstanding lease obligation of the ultimate end-user of the equipment in its consolidated statement of financial position until full settlement of such lease obligation by the ultimate end-user of the equipment and proceeds received from the equipment leasing companies are recorded as financing arrangements.

During the year, the Group has received approximately RMB223,166,000 from the equipment leasing companies, among which approximately RMB42,844,000 has been settled by the ultimate end user of the equipment as at 31 December 2016. The transferred trade receivables and associated liabilities were offset to the extent of such settlement.

31. 貿易及其他應付款項(續)

附註：(續)

- ii) 該結餘指應付鄭煤機舜立機械一名非控股股東之款項。於二零一六年十二月，鄭煤機舜立不再為本集團的附屬公司，而本公司持有於鄭煤機舜立的餘下22.6%股權，並將之入賬為一家聯營公司權益，詳情載於附註39。
- iii) 訂金指從供應商所收到運輸及其他服務之訂金。
- iv) 將於一年內確認之遞延收入指本集團就若干研究項目所收取政府補助。該款項被視作遞延收入且於相關資產可使用年期內轉撥至損益。
- v) 預提及其他應付款項主要包括用於購置物業、廠房及設備之應付款項、應付租金及其他服務之應付款項。

32. 金融資產轉撥

年內，本公司與若干設備租賃公司及終端用戶簽訂協議，據此：

- i) 本集團向設備租賃公司出售液壓支架(最終由終端用戶使用)及向租賃公司收取付款；
- ii) 設備租賃公司向終端用戶租賃液壓支架；
- iii) 倘終端用戶以該協議訂明的方式拖欠向租賃公司的償還貸款款項，本集團有責任結付終端用戶應付租賃公司的未結付租賃金額。

鑒於交易的性質，本集團將就終端用戶的未償還租賃責任繼續於其綜合財務報表中確認應收款項，直至設備的終端用戶全數清償該等租賃責任，且自租賃公司收取的款項記錄為融資安排。

年內，本集團自設備租賃公司收取約人民幣223,166,000元，其中約人民幣42,844,000元已由設備的終端用戶於二零一六年十二月三十一日結付。就此結算而言，貿易應收款項轉撥及相關負債經已抵銷。

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33. Share capital

33. 股本

	Listed A Shares		Listed H Shares		Total			
	上市A股		上市H股		總計			
	Number of share	Amount	Number of share	Amount	Number of share	Amount		
	股份數目	金額	股份數目	金額	股份數目	金額		
'000	RMB'000	'000	RMB'000	'000	RMB'000			
千股	人民幣千元	千股	人民幣千元	千股	人民幣千元			
At 1 January 2015, 31 December 2015 and 2016	於二零一五年一月一日、 二零一五年及二零一六年 十二月三十一日		1,377,888	1,377,888	243,234	243,234	1,621,122	1,621,122

Except for the currency in which dividends are paid, H Shares and A Shares rank pari passu in all respects with each other.

除所派股息之貨幣外，H股及A股在各方面均享有同等地位。

34. Non-controlling interests

34. 非控股權益

The table below shows details of non-wholly owned subsidiaries of the Group that have significant non-controlling interests:

下表列示具重大非控股權益之本公司非全資附屬公司之詳情：

Name of subsidiary	Place of establishment and principal place of business	Proportion of equity interest held by non-controlling interest		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		Year ended December 31		Year ended December 31		Year ended December 31	
		非控股權益持有之股本權益百分比		分配至非控股權益之溢利(虧損)		累計非控股權益	
		截至十二月三十一日止年度		截至十二月三十一日止年度		截至十二月三十一日止年度	
		2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		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
ZMJ Comprehensive Equipment 鄭煤機綜機	PRC 中國	31.11%	31.11%	(6,336)	(9,309)	50,104	56,440
Individual immaterial subsidiaries with non-controlling interests	具非控股權益之個別 不重大之附屬公司			(19,013)	(22,280)	34,253	63,447
				(25,349)	(31,589)	84,357	119,887

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34. Non-controlling interests (Continued)

34. 非控股權益(續)

ZMJ Comprehensive Equipment 鄭煤機綜機		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current assets	流動資產	263,706	338,977
Non-current assets	非流動資產	152,871	158,532
Current liabilities	流動負債	255,519	316,085
Equity attributable to owners of the Company	本公司股東應佔權益	110,954	124,984
Non-controlling interests	非控股權益	50,104	56,440
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	230,911	344,365
Expenses	開支	(251,275)	(374,291)
Loss and total comprehensive expense	虧損及全面開支總額	(20,364)	(29,926)
Loss and total comprehensive expense attributable to owners of the Company	本公司股東應佔虧損及全面開支總額	(14,028)	(20,617)
Loss and total comprehensive expense attributable to the non-controlling interests	非控股權益應佔虧損及全面開支總額	(6,336)	(9,309)
Loss and total comprehensive expense	虧損及全面開支總額	(20,364)	(29,926)
Net cash inflow (outflow) from operating activities	經營業務之現金流入(流出)淨額	2,004	(1,787)
Net cash outflow from investing activities	投資活動之現金流出淨額	(1,340)	(94)
Net cash inflow (outflow)	現金流入(流出)淨額	664	(1,881)

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35. Capital commitments

35. 資本承諾

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	已簽約但未在綜合財務報表撥備之有關收購物業、廠房及設備之資本開支	28,164	31,272
Acquisition equity interests from third entities (note 43)	從第三方實體收購股權 (附註43)	2,200,000	-
		2,228,164	31,272

36. Operating leases

36. 經營租賃

The Group as lessee

本集團作為承租人

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases during the year: - Land	年內根據經營租賃支付之最低租賃付款： - 土地	5,224	5,224

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於各報告期末，本集團因於下列期間到期之不可撤銷經營租賃而有未來最低租賃付款承擔：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	5,224	5,224
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	20,894	20,894
Over five years	五年以後	36,564	41,788
		62,682	67,906

Operating lease payments represent rentals payable by the Group for certain parcels of land that it occupies. The leases are negotiated for terms of 20 years.

經營租賃付款指本集團就其佔用若干地塊應付之租金。租約議定年期為20年。

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36. Operating leases (Continued)

The Group as lessor

Property rental incomes earned was RMB14,357,000 for the year ended 31 December 2016 (2015: RMB11,509,000). The leases are negotiated for terms of 1 year to 15 years.

At the end of each reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	4,691	5,450
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	10,033	11,350
Over 5 years	五年以後	13,644	15,572
		28,368	32,372

37. Retirement benefit plans

The Group's full-time employees in the PRC are covered by a government-operated defined contribution pension scheme, and are entitled to a monthly pension from their retirement dates. The PRC government is responsible for the pension liability to these retired employees. The Group is required to make annual contributions to the retirement scheme at certain percentages of employees' basic salaries, which are charged as an expense when the employees have rendered services entitling them to the contributions and the contributions are due.

During the year, the total amounts contributed by the Group to the scheme in the PRC and charged to the profit or loss:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amounts contributed and charged to the profit or loss	已作出並於損益支銷之供款金額	54,267	55,746

36. 經營租賃(續)

本集團作為出租人

截至二零一六年十二月三十一日止年度，所賺取物業租金收入為人民幣14,357,000元(二零一五年：人民幣11,509,000元)。租約議定年期為1年至15年。

於各報告期末，本集團已與租戶訂約之未來最低租金收入如下：

37. 退休福利計劃

本集團之中國全職僱員享有政府營運之定額供款退休金計劃之保障，有權自退休之日起每月享有退休金。中國政府負責向該等退休僱員履行退休金責任。本集團須按僱員基本薪金之若干百分比向退休計劃作出年度供款，有關金額將於僱員提供讓其可獲得該等供款之服務及供款到期支付時計入開支。

於本年度，本集團已向中國退休福利計劃作出以下供款總額，而該等金額已於損益支銷：

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38. Related party transactions

In the opinion of the directors of the Company, the ultimate controlling party of the Company is Henan SASAC of the PRC government and that the Group is subject to the control of the PRC government. In accordance with IAS 24, entities that are controlled, jointly controlled or significantly influenced by the PRC government ("PRC government related entities") are regarded as related parties of the Group. Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. Nevertheless, the Group represented that the following captures the material related parties taking into account the exemption under IAS 24.

(1) The Group and Henan SASAC

The Group has transactions with entities controlled, jointly controlled or significantly influenced by Henan SASAC ("Henan SASAC related entities") and the transactions details are as follow:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of finished goods	銷售產成品	72,204	108,419
Purchase of raw materials	採購原料	288,699	263,410

For the year ended 31 December 2016, revenue from Henan SASAC related entities accounted for 2.0% of total revenue (2015: 2.4%), and purchases from Henan SASAC related entities accounted for 9.9% of total cost of sales (2015: 7.2%).

The details of outstanding balances with Henan SASAC and Henan SASAC related entities are set as follow:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amount due from Henan SASAC related entities	應收河南省國資委相關實體之款項	24,175	11,573
Amount due to Henan SASAC	應付河南省國資委之款項	-	2,459

Except for the amount due to Henan SASAC which was unsecured, interest-free and repayable on demand, all the amounts due from Henan SASAC related entities are from trade sales or purchases. The outstanding balances with Henan SASAC related entities and Henan SASAC have been included in note 27 and note 31, respectively.

38. 關聯方交易

本公司董事認為，本公司之最終控制方為中國政府河南省國資委，而本集團受中國政府控制。根據國際會計準則第24號，受中國政府控制、共同控制或重大影響之實體（「中國政府相關實體」）被視為本集團之關聯方。鑒於複雜之擁有權結構，中國政府可於多家公司持有間接權益。若干該等權益當中或當其與其他間接權益合併時，可能出現屬本集團未知悉之控股權益。然而，本集團表述，計及國際會計準則第24號之豁免，下文載列有關重大關聯方。

(1) 本集團及河南省國資委

本集團與受河南省國資委控制、共同控制或重大影響之實體（「河南省國資委相關實體」）有交易往來，該等交易之詳情如下：

在截至二零一六年十二月三十一日止年度，來自河南省國資委相關實體之收益佔總收益2.0%（二零一五年：2.4%），而來自河南省國資委相關實體之採購額佔總銷售成本9.9%（二零一五年：7.2%）。

涉及河南省國資委及河南省國資委相關實體之未償還結餘詳情載列如下：

除應付河南省國資委之款項為無抵押、免息及須按要求償還外，應收河南省國資委相關實體之所有款項均來自貿易銷售或採購。與河南省國資委相關實體及河南省國資委之未償還結餘分別於附註27及附註31闡述。

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38. Related party transactions (Continued)

(2) The Group and other PRC government related entities

Apart from the significant transactions with Henan SASAC related entities set out above, during the years ended 31 December 2016 and 2015, the Group's transactions with other PRC government related entities are collectively significant as a large portion of its sales of goods, purchases of materials, most of bank deposits, and other general banking facilities and the relevant interest income earned and expenses incurred during the years ended 31 December 2016 and 2015 are transacted with entities owned/controlled by the PRC government.

In the opinion of the directors of the Company, the transactions with PRC government related entities are activities in the ordinary course of the Group's business and entered into under normal commercial terms and conditions, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established its approval process for sales of goods and purchases of materials and its financing policy for borrowings, such approval process and financing policy do not depend on whether the counterparties are government related entities or not.

(3) The Group and its associates and joint ventures

The Group had the following significant transactions with its associates and joint ventures:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade sales:	貿易銷售：		
Associates	聯營公司	61,261	106,926
Joint ventures	合營企業	—	5,270
		61,261	112,196
Trade purchases:	貿易採購：		
Associates	聯營公司	123,758	154,475
Joint ventures	合營企業	—	4,915
		123,758	159,390

38. 關聯方交易 (續)

(2) 本集團與其他中國政府相關實體

除上文所載與河南省國資委相關實體進行之重大交易外，本集團於截至二零一六年及二零一五年十二月三十一日止年度與其他中國政府相關實體進行之交易全部均屬重大，因其於截至二零一六年及二零一五年十二月三十一日止年度之大部分貨品銷售、物料採購、大部分銀行存款、其他一般銀行融資以及已賺取相關利息收入及已產生開支均涉及與中國政府所擁有／控制的銀行進行之交易。

本公司董事認為，該等與中國政府相關實體進行之交易乃本集團之日常業務活動，並按一般商業條款及條件訂立，而本集團進行該等交易並無因本集團與該等實體屬政府相關機構而受到重大或不當影響。本集團亦就貨品銷售及物料採購設立批核程序，並就借貸設定融資政策，該等批核程序及融資政策並不取決於交易對手是否屬政府相關實體。

(3) 本集團與其聯營公司及合營企業

本集團曾與其聯營公司及合營企業進行下列重要交易：

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38. Related party transactions (Continued)

(3) The Group and its associates and joint ventures (Continued)

The Group had the following outstanding balances with its associates and joint ventures at the end of each reporting period:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amounts due from:	應收下列各方款項：		
Associates	聯營公司	232,977	284,995
Joint ventures	合營企業	-	1,310
		232,977	286,305

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amounts due to:	應付下列各方款項：		
Associates	聯營公司	41,014	47,862
Joint ventures	合營企業	-	1,581
		41,014	49,443

Except for the amount due from an associate of RMB64,000,000 as at 31 December 2016 (2015: RMB80,000,000) as disclosed in note 26 which is non-trade in nature, all amounts due from or due to associates and joint ventures are from trade sales and purchase, and the outstanding balances have been included in note 27 and note 31, respectively.

除附註26所披露於二零一六年十二月三十一日屬非貿易性質之人民幣64,000,000元(二零一五年：人民幣80,000,000元)應收聯營公司款項外，所有應收或應付聯營公司及合營企業之款項均來自貿易銷售及採購。未償還結餘分別於附註27及附註31載述。

38. 關聯方交易(續)

(3) 本集團與其聯營公司及合營企業 (續)

於各報告期末，本集團與其聯營公司及合營企業有以下未償還結餘：

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38. Related party transactions (Continued)

(4) Remuneration of key management personnel

The remuneration of executive directors and other members of key management were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term benefits	短期福利	7,494	10,104
Post-employment benefits	退休福利	1,083	1,625
		8,577	11,729

Key management represents the executive directors and other senior management personnel disclosed in the annual report. The remuneration of key management personnel is determined with reference of the performance to individuals and market trends.

38. 關聯方交易(續)

(4) 主要管理人員酬金

董事及其他主要管理人員之酬金如下：

主要管理人員指在年報中披露之執行董事及其他高級管理人員。主要管理人員之酬金乃根據個人表現與市場趨勢釐定。

39. Disposal of a subsidiary

On 20 July 2016 the Group and Huainan Li Cheng Mining Machinery Co., Ltd ('Huainan Li Cheng'), an independent third party, entered into an equity transfer agreement, pursuant to which the Company agreed to transfer and Huainan Li Cheng agreed to acquire 35.4% equity interest in ZMJ Shun Li at a total consideration of RMB22,484,900. Upon completion of the equity transfer in December 2016, ZMJ Shun Li ceased to be a subsidiary of the Group and the Company held remaining 22.6% equity interest in ZMJ Shun Li and accounted for as interest in an associate.

The net assets of ZMJ Shun Li at the date of disposal were as follows:

		RMB'000 人民幣千元
Total consideration received in cash	已收取現金之總代價	22,485

39. 出售一家附屬公司

於二零一六年七月二十日，本集團及與獨立第三方淮南立成煤礦設備有限公司(「淮南立成」)訂立股權轉讓協議，據此，本公司同意轉讓，而淮南立成同意收購鄭煤機舜立的35.4%股本權益，總代價為人民幣22,484,900元。於二零一六年十二月完成股權轉讓後，鄭煤機舜立不再為本集團的附屬公司，而本公司仍持有鄭煤機舜立的22.6%股本權益，並作為於聯營公司中權益入賬。

於出售日期，鄭煤機舜立的資產淨值如下：

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39. Disposal of a subsidiary (Continued)

Analysis of assets and liabilities over which control was lost:

39. 出售一家附屬公司(續)

失去控制權之資產及負債分析：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	113,614
Intangible assets	無形資產	111
Investments in joint ventures	於合營企業之投資	2,425
Prepaid lease payments	預付租賃款項	55,714
Inventories	存貨	51,735
Trade and other receivables	貿易及其他應收款項	44,189
Bank balances and cash	銀行結餘及現金	3,269
Other assets	其他資產	4,048
Trade and other payables	貿易及其他應付款項	(240,173)
Other liabilities	其他負債	(11,208)
Net assets disposed of	出售資產淨值	23,724
Gain on disposal of a subsidiary:	出售一家附屬公司之收益：	
Consideration received on disposal of 35.4% equity interest	就出售35.4%股權收取的代價	22,485
The retained 22.6% equity interest measured at fair value when control is lost	當失去控制權時餘下22.6%股權的公平值	5,332
Non-controlling interests	非控股權益	10,181
Net assets disposed of	出售資產淨值	(23,724)
Gain on disposal	出售收益	14,274
Net cash inflow arising on disposal:	產自出售現金流入淨額：	
Cash consideration	現金代價	22,485
Less: bank balances and cash disposed of	減：出售銀行結餘及現金	(3,269)
		19,216

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40. Contingent liabilities

(1) Outstanding endorsed bills receivable with recourse

During the year, the Group has endorsed and derecognised certain bills receivable for the settlement of trade and other payables with full recourse. In the opinion of the directors of the Company, the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivable are issued and guaranteed by reputable PRC banks. The maximum exposure to the Group that may result from the default of these endorsed and derecognised bills receivable at the end of each reporting period is as follows:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Outstanding endorsed bills receivable with recourse 具追索權之尚未償還已背書 應收票據	621,191	461,205

These endorsed and derecognised bills receivable have a maximum maturity of 6 months, and the total undiscounted cash flows of these endorsed and derecognised bills receivable, representing the Group's maximum loss if the issuing banks fail to honour their bills and guarantees, amounted to RMB621,191,000 as at 31 December 2016 (2015: RMB461,205,000).

41. Capital risk management

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

The capital structure of the Group consists of debts and equity attributable to owners of the Company, comprising share capital, share premium and other reserves.

The management of the Company reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

40. 或然負債

(1) 具追索權之尚未償還已背書應收票據

於本年度，本集團以背書及終止確認若干應收票據之方式結算具全面追索權之貿易及其他應付款項。本公司董事認為，由於所有背書之應收票據乃由聲譽良好之中國銀行發出及提供擔保，故欠付背書之應收票據之風險不大。於各報告期末，本集團可能因欠付該等背書及終止確認之應收票據而須承擔之最大風險如下：

該等背書及終止確認之應收票據的最長屆滿期限為六個月，於二零一六年十二月三十一日，該等背書及終止確認之應收票據未貼現現金流總額為倘發行銀行未能兌現彼等之票據及擔保金額本集團人民幣621,191,000元最高虧損（二零一五年：人民幣461,205,000元）。

41. 資本風險管理

本集團管理其資本，以確保本集團內的實體將可繼續持續經營，而股東亦可透過優化債務及權益結餘取得最大回報。本集團之整體策略維持不變。

本集團的資本架構包括債務以及本公司擁有人應佔權益，當中包括股本、股份溢價及其他儲備。

本公司管理層每年審閱資本架構。作為該項審閱的其中一環，管理層會考慮資本成本及與每類資本有關的風險。根據管理層的建議，本集團將透過支付股息、發行新股、籌措新債務或償還現有債務平衡其整體資本架構。

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42. Financial instruments

(a) Categories of financial instruments

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值物)	8,368,302	8,124,290
Available-for-sale investments	可供出售投資	36,669	31,174
Derivative instruments	衍生工具	71,020	-
Total	合計	8,475,991	8,155,464
Financial liabilities:	金融負債：		
Amortised costs	攤銷成本	1,781,933	2,097,605

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include finance lease receivables, long-term receivables, debt investment, trade and other receivables, derivative instruments, pledged bank deposits, cash and bank balances, trade and other payables, transferred trade receivables and liabilities associated with transferred trade receivables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

42. 金融工具

(a) 金融工具分類

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值物)	8,368,302	8,124,290
Available-for-sale investments	可供出售投資	36,669	31,174
Derivative instruments	衍生工具	71,020	-
Total	合計	8,475,991	8,155,464
Financial liabilities:	金融負債：		
Amortised costs	攤銷成本	1,781,933	2,097,605

(b) 金融風險管理目標及政策

本集團主要金融資產及負債包括財務租賃應收款項、長期應收款項、債務投資、貿易及其他應收款項、衍生工具、已抵押銀行存款、現金及銀行結餘、貿易及其他應付款項、已劃轉的貿易應收款項及與已劃轉的貿易應收款項有關的負債。該等金融工具詳情於各自附註披露。有關該等金融工具的風險及如何降低該等風險的政策載列如下。管理層管理並監控該等風險，以確保及時有效採取適當措施。

市場風險

本集團業務使其主要承受貨幣風險、利率風險及其他價格風險。本集團承受的該等風險以及管理及計量風險的方式概無變動。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

42. Financial instruments (Continued)

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

Market risk (Continued)

(i) Currency risk

The primary economic environment in which the company and its principal subsidiaries operate is the PRC and their functional currency is RMB. However, certain transactions of the Company and its principal subsidiaries including sales and purchases of goods are denominated in foreign currencies. In addition, the Company entered into an equity transfer agreement during the year (notes 28 and 43), and a large portion of the consideration shall be payable in USD equivalent.

The management of the Group monitors foreign exchange exposure by closely monitoring the foreign exchange risk profile and utilized forward foreign exchange contracts to hedge its exposure to variability in cash flows attributable to foreign currency risk between RMB/USD associated with the highly probable equity transfer agreement.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

42. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險

本公司及其主要附屬公司營運的主要經濟環境為中國，而其功能貨幣為人民幣。然而，本公司及其主要附屬公司的若干交易(包括買賣商品)乃以外幣列值。此外，本公司於年內訂立了一份股權轉讓協議(附註28及43)，代價的一大部份須以等值美元支付。

本集團管理層透過密切監察外匯風險組合監控外匯風險，以及利用遠期對沖合同對沖其人民幣／美元外匯風險導致的現金流量變化的風險(其與極可能簽立的股權轉讓協議有關)。

於各報告期末，本集團以外幣列值的貨幣資產及負債如下：

		USD 美元	
		Assets 資產	Liabilities 負債
		RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2016	於二零一六年十二月三十一日	624,091	231
As at 31 December 2015	於二零一五年十二月三十一日	410,389	800

		EUR 歐元	
		Assets 資產	Liabilities 負債
		RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2016	於二零一六年十二月三十一日	36,303	36,551
As at 31 December 2015	於二零一五年十二月三十一日	82,184	20,347

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

42. Financial instruments (Continued)

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

Market risk (Continued)

(i) Currency risk (Continued)

		HKD 港元	
		Assets 資產	Liabilities 負債
		RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2016	於二零一六年十二月三十一日	511,677	-
As at 31 December 2015	於二零一五年十二月三十一日	461,300	-

The Group is mainly exposed to the foreign currency risk between USD/RMB, EUR/RMB and HKD/RMB.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the relevant foreign currencies against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit for the year and a negative number below indicates a decrease in post-tax profit for the year where the relevant foreign currencies change 5% against RMB.

42. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

本集團主要承擔美元／人民幣、歐元／人民幣及港元／人民幣的外匯風險。

敏感度分析

下表載列本集團對有關貨幣兌人民幣升值及貶值5%的敏感度詳情。5%乃向主要管理人員內部呈報外匯風險的敏感度比率，並代表管理層對匯率合理可能變動的評估。敏感度分析僅包括以外幣列值的尚未支付貨幣項目，並於各報告期末以匯率變動5%作匯兌調整。下列正數反映有關外幣兌人民幣變動5%時，年內除稅後溢利增加，而下列負數反映年內除稅後溢利減少。

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

42. Financial instruments (Continued)

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

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis (Continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
USD impact	美元影響		
if USD strengthens against RMB	倘美元兌人民幣升值	26,514	17,408
if USD weakens against RMB	倘美元兌人民幣貶值	(26,514)	(17,408)
EUR impact	歐元影響		
if EUR strengthens against RMB	倘歐元兌人民幣升值	250	2,628
if EUR weakens against RMB	倘歐元兌人民幣貶值	(250)	(2,628)
HKD impact	港元影響		
if HKD strengthens against RMB	倘港元兌人民幣升值	21,746	19,605
if HKD weakens against RMB	倘港元兌人民幣貶值	(21,746)	(19,605)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposure.

(ii) Interest risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits and variable-rate bank balances (see notes 30 for details). Currently, the Group does not have a specific policy to manage its interest rate risk, but the management will closely monitor interest rate exposures and consider hedging significant interest rate risk should the need arise.

42. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

本公司董事認為，由於年結日風險不能反映風險，故敏感度分析不能代表固有外匯風險。

(ii) 利率風險

本集團就浮息已抵押銀行存款及浮息銀行結餘(詳情參見附註30)承受現金流量利率風險。目前，本集團並無特定政策管理其利率風險，惟管理層將密切留意利率風險並在有需要時考慮對沖重大利率風險。

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

42. Financial instruments (Continued)

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

Market risk (Continued)

(ii) Interest risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments (including pledged bank deposits, bank balances and borrowings) at the end of each reporting period and the expected changes in interest rates taking place at the beginning of the financial year and being held constant throughout the reporting period in the case of pledged bank deposits and bank balances.

A 10 basis point increase or decrease in interest rates on variable-rate pledged bank deposits and bank balance is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. There is no borrowing during the year 2016 and 2015. If the interest rates on variable-rate pledged bank deposits and bank balances had been 10 basis points higher and all other variables were held constant, the post-tax profit for the year would have increased by:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Increase in post-tax profit for the year 年內除稅後溢利增加	2,211	1,140

The post-tax profit for the year would have decreased by the same amount as mentioned above if the interest rates on variable-rate pledged bank deposits and bank balances had been 10 basis points lower and all other variables were held constant.

42. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析

以下敏感度分析乃根據金融工具(包括已抵押銀行存款、銀行結餘及借貸)於各報告期末的利率風險以及財政年度初出現的利率預期變動(就已抵押銀行存款及銀行結餘而言，於整個報告期維持不變)釐定。

浮息已抵押銀行存款及銀行結餘利率上升或下降10個基點乃於向主要管理人員內部呈報利率風險時使用，並為管理層對利率合理可能變動的評估。於二零一六年及二零一五年概無任何借貸。倘浮息已抵押銀行存款及銀行結餘的利率上升10個基點，而所有其他變數不變，則年內除稅後溢利將增加：

倘浮息已抵押銀行存款及銀行結餘的利率下降10個基點，而所有其他變數不變，則年內除稅後溢利將按上述相同金額減少。

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

42. Financial instruments (Continued)

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

Market risk (Continued)

(iii) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments operating in coal industry sector quoted in the Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. For sensitivity analysis purpose, the sensitivity rate is 25% in current year as a result of the volatile financial market.

If the prices of the respective equity instruments had been 25% higher/lower: other comprehensive income for the year ended 31 December 2016 would increase/decrease by RMB9,484,000 as a result of the changes in fair value of available-for-sale investments.

If the prices of the respective equity instruments had been 25% higher/lower: post-tax profit for the year ended 31 December 2015 would increase/decrease by RMB8,016,000 as a result of the changes in fair value of available-for-sale investments which have been impaired.

42. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(iii) 其他價格風險

本集團因投資於上市股本證券而面臨股本價格風險。本集團的股本價格風險主要集中於經營煤炭行業並在聯交所報價的股本工具。此外，本集團已委任特定團隊監察有關價格風險，並於有需要時考慮對沖有關風險。

敏感度分析

以下敏感度分析乃根據報告日期面臨的股本價格風險釐定。就敏感度分析而言，由於金融市場波動，本年度的敏感度比率為25%。

倘各股本工具之價格增加/減少25%：鑑於可供出售投資公平值有所變動，截至二零一六年十二月三十一日止年度之其他全面收益增加/減少人民幣9,484,000元。

倘各股本工具之價格增加/減少25%：鑑於已減值的可供出售投資公平值有所變動，截至二零一五年十二月三十一日止年度之除稅後溢利增加/減少人民幣8,016,000元。

Notes to the Consolidated Financial Statements

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

42. Financial instruments (Continued)

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

Credit risk

As at 31 December 2016 and 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to bills receivable endorsed by the Group with full recourse as disclosed in note 40.

In order to minimize the credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the management of the Company reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Company considers that the Group's credit risk is significantly reduced.

In the opinion of the directors of the Company, the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivable are issued and guaranteed by reputable PRC banks.

The Group has concentration of credit risk on liquid funds which are deposited with several banks. However, the credit risk on bank balances is limited because the majority of the counterparties are state-owned banks with good reputation or banks with good credit rating assigned by international credit-rating agencies and with good reputation.

The Group has concentration of credit risk as 11.28% (2015: 11.42%) and 29.33% (2015: 28.75%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except for finance lease receivables. Credit risks associated with the finance lease receivables are mitigated because the finance lease receivables are secured over the leased storage equipment. The carrying amounts of the finance lease receivables as at 31 December 2016 amounted to RMB90,628,000 (2015: RMB84,088,000).

42. 金融工具(續)

(b) 金融風險管理目標及政策(續)

信貸風險

於二零一六年及二零一五年十二月三十一日，本集團的最大信貸風險將由於交易對手違約而導致本集團蒙受財務損失，乃由以下各項產生：

- 綜合財務狀況表所述各自己確認金融資產的賬面值；及
- 於附註40所披露與本集團具有全面追索權之已背書應收票據相關的或然負債金額。

為降低信貸風險，本公司管理層已委派一個團隊負責釐定信貸限額、信貸審批及實施其他監督程序，以確保採取跟進行動以收回逾期債務。此外，本公司管理層於各報告期末審閱各貿易債務的可收回程度，以確保就不可收回金額計提足夠減值虧損。為此，本公司管理層認為，本集團信貸風險已大幅降低。

本公司董事認為，拖欠支付已背書應收票據的風險不大，原因為全部已背書應收票據乃由中國具信譽的銀行發出及擔保。

本集團就存放於幾家銀行的流動資金承受集中信貸風險。然而，由於大部分對手方均為信譽良好的國有銀行或獲國際評級機構授予良好信貸評級且信譽良好的銀行，故銀行結餘的信貸風險有限。

本集團之貿易應收款項總額中，分別有11.28% (二零一五年：11.42%) 乃應收最大客戶及29.33% (二零一五年：28.75%) 乃應收五大客戶，故此承受集中信貸風險。

除融資租賃應收款項外，本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關之信貸風險提供保障。與融資租賃應收款項相關之信貸風險減低，乃由於融資租賃應收款項以租賃貯存設備作抵押。於二零一六年十二月三十一日，融資租賃應收款項之賬面值為人民幣90,628,000元(二零一五年：人民幣84,088,000元)。

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42. Financial instruments (Continued)

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

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

		Weighted average interest rate 加權 平均利率 %	On demand or less than 3 months 按要求或少 於3個月 RMB'000 人民幣千元	3 months to 1 year 3個月 至1年 RMB'000 人民幣千元	Total undiscounted cashflows 未折現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
The Group	本集團					
As at 31 December 2016	於二零一六年十二月三十一日					
Trade and other payables	貿易及其他應付款項	-	1,320,446	281,165	1,601,611	1,601,611
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關之負債	-	180,322	-	180,322	180,322
			1,500,768	281,165	1,781,933	1,781,933
As at 31 December 2015	於二零一五年十二月三十一日					
Trade and other payables	貿易及其他應付款項	-	1,745,855	351,750	2,097,605	2,097,605
			1,745,855	351,750	2,097,605	2,097,605

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

In addition to the above, the Group is also exposed to liquidity risk in the next six months from each reporting date in relation to the maximum loss and cash outflows that may result from the Group's endorsed bills receivable with full recourse should the issuing banks of these bills fail to honour their obligations, please refer to note 40 for details.

42. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動資金風險

於管理流動資金風險時，本集團會監控及維持管理層認為足夠撥付本集團營運所需的一定水平現金及現金等值物，減輕現金流量波動的影響。管理層亦會監控銀行借貸的使用，以確保遵守貸款契諾。

下表載列本集團非衍生金融負債根據協定償還條款的餘下合約到期日。該表格乃根據基於本集團可被要求支付的最早日期的金融負債未折現現金流量編製。該表格包括利息及本金現金流量。

倘浮動利率與報告期末釐定的估計利率有所差異，則上述的非衍生金融負債浮動利率工具金額可予變動。

除上文所述外，本集團自各報告日期起未來六個月亦承受流動資金風險，因本集團具有全面追索權的已背書應收票據，倘該等票據發出之銀行未能履行其責任，可能產生的最大虧損及現金流出。詳情請參閱附註40。

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42. Financial instruments (Continued)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets 金融資產	Fair value as at 31 December 2016 於二零一六年 十二月三十一日之公平值	Fair value hierarchy 公平值等級	Valuation technique and key input 估值方法及 重要輸入數據
Listed AFS investments 上市可供出售投資	Listed equity securities in Hong Kong – Coal industry RMB35,834,000 (2015: RMB29,293,000) 於香港的上市股本證券 – 煤炭行業 人民幣35,834,000元 (二零一五年： 人民幣29,293,000元)	Level 1 第1級	Quoted bid prices in an active market 於活躍市場所報之買盤價
Derivative financial instruments 衍生金融工具	Forward foreign exchange contracts – RMB71,020,000 (2015: Nil) 遠期外匯合同 – 人民幣71,020,000元 (二零一五年：無)	Level 2 第2級	Discounted cash flow. Future cash flows are estimated base on forward exchange rate (from observable forward exchange rates at the end of the reporting date) and contracted forward rate, discounted at a rate that reflects the credit risk of various counterparties 已折現現金流量 未來現金流的估算乃根據遠期匯率 (來自報告期末的可觀察遠期匯 率)及合約遠期利率，再按可反映 多個對手方的信貸風險的利率折現

There were no transfers between Level 1 and 2 in the year.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

42. 金融工具(續)

(c) 金融工具之公平值計量

此附註提供本集團如何釐定多項金融資產及金融負債公平值之資料。

根據經常性基準按公平值計量之本集團金融資產及金融負債之公平值

本集團部分金融資產及金融負債於各報告期末按公平值計量。下表所載資料說明該等金融資產及金融負債公平值之釐定方式(尤其是所用之估值方法及輸入數據)。

期內第1級與第2級之間並無轉撥。

並非根據經常性基準按公平值計量之本集團金融資產及金融負債之公平值

董事認為，於綜合財務報表內按攤銷成本確認之金融資產及金融負債的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

43. Events after the reporting period

As at 3 March 2017, the registration of the change of shareholders with industry and commerce authorities or other competent authorities in respect of the Target Equity Interests have been completed. Upon completion of the change of registration, the transfer of the Target Equity Interests has been duly completed and the Target Equity Interests are held by the Company. On 9 March 2017, the issuance of 93,220,338 consideration shares was completed. Upon completion of the issue, the Company had a total of 1,714,342,338 shares.

Upon completion of the transfer of the Target Equity Interests, the Group recognised the goodwill to the extent that the purchase consideration (details of which are set out in note 28) exceeds the fair value of the identifiable assets and liabilities of the Target Equity Interests acquired. In addition, the Group will apply consistent accounting policies, principal assumptions and valuation method to assess impairment of goodwill in subsequent reporting periods in accordance with the requirements under IAS 36.

44. Subsidiaries

General information of subsidiaries

Details of the Company's subsidiaries as at 31 December 2016 and 2015 are as follows.

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2016 二零一六年 %	2015 二零一五年 %
<i>Directly held:</i> 直接持有：					
鄭州煤機液壓電控有限公司(附註a) Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. (note a)	Manufacture of hydraulic products 生產液壓產品	The PRC 中國	RMB15,000,000 人民幣15,000,000元	100.00	100.00
鄭州煤機綜機設備有限公司(附註a) Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. (note a)	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB100,000,000 人民幣100,000,000元	68.89	68.89
鄭州煤礦機械集團物資供銷 有限公司(附註a) Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd. (note a)	Trading of raw materials and products 原料及產品貿易	The PRC 中國	RMB10,000,000 人民幣10,000,000元	100.00	100.00

43. 報告期後事項

截至二零一七年三月三日，目標股權的股東變更工商變更登記手續或其他有權部門登記手續已辦理完成。變更登記完成後，目標股權已完成過戶，本公司持有目標股權。於二零一七年三月九日，93,220,338股代價股份已完成發行。完成發行後，本公司的股份合共為1,714,342,338股。

目標股權轉讓完成後，收購代價(詳情見附註28)高於收購目標股權可識別資產及負債之公平值的差額，確認商譽。此外，本集團將根據國際會計準則第36號的要求，採納一貫會計政策、主要假設及估值方法，以評估於其後報告期間的商譽減值。

44. 附屬公司

附屬公司之一般資料

於二零一六年及二零一五年十二月三十一日，本公司附屬公司之詳情如下。

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

44. Subsidiaries (Continued)

General information of subsidiaries (Continued)

44. 附屬公司(續)

附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2016 二零一六年 %	2015 二零一五年 %
鄭州煤機長壁機械有限公司(附註a) Zhengzhou Coal Mining Longwall Face Machinery Co., Ltd. (note a)	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB50,000,000 人民幣50,000,000元	53.21	53.21
鄭煤機集團潞安新疆機械有限公司 (附註a) Zhengzhou Coal Mining Machinery Group Lu An Xinjiang Co., Ltd. (note a)	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB50,000,000 人民幣50,000,000元	54.00	54.00
淮南鄭煤機舜立機械有限公司(附註a) Huainan ZMJ Shun Li Machinery Co., Ltd. (note a)	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB78,600,000 人民幣78,600,000元	N/A	57.97
鄭煤機西伯利亞有限責任公司(附註b) Zhengzhou Coal Mining Machinery Siberia Co., Ltd. (note b)	Aftermarket service of mining machinery 採礦機械售後服務	Russia 俄羅斯	USD100,000 100,000美元	100.00	100.00
鄭煤機國際貿易(香港)有限公司 ZMJ International Trading (Hong Kong) Co., Ltd.	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Hong Kong 香港	USD7,500,000 7,500,000美元	100.00	100.00
ZMJ Germany GmbH (附註c)(note c)	Sale and purchase of mining machinery/ research and development of mining products 銷售及採購採礦 機械/研發 採礦產品	German 德國	EUR1,000,000 1,000,000歐元	100.00	100.00
鄭煤機(美洲)有限公司(附註f) ZMJ America, Inc. (note f)	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Canada 加拿大	CAD100 100加元	100.00	100.00

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44. Subsidiaries (Continued)

General information of subsidiaries (Continued)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2016 二零一六年 %	2015 二零一五年 %
鄭煤機(澳大利亞)有限公司(附註g) ZMJ Australia Pty Ltd. (note g)	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Australia 澳大利亞	USD200,000 200,000美元	100.00	100.00
亞新科工業技術(北京)有限公司(附註h) ASIMO Technologies (Beijing) Co., Ltd. (note h)	Sale and purchase of auto parts and components 銷售及採購汽車零部件	The PRC 中國	RMB10,000,000 人民幣10,000,000元	100.00	N/A 不適用
<i>Indirectly held:</i> 間接持有：					
鄭州煤機鑄鍛有限公司(附註a及d) Zhengzhou Coal Mining Zhu Duan Co., Ltd. (notes a and d)	Sale of molding and metal material 模具及金屬材料銷售	The PRC 中國	RMB30,000,000 人民幣30,000,000元	51.93	55.26
鄭煤機格林材料有限公司 (「鄭煤機格林材料」)(附註a及e) Zhengzhou Coal Mining Machinery Gelin Material Technology Co., Ltd. ("ZMJ Gelin Material") (notes a and e)	Sale of molding and metal material 模具及金屬材料銷售	The PRC 中國	RMB50,000,000 人民幣50,000,000元	55.26	55.26

44. 附屬公司(續)

附屬公司之一般資料(續)

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

44. Subsidiaries (Continued)

General information of subsidiaries (Continued)

Notes:

- (a) All these subsidiaries are enterprises established in the PRC as companies with limited liability. The English names of these companies represent management's best efforts to translate the Chinese names of these companies as no English names have been registered.
- (b) Zhengzhou Coal Mining Machinery Siberia Co., Ltd. was established by the Company on 2 June 2011 in Russia. The English name of this company represents management's best effort to translate the Russian name of this company as no English name has been registered.
- (c) ZMJ Germany GmbH was established by the Company on 20 August 2013 in Germany. The English name of this company represents management's best effort to translate the German name of this company as no English name has been registered.
- (d) Zhengzhou Coal Mining Zhu Duan Co., Ltd. was established by the Company (38.60%) and the Company's subsidiaries including ZMJ Comprehensive Equipment (13.33%) and other non-controlling interests in 2011 in the PRC.
- (e) ZMJ Gelin Material was established by Zhengzhou Coal Mining Zhu Duan Co., Ltd., a non-wholly owned subsidiary of the Company, on 28 January 2013.
- (f) ZMJ America, Inc. was established by the Company on 3 February 2015 in Canada.
- (g) ZMJ Australia Pty Ltd. was established by the Company on 10 September 2015 in Australia.
- (h) ASIMO Technologies (Beijing) Co., Ltd. was established by the Company on 18 September 2016 in the PRC.

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

44. 附屬公司(續)

附屬公司之一般資料(續)

附註：

- (a) 該等附屬公司均為在中國設立之有限公司。該等公司的英文名稱為管理層盡力對該等公司的中文名稱作出的翻譯，因該等公司概無註冊英文名稱。
- (b) 鄭煤機西伯利亞有限責任公司為本公司於二零一一年六月二日在俄羅斯成立。該公司的英文名稱為管理層盡力對該公司的俄羅斯名稱作出的翻譯，因該公司並無註冊英文名稱。
- (c) ZMJ Germany GmbH為本公司於二零一三年八月二十日在德國成立。該公司的英文名稱為管理層盡力對該公司的德國名稱作出的翻譯，因該公司並無註冊英文名稱。
- (d) 鄭州煤機鑄鍛有限公司為本公司(38.60%)與本公司附屬公司(包括鄭煤機綜機(13.33%))及其他非控股權益於二零一一年在中國成立。
- (e) 鄭煤機格林材料為本公司一家非全資附屬公司鄭州煤機鑄鍛有限公司於二零一三年一月二十八日成立。
- (f) 鄭煤機(美洲)有限公司為本公司於二零一五年二月三日在加拿大成立。
- (g) 鄭煤機(澳大利亞)有限公司為本公司於二零一五年九月十日在澳大利亞成立。
- (h) 亞新科工業技術(北京)有限公司為本公司於二零一六年九月十八日在中國成立。

於本年末，概無附屬公司發行任何債務證券。

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綜合財務報表附註

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

45. Information about the statement of financial position of the Company

45. 有關本公司財務狀況表之資料

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,067,721	1,174,720
Prepaid lease payments	預付土地租賃款項	222,418	227,654
Investment properties	投資物業	45,598	47,187
Intangible assets	無形資產	2,069	3,766
Investments in subsidiaries	於附屬公司之投資	153,201	210,698
Investments in associates	於聯營公司之投資	412,305	400,169
Available-for-sale investments	可供出售之投資	835	1,881
Deferred tax assets	遞延稅項資產	188,143	154,601
Debt investments	債務投資	-	390,027
Finance lease receivables	融資租賃應收款項	51,482	58,096
Long term receivables	長期應收款項	46,782	131,206
Loan receivables from subsidiaries	應收附屬公司貸款	76,307	71,430
		2,266,861	2,871,435
CURRENT ASSETS	流動資產		
Prepaid lease payments	預付土地租賃款項	5,236	5,236
Inventories	存貨	691,605	978,615
Loan receivables from an associate	應收一家聯營公司貸款	64,000	80,000
Trade and other receivables	貿易及其他應收款項	3,456,836	3,728,664
Transferred trade receivables	已劃轉的貿易應收款項	180,322	-
Finance lease receivables	融資租賃應收款項	39,146	25,992
Long term receivables	長期應收款項	131,726	105,059
Derivative financial assets	衍生金融資產	71,020	-
Debt investments	債務投資	416,631	-
Other financial assets	其他金融資產	1,085,000	1,063,000
Pledged bank deposits	已抵押銀行存款	235,193	264,305
Bank balances and cash	銀行結餘及現金	2,592,005	1,932,544
		8,968,720	8,183,415
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	1,432,312	1,865,189
Advances from customers	客戶按金	211,763	139,726
Tax liabilities	稅項負債	6,220	18,126
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關之負債	180,322	-
		1,830,617	2,023,041
NET CURRENT ASSETS	流動資產淨值	7,138,103	6,160,374
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	9,404,964	9,031,809
NON-CURRENT LIABILITIES	非流動負債		
Other non-current liabilities	其他非流動負債	4,000	3,328
NET ASSETS	資產淨值	9,400,964	9,028,481
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	1,621,122	1,621,122
Share premium	股份溢價	3,409,354	3,409,354
Reserves (Note)	儲備(附註)	4,370,488	3,998,005
Equity attributable to owners of the Company	本公司股東應佔權益	9,400,964	9,028,481

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

45. Information about the statement of financial position of the Company (Continued)

Note:

Reserves

		Statutory Surplus Reserve	Cash flow hedging reserve	Other reserves	Retained earnings	Total
		法定盈餘 儲備	現金流量 對沖儲備	其他儲備	保留盈利	合計
		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
Balance at 1 January 2015	於二零一五年一月一日之結餘	520,096	–	42,435	3,411,849	3,974,380
Profit and total comprehensive income for the year	年內溢利及全面收入總額	–	–	–	49,761	49,761
Other comprehensive expense for the year	年內其他全面開支	–	–	10,467	–	10,467
Contribution from the parent of the Company	本公司母公司出資	–	–	25,000	–	25,000
Transfer	轉撥	4,976	–	–	(4,976)	–
Dividends (note 14)	股息(附註14)	–	–	–	(61,603)	(61,603)
Balance at 31 December 2015	於二零一五年十二月三十一日之結餘	525,072	–	77,902	3,395,031	3,998,005
Profit and total comprehensive income for the year	年內溢利及全面收入總額	–	–	–	274,670	274,670
Other comprehensive expense for the year	年內其他全面開支	–	71,020	19,787	–	90,807
Contribution from the parent of the Company	本公司母公司注資	–	–	20,000	–	20,000
Transfer	轉撥	27,467	–	–	(27,467)	–
Dividends (note 14)	股息(附註14)	–	–	–	(12,969)	(12,969)
Others	其他	–	–	(25)	–	(25)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	552,539	71,020	117,664	3,629,265	4,370,488

45. 有關本公司財務狀況表之資料(續)

附註：

儲備

Summary Financial Information

財務信息摘要

Revenue and profit: 收入和利潤：		2016	2015	2014	2013	2012
		二零一六年 RMB millions 人民幣百萬元	二零一五年 RMB millions 人民幣百萬元	二零一四年 RMB millions 人民幣百萬元	二零一三年 RMB millions 人民幣百萬元	二零一二年 RMB millions 人民幣百萬元
Revenue	收入	3,628.53	4,510.86	6,124.46	8,055.31	10,212.85
Profit before tax	稅前利潤	37.39	30.37	232.58	1,003.67	1,910.93
Income tax expense	所得稅費用	(0.74)	(19.76)	(39.25)	(166.69)	(297.39)
Profit for the year	本年度利潤	36.65	10.61	193.33	836.98	1,613.54
Profit for the year attributable to:	本年度利潤歸屬：					
Owners of the Company	本公司擁有人	62.00	42.20	205.19	866.71	1,589.15
Non-controlling interests	非控股權益	(25.35)	(31.59)	(11.86)	(29.73)	24.39
Earnings per share (RMB cents)	每股盈利(人民幣分)	3.82	2.60	12.67	53.46	112.04
Assets and liabilities:	資產與負債：					
Non-current assets	非流動資產	2,520.49	3,245.32	3,135.66	2,661.52	2,554.58
Current assets	流動資產	9,407.69	8,804.16	9,060.22	9,989.92	10,452.06
Current liabilities	流動負債	2,164.90	2,412.24	2,594.92	2,948.77	3,579.97
Net current assets	流動資產淨額	7,242.79	6,391.92	6,465.30	7,041.16	6,872.09
Total assets less current liabilities	總資產減流動負債	9,763.28	9,637.24	9,600.96	9,702.68	9,426.67
Non-current liabilities	非流動負債	4.75	14.78	17.16	20.49	72.82
Net assets	淨資產	9,758.53	9,622.46	9,583.80	9,682.18	9,353.85
Total equity attributable to owners of the Company	本公司股東應佔權益總額	9,674.17	9,502.57	9,432.32	9,518.85	9,160.78
Non-controlling interests	非控股權益	84.36	119.89	151.48	163.33	193.07



ZMJ

Zhengzhou Coal Mining Machinery Group Company Limited
鄭州煤礦機械集團股份有限公司