



# CHINA ORIENTAL GROUP COMPANY LIMITED 中國東方集團控股有限公司\*

(Incorporated in Bermuda with limited liability)

(在百慕達註冊成立的有限公司)

(Stock Code: 581)

(股份代號: 581)

## 2016 Annual Report 年報



\* For identification purposes only  
僅供識別

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# Financial Highlights 財務摘要

## FINANCIAL SUMMARY

		財務摘要		
		2014 二零一四年 (RMB million) (人民幣百萬元)	2015 二零一五年 (RMB million) (人民幣百萬元)	2016 二零一六年 (RMB million) (人民幣百萬元)
Revenue	收入	28,495	21,072	26,427
Gross Profit	毛利	1,368	357	2,674
EBITDA <sup>1</sup>	扣除所得稅、財務淨成本、折舊及攤銷前溢利 <sup>1</sup>	1,721	1,151	3,022
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)	245	(890)	1,055
Profit/(Loss) for the year	年度溢利/(虧損)	66	(936)	531
Profit/(Loss) attributable to owners of the Company	本公司權益持有者應佔溢利/(虧損)	67	(767)	722
Basic earnings/(losses) per Share (RMB)	每股基本收益/(虧損) (人民幣元)	0.02	(0.26)	0.25
Net Assets	淨資產值	9,772	8,912	9,365
Total Assets	總資產	23,743	22,364	21,049
Net Assets value per Share (excluding non-controlling interests) (RMB)	每股淨資產值(豁除非控制性權益) (人民幣元)	3.16	2.90	3.16

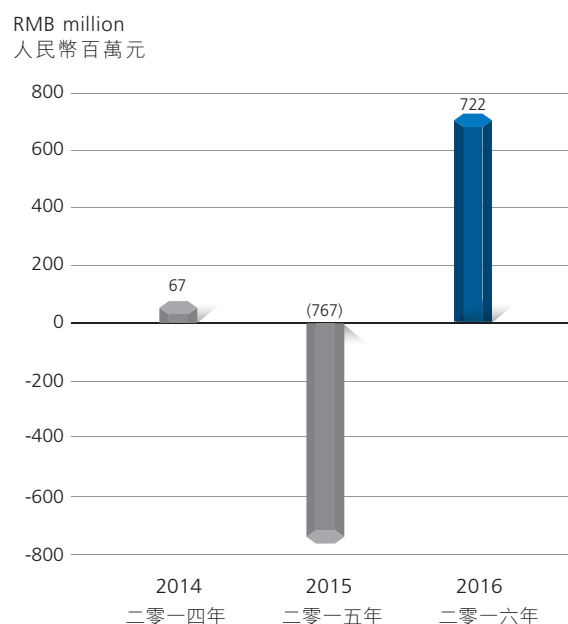
1 The Company defines EBITDA as profit for the year before finance costs-net, income tax expense, amortisation of intangible assets, amortisation of leasehold land and land use rights, depreciation and non-recurring items. Non-recurring items for the year ended 31 December 2016 included RMB 810 million (2015: RMB 521 million) as impairment of property, plant and equipment.

1 本公司對EBITDA的定義為扣除財務淨成本、所得稅費用、無形資產攤銷、租賃土地及土地使用權攤銷、折舊及非經常發生的項目前之年度溢利。於截至二零一六年十二月三十一日止年度內，非經常發生的項目包括人民幣8.10億元(二零一五年：人民幣5.21億元)作為物業、廠房及設備之減值。

**Revenue**  
收入



**Profit/(Loss) Attributable to owners of the Company**  
本公司權益持有者應佔溢利/(虧損)



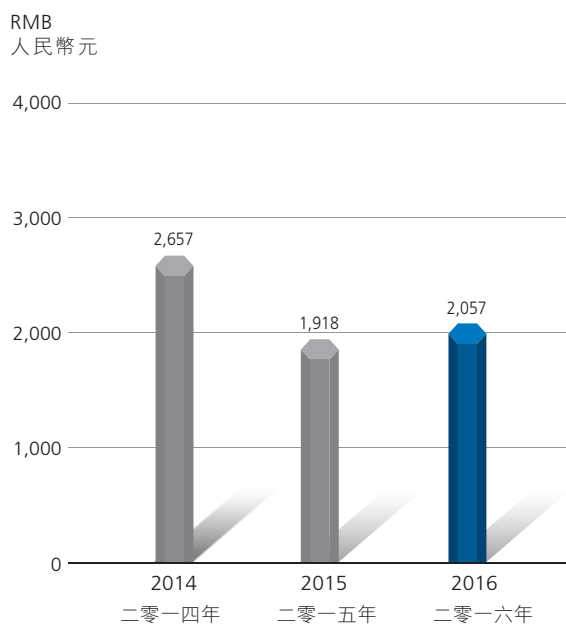


## AVERAGE SELLING PRICE AND GROSS PROFIT/ (LOSS) PER TONNE OF SELF-MANUFACTURED STEEL PRODUCTS

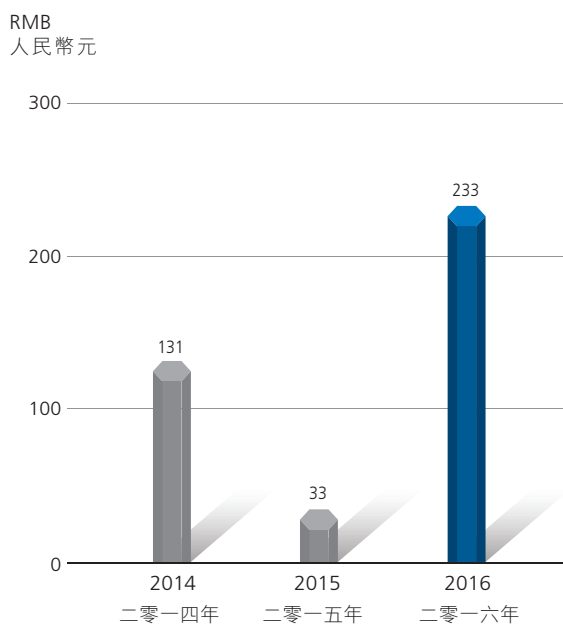
自行生產的鋼鐵產品每噸平均銷售單價與毛利／(毛虧)

		2014 二零一四年 (RMB) (人民幣元)	2015 二零一五年 (RMB) (人民幣元)	2016 二零一六年 (RMB) (人民幣元)
Average Selling Price per Tonne	每噸平均銷售單價	2,657	1,918	<b>2,057</b>
Gross Profit/(Loss) per Tonne	每噸毛利／(毛虧)			
H-section steel products	H型鋼產品	174	64	<b>258</b>
Strips and strip products	帶鋼及帶鋼類產品	167	50	<b>319</b>
Billets	鋼坯	10	(135)	<b>49</b>
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	(124)	(196)	<b>205</b>
Rebar	螺紋鋼	65	41	<b>127</b>
Sheet piling	鋼板樁	180	182	<b>321</b>
Combined	綜合	131	33	<b>233</b>

**Average Selling Price per Tonne**  
每噸平均銷售單價



**Gross Profit per Tonne**  
每噸毛利



## Financial Highlights 財務摘要

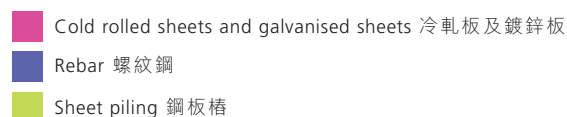
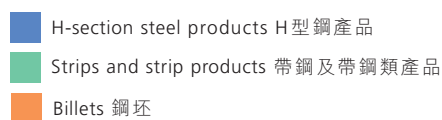
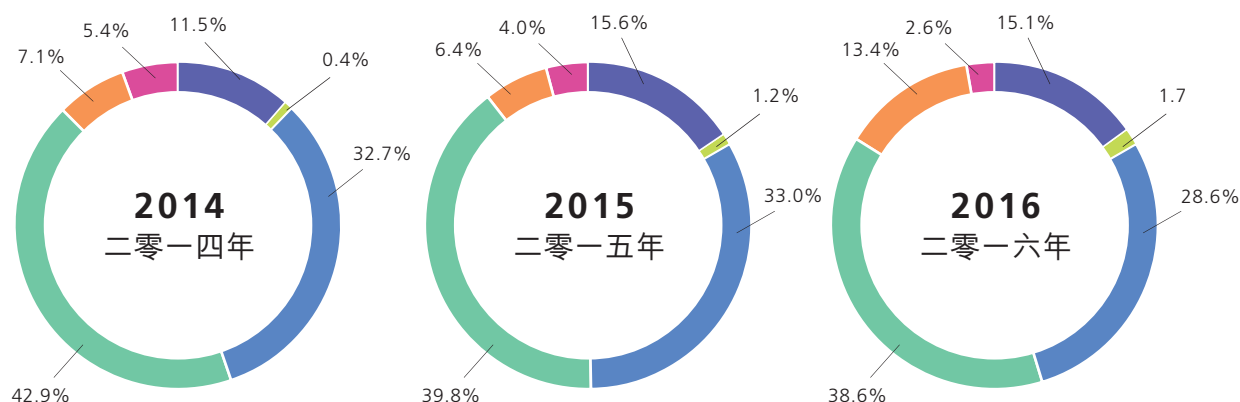
### SALES VOLUME OF SELF-MANUFACTURED STEEL PRODUCTS CLASSIFIED BY PRODUCTS

### 自行生產的鋼鐵產品按產品種類劃分之銷售量

		2014 二零一四年 (‘000 tonnes) (千噸)	2015 二零一五年 (‘000 tonnes) (千噸)	2016 二零一六年 (‘000 tonnes) (千噸)
H-section steel products	H型鋼產品	3,062	3,278	<b>3,247</b>
Strips and strip products	帶鋼及帶鋼類產品	4,025	3,952	<b>4,381</b>
Billets	鋼坯	668	638	<b>1,526</b>
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	503	398	<b>291</b>
Rebar	螺紋鋼	1,074	1,545	<b>1,712</b>
Sheet piling	鋼板樁	39	119	<b>200</b>
Total	合計	9,371	9,930	<b>11,357</b>

### Sales Volume of Self-manufactured Steel Products

### 自行生產的鋼鐵產品的銷售量



## BOARD OF DIRECTORS

### Executive Directors

Mr. Han Jingyuan (*Chairman and Chief Executive Officer*)

Mr. Zhu Jun

(*Executive Deputy General Manager and Chief Operating Officer*)

Mr. Shen Xiaoling

Mr. Zhu Hao

Mr. Han Li

(*appointed as the Deputy General Manager and Chief Financial Officer on 8 December 2016*)

### Non-executive Director

Mr. Ondra Otradovec

### Independent Non-executive Directors

Mr. Wong Man Chung, Francis

Mr. Wang Tianyi

Mr. Zhou Guoping (*resigned on 1 April 2016*)

Mr. Wang Bing

(*appointed on 15 July 2016*)

## COMPOSITION OF BOARD COMMITTEE

### AUDIT COMMITTEE

Mr. Wong Man Chung, Francis (*Chairman*)

Mr. Wang Tianyi

Mr. Zhou Guoping (*resigned on 1 April 2016*)

Mr. Wang Bing

(*appointed on 15 July 2016*)

## 董事局

### 執行董事

韓敬遠先生 (*董事局主席兼首席執行官*)

朱軍先生

(*常務副總經理兼首席運營官*)

沈曉玲先生

朱浩先生

韓力先生

(*於二零一六年十二月八日獲委任為副總經理兼首席財務官*)

### 非執行董事

Ondra Otradovec 先生

### 獨立非執行董事

黃文宗先生

王天義先生

周國平先生 (*於二零一六年四月一日辭任*)

王冰先生 (*於二零一六年七月十五日*

*獲委任*)

## 董事委員會架構

### 審核委員會

黃文宗先生 (*主席*)

王天義先生

周國平先生 (*於二零一六年四月一日辭任*)

王冰先生 (*於二零一六年七月十五日*

*獲委任*)

## Corporate Information 公司資料

### NOMINATION COMMITTEE

Mr. Han Jingyuan (*Chairman*)  
Mr. Wong Man Chung, Francis  
Mr. Wang Tianyi  
Mr. Zhou Guoping (*resigned on 1 April 2016*)  
Mr. Wang Bing  
(*appointed on 15 July 2016*)

### REMUNERATION COMMITTEE

Mr. Wong Man Chung, Francis (*Chairman*)  
Mr. Han Jingyuan  
Mr. Wang Tianyi  
Mr. Zhou Guoping (*resigned on 1 April 2016*)  
Mr. Wang Bing  
(*appointed on 15 July 2016*)

### AUTHORISED REPRESENTATIVE

Mr. Zhu Hao  
Mr. Lam Pak Kan

### COMPANY SECRETARY

Mr. Lam Pak Kan

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### 提名委員會

韓敬遠先生(*主席*)  
黃文宗先生  
王天義先生  
周國平先生(*於二零一六年四月一日辭任*)  
王冰先生(*於二零一六年七月十五日  
獲委任*)

### 薪酬委員會

黃文宗先生(*主席*)  
韓敬遠先生  
王天義先生  
周國平先生(*於二零一六年四月一日辭任*)  
王冰先生(*於二零一六年七月十五日  
獲委任*)

### 授權代表

朱浩先生  
林柏勤先生

### 公司秘書

林柏勤先生

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 901-2 & 10, 9th floor, Great Eagle Centre  
23 Harbour Road  
Wanchai, Hong Kong

## BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

## AUDITOR

PricewaterhouseCoopers

## COMPANY'S WEBSITE

[www.chinaorientalgroup.com](http://www.chinaorientalgroup.com)

## LIST OF PRINCIPAL BANKERS (IN ALPHABETICAL ORDERS)

ABN AMRO  
Agricultural Bank of China  
Bank of Cangzhou  
Bank of Communications  
Bank of Hebei  
China Construction Bank  
Nanyang Commercial Bank  
Bank of Chengde  
Ping An Bank  
Rabobank

## 香港主要營業地點

香港灣仔  
港灣道23號  
鷹君中心9樓901-2及10室

## 百慕達主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited

## 股份過戶登記處香港分處

卓佳證券登記有限公司

## 核數師

羅兵咸永道會計師事務所

## 公司網址

[www.chinaorientalgroup.com](http://www.chinaorientalgroup.com)

## 主要往來銀行(按英文次序排列)

荷蘭銀行  
中國農業銀行  
滄州銀行  
交通銀行  
河北銀行  
中國建設銀行  
南洋商業銀行  
承德銀行  
平安銀行  
荷蘭合作銀行



## Chairman's Statement 主席報告

In 2017, the Group will continue to develop its business towards the direction of largest section steel production base in the world.

於二零一七年，本集團的業務將繼續朝著世界最大型的型鋼生產基地方向發展。

### REVIEW OF YEAR 2016

#### OPERATING ENVIRONMENT

In 2016, it was a year full of challenges and opportunities for the PRC steel industry. The industry has been gradually recovered from the recession in 2015. Under the backdrop of Chinese government's "Supply-Side-Reform" Policy and reduction of overcapacity in the steel industry, solid achievement was crystallised and the supply and demand in the steel industry gradually improved. While the stock level of steel industry remained low, the implementation of the "Supply-Side-Reform" Policy and the positive sales in the real estate sector have resulted in substantial increase in the activation of construction projects, resulting in structural reform in the steel industry and continuous increase in steel prices.

With this background, the Group continued to strive for improvement and optimisation in production cost, environment protection and product mix, thereby enhancing the profit margin and sustainability of the operation. In this regard, the Group achieved a very substantial improvement of its results, with a revenue of approximately RMB 26.4 billion for the year ended 31 December 2016, representing an increase of approximately 25.4% as compared with last year. Comparing with last year, the average selling price of self-manufactured steel products increased by approximately 7.2% to RMB 2,057 per tonne, the gross profit increased by approximately 707.9% to RMB 2.65 billion. Although there was a provision for impairment of property, plant and equipment amounted to approximately RMB 810 million primarily arising from shut-down or future shut-down of certain production line under the policy of

### 二零一六年回顧

#### 經營環境

二零一六年對中國鋼鐵行業是充滿挑戰與機遇的一年，行業整體已從二零一五年的不景氣狀況逐漸回暖。在中國政府的「供給側改革」政策及減低鋼鐵行業產能過剩的背景，已實現實際成果及鋼鐵行業的供求關係逐漸改善。正當鋼鐵行業的庫存仍維持在較低水平，「供給側改革」政策的落實執行以及房地產界的正面銷售導致激活建築項目的大幅增加，造成鋼鐵行業的結構性改革及鋼鐵價格持續上升。

在此背景下，本集團繼續致力於改善及優化生產成本、環保及產品組合，從而提升營運的利潤率及可持續性。因此，本集團的業績實現非常重大的改善，於截至二零一六年十二月三十一日止年度錄得收入約人民幣264億元，較去年增加約25.4%。與去年相比，自行生產鋼鐵產品的平均銷售單價上升約7.2%至每噸人民幣2,057元，毛利上升約707.9%至人民幣26.5億元。儘管主要由於中國政府的化解過剩產能政策影響而需要對若干已關停或將關停的生產線的物業、廠房及設備進行約人民幣8.10億元的減值撥備，本集團二零一六年的年度溢利仍達



### OPERATING ENVIRONMENT *(continued)*

resolving steel excess capacity of the Chinese government, profit of the Group for the year 2016 still reached approximately RMB 531 million, representing an increase of approximately 156.7% over loss for last year of RMB 936 million, which is the highest since 2011. EBITDA of the Group, adjusted for non-recurring items, also further improved from RMB 1.151 billion last year to RMB 3.022 billion. EBITDA per share, adjusted for non-recurring items, increased to RMB 1.03 per share (2015: RMB 0.39 per share). In addition, the Group has been working to reduce debt and redeemed all of the 2017 Senior Notes in advance in year 2016. The debt-to-capital ratio further improved from 45.4% last year to 25.8%.

### 經營環境(續)

約人民幣5.31億元，較去年人民幣9.36億元的虧損增加約156.7%，此乃自二零一一年起以來最高溢利。本集團的扣除所得稅、財務淨成本、折舊及攤銷前溢利(經調整非經常性項目後)也從去年同期的人民幣11.51億元進一步改善至人民幣30.22億元；每股扣除所得稅、財務淨成本、折舊及攤銷前溢利(經調整非經常性項目後)增至每股人民幣1.03元(二零一五年：每股人民幣0.39元)；此外，過去本集團一直致力削減債項，並已於二零一六年提早贖回全部二零一七年優先票據，債項與資本比率從去年的45.4%進一步改善至25.8%。



## Chairman's Statement 主席報告

### OPERATING ENVIRONMENT (continued)

With respect to the steel business, the Group continued to invest substantially to and endeavored to enhance the competitiveness and economic efficiency of its products. These efforts include improving production facilities to enhance efficiency, expanding sales channels, developing diverse and high-end products, increasing the share of products with high additional value and reducing emission. Apart from developing and optimising the new categories of the existing products, such as strips and section steel, the Group has also developed products to suit for other countries such as the American standards, the British standards, the Korean standards the Indonesian standards, etc., the coverage of the American standards and the British standards have been above 85% or more, so as to facilitate the penetration into international markets. During the year, through leasing of a production line, the production capacity of 2016 increased by 1 million tonnes to 12 million tonnes. The Group has also been investing in its production facilities in order to reduce energy consumption in the steel production process and satisfy emission requirements. The self-generated electricity ratio of the Group increased to approximately 60% in 2016 from approximately 50% in 2015.

As at the end of October 2016, Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Company Limited (“Zhengda Iron and Steel”), a non-wholly owned subsidiary of the Group, completed the shutdown of one 500 cubic meter blast furnace and one 60 tonnes converter furnace in accordance with an agreement with the government of Tangshan City (the “Shutdown”) by the Group, which reduced approximately 600,000 tonnes of steel production capacity. It is expected that a further reduction of approximately 600,000 tonnes will be implemented in 2017 to satisfy assignment of capacity reduction. Following the relevant reduction, the annual capacity of the Group will become approximately 11 million tonnes. During the year ended 31 December 2016, the Group sold approximately 3.2 million tonnes of self-produced H-section steel products and continued to secure its leading position in the H-section steel market of Mainland China.

### 經營環境(續)

就鋼鐵業務而言，本集團持續投放大量資源並致力提高產品的競爭力及經濟效益，這些包括改善生產設備以提高效能、拓寬銷售管道、開發多元化及高端產品、增加高附加值產品份額及減低排放。除開發及優化了現有產品的新種類外，例如帶鋼和型鋼等，本集團亦同時開發出適合其他國家的產品，如美標、英標、韓標及印尼標等，美標、英標等規格覆蓋率已超過85%或以上，有助拓展國際市場。於年內，透過租賃一條生產線，二零一六年產能增加100萬噸至1,200萬噸。本集團亦已投放資源在其生產設施上，以減低在生產鋼鐵過程中的能源消耗及符合減排規定。本集團的自發電比例已由二零一五年的約50%提升至二零一六年的約60%。

於二零一六年十月底，本集團的非全資子公司河北津西鋼鐵集團正達鋼鐵有限公司(「正達鋼鐵」)已按本集團與唐山市政府的協商結果，完成關停一座500立方米高爐及一座60噸轉爐(「該關停」)，退出約60萬噸鋼產能，預計於二零一七年內將退出餘下的約60萬噸鋼產能作為完成化解產能任務，在相關退出後，集團的年產能約為1,100萬噸。於截至二零一六年十二月三十一日止年度內，本集團共銷售自行生產的H型鋼產品約320萬噸，繼續穩佔中國H型鋼市場的領導者位置。



### OPERATING ENVIRONMENT (continued)

With respect to the real estate business, the Group was dedicated in promoting green structural development construction besides developing traditional real estate projects. The sales of the Donghu Bay project in Tangshan City, residential and basement projects and commercial and office projects of Xintiandi and the Meishu Hall project in Suzhou continued in 2016, facilitated the stable development of the real estate business of the Group and brought sustainable income. For the year ended 31 December 2016, the Group recorded revenue and operating loss from real estate business of approximately RMB 212 million and RMB 18 million respectively.

During the year ended 31 December 2016, the revenue and gross loss arising from trading of steel products and iron ore of the Group were approximately RMB 2.21 billion (2015: approximately RMB 1.36 billion) and approximately RMB 20 million (2015: approximately RMB 42 million) respectively.

The Group also engages in financing industry through its subsidiaries, Oriental Fullhero Leasing Co. Ltd. ("Fullhero Leasing"), Oriental Evertrust Finance Leasing Co. Ltd. ("Oriental Evertrust"), Tianjin Oriental Huitong Microcredit Co. Ltd. ("Oriental Huitong") and Beijing Jinxi Investment Holding Co. Ltd. ("Beijing Jinxi Investment"). The Group will conduct post-loan inspection to each existing project in order to reduce risks. As at 31 December 2016, Fullhero Leasing, Oriental Evertrust, Oriental Huitong and Beijing Jinxi Investment provided loans, net of provision, amounting to RMB 401 million to independent third parties at interest rates ranged from 12.0% to 24.0% per annum.

### 經營環境(續)

就房地產業務而言，本集團除發展傳統地產項目外，亦致力推動使用綠色結構發展建築。位於唐山市的東湖灣項目、蘇州的新天地之住宅及地下室項目、商業及辦公室項目及美墅館項目於二零一六年年內繼續銷售，有助本集團房地產業務的穩定發展及帶來持續收入。截至二零一六年十二月三十一日止年度，本集團錄得房地產業務收入及營運虧損分別約人民幣2.12億元及人民幣1,800萬元。

截至二零一六年十二月三十一日止年度，本集團的鋼鐵產品及鐵礦石貿易帶來的收入和毛虧分別為約人民幣22.1億元(二零一五年：約人民幣13.6億元)及約人民幣2,000萬元(二零一五年：約人民幣4,200萬元)。

本集團亦透過其附屬公司，東方英豐租賃有限公司(「英豐租賃」)、東方信遠融資租賃有限公司(「東方信遠」)、天津東方匯通小額貸款有限公司(「東方匯通」)及北京津西投資控股有限公司(「北京津西投資」)參與融資業務，本集團將對現有的個別融資項目進行貸後檢查工作以減低風險。於二零一六年十二月三十一日，英豐租賃、東方信遠、東方匯通及北京津西投資向獨立的第三方提供合共人民幣4.01億元的貸款(扣除撥備)，年利率介乎12.0%至24.0%。



## Chairman's Statement 主席報告

### OPERATING ENVIRONMENT *(continued)*

In order to diversify its business, the Group has also set up Oriental Jingyuan Science Technology (Beijing) Co. Ltd. ("Oriental Jingyuan") and related subsidiaries to develop core technologies for semiconductor chip design and manufacturing process optimisation/equipment. The Group would continue to explore the development potential of this project.

Trading in the shares of the Company ("Shares") had been suspended from 29 April 2014 due to insufficient public float. The public float was restored on 27 January 2017 through placing of new shares under general mandate by the Company and placing of existing shares by the controlling shareholder of the Company and trading was resumed on 1 February 2017.

Finally, under the excellent results of current year and thank you for shareholders' continuous support to the Group, the Board proposed the distribution of a special dividends in addition to a final dividends.

### 經營環境 *(續)*

為使本集團業務多元化，本集團亦設立了東方晶源微電子科技(北京)有限公司(「東方晶源」)及相關子公司，以開發半導體晶片設計及製造工序優化／設備的核心技術，本集團將繼續探索這項目的發展潛力。

本公司之股份(「股份」)自二零一四年四月二十九日起因公眾持股量不足而暫停買賣，本公司已於二零一七年一月二十七日根據一般授權完成配售新股份及由本公司之控股股東配售現有股份以恢復公眾持股量，以及於二零一七年二月一日恢復買賣。

最後，乘著今年優秀的業績及為感謝股東們對本集團的持續支持，董事局建議在末期股息外再發放特別股息。

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

## BUSINESS REVIEW

Sales analysis from sale of self-manufactured steel products

### Sales Volume

In 2016, the total sales volume was 11,357,000 tonnes (2015: 9,930,000 tonnes), representing an increase of approximately 14.4%.

The sales volume breakdown during the year was as follows:

## 業績回顧

銷售自行生產的鋼鐵產品之銷售分析

### 銷售量

二零一六年總銷售量為11,357,000噸(二零一五年:9,930,000噸)，增加約14.4%。

於有關年度銷售量明細如下：

		2016 二零一六年 Sales volume 銷售量 ( <sup>'000 tonnes</sup> ) (千噸)		2015 二零一五年 Sales volume 銷售量 ( <sup>'000 tonnes</sup> ) (千噸)		Changes in Sales volume 銷售量變化 Increase/ (Decrease) 增加/(減少)
H-section steel products	H型鋼產品	3,247	28.6%	3,278	33.0%	(0.9%)
Strips and strip products	帶鋼及帶鋼類產品	4,381	38.6%	3,952	39.8%	10.9%
Billets	鋼坯	1,526	13.4%	638	6.4%	139.2%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	291	2.6%	398	4.0%	(26.9%)
Rebar	螺紋鋼	1,712	15.1%	1,545	15.6%	10.8%
Sheet piling	鋼板樁	200	1.7%	119	1.2%	68.1%
Total	合計	11,357	100%	9,930	100%	14.4%

During the year of 2016, the Group's production capacity was approximately 12 million tonnes per annum.

於二零一六年年內，本集團的年產能約1,200萬噸。

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

## BUSINESS REVIEW (continued)

Sales analysis from sale of self-manufactured steel products (continued)

### Revenue

Revenue in 2016 was RMB 23,367 million (2015: RMB 19,046 million), representing an increase of approximately 22.7%.

The sales breakdown and average selling price by product (excluding value added tax) during the year were as follows:

		2016 二零一六年		2015 二零一五年		Changes 變化	
		Revenue	Average selling price	Revenue	Average selling price	Revenue	Average selling price
		收入	銷售單價	收入	銷售單價	收入	銷售單價
		(RMB million)	(RMB/tonne)	(RMB million)	(RMB/tonne)	Increase/(Decrease)	
		(人民幣百萬元)	(人民幣元/噸)	(人民幣百萬元)	(人民幣元/噸)	增加/(減少)	
H-section steel products	H型鋼產品	7,121	2,193	6,534	1,994	9.0%	10.0%
Strips and strip products	帶鋼及帶鋼類產品	8,735	1,994	6,896	1,745	26.7%	14.3%
Billets	鋼坯	2,785	1,826	1,121	1,757	148.4%	3.9%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	929	3,189	1,127	2,826	(17.6%)	12.8%
Rebar	螺紋鋼	3,231	1,887	3,035	1,965	6.5%	(4.0%)
Sheet piling	鋼板樁	566	2,834	333	2,794	70.0%	1.4%
Total/combined	合計/綜合	23,367	2,057	19,046	1,918	22.7%	7.2%

The increase in revenue from self-manufactured steel products was primarily due to the increase in the average selling price of the Group's products by 7.2% to RMB 2,057 per tonne in 2016 from RMB 1,918 per tonne in 2015 and an increase in the sale volume of the Group's products by 14.4% to approximately 11.4 million tonnes in 2016 from approximately 9.9 million tonnes in 2015. The increase in average selling price and sales volume of the Group's products were mainly due to the improved supply and demand in the PRC steel industry under the reduction of overcapacity during 2016.

## 業績回顧(續)

銷售自行生產的鋼鐵產品之銷售分析(續)

### 收入

二零一六年收入為人民幣233.67億元(二零一五年：人民幣190.46億元)，增加約22.7%。

年內產品的銷售明細及平均銷售單價(不含增值稅)如下：

自行生產的鋼鐵產品收入增加主要由於本集團產品平均銷售單價由二零一五年每噸人民幣1,918元增加7.2%至二零一六年每噸人民幣2,057元及本集團產品銷量由二零一五年約990萬噸增加14.4%至二零一六年約1,140萬噸。本集團產品平均銷售單價及銷量增加主要由於中國鋼鐵行業在二零一六年減低產能過剩的情況下供求關係改善所致。

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

## BUSINESS REVIEW (continued)

Sales analysis from sale of self-manufactured steel products (continued)

### Cost of Sales and Gross Profit

The consolidated gross profit in 2016 was RMB 2,650 million (2015: RMB 328 million), representing an increase of approximately 707.9%.

Average unit cost per tonne, gross profit per tonne and gross profit margin during the year were as follows:

		2016 二零一六年			2015 二零一五年		
		Average unit cost 平均 成本單價 (RMB/tonne) (人民幣元/噸)	Gross profit per tonne 每噸毛利 (RMB) (人民幣元)	Gross profit margin 毛利率	Average unit cost 平均 成本單價 (RMB/tonne) (人民幣元/噸)	Gross profit/loss per tonne 每噸毛利/ (毛虧) (RMB) (人民幣元)	Gross profit/loss margin 毛利/ (毛虧)率
H-section steel products	H型鋼產品	1,935	258	11.8%	1,930	64	3.2%
Strips and strip products	帶鋼及帶鋼類產品	1,675	319	16.0%	1,695	50	2.9%
Billets	鋼坯	1,777	49	2.7%	1,892	(135)	(7.7%)
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	2,984	205	6.4%	3,022	(196)	(6.9%)
Rebar	螺紋鋼	1,760	127	6.7%	1,924	41	2.1%
Sheet piling	鋼板樁	2,513	321	11.3%	2,612	182	6.5%
Combined	綜合	1,824	233	11.3%	1,885	33	1.7%

In 2016, gross profit per tonne of the Group's products increased to RMB 233 from RMB 33 in 2015, reflecting an increase of 606.1%. In 2016, gross profit margin increased to 11.3% from 1.7% in 2015. The increase in gross profit margin was primarily due to the increase in the average selling price, decrease in the average unit cost of the steel products and increase in sales volume of the Group in 2016.

## 業績回顧(續)

銷售自行生產的鋼鐵產品之銷售分析(續)

### 銷售成本及毛利

二零一六年的合併毛利為人民幣26.50億元(二零一五年:人民幣3.28億元),增加約707.9%。

於有關年度每噸平均成本單價、每噸毛利及毛利率如下:

於二零一六年,本集團產品的每噸毛利由二零一五年的人民幣33元增加至人民幣233元,增加606.1%。於二零一六年,毛利率由二零一五年的1.7%增加至11.3%。毛利率增加主要是因為二零一六年本集團鋼鐵產品的平均銷售單價上升、平均成本單價下降以及銷量增加。



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

## BUSINESS REVIEW (continued)

### Property Development

In 2016, the Group had completed Gross Floor Area (“GFA”) of 148,125 m<sup>2</sup>. The status of the completed GFA by project is set out as follow:

No. 序號	City 城市	Property project 物業項目	Phase of project 項目階段	Total GFA 總建築面積 (m <sup>2</sup> ) (平方米)
1	Suzhou 蘇州	Xintiandi 新天地	Commercial and office 商業及辦公室	65,670
2	Suzhou 蘇州	Meishu Hall 美墅館	Residential 住宅	82,455

For the year ended 31 December 2016, the revenue from real estate business of the Group amounted to approximately RMB 212 million. The GFA of properties delivered was 27,852 m<sup>2</sup>. The average selling price of properties delivered was approximately RMB 7,500 per m<sup>2</sup>.

As at 31 December 2016, the Group had the following projects under construction with a GFA of approximately 78,000 m<sup>2</sup>:

No. 序號	City 城市	Property project 物業項目	Phase of project 項目階段	GFA under Construction 在建的建築面積 (m <sup>2</sup> ) (平方米)	Estimate time of completion 預計竣工時間
1	Tangshan 唐山	Donghu Bay 東湖灣	Phase 3 三期	77,760	March 2017 二零一七年三月

The above projects are expected to be completed in 2017 and will contribute stable revenue and profits to our Group.

## 業績回顧(續)

### 房地產開發

於二零一六年，本集團已竣工建築面積（「建築面積」）為148,125平方米。以下為各項目的已竣工建築面積情況：

截至二零一六年十二月三十一日止年度，本集團房地產業務收入約人民幣2.12億元，已交付物業的建築面積為27,852平方米。已交付物業的平均售價為每平方米約人民幣7,500元。

於二零一六年十二月三十一日，本集團有下列在建項目，在建的建築面積約78,000平方米：

上述項目預期將於二零一七年內完成，並將為本集團帶來穩定收入及溢利。



## FINANCIAL REVIEW

### Liquidity and Financial Resources

In order to sustain a stable financial status, the Group closely monitors its liquidity and financial resources.

As at 31 December 2016, the Group had unutilised banking facilities of approximately RMB 1.0 billion (2015: RMB 7.4 billion).

As at 31 December 2016, the current ratio of the Group, representing current assets divided by current liabilities, was 1.1 (2015: 1.1) and the gearing ratio, representing total liabilities divided by total assets, was 55.5% (2015: 60.1%).

As at 31 December 2016, the cash and cash equivalents of the Group amounted to approximately RMB 1,290 million (2015: approximately RMB 2,338 million).

After considering its cash and cash equivalents as well as the banking facilities currently available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for general business expansion and development.

## 財務回顧

### 資金流動性及財務資源

本集團密切監察資金流動性及財政資源，以保持穩健的財政狀況。

於二零一六年十二月三十一日，本集團的可用銀行授信額度為約人民幣10億元（二零一五年：人民幣74億元）。

於二零一六年十二月三十一日，本集團的流動比率（流動資產除以流動負債）為1.1倍（二零一五年：1.1倍）及資產負債比率（總負債除以總資產）為55.5%（二零一五年：60.1%）。

於二零一六年十二月三十一日，本集團的現金及現金等價物為約人民幣12.90億元（二零一五年：約人民幣23.38億元）。

考慮目前本集團所持有之現金及現金等價物及現時可用銀行授信額度後，相信本集團擁有充足的資金應付未來之業務運作及一般業務擴充和發展之資金需要。

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

## FINANCIAL REVIEW (continued)

### Capital Structure

During the year ended 31 December 2016, the Company repurchased a total of US\$ 62,212,000 in principal amount of the 2017 Senior Notes. On 17 November 2016, the outstanding 2017 Senior Notes of US\$ 49,156,000 in principal amount was early redeemed in full. Upon the completion of the early redemption and as at 31 December 2016, no 2017 Senior Notes remained outstanding.

As at 31 December 2016, borrowings of RMB 735 million of the Group bore fixed interest rates ranged from 1.43% to 6.00% per annum and borrowings of RMB 646 million of the Group bore floating rates ranged from 4.75% to 4.79% per annum. The Group's exposure to changes in market interest rates was considered to be limited. The Group did not use any derivatives to hedge its exposure to interest rate risk for the year ended 31 December 2016 and 2015.

The Group monitors its capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by total capital. Total debt includes current and non-current borrowings, other long-term payables and borrowings from related parties. The Group regards its non-current borrowings, non-current portion of other long-term payables, non-current portion of borrowings from related parties and its equity attributable to owners of the Company as its total capital. As at 31 December 2016, the debt-to-capital ratio of the Group was 25.8% (2015: 45.4%).

The consolidated interest expenses and capitalised interest in 2016 amounted to RMB 180 million (2015: RMB 424 million). The interest coverage (divide profit/(loss) for the year before finance costs – net and income tax expense by total interest expenses) was positive 6.3 times (2015: negative 1.1 times).

## 財務回顧(續)

### 資本結構

截至二零一六年十二月三十一日止期間，本公司已購回合共本金總額 62,212,000 美元之二零一七年優先票據。於二零一六年十一月十七日，未償還的合共本金總額 49,156,000 美元之二零一七年優先票據已悉數提前贖回。在完成提前贖回及於二零一六年十二月三十一日，概無二零一七年優先票據仍未償還。

於二零一六年十二月三十一日，本集團的人民幣 7.35 億元的借款為年利率介乎 1.43% 至 6.00% 的固定利率，而本集團的人民幣 6.46 億元的借款為年利率介乎 4.75% 至 4.79% 的浮動利率。本集團對市場利率變化的風險被認為屬有限。本集團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使用衍生工具對沖其利率風險。

本集團根據債項與資本比率監察資本狀況。該比率為債項總額除以總資本，而債項總額包括流動及非流動借款、其他長期應付賬款及關聯方借款。本集團將其非流動借款、其他長期應付賬款非流動部份、關聯方借款非流動部份及歸屬於本公司權益持有者的權益視為本集團的總資本。於二零一六年十二月三十一日，本集團的債項與資本比率為 25.8% (二零一五年：45.4%)。

二零一六年合併利息支出及資本化利息共人民幣 1.80 億元 (二零一五年：人民幣 4.24 億元)。利息盈利倍數 (扣除財務淨成本及所得稅支出前之年度溢利 / (虧損) 除以總利息支出) 為正 6.3 倍 (二零一五年：負 1.1 倍)。



## FINANCIAL REVIEW (continued)

### Commitments

As at 31 December 2016, the Group had total commitments of RMB 1,558 million (2015: RMB 863 million). It is estimated the commitments will be financed by the Group's internal resources and unutilised banking facilities.

### Guarantee and Contingent Liabilities

As at 31 December 2016, the Group's contingent liabilities amounted to approximately RMB 11 million (2015: RMB 11 million), which was the provision of guarantee for bank borrowings in favor of a third party.

### Pledge of Assets

As at 31 December 2016, the net book value of the Group's leasehold land and land use rights amounting to approximately RMB 56 million (2015: nil), property, plant and equipment amounting to approximately RMB 975 million (2015: nil), inventories amounting to approximately RMB 69 million (2015: approximately RMB 62 million), notes receivable amounting to approximately RMB 358 million (2015: approximately RMB 1,426 million) and restricted bank balances amounting to approximately RMB 891 million (2015: approximately RMB 1,774 million) had been pledged as security for the Group's notes payable issuing, banking borrowings and letter of credit issuing.

## 財務回顧(續)

### 承擔

於二零一六年十二月三十一日，本集團的總承擔為人民幣15.58億元(二零一五年：人民幣8.63億元)。此承擔預計將由本集團自有資金及可用銀行授信額度作為融資。

### 擔保及或然負債

於二零一六年十二月三十一日，本集團的或然負債為約人民幣1,100萬元(二零一五年：人民幣1,100萬元)，為替一名第三方作銀行借款擔保。

### 資產抵押

於二零一六年十二月三十一日，本集團賬面淨值約人民幣5,600萬元(二零一五年：無)的租賃土地及土地使用權、約人民幣9.75億元(二零一五年：無)的物業、廠房及設備、約人民幣6,900萬元(二零一五年：約人民幣6,200萬元)的存貨、約人民幣3.58億元(二零一五年：約人民幣14.26億元)的應收票據及約人民幣8.91億元(二零一五年：約人民幣17.74億元)的受限制銀行結餘，已為本集團發出的應付票據、銀行借款及開具信用證作抵押。

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

## FINANCIAL REVIEW (continued)

### Exchange Risks

Foreign exchange risk is the risk to the Group's financial conditions and results of operations arising from movements of foreign exchange rates. The Group mainly operates in the Mainland China with most of the transactions denominated and settled in RMB. The Group's foreign exchange risk primarily arises from the procurement of iron ores and the relevant products from overseas suppliers and the Group's senior notes, which is denominated and settled in USD. Foreign exchange rates fluctuate in reaction to the macro-economic performance of different countries and fund flows between countries arising from trade or capital commitments. In view of the continuous decrease of the RMB exchange rate against USD since the reform in RMB exchange policy in 2015, during the year ended 31 December 2016, the Group has entered into certain foreign currency forward contracts so as to reduce the impact of the volatility of the RMB exchange rate against USD. The Group also reviewed and rearranged its monetary assets to mitigate the impact from the change of RMB to USD exchange rate.

### Iron Ore Swaps

In view of the significant fluctuation of iron ore price in 2016, the Group has been cautious in entering into iron ore swap contracts so as to reduce the risk of potential negative impact of the iron ore swap contracts.

### Dividend

The Board proposed a final dividend of HK\$ 175.9 million (approximately RMB 157.3 million), representing HK\$ 0.05 per ordinary share and a special dividend of HK\$ 351.8 million (approximately RMB 314.7 million), representing HK\$ 0.10 per ordinary share in respect of the year ended 31 December 2016 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Monday, 12 June 2017. The final dividend and special dividend, payable on Tuesday, 27 June 2017 are subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Company (the "AGM") to be held on Wednesday, 31 May 2017.

## 財務回顧(續)

### 匯率風險

外匯風險指匯率變動對本集團財務狀況及營運業績構成之風險。本集團主要在中國大陸境內經營，大多數交易均以人民幣計值及結算。本集團之外匯風險主要由於向海外供應商購入鐵礦石和相關產品及本集團的優先票據均以美元計值及結算。匯率波動受不同國家宏觀經濟表現以及貿易或資本動向帶來國家之間資金流動所影響。鑒於自二零一五年人民幣匯率政策改革起，人民幣兌美元匯率持續下調，截至二零一六年十二月三十一日止年度，本集團已訂立若干外幣遠期合約，以減低人民幣兌美元匯率波動的影響。本集團亦已審核及重新調配其貨幣資產以減低人民幣兌美元匯率變動產生的影響。

### 鐵礦石掉期

鑒於二零一六年鐵礦石價格大幅波動，為了降低鐵礦石掉期合約的潛在負面影響的風險，本集團已謹慎訂立鐵礦石掉期合約。

### 股息

就有關截至二零一六年十二月三十一日止年度，董事局建議向在二零一七年六月十二日(星期一)辦公時間結束時名列於本公司股東名冊上之本公司股東派發末期股息1.759億港元(約人民幣1.573億元)(即每股普通股0.05港元)及特別股息3.518億港元(約人民幣3.147億元)(即每股普通股0.10港元)，末期股息及特別股息須待將於二零一七年五月三十一日(星期三)舉行應屆的本公司之股東週年大會(「股東週年大會」)上獲股東批准後方可作實，並將須於二零一七年六月二十七日(星期二)支付。

## FINANCIAL REVIEW (continued)

### Post Balance Sheet Events

Save as disclosed below, there are no events to cause material impact on the Group from the balance sheet date to the date of this report that should be disclosed.

- (a) On 20 January 2017, the Company entered into a placing agreement (the “Placing Agreement I”) with Shenwan Hongyuan Securities (H.K.) Limited (“the Placing Agent”) whereby the Company agreed to place, through the Placing Agent, on a best effort basis, a maximum of 586,285,000 shares (“Placing Shares I”) to not less than six placees (“Placees I”) at a price of HK\$1.30 per Placing Share I. (“Placing I”)

On 20 January 2017, Wellbeing Holdings Limited (“Vendor”), the controlling shareholder of the Company, entered into a placing agreement (the “Placing Agreement II”) with the Placing Agent in order to assist the Company to restore its public float. Pursuant to the Placing Agreement II, the Placing Agent agreed to place, on a best effort basis, 64,314,000 Shares representing approximately 1.83% of the issued share capital of the Company of 3,517,710,000 Shares as enlarged by the issue of the 586,285,000 Placing Shares I. (“Placing II”)

- (b) On 27 January 2017, completion of the Placing I took place in accordance with the terms and conditions of the Placing Agreement I. An aggregate of 586,284,000 Placing Shares I, representing approximately 16.67% of the issued share capital of the Company immediately after completion of the Placing I, have been successfully placed to not less than six Placees I at the placing price of HK\$1.30 per Placing Shares I.

On 27 January 2017, completion of the Placing II took place in accordance with the terms and conditions of the Placing Agreement II. An aggregate of 64,314,000 Placing Shares II, representing approximately 1.83% of the issued share capital of the Company immediately after completion of the Placing I, have been successfully placed at the placing price of HK\$1.30 per Placing Shares II.

## 財務回顧(續)

### 結算日後事項

除下文披露外，自結算日後至本報告日期止期間，並無發生須予披露之重大影響本集團的事項。

- (a) 於二零一七年一月二十日，本公司與申萬宏源證券(香港)有限公司(「配售代理」)訂立配售協議(「配售協議一」)，據此，本公司已同意透過配售代理盡力向不少於六名承配人(「承配人一」)配售最多586,285,000股股份(「配售股份一」)，價格為每股配售股份一1.30港元。(「配售事項一」)

於二零一七年一月二十日，本公司的控股股東 Wellbeing Holdings Limited (「賣方」)與配售代理訂立配售協議(「配售協議二」)，旨在協助本公司恢復其公眾持股量。根據配售協議二，配售代理已同意盡力配售64,314,000股股份(佔經發行586,285,000股配售股份一擴大的本公司已發行股本3,517,710,000股股份的約1.83%)。(「配售事項二」)

- (b) 於二零一七年一月二十七日，配售事項一已按配售協議一之條件及條款完成。合共586,284,000股配售股份一(佔本公司緊隨完成配售事項一後已發行股本約16.67%)已按配售價每股配售股份一1.30港元獲成功配售予不少於六名承配人一。

二零一七年一月二十七日，配售事項二已按配售協議二之條件及條款完成。合共64,314,000股配售股份二(佔本公司緊隨完成配售事項一後已發行股本約1.83%)已按配售價每股配售股份二1.30港元獲成功配售。

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

## FINANCIAL REVIEW (continued)

### Post Balance Sheet Events (continued)

Immediately after the completion of the Placing I and Placing II, the Vendor and parties acting in concert with it and other connected persons of the Company are interested in 2,638,280,740 Shares (representing approximately 75.00% of the total issued share capital of the Company) and the balance of 879,428,260 Shares (representing approximately 25.00% of the total issued share capital of the Company) will be held in the hands of the public. Accordingly, the public float of the Company has been restored and the Company has met the minimum prescribed percentage of shares being held by public shareholders in accordance with Rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

- (c) On 1 February 2017, the trading in the shares of the Company had been resumed.

## ACCREDITATION FOR THE COMPANY AND ITS MANAGEMENT

For the year ended 31 December 2016, Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited"), a subsidiary of the Company is awarded the "Excellent Metallurgical Enterprise of the Metallurgical Business Association Under the All-China Federation of Industry and Commerce", the "30 Best Enterprises in Cultural Establishment of Chinese Private Enterprises" and so on, and was awarded the "Hebei Province May 1<sup>st</sup> Labour Award" by Hebei General Labour Union. Hebei Jinxi Iron and Steel Group Dafang Heavy Industry Science and Technology Company Limited, a subsidiary of the Company, was honoured with the "Quality Foundry Gold Award" at the 14<sup>th</sup> China International Foundry Expo. Oriental Green Energy-Saving Environmental Protection Engineering Co. Ltd. was ranked No. 7 among the "Top 100 Energy Saving Service Companies in China".

## 財務回顧(續)

### 結算日後事項(續)

緊隨配售事項一及配售事項二完成後，賣方及其一致行動人士以及本公司其他關連人士將於2,638,280,740股股份(佔本公司全部已發行股本約75.00%)中擁有權益，而餘下879,428,260股股份(佔本公司全部已發行股本約25.00%)將由公眾持有。因此，本公司的公眾持股量已予恢復，且本公司已符合聯交所證券上市規則(「上市規則」)第8.08條規定的公眾股東最低持股百分比。

- (c) 於二零一七年二月一日之通告，本公司的股份已恢復買賣。

## 公司及管理層取得的榮譽

截至二零一六年十二月三十一日止年度，本公司的附屬公司，河北津西鋼鐵集團股份有限公司(「津西鋼鐵」)，榮獲「全聯冶金商會優秀冶金企業」、「全國民營企業文化建設三十佳企業」等稱號，並榮獲河北省總工會授予「河北省五一勞動獎」。而本公司的附屬公司，河北津西鋼鐵集團大方重工科技有限公司則在第十四屆中國國際鑄造博覽會榮獲「優質鑄件金獎」。東方綠源節能環保工程有限公司則榮獲「全國節能服務公司百強榜第七名」。

## DIVIDEND POLICY

The Company plans to distribute not less than 20% of the Group's distributable profit as dividend after its listing. However, the actual amount of dividend and as a percentage to profit will be at the discretion of the Board and will depend upon the Company's future operation and earnings, capital requirement and surplus, general financial condition, contractual restrictions, and other factors that the Board considers relevant. In addition, pursuant to the relevant PRC laws, the distributable profit of the PRC respective subsidiaries of the Company should not be higher than its net profit, after appropriation to the statutory reserve as determined by the generally accepted accounting principles in the PRC.

## INVESTOR RELATIONS

The Company maintained close contact with its investors during the year of 2016. The Company not only made timely disclosures of the Company's information through the website of The Stock Exchange of Hong Kong Limited ("Stock Exchange") for increasing the transparency of the Company, but also held meetings and conferences with investors, updating them on the Group's business development and industrial trend.

This helped to promote investors' understanding of the Group while allowing us to understand more about the opinions and expectations of investors. In future, the Group will further its effort to maintain close contact and effective interactive communication with investors.

## HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2016, the Group had a workforce of approximately 11,900 and temporary staff of approximately 1,200. The staff cost included basic salaries and benefits. Staff benefits included discretionary bonus, medical insurance plans, pension scheme, unemployment insurance plan, maternity insurance plan and the fair value of the share options, etc.. Effective from July 2008, the Group implemented a workers' injury insurance scheme and contributed 1.5% of the workers' wages to the Social Insurance Bureau. According to the Group's remuneration policy, employees' package is based on productivity and/or sales performance, and is consistent with the Group's quality control and cost control targets.

## 股息政策

本公司於上市後計劃分派不少於本集團的可分派溢利之20%作為股息，惟派息的實際金額及佔溢利的百分比，董事局將按本公司日後的實際營運及盈利、資本需求及盈餘、一般財務狀況、合約限制及董事局認為有關的其它因素而酌情釐定。此外，根據相關的中國法律，本公司在中國境內的相關附屬公司的可分配溢利不得高於經分配法定儲備後按照中國公認會計準則釐定的淨溢利。

## 投資者關係

本公司在二零一六年度內與投資者維持緊密的溝通，本公司除適時透過香港聯合交易所有限公司（「聯交所」）網站發放本公司信息以增強本公司的透明度，同時亦與投資者會面及會議，更新本集團的業務發展及行業趨勢。

此等有助促進投資者對本集團瞭解的同時，亦有助我們更有效掌握投資者的意見和期望。在未來本集團會繼續致力維持與投資者的密切溝通和良性互動。

## 人力資源及薪酬政策

於二零一六年十二月三十一日，本集團僱用員工約11,900人及臨時工人約1,200人。職工成本包括基本薪金及福利。僱員福利包括酌情發放的花紅、醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃及購股權的公允價值等。自二零零八年七月起，本集團推行工傷保險並按員工發放工資的1.5%上繳社保部門。根據本集團的薪酬政策，僱員的整套福利與生產力及／或銷售業績掛鉤，與本集團質量控制及成本控制目標一致。



## FUTURE PROSPECTS

It is expected that in 2017, the prices of steel will continue to fluctuate but overall, see an upturn. With the Chinese government's regulation policy of the steel industry, there will be continuous structural improvement in the steel market and support to steel prices, resulting in a more optimistic business environment and continuous recovery in the steel industry. In addition, the improving US economy and Chinese government's active adjustment in the economy will likely improve global business environment and bring stable demand to the steel industry. The Group had made impairment provision of approximately RMB 810 million in 2016 primarily for property, plant and equipment which had or were to be shut down due to overcapacity policies and therefore does not expect further material impact in 2017. Under such a backdrop, the Group plans to maintain its competitiveness and gain a more prominent position in the industry by continuous improvement in production efficiency, developing and increasing the number of high value-added products, reducing production cost, expanding market share and optimising the utilisation of internal resources.

In 2017, the Group will continue to focus on the development of certain high-end steel products including high-strength, high and low temperature repercussive and high-weatherability H-section steel products, as well as products which suit standards of other countries including the American standards, the British standards etc., to continuously improve the quality and passing rate of established products, to increase the market share of high value-added products and to further optimise production costs including the proportion of self-generated electricity, in order to enhance the core competitiveness of the Group.

The Group made its first investments in an upgrading project for sheet piling and ultra-large H-section steel products in 2016. The project is designed to have an annual capacity of approximately 1.0 million tonnes and is expected to require investments of approximately RMB 1.0 billion to RMB 1.5 billion, which will further optimise the product portfolio and reduce reliance of the Chinese market on imported high-end section steel products. It is scheduled to commence operation in the fourth quarter of 2017.

In addition, the Group will continue to keep an eye on state projects which will consume large volume of steel, broaden the channels to collect market shortages product information to guide its new product development. Furthermore, it will strengthen the control of risks management and production procedure to enhance the function of the risk control department, to improve the risk resistance capacity of the Group and to maintain its stable operation.

## 未來展望

預計二零一七年，鋼材價格將繼續波動但整體展現向好的趨勢；面對中國政府對鋼鐵行業的調控政策，將為中國大陸鋼鐵行業的市場持續帶來結構性的改善以及為鋼材價格帶來支持，經營環境將變得較為樂觀，鋼鐵行業將持續向好。此外，美國經濟向好，加上中國政府積極調控經濟，相信整體環球經濟營商環境會改善，為鋼鐵業帶來穩定的需求。本集團在二零一六年已對主要因化解過剩產能政策影響而需要對一些已關停或將關停的生產線的物業、廠房及設備進行約人民幣8.10億元的減值撥備，預期對二零一七年不會再有重大的影響。在此背景下，本集團將計劃透過持續改善生產效率、開發及增加高附加值產品、縮減生產成本、拓展市場份額及優化內部資源運用等以維持其競爭力，爭取行業中前列的位置。

本集團於二零一七年將繼續著力開發高端型鋼鐵產品包括高強度、高低溫沖擊、高耐候等的H型鋼產品以及其他國家標準的產品，包括美標、英標等、對發展成熟的產品持續改良品質及合格率、提升高附加值產品市場佔有率以及進一步優化生成本包括自發電比例等，以提升集團的核心競爭力。

本集團自二零一六年開始投資鋼板樁及超大H型鋼產品升級項目，年產能規模約100萬噸，預料投資額約人民幣10億元至人民幣15億元，以進一步優化產品結構，填補國內市場一直倚賴進口的高端型鋼品種，預計在二零一七年第四季將開始投入營運。

此外，本集團將繼續追蹤國家重點耗鋼項目，加大渠道收集市場緊缺產品的資訊，作為新產品開發的導向。再者，亦將繼續加強風險管理及生產過程監控，強化風險控制部門職能作用，以提高本集團整體抵抗風險能力及維持穩健經營。

## FUTURE PROSPECTS (continued)

Since its listing in 2004, the Group has continued to expand its business, diversify its steel product categories and business portfolio. During the last 13 years (since being listed), the Group's overall crude steel production capacity has reached approximately 11.0 million tonnes per annum from approximately 3.1 million tonnes per annum at the time of the listing. The steel products include H-section steel products, sheet piling products, strips and strip products, billets, cold rolled sheets and galvanised sheets and rebar. The Group is constantly developing products of different series and specifications to meet market needs. Moreover, the H-section steel products of the Group maintain its leading position in China. The Group will continue to develop its business towards the direction of largest section steel production base in the world, and to explore expanding through upstream and downstream integration. The Group will strive to take full advantage of the current solid financial condition and efficient management to intensify the continuous development of the Group and to maximise the Shareholders' value.

## APPRECIATION

The Board would like to extend its heartfelt gratitude to all of its staff for their hard work and dedication to the Group, and to its shareholders for their continuous support and trust in the Company.

By order of the Board

**China Oriental Group Company Limited**

**HAN Jingyuan**

*Chairman and Chief Executive Officer*

Hong Kong, 31 March 2017

## 未來展望(續)

而本集團自二零零四年上市以來，不斷擴展其業務規模、擴闊鋼鐵產品種類和業務組合。在過去十三年間(自上市以來)，本集團的整體鋼鐵年產能已由上市時的約310萬噸提升至現時的約1,100萬噸。鋼材產品種類包括：H型鋼產品、鋼板樁產品、帶鋼及帶鋼類產品、鋼坯、冷軋板及鍍鋅板和螺紋鋼，本集團不斷開發不同系列及規格的產品以迎合市場需要。此外，由本集團生產的H型鋼產品在中國大陸保持著領先的地位。本集團的業務將繼續朝著世界最大型的型鋼生產基地方向發展，以及探索在本行業實行上、下游伸延。本集團將致力有效運用其現有的穩健財政狀況和高效的管理模式，推動本集團的持續發展，以實現股東價值最大化。

## 感謝

董事局衷心感謝本集團全體僱員的辛勤工作及對本集團的奉獻，並感謝本集團股東的持續信任及對本公司的一貫支持。

承董事局命

**中國東方集團控股有限公司\***

**韓敬遠**

*董事局主席兼首席執行官*

香港，二零一七年三月三十一日

\* For identification purposes only  
僅供識別

### EXECUTIVE DIRECTORS

**Mr. Han Jingyuan**, aged 60, is the Chairman and Chief Executive Officer of the Company (appointed on 13 November 2003), and also serves as a director of certain subsidiaries of the Company. Mr. Han graduated from the People's University in 1994 with a degree in management. Mr. Han began his career in Metallurgy in 1984 when he was employed as a deputy mine manager and mine manager of Han'erzhuang Iron Mine. Mr. Han has in-depth industry knowledge and 31 years of extensive operational and managerial experience in the iron and steel industry. Mr. Han was awarded the honorary title of "Hebei Metallurgy Top Ten Man", "Outstanding Entrepreneur of Hebei Province", "Excellent Privately-owned Enterprises Entrepreneur in Hebei Province" and "Economic Top Ten Men of Honesty and Credibility in China" etc.. Mr. Han is the Vice Chairman of the Metallurgy Chamber of All-China Federation of Industry and Commerce, the Honorary Chairman of Hong Kong Tong San Chamber of Commerce and the Vice Chairman of Tangshan Charity Federation. Mr. Han was also the 9<sup>th</sup> and 11<sup>th</sup> representative of the People's Congress of Hebei Province, PRC. Mr. Han is the director and the controlling shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company. Mr. Han Jingyuan is the father of Mr. Han Li, the Executive Director, Deputy General Manager and Chief Financial Officer of the Company.

**Mr. Zhu Jun**, aged 53, is an Executive Director (appointed on 23 December 2003), Executive Deputy General Manager and Chief Operating Officer of the Company and also a director of certain subsidiaries of the Company. Mr. Zhu graduated in 2001 from a graduate programme of the Communist Party School in Hebei Province with a diploma in management. Prior to working in the steel industry, Mr. Zhu worked for 10 years as deputy director of Qianxi County Chemical Fertilizer Factory which was based in Qianxi County, Hebei Province. Mr. Zhu joined Jinxi Iron Factory in 1992 and later served as deputy director. Mr. Zhu has had 23 years of working experience in the iron and steel industry. Mr. Zhu is a minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

### 執行董事

**韓敬遠先生**，六十歲，為本公司的董事局主席兼首席執行官（於二零零三年十一月十三日獲委任），亦為本公司若干附屬公司的董事。彼於一九九四年在人民大學畢業取得管理學位。韓先生於一九八四年在漢兒庄鐵礦出任副礦長及礦長職務開始其冶金事業。韓先生為資深業內人士，在鋼鐵業累積三十年的營運及管理經驗。韓先生曾獲「河北冶金十大年度人物」、「河北省傑出企業家」、「河北省優秀民營企業家」及「中國經濟十大誠信人物」等殊榮。韓先生為中華全國工商業聯合會冶金業商會副會長、香港唐山商會名譽會長及唐山市慈善總會副會長。韓先生亦曾任第九屆及第十一屆中國河北省人民代表大會代表。韓先生為本公司的控股股東 Wellbeing Holdings Limited 的董事及控股股東。韓敬遠先生為本公司執行董事、副總經理兼首席財務官韓力先生的父親。

**朱軍先生**，五十三歲，本公司的執行董事（於二零零三年十二月二十三日獲委任）、常務副總經理兼首席運營官，亦為本公司若干附屬公司的董事。彼於二零零一年在中共河北省委黨校畢業，持有管理文憑。在從事鋼鐵業前，朱先生在河北省遷西縣的遷西縣化肥廠擔任副廠長達十年之久。彼於一九九二年加盟津西鐵廠，其後出任副廠長之職。朱先生在鋼鐵行業累積了二十三年經驗。朱先生為本公司控股股東 Wellbeing Holdings Limited 的一位少數股東。

### EXECUTIVE DIRECTORS (continued)

**Mr. Shen Xiaoling**, aged 56, is an Executive Director (appointed on 1 July 2005) of the Company and also serves as a director of certain subsidiaries of the Company. He obtained a diploma in management from the Hebei Province Communist Party School in 2001. Before joining the Group, Mr. Shen was the head of China Construction Bank Luanxian Sub-branch. Mr. Shen also had 5 years experience acting as the Head of China Construction Bank Qianxi Sub-branch and more than 6 years of experience as the deputy head of Bank of China Qianxi Sub-branch. Mr. Shen has been the deputy general manager of Jinxi Limited during the period January 2002 to October 2015. Mr. Shen was redesignated as the Chairman of Supervisory Board of Jinxi Limited since October 2015. Mr. Shen is a minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

**Mr. Zhu Hao**, aged 50, is an Executive Director of the Company (appointed on 21 November 2007). Mr. Zhu graduated at Tianjin Nankai University and obtained his Master degree in accounting from the University of New South Wales in Australia. Mr. Zhu is a senior economist in China.

**Mr. Han Li**, aged 29, is an Executive Director of the Company (appointed on 7 February 2012). Mr. Han joined the Group in 2009 as the assistant to the Financial Controller of the Company. He was the executive assistant to Chief Executive Officer of the Company and also currently serves as a director of certain subsidiaries of the Company. He also assists the Chief Executive Officer and Chief Operating Officer of the Company managing the daily operations of the Group. Currently, Mr. Han is the 12<sup>th</sup> representative of the People's Congress of Hebei Province, PRC and 17<sup>th</sup> representative of People's Congress of the Communist Youth League of China; he was awarded 企業品牌建設特殊貢獻人物 (Enterprise Brand Special Contribution Character) and 和諧中國2012年度影響力人物 – 中國節能環保領域十大創新標兵 (The Harmonious China 2012 Influential People's Award in Energy Saving). Mr. Han is the son of Mr. Han Jingyuan, the Chairman and Chief Executive Officer and the substantial shareholders (within the meaning of the Part XV of the SFO) (holding approximately 35.70% of the issued shares of the Company) of the Company.

Mr. Han Li was appointed as the Deputy General Manager and Chief Financial Officer of the Company on 8 December 2016.

### 執行董事(續)

**沈曉玲先生**，五十六歲，本公司的執行董事(於二零零五年七月一日獲委任)，亦為本公司若干附屬公司的董事。彼於二零零一年在中共河北省委黨校取得管理文憑。在加盟本集團前，沈先生為中國建設銀行灤縣支行行長，亦曾擔任中國建設銀行遷西支行行長達五年及中國銀行遷西支行副行長逾六年。沈先生在二零零二年一月至二零一五年十月間擔任津西鋼鐵的副總經理，自二零一五年十月起調職為津西鋼鐵監事會主席。沈先生為本公司控股股東 Wellbeing Holdings Limited 的一位少數股東。

**朱浩先生**，五十歲，本公司的執行董事(於二零零七年十一月二十一日獲委任)，朱先生於天津南開大學畢業並取得澳洲新南威爾斯大學會計學碩士學位。朱先生為中國高級經濟師。

**韓力先生**，二十九歲，本公司的執行董事(於二零一二年二月七日獲委任)。韓先生於二零零九年加入本集團並於當時任職本公司的財務總監助理，彼曾為本公司的首席執行官的行政助理，亦現為本公司若干附屬公司的董事，彼亦協助本公司的首席執行官及首席運營官管理本集團的日常工作。韓先生現為中國河北省第十二屆人大代表及共青團第十七次全國代表大會代表；他曾榮獲「企業品牌建設特殊貢獻人物」及「和諧中國2012年度影響力人物—中國節能環保領域十大創新標兵」之榮譽稱號。韓先生為本公司董事局主席兼首席執行官及根據證券及期貨條例第XV部屬本公司主要股東韓敬遠先生(其持有本公司已發行股份約35.70%)的兒子。

韓力先生於二零一六年十二月八日獲委任為本公司的副總經理兼首席財務官。

### NON-EXECUTIVE DIRECTOR

**Mr. Ondra Otradovec**, aged 48, is a Non-executive Director of the Company (re-appointed on 16 January 2015). Mr. Otradovec graduated from State University of New York in Stony Brook with a Bachelor degree in Finance. Mr. Otradovec is the Global Head of Mergers & Acquisitions at ArcelorMittal (a substantial shareholder of the Company). Since 2003, Mr. Otradovec has been responsible for Mergers & Acquisitions at ArcelorMittal and has closely been involved in a large number of acquisitions, mergers and divestments undertaken by the company. Mr. Otradovec was also involved in the acquisition of Hunan Valin Steel Tube & Wire Company and served as a director of Hunan Valin Iron and Steel Company Limited (a company listed in Shenzhen Stock Exchange). Previously, he worked at HSBC Investment Bank, and was responsible for corporate finance work in emerging markets. During this period, he worked with Mittal Steel on the acquisition of Nova Hut in Czech Republic and other steel companies. Mr. Otradovec acted as a Non-executive Director of the Company from 2 January 2009 to 15 July 2013.

### 非執行董事

**Ondra Otradovec** 先生，四十八歲，本公司的非執行董事（於二零一五年一月十六日獲再度委任）。Otradovec 先生畢業於紐約州斯托尼布魯克的紐約州立大學並獲得金融學士學位。Otradovec 先生為 ArcelorMittal（本公司的主要股東）的收購與合併部之環球主管。自二零零三年起，Otradovec 先生已負責 ArcelorMittal 的收購與合併業務並一直密切參與該公司的一些大型收購、合併及撤資業務，Otradovec 先生亦曾參與收購湖南華菱管線股份有限公司，並出任湖南華菱鋼鐵股份有限公司（於深圳證券交易所上市之公司）的董事。過去，彼曾任職滙豐銀行的投資銀行，並負責新興市場的企業融資工作，於此期間，他曾與 Mittal Steel 就收購捷克共和國之 Nova Hut（路瓦哈特）和其他鋼鐵公司的業務上合作。Otradovec 先生於二零零九年一月二日至二零一三年七月十五日期間曾出任為本公司的非執行董事。

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. WONG Man Chung, Francis**, aged 52, is a Certified Public Accountant (Practising) and has over 28 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring and liquidation, family trust and wealth management. He is currently an Independent Non-executive Director (“INED”) and chairman of the audit committee and remuneration committee and member of nomination committee of the Company. Mr. Wong is also an INED of Digital China Holdings Limited, Wai Kee Holdings Limited, Integrated Waste Solutions Group Holdings Limited, Greenheart Group Limited, GCL-Poly Energy Holdings Limited (appointed on 1 April 2016), Kunming Dianchi Water Treatment Co., Ltd (appointed on 23 June 2016), China New Higher Education Group Limited (appointed on 20 March 2017), Hilong Holding Limited (appointed on 24 March 2017), and the shares of these companies are listed on the Main Board of the Stock Exchange of Hong Kong Limited (“Stock Exchange”). Mr. Wong is the managing director of Union Alpha C.P.A. Limited and a director of Union Alpha CAAP Certified Public Accountants Limited, both are professional accounting firms, and a Founding Director and member of Francis M. C. Wong Charitable Foundation Limited, a charitable institution. Previously, Mr. Wong worked for KPMG, an international accounting firm for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants, the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, a certified tax adviser of the Taxation Institute of Hong Kong, and a fellow member of the Society of Chinese Accountants & Auditors. Mr. Wong holds a master degree in management (管理學碩士) conferred by Guangzhou Jinan University (廣州暨南大學), the PRC.

### 獨立非執行董事

黃文宗先生，五十二歲，為一名資深執業會計師，於審計、稅務、公司內部監控及管治、收購及財務顧問、企業重組及清算、家族信託及財富管理方面積累逾二十八年經驗。黃先生現為本公司之獨立非執行董事(「獨立非執行董事」)及審核委員會和薪酬委員會主席及提名委員會之成員。黃先生亦為神州數碼控股有限公司、惠記集團有限公司、綜合環保集團有限公司、綠心集團有限公司、保利協鑫能源控股有限公司(於二零一六年四月一日獲委任)、昆明滇池水務股份有限公司(於二零一六年六月二十三日獲委任)、中國新高教集團有限公司(於二零一七年三月二十日獲委任)、海隆控股有限公司(於二零一七年三月二十四日獲委任)(均為香港聯合交易所有限公司(「聯交所」)主板上市之公司)之獨立非執行董事。黃先生現為才匯會計師事務所有限公司董事總經理及中審亞太才匯會計師事務所有限公司之董事，彼亦為黃文宗慈善基金有限公司之創辦董事及成員。在此之前，黃先生曾於畢馬威(KPMG)國際會計師事務所審計部工作逾六年，並於香港中央結算有限公司監察科工作兩年。黃先生為英國特許公認會計師公會、英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員、香港稅務學會之註冊稅務師、及香港華人會計師公會資深會員。黃先生持有中國廣州暨南大學管理學碩士學位。

### INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

**Mr. Wang Tianyi**, aged 70, is an Independent Non-executive Director of the Company (appointed on 7 February 2012). He is currently the executive vice president of The Chinese Society For Metals. Mr. Wang has over 43 years of extensive experience in the steel industry. Mr. Wang studied metallurgical machinery in 北京鋼鐵學院 (Beijing Institute of Iron and Steel Engineering) (now known as 北京科技大學 University of Science and Technology of Beijing) from 1965 and graduated in 1970. He then worked at 邯鄲鋼鐵集團有限責任公司 (Handan Iron and Steel Group Company Limited) ("Handan IS Group") from 1970 to 1995 and held various management and professional positions, included the position of a technician, deputy factory manager and executive deputy general manager. From 1995 to 2008, Mr. Wang re-designated and worked at 唐山鋼鐵集團有限責任公司 (Tangshan Iron and Steel Group Company Limited) ("Tangshan IS Group") as the chairman and managing director. From 2005 to 2011, he was also the deputy chairman and managing director of 首鋼京唐鋼鐵聯合有限責任公司 (Shougang Jingtang Iron and Steel Company Limited). From July 2008 to August 2011, he acted as the vice chairman of 河北鋼鐵集團有限責任公司 (Hebei Iron and Steel Group Company Limited) ("HBIS Group"). HBIS Group was established after the merger of Tangshan IS Group and Handan IS Group on 30 June 2008.

### 獨立非執行董事(續)

王天義先生，七十歲，本公司的獨立非執行董事(於二零一二年二月七日獲委任)，彼現任中國金屬學會常務副理事長。王先生在鋼鐵行業擁有超過四十三年豐富經驗。王先生於一九六五年開始就讀於北京鋼鐵學院(現稱北京科技大學)修讀冶金機械專業及於一九七零年畢業。彼於一九七零年至一九九五年在邯鄲鋼鐵集團有限責任公司(「邯鋼集團」)工作並曾出任多個管理及專業職位，包括技術人員、副廠長及常務副總經理。於一九九五年至二零零八年期間，王先生調任至唐山鋼鐵集團有限責任公司(「唐鋼集團」)，分別擔任過董事長及總經理，在二零零五年至二零一一年期間，彼亦曾擔任首鋼京唐鋼鐵聯合有限責任公司的副董事長兼總經理，並於二零零八年七月至二零一一年八月期間出任河北鋼鐵集團有限責任公司(「河北鋼鐵集團」)的副董事長，河北鋼鐵集團於二零零八年六月三十日由唐鋼集團及邯鋼集團合併而成。

### INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

**Mr. Wang Bing**, aged 51, is an Independent Non-executive Director of the Company (appointed on 15 July 2016). Mr. Wang graduated from Peking University with a Bachelor degree in Law in 1986 and obtained a Doctor degree in International Law from the Research Institute of Hiroshima University in 1995. Mr. Wang has over 21 years of experience in practicing law. In 1986, Mr. Wang joined Ministry of Human Resources and Social Security of the People's Republic of China, then worked for the Policy Research Office. He worked at Zhong Lun Law Firm from July 1995 to May 1998. Mr. Wang joined Beijing W&H Law Firm since May 1998 and currently, he is the Senior Partner of Beijing W&H Law Firm. Mr. Wang is qualified to practice law in PRC. Mr. Wang was once the Independent Director of Shanxi Lanhua Sci-tech Venture Company Limited from May 2003 to May 2009 and Fujian Guanhong Holding Company Limited from May 2009 to May 2011. He is currently an Independent Director of Shanxi Tianji Coal Chemical Group Company Limited since May 2008 and Shangdong SINO-AGRI United Biotechnology Company Limited since January 2016. In addition, Mr. Wang acted an external Director of Beijing Fashion Holdings Company Limited (formerly known as "Beijing Textile Holding Company Limited") which is a wholly-owned company of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality since February 2015.

### SENIOR MANAGEMENT

**Mr. Yu Lifeng**, aged 40, is the deputy chairman, legal representative and general manager of Jinxi Limited. Mr. Yu began his career in 1995 when he was employed as the sales supervisor of Han's erzhuang Iron Mine, and joined the Group in 1996. Mr. Yu has been awarded the honorary title of "Model Worker of the National Steel Industry" [全國鋼鐵工業勞動模範], "Outstanding Secretary of Party Committee of the National Enterprises" [全國企業優秀黨委書記] and "Artisan of Private Enterprise of China Chamber of Commerce for Metallurgical Enterprises" [全聯冶金商會民營鋼鐵工匠] in 2016.

### 獨立非執行董事(續)

王冰先生，五十一歲，本公司的獨立非執行董事(於二零一六年七月十五日獲委任)。王先生於一九八六年在北京大學法律系畢業取得法學學士學位，並於一九九五年在日本廣島大學研究生學院取得國際法學博士學位。王先生具有二十一年以上的法律執業經驗。於一九八六年，王先生加入中華人民共和國人力資源和社會保障部，其後於政策研究室工作，彼在一九九五年七月至一九九八年五月期間於中倫律師事務所工作，王先生於一九九八年五月開始加入北京市煒衡律師事務所及現為該所的高級合夥人。王先生擁有中華人民共和國律師執業資格。王先生曾於二零零三年五月至二零零九年五月擔任山西蘭花科技創業股份有限公司及於二零零九年五月至二零一一年五月擔任福建冠宏股份有限公司的獨立董事，其目前自二零零八年五月擔任山西天脊煤化工集團股份有限公司及自二零一六年一月擔任山東中農聯合股份有限公司的獨立董事，此外，王先生自二零一五年二月起擔任北京市人民政府國有資產監督管理委員會的國有獨資企業，北京時尚控股有限責任公司(前稱為「北京紡織控股有限責任公司」)的外部董事。

### 高級管理人員

于利峰先生，四十歲，現為津西鋼鐵的副董事長、法人代表及總經理。于先生於一九九五年任職漢兒庄鐵礦的銷售科長開展其事業，並於一九九六年加入本集團。于先生於二零一六年獲得「全國鋼鐵工業勞動模範」、「全國企業優秀黨委書記」及「全聯冶金商會民營鋼鐵工匠」等榮譽稱號。



### SENIOR MANAGEMENT (continued)

**Mr. Yu Jianshui**, aged 49, is the general manager of Hebei Jinxi Iron and Steel Group Special Steel Company Limited and was the general manager of Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Company Limited. Mr. Yu was graduated at Hebei Polytechnic University in steel metallurgy and obtained a MBA from University of Northern Virginia in June 2009. He joined the Group after graduation until May 2005 and was employed as the deputy general executive manager of Shanxi Province Xiaoyi City Chengcai Iron and Steel Company in May 2005. He then re-joined the Group in April 2006. He has been awarded County Technological Selected Talent (縣科技拔尖人才), Ten Outstanding Youths in the County (縣十大傑出青年), Outstanding Youth in Post of Tangshan City (唐山市青年崗位能手), Workers' Model in Hebei Province (河北省勞動模範), The First Class Honour of Technological Improvement in Tangshan City (唐山市科技進步一等獎), The Third Class Honour of Technological Improvement in Hebei Province (河北省科技進步三等獎).

**Mr. Lam Pak Kan**, aged 37, is the Financial Controller and Company Secretary of the Company. Mr. Lam graduated from the Hong Kong University of Science and Technology with a Bachelor's degree of Business Administration in Accounting in 2001. Mr. Lam is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst (CFA) charterholder. Mr. Lam has over 16 years of experience auditing and financial management in accounting firm, asset management company and listed companies.

### 高級管理人員(續)

于建水先生，四十九歲，現任河北津西鋼鐵集團特鋼有限公司總經理及曾任河北津西鋼鐵集團正達鋼鐵有限公司總經理。于先生畢業於河北理工大學鋼鐵冶金專業，二零零九年六月取得北弗吉尼亞大學的工商管理碩士學位。彼於畢業後在本集團工作至二零零五年五月，及後於二零零五年五月任職山西省孝義市城財鋼鐵公司常務副總經理。他其後於二零零六年四月重新加盟本集團。彼曾獲得「縣科技拔尖人才」、「縣十大傑出青年」、「唐山市青年崗位能手」、「河北省勞動模範」、「唐山市科技進步一等獎」、「河北省科技進步三等獎」等稱號。

林柏勤先生，三十七歲，本公司的財務總監兼公司秘書。林先生於二零零一年畢業於香港科技大學，獲得工商管理學士學位，主修會計。林先生為特許公認會計師公會及香港會計師公會會員，彼亦為特許財務分析師。林先生曾任職於多家會計師事務所、資產管理公司及上市公司並擁有逾十六年審核及財務管理經驗。

The Company is committed to sound corporate governance practices designed to promote greater transparency, investor confidence and the continued development of the Company and its subsidiaries (the “Group”) with the best long term interest of the Group and value enhancement for all shareholders of the Company (the “Shareholders”) as our ultimate goal. The Company also believes that sound corporate governance practices benefit the Group’s employees and the community in which the Group operates.

## CODE ON CORPORATE GOVERNANCE PRACTICES (“CG CODE”)

In the opinion of the Directors, the Company has complied the Principles and Code Provisions with the CG Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange (the “Listing Rules”) throughout the year ended 31 December 2016, except for the deviation with explanation disclosed below.

## BOARD OF DIRECTORS (THE “BOARD”)

During the year under review, the Board comprised the following Directors and the composition is set out as follows:

### Executive Directors

Mr. Han Jingyuan (*Chairman and Chief Executive Officer*)

Mr. Zhu Jun (*Executive Deputy General Manager and Chief Operating Officer*)

Mr. Shen Xiaoling

Mr. Zhu Hao

Mr. Han Li

(*appointed as the Deputy General Manager and Chief Financial Officer on 8 December 2016*)

### Non-executive Director

Mr. Ondra Otradovec

### Independent Non-executive Directors

Mr. Wong Man Chung, Francis

Mr. Wang Tianyi

Mr. Zhou Guoping

(*resigned on 1 April 2016*)

Mr. Wang Bing

(*appointed on 15 July 2016*)

本公司貫徹執行良好之企業管治實務，以提升透明度、投資者信心及促進本公司及其附屬公司(「本集團」)之持續發展，並一直以本集團之最佳長遠利益及提高本公司全體股東(「股東」)的價值為其最終目標。本公司亦相信，良好之企業管治對本集團僱員及經營所在社區均屬有利。

## 企業管治常規守則(「企業管治守則」)

除下文所披露的偏差和說明外，於截至二零一六年十二月三十一日止整個年度，董事認為本公司已遵守聯交所證券上市規則(「上市規則」)附錄十四所載之企業管治守則之原則及守則條文。

## 董事局(「董事局」)

於回顧年度內，董事局包括以下董事，其組成載列如下：

### 執行董事

韓敬遠先生(*董事局主席兼首席執行官*)

朱軍先生

(*常務副總經理兼首席運營官*)

沈曉玲先生

朱浩先生

韓力先生

(*於二零一六年十二月八日獲委任為副總經理兼首席財務官*)

### 非執行董事

Ondra Otradovec 先生

### 獨立非執行董事

黃文宗先生

王天義先生

周國平先生

(*於二零一六年四月一日辭任*)

王冰先生

(*於二零一六年七月十五日獲委任*)

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### ROLES AND RESPONSIBILITIES

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs. It should act in the best interest of the Company and its Shareholders at all times. The Board sets strategies for the Company and monitors the performance and activities of the senior management.

The Executive Directors of the Company are responsible for the day to day operations of the Company whereas the Independent Non-executive Directors of the Company are responsible for ensuring a high standard of financial and management reporting to the Board and Shareholders as well as to provide a balanced composition in the Board so that there is a strong independent element on the Board.

### BOARD COMPOSITION

The composition of the Board is reviewed regularly to ensure that it has a good balance of expertise, skills and experience, which can meet the requirements of the business of the Group. The Directors’ biographical information is set out on pages 26 to 31.

There is a clear division of responsibilities between the Board and the management. The Board is responsible for providing high-level guidance and effective oversight of the management while day-to-day management of the Group is delegated to the management team of each respective subsidiary. Generally speaking, the Board is responsible for:

- Formulating the Group’s long-term strategy and monitoring the implementation thereof;
- Approval of dividends;
- Reviewing and approving the interim and annual reports;
- Ensuring good corporate governance and compliance;
- Monitoring the performance of the management;
- Reviewing and approving any material acquisition and disposal of assets and other material transactions.

## 董事局(「董事局」)(續)

### 職務及職責

董事局擔負領導及監控本公司的責任，並共同負責指導及監督本公司的事宜，推動本公司的成功。董事局應始終以本公司及其股東的最佳利益行事。董事局制定本公司的策略，並監控高級管理層的表現及活動。

本公司執行董事負責本公司的日常營運，而本公司獨立非執行董事負責確保向董事局及股東作出高標準之財務及管理報告，以平衡董事局架構，使董事局具有高度獨立地位。

### 董事局架構

董事局定期檢討其成員架構，務求平衡各方的專業知識、技術及資歷，以符合本集團的業務要求。董事履歷資料載列於第26至31頁。

董事局與管理層職責具清晰劃分。董事局負責提供高層次的指引及有效的監督管理層，而本集團日常管理則轉授予各附屬公司管理層。一般而言，董事局負責：

- 制訂本集團長遠策略及監督有關策略之實施；
- 批准股息；
- 審閱及批准中期報告及年報；
- 確保良好的企業管治及遵守法規；
- 監督管理層之表現；
- 審閱及批准任何重大的資產收購及出售及其他重大交易。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

Except for Mr. Han Li, who is the son of Mr. Han Jingyuan, to the best knowledge of the Directors, there is no financial, business, family relationship among the other Directors. All of them are free to exercise their independent judgments.

The Board authorises the management to carry out the strategy that have been approved. During the year under review, eight Board meetings were held and the principal business transacted included approving interim and annual results and reports, assessing business development and business performance and implementation as well as proposals to restore public float. The attendance record of each Director for the year ended 31 December 2016 is set out as follows:

### Board

### 董事局

		Number of Board Meeting Attended/Eligible Attended 董事局會議出席／ 有資格出席次數	
		Regular 定期	Ad hoc 特別
Mr. Han Jingyuan	韓敬遠先生	3/4	4/4
Mr. Zhu Jun	朱軍先生	4/4	3/4
Mr. Shen Xiaoling	沈曉玲先生	4/4	4/4
Mr. Zhu Hao	朱浩先生	3/4	4/4
Mr. Han Li	韓力先生	4/4	4/4
Mr. Ondra Otradovec	Ondra Otradovec 先生	1/4	2/4
Mr. Wong Man Chung, Francis	黃文宗先生	3/4	2/4
Mr. Wang Tianyi	王天義先生	2/4	1/4
Mr. Zhou Guoping (resigned on 1 April 2016)	周國平先生 (於二零一六年四月一日辭任)	0/1	2/2
Mr. Wang Bing (appointed on 15 July 2016)	王冰先生 (於二零一六年七月十五日獲委任)	2/2	1/2

All Directors have access to the Company Secretary who is responsible for ensuring that the Board procedures are complied with and all applicable rules and regulations are followed.

## 董事局(「董事局」)(續)

除韓力先生為韓敬遠先生的兒子外，據董事所知悉，其他董事之間概無任何財務、業務和親屬關係。董事均可自由作出獨立判斷。

董事局授權管理層履行已批准的策略。於回顧年度內，董事局共召開八次會議，已處理之主要事項包括批准中期及年度業績和報告、評估業務發展和表現及落實細節以及方案以恢復公眾持股量。各董事於截至二零一六年十二月三十一日止年度之出席情況如下：

所有董事均可與公司秘書保持聯繫，而公司秘書負責確保董事局之運作符合程序及遵守所有適用規則及規例。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

The Board ensures that its members are supplied, in a timely manner, with all necessary information in a form and of a quality appropriate to enable the Board to discharge its duties.

The minutes of Board meetings recorded all the details of the matters considered by the Board and the decisions reached, including any concerns raised by Directors or dissenting views expressed. Minutes of Board meetings are kept by the Company Secretary and are available for inspection by any Director.

### A. Chairman and Chief Executive Officer

Pursuant to the Code Provision A.2.1 of the CG Code, the role of the Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Board has Chairman to provide leadership to the Board in terms of establishing policies and business directions and monitor the daily operation of the Group.

Mr. Han Jingyuan currently serves as the Chairman and the Chief Executive Officer of the Company. The Board believes that there is no immediate need to separate the roles of Chairman and the Chief Executive Officer of the Company because the role of chief executive officer/general manager of the Company’s major operating subsidiaries are performed by other persons.

The Board will consider the segregation of the roles of the Chairman and the Chief Executive Officer of the Company in light of the future development of the operating activities or businesses of the Group.

### B. Independent Non-executive Directors

During the year under review, the Company had three Independent Non-executive Directors of whom Mr. Wong Man Chung, Francis has appropriate professional qualifications and experience in financial matters in compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules.

## 董事局(「董事局」)(續)

董事局確保其成員及時獲提供所有具適當形式及質量之必要資料，以便董事局履行其職責。

董事局會議記錄對董事局所審議之事項及達致之決定均有詳盡記錄，包括由董事提出之任何關注或表達之異議。董事局會議記錄由公司秘書保管，可供任何董事查閱。

### A. 董事局主席和首席執行官

根據企業管治守則第A.2.1條守則條文，董事局主席和首席執行官的角色應有區分，並不應由一人同時兼任。董事局設主席為制定本集團政策、業務方向及領導董事局，並監督本集團日常業務。

目前，韓敬遠先生擔任本公司的董事局主席兼首席執行官。董事局認為現時沒有即時需要區分本公司的董事局主席和首席執行官的角色，因為本公司主要及實際營運的附屬公司的首席執行官／總經理已由其他人士擔任。

董事局將考慮分離本公司的董事局主席及首席執行官的角色以應付本集團未來的經營活動或業務發展。

### B. 獨立非執行董事

於回顧年度內，本公司有三名獨立非執行董事，當中黃文宗先生在財務事宜方面擁有合適之專業資格及經驗，符合上市規則第3.10(1)條及第3.10(2)條之規定。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### B. Independent Non-executive Directors (continued)

Following the resignation of Mr. Zhou Guoping (“Mr. Zhou”) on 1 April 2016, the number of Independent Non-executive Directors of the Company fell below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules. Accordingly, the Company no longer fulfils the requirement on the minimum number of independent non-executive directors for the formation of audit committee stipulated under Rule 3.21 of the Listing Rules.

On 15 July 2016, the Company appointed Mr. Wang Bing as Independent Non-executive Director, a member of audit committee, remuneration committee and nomination committee of the Company. Following the appointment of Mr. Wang Bing, the composition of the Board comprises five Executive Directors, one Non-executive Director and three Independent Non-executive Directors. As a result, the number of independent non-executive directors and audit committee members of the Company meet with the requirements under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

### C. Appointment, Re-election and Removal of Directors

According to the Bye-laws of the Company, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything therein, the Chairman and/or the Managing Director of the Company shall not, whilst holding such office, be subject to the retirement by rotation or be taken into account in determining the number of the Directors to retire in each year and the Director appointed to fill a casual vacancy or as an addition to the Board shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. The Company will consider amending the Bye-laws to comply with the Code Provision A.4.2 of the CG Code in the future.

## 董事局(「董事局」)(續)

### B. 獨立非執行董事(續)

於周國平先生(「周先生」)在二零一六年四月一日辭任之後，本公司的獨立非執行董事之人數會降至少於上市規則第3.10(1)及3.10A條規定之最低人數，因此，本公司不再符合上市規則第3.21條所要求對組成審核委員會所須獨立非執行董事的最低人數之規定。

於二零一六年七月十五日，本公司委任王冰先生為本公司的獨立非執行董事、本公司的審核委員會、薪酬委員會及提名委員會之成員。緊隨著王冰先生的委任，董事局組成包括五名執行董事、一名非執行董事及三名獨立非執行董事。因此，本公司的獨立非執行董事及審核委員會之人數已遵照上市規則第3.10(1)條、3.10A條及3.21條之規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出彼等之年度獨立性確認書。本公司認為全體獨立非執行董事均具備獨立性。

### C. 委任、重選和撤換董事

根據本公司之章程細則，任何獲委任以填補臨時空缺或新加入董事局之董事僅可留任至本公司下一屆股東週年大會，並符合資格重選連任。於每屆股東週年大會上，當時在任之三分之一之董事(或如董事人數並非三之倍數時，最接近但不多於三分之一之董事)須輪值告退，惟盡管該條文之任何規定，擔任本公司董事局主席及/或董事總經理之董事毋須輪值告退，計算須告退董事人數時亦不予計算在內。同時，填補空缺或新加入董事局的董事人數，於釐定須輪值退任之董事人數時，均無須計算在內。本公司將考慮修改章程細則以符合企業管治守則第A.4.2條守則條文。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### C. Appointment, Re-election and Removal of Directors (continued)

All the Directors of the Company are appointed for a specific term and subject to re-election. Currently, Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Shen Xiaoling, Mr. Zhu Hao and Mr. Han Li being the Executive Directors are appointed for a fixed term of three years. Mr. Ondra Otradovec being the Non-executive Director is appointed for a fixed term of two years. All Independent Non-executive Directors, including, Mr. Wong Man Chung, Francis, Mr. Wang Tianyi, Mr. Zhou Gouping (resigned on 1 April 2016) and Mr. Wang Bing (appointed on 15 July 2016) are appointed for a fixed term of one year. All the Directors are still subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws.

In accordance to the Bye-laws 87 of the Company and the Code Provision A.4.2 of the CG Code, Mr. Shen Xiaoling and Mr. Wong Man Chung, Francis will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

In accordance to the Bye-law 86(2) of the Company, Mr. Wang Bing being eligible, will offer himself for re-election at the forthcoming annual general meeting.

As Mr. Wong Man Chung, Francis has served the Company for more than 9 years, his further appointment should be subject to a separate resolution to be approved by the Shareholders. By taking into account his independent status in the Board in the past years, and that he is not involved in the day-to-day management of the Company, the Board believes he is still independent and should be re-elected as the Company's Independent Non-executive Director; Such reason shall be set out in the circular of the forthcoming annual general meeting of the Company for Shareholders' consideration.

Except for the change in the Board as mentioned above, during the year under review, no other Director was appointed to fill any causal vacancy or otherwise.

## 董事局(「董事局」)(續)

### C. 委任、重選和撤換董事(續)

本公司所有董事之委任均有指定任期及須接受重選。目前，韓敬遠先生、朱軍先生、沈曉玲先生、朱浩先生及韓力先生為執行董事均以指定任期獲委任，為期三年，Ondra Otradovec先生為非執行董事以指定任期獲委任，為期兩年。所有獨立非執行董事包括黃文宗先生、王天義先生、周國平先生(於二零一六年四月一日辭任)及王冰先生(於二零一六年七月十五日獲委任)以指定任期一年獲委任。所有董事均需輪席告退及根據本公司章程細則條文於本公司股東週年大會重選。

根據本公司的章程細則第87條及企業管治守則第A.4.2條守則條文，沈曉玲及黃文宗先生將於應屆股東週年大會上輪席退任，彼等並符合資格和願意於應屆股東週年大會上重選。

根據本公司的章程細則第86(2)條，王冰先生符合資格和願意於應屆股東週年大會上重選。

因黃文宗先生已於本公司任職逾九年，其是否獲續任應以獨立決議案形式由股東審議通過。經考慮彼往年於董事局之獨立地位，及彼並不參與本公司日常管理，董事局認為，彼仍屬獨立且應重選為本公司獨立非執行董事；該理由將載於本公司應屆股東週年大會通函，以供股東審議。

除上述的董事局變動以外，於回顧年度內，概無其他董事獲委任以填補任何臨時空缺或其他變動。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### D. Responsibilities of Directors and Company Secretary

All Directors fully appreciate their role and duties as Directors of the Company.

New Director will be given an introduction to the Group’s major business activities, induction into their responsibilities and duties, and other regulatory requirements.

The Company Secretary is responsible for keeping all Directors updated on the Listing Rules and other relevant regulatory requirements.

### E. Directors’ and Officers’ liability

Appropriate insurance cover on Directors’ and Officers’ liabilities has been provided by the Company to cover potential legal actions against Directors and Officers.

### F. Training and Support for Directors and Company Secretary

Each newly appointed Director will receive comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to Directors at the Company’s expenses whenever necessary.

The Company provides regular updates relating to the Group’s business and the legislative and regulatory environments in which the Group conducts its business to the Directors.

## 董事局(「董事局」)(續)

### D. 董事及公司秘書責任

所有董事均充分了解彼等作為本公司董事之角色及職責。

新任董事於入職時，將獲簡介本集團之主要業務活動、彼等之責任及職責以及其他監管要求。

公司秘書負責向全體董事發放上市規則及其他相關監管要求之最新資料。

### E. 董事及高級職員之責任

本公司已就對董事及高級職員作出潛在性之法律行動，為董事及高級職員之責任提供適當的保險保障。

### F. 董事及公司秘書之培訓及支持

各新任董事已於首次獲委任時接受全面、正式及為彼而設之就職指引，確保董事對本集團業務及營運有恰當了解，並完全明白彼於上市規則及相關監管規定項下之責任及義務。

如有需要，董事亦獲安排提供持續簡報及專業發展，費用由本公司承擔。

本公司定期向董事提供有關本集團業務以及本集團經營業務所在地的法規及監管環境之最新資料。



## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### F. Training and Support for Directors and Company Secretary (continued)

The Directors are committed to comply with the Code Provision A.6.5 of the CG Code. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant for the year ended 31 December 2016. The Company will arrange internally-facilitated briefings for Directors and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2016, the Company has provided reading materials on corporate governance matters and update on the Listing Rules to all Directors for their reference and studying. Besides, Mr. Ondra Otradovec and Mr. Wong Man Chung, Francis also attended other seminars and training sessions arranged by other professional firms/institutions. Record of training each Director has received for the year ended 31 December 2016 were kept by the Company.

## 董事局(「董事局」)(續)

### F. 董事及公司秘書之培訓及支持(續)

董事承諾遵守企業管治守則第A.6.5條的守則條文。截至二零一六年十二月三十一日止年度，全體董事均已參與發展及更新彼等知識及技能之持續專業發展，以確保繼續在具備全面資訊及切合所需的情況下向董事局作出貢獻。本公司將會於適當時為董事安排內部用簡報，並就有關主題刊發閱讀材料。本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。

截至二零一六年十二月三十一日止年度內，本公司已向全體董事提供有關企業管治事宜的閱讀材料及上市規則更新的簡報，以供彼等參考及細閱。此外，Ondra Otradovec先生及黃文宗先生亦參與其他專業公司／機構安排的其他研討會及培訓課程。本公司已保存截至二零一六年十二月三十一日止年度各董事接受培訓的記錄。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

## 董事局(「董事局」)(續)

### F. Training and Support for Directors and Company Secretary (continued)

### F. 董事及公司秘書之培訓及支持(續)

The individual training record of each Director received for the year ended 31 December 2016 is summarised as below:

各董事於截至二零一六年十二月三十一日止年度所接受培訓之個別記錄概述如下：

Participation in Continuous Professional Development Programme in 2016

於二零一六年參與持續專業培訓計劃

Directors		Reading Regulatory Updates	Attending training/ briefing on regulatory development, directors' duties or other relevant topics
董事		閱讀監管規定的更新資料	出席有關監管變動、董事責任或其他相關題材的培訓／簡報會
<b>Executive Directors</b>	<b>執行董事</b>		
Mr. Han Jingyuan	韓敬遠先生	✓	
Mr. Zhu Jun	朱軍先生	✓	
Mr. Shen Xiaoling	沈曉玲先生	✓	✓
Mr. Zhu Hao	朱浩先生	✓	
Mr. Han Li	韓力先生	✓	
<b>Non-executive Director</b>	<b>非執行董事</b>		
Mr. Ondra Otradovec	Ondra Otradovec 先生	✓	✓
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>		
Mr. Wong Man Chung, Francis	黃文宗先生	✓	✓
Mr. Wang Tianyi	王天義先生	✓	
Mr. Zhou Guoping (resigned on 1 April 2016)	周國平先生 (於二零一六年四月一日辭任)	✓	
Mr. Wang Bing (appointed on 15 July 2016)	王冰先生 (於二零一六年七月十五日獲委任)	✓	

During the year under review, Mr. Lam Pak Kan, the Financial Controller and Company Secretary of the Company, took more than 15 hours of professional training to update his skills and knowledge in compliance with Rule 3.29 of the Listing Rules.

於回顧年度內，本公司財務總監及公司秘書林柏勤先生曾參加超過15個小時的專業培訓，提升其技能及知識，並符合上市規則第3.29條的規定。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### G. Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code for dealing in securities of the Company by the Directors.

The Company has made specific enquiry of all Directors and all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year under review.

### H. Board Committees

As an integral part of sound corporate governance, the Board has established the following committees whose authorities and functions, compositions and duties are set out below:

#### (1) Audit Committee

The audit committee of the Company (“Audit Committee”) has been established since 2005 with specific written terms of reference. The terms of reference of the Audit Committee (which were available on the websites of the Stock Exchange and the Company) have included those specific duties as set out in the Code Provision C.3.3 of the CG Code, with appropriate modifications when necessary. Pursuant to its terms of reference, the Audit Committee is required, amongst other things, to consider and recommend to the Board the appointment, re-appointment and removal of the external auditors and to approve their remuneration, to review the interim and annual financial statements, to review the Group’s financial controls, internal controls and risk management system including the adequacy of resources, qualification and experience of staff of the accounting and financial reporting function and their training programmes and budget, and to consider any findings of major investigation of internal control matters as delegated by the Board or on its own initiative and management’s response. The Audit Committee should meet at least twice each year and when the need arises.

## 董事局(「董事局」)(續)

### G. 董事之證券交易

本公司已採納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」)作為董事買賣本公司證券的守則。

經向所有董事作出具體查詢後，所有董事確認於回顧年度內已遵守標準守則所載規定標準。

### H. 董事委員會

作為良好企業管治不可分割之部分，董事局已設立下列委員會，其權限、職能、組成及職責載列如下：

#### (1) 審核委員會

本公司審核委員會(「審核委員會」)自二零零五年起成立，並訂有特定書面職權範圍。審核委員會之職權範圍(可於聯交所及本公司網站查閱)包括企業管治守則之守則條文第C.3.3條所載之特定職責，並於需要時作出適當修訂。根據其職權範圍，審核委員會須(其中包括)審議並向董事局建議委任、重新委任及解聘外聘核數師並批准其薪酬、審閱中期及年度財務報表、審查本集團財務監控、內部監控與風險管理系統，包括在會計及財務匯報職能方面的資源、僱員資歷及經驗是否足夠，以及僱員所接受的培訓課程及有關預算又是否充足，以及審議由董事局或其自行發起對內部監控事宜進行重大調查之結果以及管理層作出之反應。審核委員會應每年最少召開兩次會議以及於有需要時舉行會議。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### H. Board Committees (continued)

#### (1) Audit Committee (continued)

During the year ended 31 December 2016, the Audit Committee comprised three Independent Non-executive Directors for the period from 1 January 2016 to 31 March 2016 and 15 July 2016 to 31 December 2016, namely Mr. Wong Man Chung, Francis as the Chairman of the Audit Committee during the year under review and Mr. Wang Tianyi and Mr. Zhou Guoping (*resigned on 1 April 2016*) and Mr. Wang Bing (*appointed on 15 July 2016*) as the members of the Audit Committee, in compliance with Rule 3.21 of the Listing Rules.

For the year ended 31 December 2016, four meetings of Audit Committee were held. The attendance record for each member is set out as follows:

#### Audit

#### Committee members

#### 審核委員會成員

Mr. Wong Man Chung, Francis	黃文宗先生	4/4
Mr. Wang Tianyi	王天義先生	4/4
Mr. Zhou Guoping ( <i>resigned on 1 April 2016</i> )	周國平先生 ( <i>於二零一六年四月一日辭任</i> )	1/2
Mr. Wang Bing ( <i>appointed on 15 July 2016</i> )	王冰先生 ( <i>於二零一六年七月十五日獲委任</i> )	2/2

The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2016 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the consolidated financial statements have been prepared in accordance with the applicable accounting standard, the Listing Rules and the statutory requirements and that adequate disclosures have been made in this annual report.

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (1) 審核委員會(續)

於截至二零一六年十二月三十一日止年度內，自二零一六年一月一日至二零一六年三月三十一日止期間以及在二零一六年七月十五日至二零一六年十二月三十一日止期間，審核委員會包括三名獨立非執行董事，於回顧年度內之審核委員會主席為黃文宗先生以及審核委員會成員為王天義先生、周國平先生(於二零一六年四月一日辭任)及王冰先生(於二零一六年七月十五日獲委任)，並遵守上市規則3.21條。

截至二零一六年十二月三十一日止年度，審核委員會共舉行四次會議。各成員之出席記錄如下：

Number of Audit Committee Meeting Attended/ Eligible Attended
審核委員會會議出席/ 有資格出席次數

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度之合併財務報表，亦已討論內部監控事宜、本集團所採納之會計原則及慣例。審核委員會認為，有關合併財務報表乃按適用會計準則、上市規則及法定規定編製，並已於本年報內作出充足披露。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### H. Board Committees (continued)

#### (2) Remuneration Committee

The remuneration committee of the Company (“Remuneration Committee”) has been established since 2005 with specific written terms of reference. The terms of reference of the Remuneration Committee (which were available on the websites of the Stock Exchange and the Company) have included the duties which are set out in the Code Provision B.1.2 of the CG Code, with appropriate modifications when necessary. The terms of reference of the Remuneration Committee were amended on 23 March 2012 in order to comply with the amendment of the Listing Rules.

Pursuant to its terms of reference, the Remuneration Committee is required, amongst other things, (i) to determine, with delegated responsibility from the Board, the remuneration packages of individual Executive Directors and senior management; (ii) to make recommendations to the Board on the remuneration of Non-executive Directors; (iii) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (iv) to review and approve the compensation payable to the Executive Directors, Non-executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and (v) to ensure that no Director is involved in deciding his/her own remuneration. The Remuneration Committee should meet at least once a year and when the need arises.

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (2) 薪酬委員會

本公司薪酬委員會(「薪酬委員會」)自二零零五年起成立，並訂有特定書面職權範圍。薪酬委員會之職權範圍(可於聯交所及本公司網站查閱)包括企業管治守則之守則條文第B.1.2條所載之職責，並於需要時作出適當修訂。為符合上市規則之修訂，薪酬委員會之職權範圍已於二零一二年三月二十三日作出修訂。

根據其職權範圍，薪酬委員會須(其中包括)，(i)擁有既授董事局職責以釐定個別的執行董事及高級管理層之薪酬福利；(ii)就非執行董事的薪酬向董事局提出建議；(iii)參考不時由董事局議決之企業方針及目標審議和批准以表現為基礎的薪酬；(iv)審議和批准應付執行董事、非執行董事及高級管理層有關彼等喪失或終止職位或委任之賠償以確保該等賠償乃根據相關合約條款而釐定且對本公司而言屬公平而非過度；及(v)確保並無董事參與釐定本身之薪酬。薪酬委員會應每年最少召開一次會議以及於有需要時召開會議。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### H. Board Committees (continued)

#### (2) Remuneration Committee (continued)

During the year under review, the Remuneration Committee comprised Independent Non-executive Director of the Company, Mr. Wong Man Chung, Francis, as the chairman of the Remuneration Committee, Chairman and Chief Executive Officer of the Company, Mr. Han Jingyuan and the remaining Independent Non-executive Directors of the Company namely, Mr. Wang Tianyi, Mr. Zhou Guoping (*resigned on 1 April 2016*) and Mr. Wang Bing (*appointed on 15 July 2016*) as the members of the Remuneration Committee in compliance with the Rule 3.25 of the Listing Rules.

For the year ended 31 December 2016, three meetings of Remuneration Committee were held. The attendance record of each member is set out as follow:

#### Remuneration

#### Committee members

#### 薪酬委員會成員

Mr. Wong Man Chung, Francis	黃文宗先生	3/3
Mr. Han Jingyuan	韓敬遠先生	2/2
Mr. Wang Tianyi	王天義先生	3/3
Mr. Zhou Guoping ( <i>resigned on 1 April 2016</i> )	周國平先生 ( <i>於二零一六年四月一日辭任</i> )	1/1
Mr. Wang Bing ( <i>appointed on 15 July 2016</i> )	王冰先生 ( <i>於二零一六年七月十五日獲委任</i> )	1/1

Details of the remuneration of each Director for the year ended 31 December 2016 are set out in the Note 47 to the consolidated financial statements in this annual report.

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (2) 薪酬委員會(續)

於回顧年度內，薪酬委員會包括本公司獨立非執行董事黃文宗先生(薪酬委員會主席)、本公司董事局主席兼首席執行官韓敬遠先生及本公司其餘的獨立非執行董事，即王天義先生、周國平先生(於二零一六年四月一日辭任)及王冰先生(於二零一六年七月十五日獲委任)，均為薪酬委員會成員，符合上市規則第3.25條之規定。

截至二零一六年十二月三十一日止年度，薪酬委員會共舉行三次會議。各成員之出席記錄如下：

#### Number of Remuneration Committee Meeting Attended/ Eligible Attended 薪酬委員會會議出席/ 有資格出席次數

各董事於截至二零一六年十二月三十一日止年度之薪酬詳情載列於本年報合併財務報表附註47。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### H. Board Committees (continued)

#### (2) Remuneration Committee (continued)

The biographies of members of the senior management team at the date of this annual report are disclosed in the section headed “Directors’ and Senior Management’s Biographical Information” in this annual report. Pursuant to the Code Provision B.1.5 of the CG Code, the emoluments of the senior management (excluding Directors) for the year ended 31 December 2016 are within the following bands:

RMB ¥1 – RMB ¥1,000,000 (approximately HK\$ 1 to HK\$ 1,154,541)	人民幣1元至人民幣1,000,000元 (約1港元至1,154,541港元)	2	4
RMB ¥1,000,001 – RMB ¥2,000,000 (approximately HK\$ 1,154,542 to HK\$ 2,309,082)	人民幣1,000,001元至人民幣2,000,000元 (約1,154,542港元至2,309,082港元)	1	0

#### (3) Nomination Committee

The nomination committee of the Company (“Nomination Committee”) has been established on 23 March 2012 with specific written terms of reference. The terms of reference of the Nomination Committee (which were available on the websites of the Stock Exchange and the Company) have included the duties which are set out in the Code Provision A.5.2 of the CG Code, with appropriate modifications when necessary.

The duties of the Nomination Committee are mainly to (i) review the Board composition, develop and formulate relevant procedures for the nomination and appointment of directors; (ii) make recommendations to the Board on the appointment and succession planning of directors; (iii) assess the independence of independent non-executive directors; and (iv) recommend the measurable objectives for achieving diversity of the Board.

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (2) 薪酬委員會(續)

於本年報日期的高級管理層成員的履歷於本年報「董事及高級管理人員的履歷資料」一節內披露。根據企業管治守則之守則條文第B.1.5條所載，截至二零一六年十二月三十一日止年度支付予高級管理層(不包括董事)的薪酬介乎以下範圍：

Number of individuals 人數		2016 二零一六年	2015 二零一五年
RMB ¥1 – RMB ¥1,000,000 (approximately HK\$ 1 to HK\$ 1,154,541)	人民幣1元至人民幣1,000,000元 (約1港元至1,154,541港元)	2	4
RMB ¥1,000,001 – RMB ¥2,000,000 (approximately HK\$ 1,154,542 to HK\$ 2,309,082)	人民幣1,000,001元至人民幣2,000,000元 (約1,154,542港元至2,309,082港元)	1	0

#### (3) 提名委員會

本公司提名委員會(「提名委員會」)於二零一二年三月二十三日成立，並訂有特定書面職權範圍。提名委員會之職權範圍(可於聯交所及本公司網站查閱)包括企業管治守則之守則條文第A.5.2條所載之職責，並於需要時作出適當修訂。

提名委員會的職務主要為(i)檢討董事局的組成、發展及制訂提名及委任董事的相關程序；(ii)就董事委任及董事繼任計劃向董事局提出建議；(iii)評核獨立非執行董事的獨立性；及(iv)建議達致董事局多元化的可計量目標。

## BOARD OF DIRECTORS (THE “BOARD”) (continued)

### H. Board Committees (continued)

#### (3) Nomination Committee (continued)

The Nomination Committee will taking into consideration a candidate’s qualification, experience, expertise and knowledge, the requirements applicable to the Company and the structure and composition of the Board, identify, review and nominate with diligence and care candidates suitably qualified as Board members before making recommendations to the Board for their final appointment.

During the year under review, the Nomination Committee comprised the Chairman and Chief Executive Officer of the Company, Mr. Han Jingyuan, as the chairman of the Nomination Committee and the Independent Non-executive Directors of the Company namely, Mr. Wong Man Chung, Francis, Mr. Wang Tianyi, Mr. Zhou Guoping (resigned on 1 April 2016) and Mr. Wang Bing (appointed on 15 July 2016) as the members of the Nomination Committee in compliance with Code Provision A.5.1 of the CG Code.

For the year ended 31 December 2016, three meetings of Nomination Committee were held. The attendance record of each member is set out as follows:

#### Nomination

#### Committee members

#### 提名委員會成員

Mr. Han Jingyuan	韓敬遠先生	2/2
Mr. Wong Man Chung, Francis	黃文宗先生	3/3
Mr. Wang Tianyi	王天義先生	3/3
Mr. Zhou Guoping (resigned on 1 April 2016)	周國平先生 (於二零一六年四月一日辭任)	0/0
Mr. Wang Bing (appointed on 15 July 2016)	王冰先生 (於二零一六年七月十五日獲委任)	2/2

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (3) 提名委員會(續)

提名委員會於向董事局就董事之最終委任作出推薦前，將考慮候選人之資歷、經驗、專長及知識、本公司之適用規定以及董事局之架構及組成，審慎識別、審閱及提名具備合適資格可擔任董事局成員之候選人。

於回顧年度內，提名委員會包括本公司董事局主席兼首席執行官韓敬遠先生(提名委員會主席)及本公司的獨立非執行董事，即黃文宗先生、王天義先生、周國平先生(於二零一六年四月一日辭任)及王冰先生(於二零一六年七月十五日獲委任)，均為提名委員會成員且符合企業管治規則之守則條文第A.5.1條之規定。

截至二零一六年十二月三十一日止年度，提名委員會舉行三次會議。各成員之出席記錄載列如下：

#### Number of Nomination Committee Meeting Attended/ Eligible Attended 提名委員會會議出席/ 有資格出席次數



## BOARD DIVERSITY POLICY

The Company has adopted the board diversity policy (the “Board Diversity Policy”) on 30 August 2013 with a view to achieving a sustainable and balanced development of the Group. The Company sees increasing diversity at 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

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

### Monitoring and Reporting

The Nomination Committee will review the Board’s composition under diversified perspectives and monitor the implementation of the Board Diversity Policy annually. During the year under review, the Nomination Committee has reviewed the Board’s composition (including the gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) which has been disclosed on pages 26 to 31 in this annual report and considered the current Board’s composition is appropriate.

## 董事局成員多元化政策

為達致本集團可持續及均衡發展，本公司於二零一三年八月三十日採納董事局成員多元化政策（「董事局成員多元化政策」）。本公司視董事局層面日益多元化為支持其達到策略目標及維持可持續發展的關鍵元素。

在設定董事局成員組合時，會從多個方面考慮董事局成員多元化，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。董事局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局成員多元化的裨益。

### 可計量目標

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事局提供的貢獻而作決定。

### 監察及匯報

提名委員會將每年檢討董事局在多元化層面之組成，並監察董事局成員多元化政策之執行。於回顧年度內，提名委員會已審閱在本年報的第26頁至第31頁內披露的董事局之組成（包括性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期），並認為現時的董事局組成是恰當的。



## CORPORATE GOVERNANCE

The Company is dedicated to maintaining a high standard of corporate governance and the Board is responsible for performing the corporate governance duties as stipulated in the Listing Rules.

During the year under review, the Board had developed and reviewed the Company's policies and practices on corporate governance and review the compliance with the CG Code and disclosure in the Corporate Governance Report.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board acknowledges that it is its responsibility to prepare financial statements of the Company for each financial period which give a true and fair view of the state of affairs of the Company and ensure that financial statements are prepared in accordance with statutory and regulatory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements of the Company.

The Board confirms that, to the best of its knowledge and, having made appropriate enquires, it considers that the Company has adequate resources to continue in operational existence for the foreseeable future and has prepared the financial statements on a going concern basis accordingly.

### Risk Management and Internal Controls

For the year ended 31 December 2016, the Board conducted an annual review of the effectiveness of the Group's risk management and internal control systems based on the confirmation made by the senior management and inputs from the Audit Committee. The Board considered that the risk management and internal control systems of the Group, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, are effective and adequate during the year.

## 企業管治

本公司致力於維持高標準之企業管治，而董事局則負責履行上市規則所規定之企業管治職責。

於回顧年度內，董事局已制定及檢討本公司有關企業管治守則之政策及實務，並審閱遵守企業管治守則之情況及企業管治報告之披露。

## 問責和核數

### 財務匯報

董事局確認，其有責任就每一財務期間編製真實及公平地反映本公司財務狀況之財務報表，以及確保該等財務報表乃按法定與規管要求及適用會計準則編製。董事局亦須確保適時刊發本公司財務報表。

於作出適當查詢後，董事局確認，就其所知本公司具有充分資源於可見將來繼續維持營運，並已按持續經營準則編製財務報表。

### 風險管理及內部監控

截至二零一六年十二月三十一日止年度，根據高級管理層作出的確認及來自審核委員會的意見，董事局對本集團風險管理及內部監控系統的有效性進行年度檢討。董事局考慮的範疇包括資源的充足性、員工資歷及經驗、培訓計劃及本集團會計、內部審計及財務報告職能之相關預算，認為年內本集團的風險管理及內部監控系統是有效及充足的。

## ACCOUNTABILITY AND AUDIT (continued)

### Risk Management and Internal Controls (continued)

The Board has an overall and ongoing responsibility for the Group's risk management and internal control systems, and reviewing their effectiveness. It is acknowledged that risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material adverse change or damage.

The Board, through its risk oversight role, ensures that the senior management establishes an effective risk management, consistent with the Group's strategy and risk appetite. The senior management establishes risk management policies and internal control processes to identify, evaluate and manage risks. Each subsidiary implements such policies and processes in the daily operations and reports significant risks identified to the senior management regularly. The senior management assesses and evaluates these significant risks reported then allocates sufficient resources to address these risks and monitors the risk management status reported from the relevant subsidiary from time to time. The senior management will communicate the risk management and internal control findings to the Board for its assessment of the effectiveness of the relevant risk management and internal control systems of the Group.

The Finance and Internal Audit Department of the Company reviews material internal control aspects of the Group, including financial, operational and compliance controls as well as risk management function, duties which include (i) reviewing and reporting on internal and operational controls; (ii) following-up on the suggestions made by external auditors; (iii) ongoing monitoring and reviews on different operating cycles; and (iv) special review of areas of concern identified by senior management. It reports to the Chief Operating Officer and the Chief Financial Officer from time to time, and also reports the findings to the Audit Committee at least twice a year and on ad-hoc basis. The findings are communicated with the senior management and actions are taken to resolve defects as and when identified. No material internal control defects were identified during the year.

## 問責和核數(續)

### 風險管理及內部監控(續)

董事局對本集團的風險管理及內部監控系統負起全部及持續的責任，並檢討其有效性。茲確認風險管理及內部監控系統乃旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大不利的變動或損失作出合理而非絕對的保證。

董事局透過其風險監察角色確保高級管理層建立有效之風險管理，並符合本集團之策略及風險取向。高級管理層制訂風險管理政策及內部監控流程，以識別、評估及管理風險。各個子公司會於日常營運中實施該等政策及流程，並定期向高級管理層報告所識別之重大風險。高級管理層會辨識及評估該等已作出報告之重大風險，隨後則分配充足資源以處理該等風險，並監察由相關子公司不時作出報告之風險管理狀況。高級管理層會將風險管理及內部監控的結果傳達給董事局，以供評估本集團相關風險管理及內部監控系統之有效性。

本公司的財務及內部審計部門會檢討本集團的重大內部監控範疇，包括財務、營運及合規監控和風險管理職能，其工作包括 (i) 對內部及營運監控作出審議及報告；(ii) 跟進外聘核數師提供之建議；(iii) 對不同營運週期進行持續監控及檢討；及 (iv) 對高級管理層所識別之關注範圍進行專項審查。其不時向首席運營官及首席財務官匯報，並每年向審核委員會報告有關結果至少兩次及不時向其作出報告。有關結果乃與高級管理層經溝通後得出，而於識別缺陷後則會採取行動解決。年內並無發現任何重大的內部監控缺陷。

## ACCOUNTABILITY AND AUDIT (continued)

### Risk Management and Internal Controls (continued)

Under code provision C.2.5 and the related notes of the CG Code, the Company should have an internal audit function which generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. The Company's internal audit function is merged with the finance function during the year ended 31 December 2016. During the year, the Group conducted a review on the need for setting up an independent internal audit department. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the senior management could provide sufficient internal control and risk management for the Group. The Audit Committee and the Board regularly review the effectiveness of the internal control systems and the risk management of the Group. The Board will review the need to set up an independent internal audit function on an annual basis.

When the Board and the Audit Committee express concerns over the risk management and internal control matters of the Group, the Finance and Internal Audit Department of the Company will investigate and communicate the findings with and make recommendations to the senior management. The Finance and Internal Audit Department of the Company also maintains an effective communication with the external auditor of the Company on the Group's internal control system during interim review and annual audit.

The Group has a policy for handling and dissemination of inside information including relevant control processes and safeguards. The processes and safeguards are implemented as needed by the relevant department heads and management involved in the handling and dissemination of inside information.

## 問責和核數(續)

### 風險管理及內部監控(續)

根據企業管治守則之守則條文第C.2.5條及相關附註規定，本公司應設立內部審核功能，其普遍是對本集團的風險管理及內部監控系統是否足夠和有效作出分析及獨立評估。本公司於截至二零一六年十二月三十一日止年度內的內部審核功能是與財務功能合併。於本年內，本集團已作出成立獨立內部審核部門的需要之檢討。經計及本集團營運之規模及複雜程度，本公司認為現行組織架構及高級管理層緊密監察可為本集團提供足夠之內部監控及風險管理。審核委員會及董事局定期檢討本集團內部監控系統及風險管理之成效。董事局將每年檢討是否需要設立獨立內部審核功能。

當董事局及審核委員會對本集團之風險管理及內部監控事宜提出疑慮時，本公司之財務及內部審計部門將進行調查，並將於與高級管理團隊磋商後就內部審計結果及改進建議進行匯報。在中期審閱及年終審計期間，本公司之財務及內部審計部門亦會就本集團之內部監控系統與本公司外聘核數師維持有效溝通。

本集團設有處理及發放內幕消息之政策，當中包括相關監控流程及保障措施。參與處理及發放內幕消息之相關部門主管及管理層會於有需要時實施有關流程及保障措施。

## ACCOUNTABILITY AND AUDIT (continued)

### External Auditor

The Directors are responsible for preparing the financial statements for the financial year ended 31 December 2016 to reflect a true and fair view of the Company's and the Group's financial position and financial performance and cash flows for the year.

In preparing the financial statements for the year ended 31 December 2016, the generally accepted accounting principles in Hong Kong, Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards are adopted, with consistent use of appropriate accounting policies, for making reasonable and prudent judgments and estimates. The financial statements for the year ended 31 December 2016 were prepared on a going concern basis.

The reporting responsibilities of the auditor are set out in the Independent Auditor's Report in this annual report.

For the year ended 31 December 2016 and up to the date of this report, the external auditor of the Group is PricewaterhouseCoopers. Fees of auditing services and non-auditing services (including interim review and taxation services) provided by PricewaterhouseCoopers and its member firms of the same international network for the year ended 31 December 2016 were approximately RMB 4.05 million and RMB 0.14 million respectively.

For the year ended 31 December 2016 and up to the date of this report, PricewaterhouseCoopers and its member firms of the same international network provided non-audit services mainly on interim review and taxation services. These non-audit services are engaged only as they are more effective or economical than those available from other service providers and will not constitute adverse impact on the independence of the external auditor. The nature and ratio of annual fees to external auditor for non-audit services and for audit services in 2016 have been scrutinised by the Audit Committee.

## 問責和核數(續)

### 外聘核數師

董事負責編製截至二零一六年十二月三十一日止財政年度的財務報表，以真實公平反映本公司和本集團的財務狀況及該年度的財務表現與現金流。

編製截至二零一六年十二月三十一日止年度的財務報表時，已採納香港一般公認的會計準則，香港財務報告準則及香港會計準則，並貫徹運用合適的會計政策，做出合理審慎的判斷及估計。截至二零一六年十二月三十一日止年度的財務報表乃按持續經營基準編製。

核數師之報告職責已載於本年報之獨立核數師報告。

截至二零一六年十二月三十一日止年度及截至本報告日期，本集團外聘核數師為羅兵咸永道會計師事務所。截至二零一六年十二月三十一日止年度，羅兵咸永道會計師事務所及其同一國際網絡下的成員機構提供審核與非審核服務之費用(包括中期審閱及稅務服務)分別為約人民幣405萬元及人民幣14萬元。

截至二零一六年十二月三十一日止年度及截至本報告日期，羅兵咸永道會計師事務所及其同一國際網絡下的成員機構提供非審核服務主要涉及中期審閱及稅務服務。該等非審核服務只可在較其他服務供應商所提供的服務更為有效或更合乎經濟原則，且不會對外聘核數師的獨立性構成不利影響的情況下，方可使用。外聘核數師於二零一六年全年就非審核服務及審核服務所收費用的性質及比率已由審核委員會詳細審閱。

## SHAREHOLDERS' RIGHTS

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office and its principal office in Hong Kong (Suites 901-2 & 10, 9th floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong) for the attention of the Board or the Company Secretary, to require a special general meeting (the "SGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. The written requisition must state the purposes of the SGM, signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders. If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid, the Shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested. Shareholder(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting; or (ii) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at the annual general meeting (the "AGM") or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request/statements must be signed by the Shareholder(s) concerned and deposited at the Company's registered office and its principal office in Hong Kong (Suites 901-2 & 10, 9th floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong) for the attention of the Company Secretary, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition. If the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the Shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid or the Shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM or the statement will not be circulated for the general meeting.

## 股東權利

於遞呈要求日期時持有不少於本公司繳足股本(附有於本公司股東大會上投票權)十分之一的股東,於任何時候均有權向本公司註冊辦事處及其香港主要辦事處(香港灣仔港灣道23號鷹君中心9樓901-2及10室)發出書面要求(收件人為董事局或公司秘書),要求董事局就該要求指明的任何業務交易召開股東特別大會(「股東特別大會」);且該大會須於遞呈要求後兩(2)個月內舉行。書面要求必須列明股東特別大會的目的,由相關股東簽署且可包括具有類似格式的數份文件(均由一名或多名該等股東簽署)。倘要求屬適宜,公司秘書將要求董事局根據法定要求給予全體註冊股東足夠通知期,以召開股東特別大會。相反,倘要求無效,相關股東將獲通知此結果,因此,股東特別大會不會按要求召開。本公司股東持有(i)有權於股東大會上投票之全體股東總投票權不少於二十分之一;或(ii)不少於一百名股東,可向本公司提呈於股東週年大會(「股東週年大會」)上動議決議案的書面要求,或就於特定股東大會提呈之任何決議案所述事項或處理的事務作出不少於1,000字的書面陳述。書面請求/陳述須由相關股東簽署,並於股東週年大會舉行前六週(倘要求獲提供決議案通知)或股東大會舉行前一週(倘為任何其他要求)呈遞至本公司註冊辦事處及其香港主要辦事處(香港灣仔港灣道23號鷹君中心9樓901-2及10室),收件人為公司秘書。倘書面要求適當,公司秘書可要求董事局(i)將決議案載入股東週年大會議程;或(ii)傳閱股東大會陳述,惟相關股東須支付董事局釐定的合理金額的費用,以便本公司根據法定要求向全體登記股東寄發決議案通知及/或向彼等傳閱相關股東提呈的陳述。相反,倘要求無效,或相關股東未有支付足夠費用供本公司作出上述行動,相關股東將獲通知此結果,因此,則建議的決議案不會載入股東週年大會議程,或股東大會陳述亦不會傳閱。

## SHAREHOLDERS' RIGHTS (continued)

Shareholders and other stakeholders may at any time send their enquiries and concerns to the Board by addressing them to the Company Secretary by post to the Hong Kong principal office at Suites 901-2 & 10, 9th floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

## IMPACT ON NEW LEGISLATION, POLICY AND PROCEDURES

As mentioned before, over 90% of the operations of the Group are carried in the Mainland China. Any change in the policy and procedure in the Mainland China may have adverse effects on the Group's operation and results.

Also, the introduction of new legislation and rules by the Stock Exchange, Securities and Futures Commission and other regulatory bodies in Hong Kong and overseas may induce changes in market conditions that in turn adversely affect the operating results of the Company.

## COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with the Shareholders of the Company. A Shareholders Communication Policy was adopted on 23 March 2012 to ensure that Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company. The policy is posed on the Company's website. The Company has established various channels of communications with its Shareholders such as publication of interim and annual reports, press release and announcement of the latest development of the Company in a timely manner. To promote effective communications, the Company also maintains a website at [www.chinaorientalgroup.com](http://www.chinaorientalgroup.com), where updated information on the Company's business developments and operations and other information are posted, including all the regulatory announcements relating to the Company and the poll results on the business day following the general meeting (if any).

The general meeting of the Company provides a forum for exchange of views between the Shareholders of the Company and the Board. The Chairman of the Board, the Directors (including Independent Non-executive Directors), chairman or members of the committees and senior management of the Group and where applicable are available to answer questions at the general meeting of the Company.

## 股東權利(續)

股東及其他權益相關人士可隨時將其查詢及關注意見以郵遞方法發送至香港主要辦事處(香港灣仔港灣道23號鷹君中心9樓901-2及10室)予董事局, 收件人為公司秘書。

## 新法例、政策及程序之影響

正如上文所述, 本集團的運作超過90%在中國內地進行。任何於中國內地的政策和程序變動均可能對本集團營運和業績產生不利影響。

此外, 聯交所、證券及期貨事務監察委員會和香港及海外其他監管機構引入之新法例及規則可能導致市場狀況變動, 並可能對本公司經營業績帶來不利影響。

## 與股東之溝通

董事局深明與本公司股東保持良好溝通之重要性。本公司已於二零一二年三月二十三日採納股東通訊政策以確保股東可快速、平等及適時獲得有關本公司全面而易於理解的資料。該政策刊登於本公司網站。本公司已設立多個渠道與股東溝通, 如刊發中期報告及年報, 適時地就本公司之最新發展發出新聞稿及公告。為促進有效溝通, 本公司亦已設立網站, 網址為[www.chinaorientalgroup.com](http://www.chinaorientalgroup.com), 載有本公司業務發展及經營最新資訊以及其他資料, 其中包括有關本公司之所有監管公告及於股東大會後之營業日刊登之投票結果(如有)。

本公司股東大會為本公司股東與董事局提供交流意見之平台。董事局主席、本集團董事(包括獨立非執行董事)、委員會主席或成員及高級管理層(如適用), 可於本公司股東大會上回應問題。

## COMMUNICATION WITH SHAREHOLDERS *(continued)*

The rights of the Shareholders of the Company and the procedures for demanding a poll on resolution at general meeting are contained in the Company's Bye-laws. Details of such right to demand a poll and the poll procedure are included in all circulars to the Shareholders of the Company which will call for a general meeting and will be explained during the proceedings of the meeting.

Upon the implementation of the amendments of the Listing Rules with effect from 1 January 2009, all resolutions proposed at general meeting will be voted by poll. The poll voting results will be posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaorientalgroup.com](http://www.chinaorientalgroup.com)) immediately after the relevant general meetings.

Under the Code Provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting of the Company.

The attendance record of the 2016 AGM held on 27 May 2016 for each of the individual Director was as follows:

## 與股東之溝通<sup>(續)</sup>

本公司股東之權利及在股東大會上要求就決議案投票表決之程序載於本公司章程細則。要求投票表決權利之詳情及投票表決程序載於所有召開股東大會之本公司股東通函，並會於大會議事程序內解釋。

上市規則修訂於二零零九年一月一日生效後，所有在股東大會提呈的決議案均以投票方式表決。投票表決結果將於有關股東大會召開後立即於聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))及本公司網站([www.chinaorientalgroup.com](http://www.chinaorientalgroup.com))刊登。

根據企業管治守則之守則條文第E.1.2條，董事局主席須出席本公司股東週年大會。

於二零一六年五月二十七日舉行的二零一六年股東週年大會，各董事之出席記錄如下：



# Corporate Governance Report 企業管治報告

## COMMUNICATION WITH SHAREHOLDERS (continued)

## 與股東之溝通(續)

### Board 董事局

### Attendance of 出席記錄 2016 AGM 二零一六年 股東週年大會

### Executive Directors

#### 執行董事

Mr. Han Jingyuan	韓敬遠先生	1/1
Mr. Zhu Jun	朱軍先生	0/1
Mr. Shen Xiaoling	沈曉玲先生	0/1
Mr. Zhu Hao	朱浩先生	1/1
Mr. Han Li	韓力先生	0/1

### Non-executive Director

#### 非執行董事

Mr. Ondra Otradovec	Ondra Otradovec 先生	0/1
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### Independent Non-executive Directors

#### 獨立非執行董事

Mr. Wong Man Chung, Francis	黃文宗先生	1/1
Mr. Wang Tianyi	王天義先生	0/1
Mr. Zhou Guoping (resigned on 1 April 2016)	周國平先生 (於二零一六年四月一日辭任)	0/0
Mr. Wang Bing (appointed on 15 July 2016)	王冰先生 (於二零一六年七月十五日獲委任)	0/0

The Company will continue to enhance communication and relationship with its Shareholders. Enquiries from the Shareholders of the Company are dealt with in an informative and timely manner.

本公司將繼續增進與股東之間的溝通及關係。本公司股東之查詢將會適時並詳盡處理。

## OVERVIEW

The Group is always committed to performing its social responsibility as an enterprise. Apart from strictly abiding by national laws and regulations, the Group has reduced emissions from and energy consumption in the steel production process by continuously investing resources into production facilities, so as to minimise the impact of the production process on the environment and strive for being an environmentally friendly enterprise. For the sake of informing the stakeholders of policies and measures of as well as performance in environmental, social and governance (“ESG”) aspects, the Group prepared the ESG report in accordance with the ESG Reporting Guide (the “ESG Guide”) set out in Appendix 27 to Rules Governing the Listing of Securities on the Stock Exchange.

This report covers the year ended 31 December 2016. Currently, the Group’s revenue is mainly from the steel business which is dominated by sales of self-manufactured steel products, accounting for approximately 88% of gross sales of the Group for the year. Production of such steel products is mainly conducted by its subsidiaries such as Hebei Jinxi Iron and Steel Group Company Limited (“Jinxi Limited”), Hebei Jinxi Iron and Steel Group Special Steel Company Limited (“Jinxi Special Steel”), Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Company Limited (“Zhengda Iron and Steel”), Tianjin Oriental Jiangtian Section Steel Sales Company Limited (“Oriental Jiangtian”) and Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited (“Jinxi Jinlan”) and the content below of this report is mainly related to Jinxi Limited and Jinxi Special Steel.

## A. ENVIRONMENTAL

The Group’s growth and flourish development rely on its operating strategies, which gear towards environmental protection, sustainability and are favorable to the Group’s stakeholders, and on its ability to overcome complicated challenges. The Group pays high attention to environmental protection, efficient use of resources and enhancement of efficiency for minimising the impacts of the production process to the environment. By continuously investing resources into production facilities, the Group aims to reduce emissions from and energy consumption of its manufacturing process. The Group continues to operate its business in a moral and responsible manner, so as to distinguish itself in various assessments other than financial data.

## 概覽

本集團一直堅持發揮企業的社會責任，除緊守國家法規外，一直透過持續投入資源於生產設備以減少鋼鐵生產過程中的排放及能源消耗，從而盡力降低生產過程對環境的影響，努力建設環境友好型企業；為了讓各持份者瞭解本集團環境、社會及管治(「環境、社會及管治」)之政策、措施及表現，本集團根據聯交所證上市規則附錄二十七所載之環境、社會及管治報告指引(「環境、社會及管治指引」)編製了本環境、社會及管治報告。

本報告涵蓋二零一六年十二月三十一日止年度，本集團目前的主要收入來自鋼鐵業務，當中以銷售自行生產的鋼鐵產品為主，佔本集團的本年度銷售總額約88%，有關鋼鐵產品的生產主要由河北津西鋼鐵集團股份有限公司(「津西鋼鐵」)、河北津西鋼鐵集團特鋼有限公司(「津西特鋼」)、河北津西鋼鐵集團正達鋼鐵有限公司(「正達鋼鐵」)、天津市東方江天型鋼銷售有限公司(「東方江天」)、佛山津西金蘭冷軋板有限公司(「津西金蘭」)等子公司進行，以下報告內容主要針對津西鋼鐵及津西特鋼。

## A. 環境

本集團的成長及蓬勃發展依賴於其以環保、可持續以及有利於本集團持份者的營運方針，以及克服複雜挑戰的能力。本集團重視於環境保護、善用資源及提升效率從而盡力降低生產過程對環境的影響。本集團透過持續投入資源於其生產設備以減少鋼鐵生產過程中的排放及能源消耗，不斷努力以道德及負責任的方式經營業務，務求在財務數據以外的各項考量中脫穎而出。

## A. ENVIRONMENTAL (continued)

The Group also strictly complies with relevant environmental protection laws and regulations including the “Environment Protection Law of the People’s Republic of China”, the “Prevention and Control of Water Pollution Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Appraising of Environment Impacts”, Hebei Industrial Furnace Air Pollutant Emission Standards 2012, Emission Standard of Air Pollutants for Iron Smelt Industry, Emission Standard of Air Pollutants for Steel Smelt Industry, Emission Standard of Air Pollutants for Sintering and Pelletizing from Iron and Steel Industry, Emission Standard of Air Pollutants for Steel Rolling Industry, the “Water Pollution Prevention and Control Law of the People’s Republic of China” and Discharge Standard of Water Pollutants for Iron and Steel Industry. The Group also formulates certain policies such as Environmental Protecting Measures, Administrations of Environmental Supervision and Management Personnel and Administrations of Environmental Protection Training, so as to ensure the compliance with relevant laws and regulations.

### A1. EMISSIONS

The exhaust emissions of the Group mainly comprise dust, nitrogen oxides and sulphur oxides, etc, of which, dust is generated from materials transportation, raw materials treatment for iron-smelting, firing process in sintering, blast furnace plants and converters while nitrogen oxides and sulphur oxides are mainly generated from the firing process in sintering.

Waste water produced from the manufacturing process consists of various contaminants like SS, BOD6, petroleum and heavy metals.

The major solid wastes generated from the Group’s production include dust, water slag, steel slag, de-sulphur gypsum, refractory materials and oily contaminants, etc.

## A. 環境(續)

本集團嚴格遵守《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》、《中華人民共和國環境影響評價法》、《河北省工業爐窯大氣污染物排放標準2012》、《煉鐵工業大氣污染物排放標準》、《煉鋼工業大氣污染物排放標準》、《鋼鐵燒結、球團工業大氣污染物排放標準》、《軋鋼工業大氣污染物排放標準》、《中華人民共和國水污染防治法》及《鋼鐵工業水污染物排放標準》等相關的環保法律及法規，制定集團《環境保護責任制》、《環境監督管理人員管理辦法》、《環保培訓管理辦法》等政策以確保合乎有關法規。

### A1. 排放物

本集團的廢氣排放主要包括粉塵、氮氧化物及硫氧化物等，其中粉塵主要源自物料運輸、煉鐵工蓋的原料處理、燒結的焙燒、高爐煉鐵出鐵場以及轉爐等；氮氧化物及硫氧化物主要源自燒結的焙燒。

生產過程中產生的廢水主要有SS、BOD6、石油、重金屬等污染物。

本集團生產中產生的主要固體廢棄物包括除塵灰、水渣、鋼渣、脫硫石膏、耐火材料及含油沾染物等。



## A. ENVIRONMENTAL (continued)

### A1. EMISSIONS (continued)

#### Exhaust emissions

The Group endeavors to allocate resources to improve its production environment and facilities. Various production facilities put into operation are equipped with environmental protection equipments for reducing emission and meeting the relevant national standards. The measures for dust include:

- 1/ To set up a fully closed stock ground to eliminate dust pollution and disorganised discharge of pollutants from the stock ground;
- 2/ To set up wind breaker and dust filter net in the stock ground and clean the wind breaker and dust filter net with water periodically;
- 3/ To place precipitator treatment equipments in the sources of pollution, and qualified third party operators will carry out repair and maintenance, to ensure efficient operation of all types of precipitator treatment equipments through professional maintenance;
- 4/ Vehicles equipped with special sweeping and precipitators and sprinkling cars will sweep and clean continuously all sub-zone passages of the stock ground and the main transport roads. These effectively prevent dust pollution caused by the rolling over of the delivery vehicles of the stock ground onto the roads;
- 5/ To improve and optimize the production facilities to reach the result of dust elimination, all types of production facilities in operation are equipped with environmental protection and treatment equipments in order to reach the national standard. For instance, sintering machines and blast furnaces are equipped with electrostatic precipitators, all feeder points are equipped with bag precipitators, skills of gravity dust removal plus bag precipitator with dry-dedusting technology are used for the gas purification of blast furnaces, all steel refinery plants are equipped with the triple dust elimination system etc.; and

## A. 環境(續)

### A1. 排放物(續)

#### 廢氣排放

本集團致力投放資源改善生產環境及設備，投入運行的各類生產設備均配備了環保治理設施，致力降低排放及合符國家相關標準，當中針對粉塵的措施包括：

- 1/ 設立全封閉料場以杜絕粉塵污染及料場污染物的無組織排放；
- 2/ 於原料場設擋風抑塵網並定期對檔風抑塵網沖洗清潔；
- 3/ 於污染源點設置除塵治理設施，並由具有資質的運營單位協力廠商維修維護，通過專業的維護保養，確保各類除塵治理設施高效運行；
- 4/ 配備專用清掃吸塵車和灑水車對料場各分區通道和主要運輸道路進行不間斷清掃保潔，有效的防止料場運輸車輛對道路碾壓造成揚塵污染；
- 5/ 改善及優化生產設備以達到除塵效果，投入運行的各類生產設備均配備了環保治理設施以達到國家標準。如燒結機及高爐均安裝有配套的靜電除塵器，各落料點配有布袋除塵器，高爐煤氣淨化均採用重力除塵加布袋除塵的乾法除塵工藝，煉鋼廠均配有三次除塵系統等；及

## A. ENVIRONMENTAL (continued)

### A1. EMISSIONS (continued)

#### Exhaust emissions (continued)

- 6/ The sintering machines and vertical furnaces are equipped with desulfurization system and online inspection system.

The average discharge of dust after the transformation project of electrostatic precipitators under the troughs of the blast furnaces of Jinxi Limited in operation was approximately 7 mg/standard cubic metre, which was lower than the national standard of 10 mg/standard cubic metre. The smoke and dust collection rate at the dust suction vent was raised to approximately 90%. The dust powder and other exhaust emissions discharged during the production processes reach the discharge standard.

#### Sewage discharge

In order to solve the problems of external discharge of production water, pollution of the environment and wastage of resources caused by the sewage generated by the production, the Group invested and constructed two sewage treatment stations with maximum daily treatment capacity of 50,000 tonne and one sewage treatment station with maximum daily treatment capacity of 10,000 cubic metre in Jinxi Limited and Jinxi Special Steel respectively. All the sewage is reused after centralised treatment in the sewage treatment stations. All the post-treatment water which reaches the standard is used in the production again, so that the daily volume of new water consumed decreased substantially. The industrial sewage achieved zero discharge.

#### Solid waste

The Group properly treats the wastes produced with the following comprehensive treatment measures to reduce the effect on the environment:

- 1/ Wastes containing iron are recycled for sintering comprehensive utilisation, the steel slag after treatment is used in the production in the converter furnaces;
- 2/ Refractory materials are collected and treated by recycling companies, and the slag and solid wastes (water slag and gypsum, etc.) are sold to the other cement plants or used as other raw materials for production;

## A. 環境(續)

### A1. 排放物(續)

#### 廢氣排放(續)

- 6/ 燒結機及豎爐均安裝了脫硫系統及在線檢測系統。

津西鋼鐵的高爐槽下靜電除塵器改造項目投用後粉塵排放平均約7毫克/標立，低於國家標準10毫克/標立，吸塵口煙塵捕集效率提高至約90%，生產過程中的粉塵及其他廢氣排放均達排放標準。

#### 廢水排放

為解決生產用水外排，生產產生的廢水造成環境污染和資源浪費，本集團分別於津西鋼鐵及津西特鋼投資建設了兩座日處理能力最高達50,000噸及一座10,000立方米的污水處理站，污水全部由污水處理站集中處理後再利用，處理後水質達標後的水全部重新用於生產，使全日用新水量大幅降低，工業廢水實現零排放。

#### 固體廢棄物

本集團經過以下綜合處理措施，妥善處理所產生的廢棄物，減省對環境帶來的影響：

- 1/ 含鐵廢棄物回收到燒結綜合利用，鋼渣經過處理後於轉爐生產使用；
- 2/ 耐火材料由回收商收回處理，而其他煉鐵工序冶煉過程中產生的冶煉渣及固體廢物(水渣、石膏等)則銷售給其他水泥廠或作為其他生產原料使用；



## A. ENVIRONMENTAL (continued)

### A1. EMISSIONS (continued)

#### Solid waste (continued)

- 3/ The volume of waste mineral oils generated is reduced by filtering and repeated use measures; and
- 4/ In accordance with the national environmental protection requirements, state professional factories with the relevant qualifications and treatment capabilities are entrusted to carry out detoxification treatment of waste mineral oils which cannot be utilised so as to comply with the requirements of hazardous waste disposal.

### A2. RESOURCE UTILISATION

#### Energy saving

The Group included environmental protection management in the scope of management appraisal, directly linking the performance with the objectives. It monitored through the economic indicators, consumption indicators, etc. to lift the production level as well as reducing consumption.

The Group has always been dedicated to investing resources and optimising all production facilities to reduce the consumption of energy:

- 1/ Upgrade and technique transformation project of blast furnaces: the transformation of the steel rolling heating furnaces with the smart burning technique in order to reduce gas consumption, the investment in dynamic nitrogen compression system to save the consumption of energy, the main air exhaustion machine (抽風機) reduced electricity consumption, the integrated transformation of the water system of the oxygen production and electricity generation module achieved direct integrated re-utilisation of circulating discharged water to reduce the pressure of sewage treatment, and lower the consumption of water;
- 2/ The use and transformation into energy saving equipments (such as electric machine, air exhaustion machine, water pump station, etc.) effectively saved electricity; and

## A. 環境(續)

### A1. 排放物(續)

#### 固體廢棄物(續)

- 3/ 採取過濾重複使用措施降低廢礦物油產生量；及
- 4/ 無法利用的廢礦物油則按照國家環保要求委托給有相關資格及處理能力的專業廠家進行無害化處置，以符合危險廢棄物處置要求。

### A2. 資源使用

#### 節約能源

本集團將環保管理納入管理考核範圍，將主管績效跟目標直接掛鉤。通過經濟指標、消耗指標等進行監察提升生產水平及減少消耗。

本集團一直致力投放資源及優化各生產設備以減少能源消耗：

- 1/ 高爐優化升級技改項目：軋鋼加熱爐智慧燒火技術改造以減少煤氣消耗、投入動力氮氣壓縮系統以節約能源消耗、主抽風機減少耗電、制氧、發電機組水系統綜合改造實現迴圈水排水直接綜合再利用以降低污水處理壓力，同時降低水消耗；
- 2/ 使用及改造節能設備(如電機、風機、水泵站等)有效節約用電；及

## A. ENVIRONMENTAL (continued)

### A2. RESOURCE UTILISATION

#### Energy saving (continued)

- 3/ Billet heat transmission project: the Company realised the heat transmission of the steel rolling production line, which largely lowered the consumption of gas. It also restrained the excessive consumption of energy medium of all units by setting and allocating energy medium consumption indicators. With the principle of reasonable allocation and reasonable use, these lowered the overall energy consumption volume.

Jinxi Limited carried out the transformation of the back-up blower (風機), the transformation into high-oxygen-content for the blast furnace (高爐機前富氧) saved over 10,000 units of electricity every day.

The Group was dedicated to recycling energy during the production processes in order to reduce consumption and better use of energy. These included the recovery of residual heat of the steam from the converters in the refinery plants for use in each phase of the production and the electric power generation workshop, the ratio of electricity generated by the Group now reached approximately 60%; the water slag phase of the refinery plants made use of the residue-cleaning water for heat exchange to provide sources of heat for household use of the plant, achieved the maximum utilisation of heat sources. Besides, the gas pipelines of hot air stoves were transformed with the use of gas from blast furnace changing to the use of mixed gas, increasing the gas recovery utilisation rate and lowering the costs. Besides, the transformation of the gas pipe network solved the problem of striking a balance of gas between the new and old systems, which increased the gas utilisation rate.

### A3. ENVIRONMENT AND NATURAL RESOURCES

The Group has been monitoring the potential impact brought to the environment. In order to mitigate the impact of the environment and natural resources upon our operation, the Group has been carrying out research and development on our products, it continued to accelerate the pace of product structure adjustment, optimise the production phase so as to further raise the level of energy saving and environmental protection.

## A. 環境(續)

### A2. 資源使用(續)

#### 節約能源(續)

- 3/ 鋼坯熱送項目：實現軋鋼生產線熱送，大大降低煤氣消耗。另通過制定下發的能源介質消耗指標，制約各單位能源介質過量消耗，本著合理分配合理使用的原則，降低綜合能源消耗量。

津西鋼鐵進行備用風機改造，高爐機前富氧改造每天節電 10,000 度以上。

本集團致力於生產中回收能源以減低消耗及善用能源。當中包括在煉鋼廠轉爐蒸汽通過餘熱回收，供各工段生產及發電車間使用，目前本集團的自發電比例已達致約 60%；煉鐵廠水渣工段利用沖渣水經換熱後為工廠內提供生活用熱源，做到熱源利用率最大化。另對熱風爐煤氣管路進行改造，由使用高爐煤氣改變為使用混合煤氣，提高煤氣回收利用率，降低成本。此外，透過煤氣管網改造解決新舊系統煤氣平衡問題，提高煤氣利用率。

### A3. 環境及天然資源

本集團一直監察對環境帶來的潛在影響，為減低經營對環境及自然資源造成的影響，本集團一直圍繞產品升級進行研發，不斷加快產品結構調整步伐，優化生產環節，以進一步提升節能環保水平。

## A. ENVIRONMENTAL (continued)

### A3. ENVIRONMENT AND NATURAL RESOURCES (continued)

On top of the above generated discharge matters and resources utilisation, the Group actively reduced other major impact on the environment, including the noises during the production operation. In order to strengthen the control and reduce the impact brought by noises, the Group already met the state regulations regarding noises such as the “Background Noise Release Standards” by increasing ancillary production equipments and other measures. They included the setting up of factories for all types of large facilities and workshops, installing noise reduction facilities (such as oxygen production module and electricity generation module etc) for production facilities and devices with loud noises, installing sound-proof doors etc. for all electricity generation module, hot air stove blower, oxygen production workshop which generate louder noises, installing shock reduction and shock insulation equipments for blower and water pump, etc. which generate louder noises, using closed settings for the transfer of raw materials using closed transfer corridor and feeder and other phases, adding sound-proof housing for the saw machine etc. It also hired professional environmental inspection companies to carry out on-site inspect to meet the “Sound Environment Quality Standards”.

During 2016 Jinxi Limited also planned to install sound-proof housing for the saw machine so that the noise will be less than 90 decibel. It was expected that this would be completed in 2017.

#### *Resolving overcapacity*

In 2016, the Chinese government successively issued the “Opinion of the State Council on solving the overcapacity and overcoming difficulties and achieving development for the iron and steel industry”, the “Adjustment and upgrade plan for the iron and steel industry (2016-2020)”, the “Notice of the State Council on the publication of the “Thirteen Five-year Plan” energy saving and emission reduction integrated working proposal” and other documents. The Group actively cooperated with the resolving of overcapacity. At the end of October 2016, Zhengda Iron and Steel, an indirectly non-wholly owned subsidiary of the Group already followed the result of negotiation of the Group and Tangshan City government, and completed the shut down of one 500 cubic metre blast furnace and one 60 tonnes converter furnace, eliminating approximately 600,000 tonnes steel production capacity. It was expected that during 2017 the remaining approximately 600,000 tonnes steel production capacity would be eliminated and thereby completed the mission of resolving the capacity issue.

## A. 環境 (續)

### A3. 環境及天然資源 (續)

除上述產生的排放物及資源使用外，本集團積極減低其他主要對環境的影響，包括生產運行時的噪音，為加強控制及減少噪音帶來的影響，本集團已透過增加生產設備配套等措施達到《環境雜訊排放標準》等對噪音相關的國家法規。其中在各類大型設備車間建設有廠房，對雜訊大的生產設備裝置有消聲設施(如：制氧機組和發電機組等)、對各發電機組、熱風爐鼓風機、制氧車間等產生雜訊較大的車間設置了隔聲門等、為產生雜訊較大的風機、水泵等安裝減振隔振設施、原料輸送採用封閉輸送廊道及落料等環節均為全封閉狀態、增設鋸機隔音罩等。亦通過專業環境檢測公司對雜訊進行現場檢測，以符合《聲環境品質標準》。

津西鋼鐵亦於二零一六年年內計劃增設鋸機隔音罩，使噪音少於90分貝，預計於二零一七年年內完成。

#### *化解過剩產能*

於二零一六年，中國政府先後下達了《國務院關於鋼鐵行業化解過剩產能實現脫困發展的意見》、《鋼鐵工業調整升級規劃(2016-2020年)》、《國務院關於印發「十三五」節能減排綜合工作方案的通知》等文件，本集團積極配合化解過剩產能，於二零一六年十月底，本集團的非全資子公司正達鋼鐵已按本集團與唐山市政府的協商結果，完成關停一座500立方米高爐及一座60噸轉爐，退出約60萬噸鋼產能，預計於二零一七年年內將退出餘下的約60萬噸鋼產能作為完成化解產能任務。



## B. SOCIAL

### B1. EMPLOYEE

#### B1.1 Remuneration policy

The Group stressed the establishment of a remuneration system which reflected the value and contribution of individuals, it adequately mobilised the work initiative and creativity of the staff, fostered the optimisation of staff structure and enhancement of the level of skills and created an efficient team of staff. The principles for the determination of remuneration are based on the enhancement of efficiency (to closely link up the remuneration level and the overall business results of the unit), fairness (criteria are based on the duties of the positions, importance, degree of contribution, requirements of the positions and the level of skills, work performance, number of years of work in the present positions of the individual employees, etc.) and motivation (to motivate the work initiative of the staff by differentiation of promotion and salary grades). It also offered appraisal for annual allowance, performance bonus, company prizes etc. in order to enhance the initiative of employees.

#### B1.2 Staff contract

The Group strictly abided by the relevant labour laws and regulations such as the “Labour Law of the People’s Republic of China”, the “Employment Contract of the People’s Republic of China” and the “Work Injury Regulations”, etc. It entered into, updated and terminated the labour contracts in accordance with laws and regulations to protect the legal rights of the employees.

#### B1.3 Staff recruitment

The Group attracted talents under the principles of fairness and objectiveness, it made public recruitment via publishing recruitment advertisement, using internet recruitment, campus recruitment, recruitment in the labour market offices and head hunters, etc, and made comprehensive assessment.

## B. 社會

### B1. 僱傭

#### B1.1 薪酬政策

本集團著重建立體現個人價值和貢獻的薪酬體系，充分調動員工生產工作積極性和創造性，促進員工結構優化和技能水準提高及打造精幹高效的員工隊伍。薪酬定立的原則主要基於提升效率(薪酬水準與單位整體業績緊密聯繫，充分調動人員的積極性)、公平(根據崗位的責任、重要程度、貢獻大小、任職要求及以個人的技能水準、工作業績、本崗位工作年限等為標準)及激勵性(通過對個人薪酬晉級和薪級差異化設置，激發員工工作積極性)。另設年功補貼、績效獎金、單位獎勵等考核以提升員工積極性。

#### B1.2 員工合約

本集團嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《工傷保險條例》等相關的勞工法律及法規，依法訂立、更新及終止勞動合約，保障員工合法權益。

#### B1.3 員工招聘

本集團本著公平及客觀的原則吸納人才，通過發佈招聘廣告、採用網絡招聘、校園招聘、人才市場招聘、獵頭公司等多種招聘方式，向社會公開招聘，全面考核。

## B. SOCIAL (續)

### B1. EMPLOYEE (continued)

#### B1.4 Staff promotion

The Group also emphasised the development of skills of the employees and the effective allocation of human resources to raise the efficiency level. It dedicated to provide a complete human resources structure and a safe working environment for the employees to make the best out of their strengths. The Group also insisted on the incentive and assessment mechanism which linked the performance of employees and their remuneration. It used the performance assessment to optimise the human resources policy, offered promotion opportunities to the employees, shared the success of the companies with their employees.

#### B1.5 Working hours and holidays

The Group strictly controlled the working hours in accordance with the legal requirements. It guaranteed that all over time work by the employees were on a voluntary basis. The over time remuneration was paid in full according to the local applicable labour laws.

The rest days of the employees of the Group are the public holidays and the other holidays in accordance with the local laws and regulations.

#### B1.6 Equal opportunities, diversification of employees and anti-discrimination

The Group provided equal, fair and reasonable employment opportunities for employees. The recruitment, wages, benefits and promotion were all completely based on the work capabilities of the employees concerned. It treated all the employees equally, regardless their sexes, ages, races, bloodlines, colour of their skin, nationalities, political preferences, religions, marital status, number of children, being handicapped or not or any other factors not related to the work. If a discriminatory behaviour was discovered, the Group would examine according to the nature of the problem, and would take disciplinary action to the person(s) making such discriminatory behaviour.

## B. 社會 (續)

### B1. 僱傭 (續)

#### B1.4 員工晉升

本集團亦著重員工技能發展及有效分配人力資源以提升效率，致力提供完善的人力資源架構及安全工作環境讓員工能盡展所長。本集團亦堅持員工業績及薪酬掛鉤的市場化激勵考核機制，以績效評估以優化人力資源政策，給與員工晉升機會，與員工共享企業成果。

#### B1.5 工作時間及假期

本集團按照法律的要求嚴格管控工作時間，保證所有加班都為員工自願，加班報酬按照當地適用勞動法足額支付。

本集團員工之休息日為公休日及享有依照當地法律及法規規定的其他假期。

#### B1.6 平等機會、成員多元化及反歧視

本集團力為員工提供公平公正合理的工作機會，在聘用、工資、福利、晉升時必須完全基於員工的工作能力，對所有員工一視同仁，不論其性別、年齡、種族、血統、膚色、國籍、政治面貌、宗教信仰、婚姻狀況、生育狀況、殘疾或其他任何與工作無關的因素。如發現有歧視行為，本集團根據問題的性質核查，對有歧視行為者取紀律處分。

## B. SOCIAL (續)

### B1. EMPLOYEE (continued)

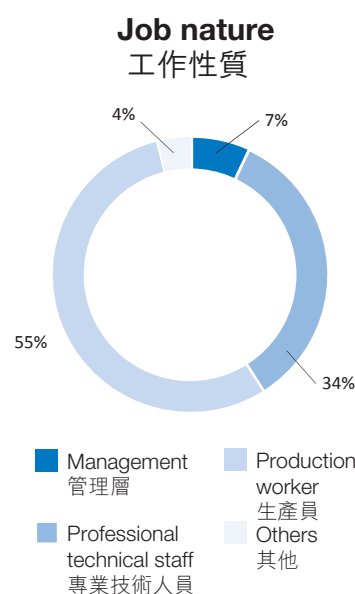
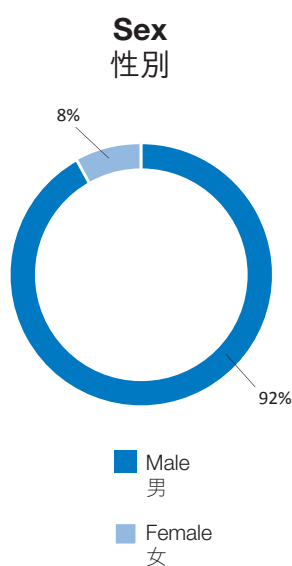
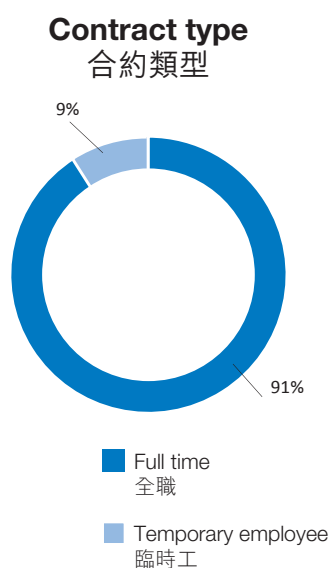
#### B1.7 Benefit policy

The staff benefits of the Group included all kinds of insurances (including medical insurance scheme, pension scheme, unemployment insurance scheme, childbearing insurance scheme etc) were paid in full and on time in accordance with the requirements of the state as well as bonus and the fair value of share option, etc. Since July 2008, the Group introduced the work injury insurance and has been paying 1.5% of the wages paid to the staff to the social insurance department.

#### B1.8 Staff situation

As at 31 December 2016, the Group had a total of approximately 11,900 full time employees and 1,200 temporary employees, which was 3,000 persons less than 2015 in average, mainly due to the shut down of some production lines and continuous optimisation of production efficiency.

The ratios of employees in 2016 by contract type, sex and job nature are as follows:



## B. 社會 (續)

### B1. 僱傭 (續)

#### B1.7 福利政策

本集團僱員的福利包括依照國家規定，按時足額繳納各項社會保險費(包含醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃等)以及酌情發放的花紅及購股權的公允價值等。自二零零八年七月起，本集團推行工傷保險並按員工發放工資的1.5%上繳社保部門。

#### B1.8 員工概況

於二零一六年十二月三十一日，本集團共有全職員工約11,900人及臨時工約1,200人，較二零一五年平均減少約3,000人，主要由於部份生產線的關停以及持續優化生產效率。

二零一六年按合約類別、性別及工作性質劃分的員工比例如下：

## B. SOCIAL (續)

### B2. HEALTH AND SAFETY

The Group strictly followed the “Occupation Disease Prevention Law”, “Safety Production Law”, etc., to strengthen the hygiene awareness of the employees and promotion of occupational health and formulate measures for a safe working environment.

More resources were used for the sources of occupational diseases to improve all types of production facilities and techniques, such as dust prevention and noise reduction, etc. These met the requirements of protecting the occupational health of the employees; sound-proof ear plugs were provided in the production environment, so as to reduce the harm of high degree of noises to the labourers, to ensure that the contact level of noises was below the contact level stated by the state.

The Group also determined the safety management responsibilities, it made regular and ad hoc inspection of the safety measures of products (such as the weight of products delivered and packaging, the placing of the goods into the warehouse etc) and seriously established the accountability of the staff concerned. It promoted in full scale autonomous safety management work, set up the safety patrol system, strictly executed the approval of dangerous operation, organised all types of emergency drills, enhanced the emergency rescue ability, continuously inspected and repaired and safety management work of external parties in order to avoid the occurrence of any safety incident.

## B. 社會(續)

### B2. 健康與安全

本集團嚴守《職業病防治法》、《安全生產法》等，以加強職工的衛生意識及職業健康安全的宣傳及制定安全工作環境的措施。

針對職業病源頭投入更多資源改善各種生產設備及技術，如防塵及減低噪音等，滿足了員工職業健康保護需求；在生產環境提供防雜訊耳塞，以降低高強度雜訊對勞動者造成的危害，確保勞動者接觸限值在國家規定接觸限值以下。

本集團亦明確安全管理責任，定期和不定期檢查產品安全措施(如產品運送重量及包裝、入庫擺放等)及嚴肅責任追究。全面推行自主安全管理工作、建立安全巡值制度、嚴格執行危險作業審批、組織各類應急演練，提升應急救援能力，持續性檢修和外來單位安全管理工作以避免發生任何安全事故。

## B. SOCIAL (續)

### B3. DEVELOPMENT AND TRAINING

The Group extremely emphasised staff training and offered several different training programmes for employees at all levels and from all departments in order to enhance the professional and emergency response abilities of the employees and enhance the education on occupational safety. It arranged safety education for new employees upon their commencement of work in the factories and only after having passed the examinations, they would then work in their positions under the guidance of coaches. The Group also conducted safety education examination of all employees on a regular basis. Following the development of business of the Group, the Group actively provided focused training to the management and the professional technical staff, including strengthening the training of foremen, workshop officers to enhance the safety management ability of group leads, workshop officers, strengthening the theoretical and skill training of all job types (such as sintering, iron refinery, steel refinery, steel rolling jobs etc.) and carrying out repair and maintenance of the production facilities by the repair workers. It also shared the training resources (such as the distribution of staff manual) with the companies of the Group. In 2016, 100% of the total staff of the production subsidiaries participated in safety training, while approximately 75% of the total staff of the production subsidiaries participated in technical training.

In order to continue strengthen the safety skill level and emergency rescue ability of all members of the staff, through its active arrangement of safety skill activities for them to participate, it laid a solid foundation for the effective promotion of the emergency rescue level of the Company. This effectively enhanced the overall emergency rescue ability of the Company, which in turn effectively promoted the enhancement of the emergency rescue ability of the employees at the lower level.

The training provided in 2016 included:

#### *Jinxi Limited*

- 1/ Workshop officer examination was held with an attendance of 711; foremen examination was arranged with an attendance of 866;
- 2/ A total of 279 persons in 11 sessions of re-assessment and training of the special operational staff in electric work, electric welding;

## B. 社會 (續)

### B3. 發展及培訓

本集團極度重視員工培訓，為各階級及部門的員工提供多項不同的培訓以提升員工的專業及應急能力以及提升工作安全教育。對新員工組織入廠安全教育，及考試合格後方可在師傅帶領下上崗作業；本集團定期對全員進行安全教育考試。隨著集團的業務發展，本集團積極為管理層及專業技術人員提供重點培訓，包括加強班組長、車間主任級幹部的培訓工作，以提高班組長、車間主任級幹部的安全管理能力、強化各工種理論和技能培训(如燒結、煉鐵、煉鋼、軋鋼等工種)及對維修人員對生產設備的維修維護進行培訓，亦與各集團公司分享培訓資源(如發放員工手冊)。於二零一六年，曾參予安全培訓員工比例達生產子公司總員工的100%，另曾參予技術培訓員工比例亦佔生產子公司總員工的約75%。

為不斷增強全體員工的安全技能水準和應急救援能力，通過積極組織參與安全技能活動，為有效推進公司應急救援水準奠定了堅實基礎，有效提升了公司整體應急救援能力，從而有效推動了基層應急救援水準的提升。

二零一六年提供的培訓其中包括：

#### *津西鋼鐵*

- 1/ 車間主任級幹部考試，累計711人次；組織班組長考試累計866人次；
- 2/ 電工、電焊工特種作業人員11期共279人的複審培訓工作；

## B. SOCIAL (續)

### B3. DEVELOPMENT AND TRAINING (continued)

- 3/ The collection of certificates of having passed the examination on safety management, certificate renewal, re-assessment work of 408 safety management employees and foremen; and
- 4/ 2,715 employees from 9 job types such as sintering, iron refinery, steel refinery, steel rolling jobs, etc. joined the training. The training rate was 99.70%.

#### Jinxi Special Steel

- 1/ The training and certificate handling were made in respect of special facilities. During the year, 12 person-times of certificates were handled for the overhead travelling crane workers, 8 person-times of certificates were handled for the drivers of overhead travelling crane and command cranes; and
- 2/ Beijing Jin Zi Tian Zheng Model Engineering was invited to conduct training on high pressure capacitor nil power unit compensation (無功功率補償).

### B4. LABOUR STANDARDS

The Group strictly abided by the requirements of the “Labour Law of the People’s Republic of China”, “the Employment Contract of the People’s Republic of China”, which prohibited the recruitment of minors below 18 years old and forced labour.

### B5. SUPPLIER MANAGEMENT

The Group actively strengthened the cooperation with the suppliers to stabilize the supply and prices of raw materials. It only selected suppliers which strived for higher and higher quality, respected environmental protection and with business ethics to be its cooperation partners. At the same time it also expected its suppliers to pay attention to the environment and social responsibilities, and it also took the following measures:

- 1/ It set up the systems of “Supplier management system”, “Online invitation of tenders procurement management methods”, etc. according to the “Law on Invitation of tender” and the “Regulations of the implementation of the Law on Invitation of tender” of the state to continue to strengthen the supplier management and quality monitoring;

## B. 社會 (續)

### B3. 發展及培訓 (續)

- 3/ 408名安全管理人員和班組長級幹部安全管理合格證取證、換證、複審工作；及
- 4/ 燒結、煉鐵、煉鋼、軋鋼等9個工種2,715名員工參加培訓，參培率為99.70%。

#### 津西特鋼

- 1/ 組織特種設備的培訓、辦證。年度對天車人員辦證12人次，組織對天車指車司機培訓8人次；及
- 2/ 邀請北京金字天正範工對高壓電容器無功功率補償進行培訓。

### B4. 勞工準則

本集團嚴格遵照《中華人民共和國勞動法》、《中華人民共和國勞動合同法》的規定，禁止雇用未滿18歲的未成年人，禁止強制勞動。

### B5. 供應商管理

本集團積極加強與供應商合作以穩定原材料的供應及價格，僅選用精益求精、環保、具商業道德的供應商為合作夥伴，同時亦期望供應商注重環境及社會責任，並採取以下措施：

- 1/ 據國家《招標投標法》、《招標投標法實施條例》設立《供應商管理制度》、《網上招標採購管理辦法》等制度不斷提升供應商管理及品質監察力度；

## B. SOCIAL (續)

### B5. SUPPLIER MANAGEMENT (continued)

- 2/ It set up electronic files of suppliers, carried out regular assessment of the supply quantity and quality of the suppliers, implemented the supplier blacklist system, eliminated and adjusted suppliers not meeting the requirements, and it also insisted on strictly prohibiting all bribery and corruption acts, and abided by ethical practice of companies;
- 3/ It actively developed and optimised supplier resources. It cancelled supply via intermediary, the supply companies were determined according to the tender procedures; and
- 4/ It set up an online platform to carry out public tender procurement. It guided procurement on a price-quality comparison basis by tender, price control, price reduction etc., and the public tender rate was over 90%.

### B6. PRODUCT LIABILITY

The Group extremely emphasised the quality of its products, all production companies formulated strict quality inspection systems to ensure that their products complied with the relevant state standards. The Group prepared "Quality Handbook" in accordance with ISO9001 quality management system requirements. It is the framework document for the quality management of the Group.

The Group strengthened the quality monitoring of the production processes and the strength of random inspection of finished goods and comprehensively enhanced the quality of products. It also paid attention to the movement of goods. It learnt about and mastered the conditions of quality of use by customers, made continuous improvement, established the goals of client satisfaction and adaptation to market needs, created brand awareness of the company and enhanced its market position.

## B. 社會(續)

### B5. 供應商管理(續)

- 2/ 建立供應商電子檔案，對供應商供貨量、品質等定期進行評估，落實供應商黑名單制度，不合要求的予以淘汰及調整，亦堅決嚴禁各種貪污及賄賂行為，恪守企業道德操守；
- 3/ 積極開發及優化供應商資源。取消中間商供貨，供貨單位的確定按投標程序進行；及
- 4/ 建立網上平台實行公開招標採購方式，通過競標、控價、降價等方式，以「性價比」指導採購，及公開招標率達90%以上。

### B6. 產品責任

本集團極度注重產品的質量，各生產公司均有制定質量檢驗的嚴格制度以確保產品合乎相關國家標準。本集團根據ISO9001質量管理體系的要求，編制「質量手冊」，為集團質量管理的綱領文件。

本集團加強生產過程品質監督和成品抽查力度，及全面提升產品品質，亦密切關注產品動向和去向，瞭解和掌握客戶使用品質情況，實現持續改進，使用戶滿意、適應市場需求的目的，樹立企業品牌意識及提升市場地位。

## B. SOCIAL (續)

### B7. ANTI-CORRUPTION

The Group set up an organization and a channel for creating a honest environment to carry out anti-corruption work, convened meetings regularly, promoted and provided reporting methods, etc. The Group also required all subsidiaries to strengthen their internal anti-corruption and self-discipline education and training continuously. These included setting up of a report telephone number, electronic email address, fixed mail box etc for reporting corruption cases; setting up of special supervisory room, which would make regular and ad hoc inspection on the carrying out of businesses, prevent the occurrence of bribery; and the implementation of approval by different layers of authority to prevent corruption acts during the course of business.

In 2016, the Group did not have any corruption or bribery case.

### B8. INVESTMENT IN THE COMMUNITY

#### *Cultural promotion*

The Group set up a subsidiary which is called Beijing Jinxi LongXiang Culture Development Co. Ltd. ("Longxiang Culture") to develop the publishing business and promote culture. In 2016, Longxiang Culture jointly organized the 2016 First Session of Hebei, Hong Kong, Macau and Taiwan Youth for Tourism, Literature, Creation and Design Competition with the provincial tourism development committee, the provincial cultural bureau, the provincial government Hong Kong and Macau Affairs Office and other companies and organizations. Longxiang Culture created an event called "Mengxue Theme Travel" under the theme of Mengxue using travelling as the medium. "Mengxue Thirteen Book" that it published was also sold in other places.

#### *Social charity*

Jinxi Limited made donation of RMB 277,000 from its special difficult, special disease and serious disease foundation, visited over 400 person-times of its employees. Jinxi Special Steel had 17 person-times of voluntary blood donation, donated RMB 12,000 to Bo Ai One Day (博愛一日).

## B. 社會(續)

### B7. 反貪污

集團成立有關廉政建設的組織及管道開展反腐倡廉工作、定期召開會議、宣傳及提供舉報途徑等，本集團同時要求各子公司內部不斷加強廉潔自律教育和培訓。包括設立舉報電話、電子郵箱、固定信箱等形式設置舉報箱；設立專門的監察室，定期以及隨時檢查業務開展情況，嚴防腐敗現象發生；及實行層層審批制度防止業務過程中出現不廉潔行為。

於二零一六年，本集團沒有發生貪污或賄賂等案件。

### B8. 社區投資

#### *文化推廣*

本集團成立子公司北京津西龍翔文化發展有限公司(「龍翔文化」)發展出版業務及推廣文化。於二零一六年，龍翔文化與省旅遊發展委員會、省文化廳、省政府港澳事務辦公室等多家單位聯繫主辦二零一六首屆冀港澳台青年旅遊文創設計大賽。龍翔文化開闢出一條以蒙學為主題、以旅遊為載體的「蒙學主題遊」活動。其出版的《蒙學十三經》亦銷往外地。

#### *社會公益*

津西鋼鐵發放特困、特病大病救助基金人民幣27.7萬元及走訪員工400多人次。津西特鋼參與義務獻血17人次，向博愛一日捐款人民幣1.2萬元。



## Directors' Report 董事局報告

The Board presents their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2016.

### INCORPORATION AND LISTING OF THE COMPANY

The Company was incorporated in Bermuda as an exempted company with limited liability on 3 November 2003 under the Companies Act 1981 of Bermuda and the shares of the Company (the "Shares") were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 2 March 2004.

### PRINCIPAL ACTIVITIES

For the year ended 31 December 2016, the Company's principal activities are investment holding and trading of steel products and iron ore. The principal activities of the Group are manufacture and sales of iron and steel products, trading of steel products and iron ore and real estate business.

### SEGMENT INFORMATION

Approximately 90% of the Group's consolidated sales and contribution to results are derived from the PRC and mainly from the production and sales of iron and steel products and real estate business for the year ended 31 December 2016 and are set out in Note 5 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The Group's consolidated statement of profit or loss for the year ended 31 December 2016 and its consolidated balance sheet as at that date are set out in the financial statements on page 114 to 117. The balance sheet of the Company as at 31 December 2016 is set out in Note 46 to the consolidated the financial statements.

董事局謹此提呈其年報及本集團截至二零一六年十二月三十一日止年度的經審核合併財務報表。

### 本公司之註冊成立和上市

本公司於二零零三年十一月三日根據百慕達一九八一年公司法在百慕達註冊成立為獲豁免有限責任公司。於二零零四年三月二日，本公司的股份（「股份」）在香港聯合交易所有限公司（「聯交所」）主板上市。

### 主要業務

截至二零一六年十二月三十一日止年度，本公司的主要業務為投資控股及鋼鐵產品及鐵礦石貿易。本集團的主要業務為製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。

### 分部資料

截至二零一六年十二月三十一日止年度，本集團的合併銷售額及業績貢獻有約90%源自中國，且主要來自製造及銷售鋼鐵產品及房地產業務，並載於合併財務報表附註5。

### 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合併損益表及其於該日的合併資產負債表載於第114至第117頁的財務報表。本公司於二零一六年十二月三十一日的資產負債表載於合併財務報表的附註46。

## RESULTS AND DIVIDENDS *(continued)*

At a Board meeting held on 31 March 2017, the Board proposed a final dividend of HK\$ 175.9 million (approximately RMB 157.3 million), representing HK\$ 0.05 per ordinary share and a special dividend of HK\$ 351.8 million (approximately RMB 314.7 million), representing HK\$ 0.10 per ordinary share in respect of the year ended 31 December 2016 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Monday, 12 June 2017. The final dividend and special dividend, payable on Tuesday, 27 June 2017 are subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Company (the "AGM") to be held on Wednesday, 31 May 2017.

## BUSINESS REVIEW

A review of the business of the Group during the year, an analysis of the Group's performance during the year using financial key performance indicators, a discussion on the Group's future business development and description of possible risks and uncertainties that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis on pages 8 to 12 and pages 13 to 25 of this annual report respectively. The financial risk management objectives and policies of the Group can be found in note 3 to the consolidated financial statements. In addition, discussions on the Group's environment, society and governance, relationship with employees, customers and suppliers and compliance with laws and regulations which have a significant impact on the Group are contained on pages 99 to 101 of the Directors' Report of this annual report.

## 業績及股息(續)

於二零一七年三月三十一日舉行的董事局會議上，就有關截至二零一六年十二月三十一日止年度，董事局建議向在二零一七年六月十二日(星期一)辦公時間結束時名列於本公司股東名冊上之本公司股東派發末期股息1.759億港元(約人民幣1.573億元)(即每股普通股0.05港元)及特別股息3.518億港元(約人民幣3.147億元)(即每股普通股0.10港元)，末期股息及特別股息須待將於二零一七年五月三十一日(星期三)舉行應屆的本公司之股東週年大會(「股東週年大會」)上獲股東批准後方可作實，並將須於二零一七年六月二十七日(星期二)支付。

## 業務審視

有關本集團年內業務的審視、以財務關鍵表現指標分析本集團年內表現的集團財務摘要、對集團未來業務發展的論述及有關本集團可能面對的風險及不明朗因素的描述均載於本年報第8頁至第12頁的主席報告及第13頁至第25頁的管理層討論及分析。本集團財務風險管理的目標及政策刊載於綜合財務報表附註3。此外，本集團的環境、社會及管治、與僱員、客戶及供應商之關係及對本集團有重大影響的法律及規例之遵守，刊載於本年報第99頁至第101頁的董事局報告中。

## CLOSURE OF REGISTER OF MEMBERS

- (a) For determining the entitlement to attend and vote at the forthcoming AGM

The register of members of the Company will be closed from Thursday, 25 May 2017 to Wednesday, 31 May 2017 (both days inclusive), during which period no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 May 2017.

- (b) For determining the entitlement to the final dividend and special dividend

The register of members of the Company will be closed from Thursday, 8 June 2017 to Monday, 12 June 2017 (both days inclusive), during which period no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement for the proposed final dividend and special dividend. The record date for the proposed final dividend and special dividend shall be Monday, 12 June 2017. In order to qualify for the proposed final dividend and special dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 7 June 2017.

## SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated financial results and assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out on page 284.

## 暫停辦理股份過戶登記

- (a) 釐定有權出席應屆股東週年大會及投票

本公司將由二零一七年五月二十五日(星期四)至二零一七年五月三十一日(星期三)止期間(首尾兩天包括在內)暫停辦理股份過戶登記手續,以釐定有權出席應屆股東週年大會及於會上投票之股東身份。為確保符合資格出席應屆的股東週年大會並於會上投票,所有股份過戶文件連同有關股票須於二零一七年五月二十四日(星期三)下午四時三十分前,送達本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)辦理股份過戶登記手續。

- (b) 釐定有權享有末期股息及特別股息

本公司將由二零一七年六月八日(星期四)至二零一七年六月十二日(星期一)止期間(首尾兩天包括在內)暫停辦理股份過戶登記手續,以釐定有權享有建議的末期股息及特別股息之股東身份。享有建議的末期股息及特別股息之記錄日期為二零一七年六月十二日(星期一)。為確保有權收取建議的末期股息及特別股息,所有股份過戶文件連同有關股票須於二零一七年六月七日(星期三)下午四時三十分前,送達本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)辦理股份過戶登記手續。

## 財務資料概要

本集團截至前五個財政年度的合併財務業績及資產、負債與非控制性權益概要載於第284頁。



## PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group and the Company during the year are set out in Notes 7 and 8 to the consolidated financial statements respectively.

## SHARE CAPITAL

Details of the movements in the Company's issued share capital during the year are set out in Note 22 to the consolidated financial statements.

## RESERVES

Details of the movements in the reserves of the Group during the year are set out in Note 23 to the consolidated financial statements.

## DISTRIBUTABLE RESERVES

At 31 December 2016, the Company's accumulated losses amounted to RMB 604 million (2015: RMB 812 million) and the Company did not have distributable reserves. The Company will utilise the subsidiaries' retained earnings to set off the Company's accumulated losses and distribute the proposed final dividend and special dividend (subject to the approval of the shareholders at the forthcoming AGM).

At 31 December 2016, the Group's retained earnings amounted to RMB 5,049 million (2015: RMB 4,340 million).

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Companies Act 1981 of Bermuda, which would oblige the Company to offer new Shares on a pro rata basis to existing shareholders of the Company.

## 物業、廠房及設備以及投資物業

本集團及本公司於年內的物業、廠房及設備以及投資物業的變動詳情分別載於合併財務報表附註7及8。

## 股本

本公司已發行股本於年內的變動詳情載於合併財務報表附註22。

## 儲備

本集團於年內的儲備變動詳情載於合併財務報表附註23。

## 可分派儲備

於二零一六年十二月三十一日，本公司的累計虧損為人民幣6.04億元(二零一五年：人民幣8.12億元)及本公司並無可分派儲備。本公司將利用附屬公司之留存收益以抵銷本公司的累計虧損及分派建議的末期股息及特別股息(需待應屆股東週年大會上獲股東批准後方可作實)。

於二零一六年十二月三十一日，本集團的留存收益為人民幣50.49億元(二零一五年：人民幣43.40億元)。

## 優先認購權

本公司的章程細則或百慕達一九八一年公司法均無有關優先購買權的規定，致使本公司須向本公司現有股東按比例發售新股份。

# Directors' Report 董事局報告

## MAJOR CUSTOMERS AND SUPPLIERS

The sales attributable to the five largest customers of the Group accounted for less than 30% of the Group's consolidated total revenue for the year.

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

## DIRECTORS

The Directors during the year ended 31 December 2016 and up to the date of this report were as follows:

### Executive Directors

Mr. Han Jingyuan  
Mr. Zhu Jun  
Mr. Shen Xiaoling  
Mr. Zhu Hao  
Mr. Han Li

### Non-executive Director

Mr. Ondra Otradovec

### Independent Non-executive Directors

Mr. Wong Man Chung, Francis  
Mr. Wang Tianyi  
Mr. Zhou Guoping  
(resigned on 1 April 2016)  
Mr. Wang Bing  
(appointed on 15 July 2016)

In accordance to the Bye-laws 87 of the Company and the Code Provision A.4.2 of the CG Code, Mr. Shen Xiaoling and Mr. Wong Man Chung, Francis will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

In accordance to the Bye-law 86(2) of the Company, Mr. Wang Bing being eligible, will offer himself for re-election at the forthcoming annual general meeting.

## 主要客戶及供應商

本集團年內五大客戶所佔銷售額佔本集團的本年度合併總銷售額少於30%。

本集團年內五大供應商所佔採購額佔本集團的本年度合併採購總額少於30%。

## 董事

於截至二零一六年十二月三十一日止年度內及直至本報告日期止的董事如下：

### 執行董事

韓敬遠先生  
朱軍先生  
沈曉玲先生  
朱浩先生  
韓力先生

### 非執行董事

Ondra Otradovec 先生

### 獨立非執行董事

黃文宗先生  
王天義先生  
周國平先生  
(於二零一六年四月一日辭任)  
王冰先生  
(於二零一六年七月十五日獲委任)

根據本公司的章程細則第87條及企業管治守則第A.4.2條守則條文，沈曉玲先生及黃文宗先生將於應屆股東週年大會上輪席退任，彼等並符合資格和願意於應屆股東週年大會上重選。

根據本公司的章程細則第86(2)條，王冰先生符合資格和願意於應屆股東週年大會上重選。

## DIRECTORS (continued)

The Directors' fee specified in each of the existing service contracts of Mr. Shen Xiaoling, Mr. Wong Man Chung, Francis, and Mr. Wang Bing is HK\$400,000, HK\$400,000 and HK\$400,000 respectively. The basis of determining the Directors' fee was based on the mutual negotiation between level of the Directors with reference to the range of prevailing directors' fee for directors of listed companies in Hong Kong. Mr. Shen Xiaoling, Mr. Wong Man Chung, Francis, and Mr. Wang Bing do not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company, except Mr. Shen Xiaoling is a minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

## DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

## DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL INFORMATION

Biographical details of the Directors and senior management of the Company are set out on pages 26 to 32 in this annual report.

## DIRECTORS' SERVICE CONTRACTS

The Executive Directors have service contracts with the Company for a fixed term of three years. The Non-executive Director has service contract with the Company for a fixed term of two years. The Independent Non-executive Directors have service contracts with the Company for a fixed term of one year. All the service contracts with the Executive Directors and the Non-executive Director may be terminated by either party giving not less than three months' notice in writing.

## 董事(續)

沈曉玲先生、黃文宗先生及王冰先生各自的現有服務合約的董事袍金分別為40萬港元、40萬港元及40萬港元。董事袍金的基準乃按與各董事共同磋商並且參考香港上市公司董事目前之董事袍金水平而釐定。沈曉玲先生、黃文宗先生及王冰先生概無與本公司其他董事、高級管理人員、主要股東或控股股東有任何關係，除沈曉玲先生為本公司控股股東 Wellbeing Holdings Limited 的一位少數股東。

根據上市規則第3.13條，本公司已接獲每位獨立非執行董事的年度確認函確認其獨立性。本公司認為所有獨立非執行董事均為獨立。

## 董事的合約權益

除本年報所披露外，董事於年內概無與本公司或其任何附屬公司訂立而對本集團業務屬重大的任何合約中擁有重大權益。

## 董事及高級管理人員的履歷

本公司董事及高級管理人員的履歷詳情載於本年報第26至32頁。

## 董事的服務合約

執行董事與本公司訂立服務合約固定任期為期三年。非執行董事與本公司訂立服務合約固定任期為期兩年。獨立非執行董事與本公司訂立之服務合約均有固定任期為期一年。與執行董事及非執行董事訂立的所有服務合約均可由任何一方發出不少於三個月的書面通知予以終止。

## Directors' Report 董事局報告

### DIRECTORS' SERVICE CONTRACTS (continued)

Apart from the Director service contracts, Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Shen Xiaoling and Mr. Han Li also have other service contracts with the Company and its subsidiaries. The emoluments specified in other service contracts with them are determined by the remuneration committee of the Company with reference to their respective qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position.

Save as disclosed above, no Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### PERMITTED INDEMNITY

Pursuant to the Company's Bye-laws, subject to the Companies Act 1981 of Bermuda, every Director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

### BORROWINGS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

Pursuant to the covenant of the 2017 Senior Notes of the Company, there are specific performance obligations imposed on the Company's controlling shareholders which require that each of Mr. Han Jingyuan and ArcelorMittal should directly or indirectly retain at least 20% of the total voting power of the voting stock of the Company. As at 31 December 2016, the outstanding aggregate principal of the 2017 Senior Notes amounted to nil. 2017 Senior Notes was fully redeemed on 17 November 2016.

### 董事的服務合約(續)

除董事服務合約外，韓敬遠先生、朱軍先生、沈曉玲先生及韓力先生亦與本公司及其附屬公司訂立其他服務合約。在與彼等訂立的其他服務合約中訂明的薪酬乃由本公司薪酬委員會經參考彼等各自的資格及經驗、即將承擔的責任以及類似職位薪酬的現行市場水平而釐定。

除上文所披露外，概無董事與本公司訂立於一年內不可免付賠償(法定賠償除外)而終止的服務合約。

### 獲准許之彌償條文

根據本公司之章程細則，在百慕達一九八一年公司法的條文規限下，每名董事應有權獲得保障，從本公司於其資產中補償因執行職務或與此有關的其他方面可能蒙受或招致之所有成本、費用、開支、損失及責任。本公司已就本集團之董事可能面對任何訴訟時產生的責任及相關的費用購買保險。

### 契諾中涉及控股股東特定履約的借貸

根據本公司的二零一七年優先票據契諾，本公司控股股東須承擔特定履約責任，當中要求韓敬遠先生及ArcelorMittal各自間接或直接至少持有本公司總投票權股份的20%。於二零一六年十二月三十一日的二零一七年優先票據下的未償還本金總額為零。二零一七年優先票據已於二零一六年十一月十七日全額贖回。

### BORROWINGS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER (continued)

On 25 January 2016, the Company commenced the offer to repurchase for cash and consent solicitation relating to any and all of its outstanding 2017 Senior Notes.

The offer expired on 22 February 2016. A principal amount of US\$ 32,212,000 of the 2017 Senior Notes had been repurchased and cancelled by the Company. Consents from holders with respect to principal amount of US\$ 68,107,000 of the 2017 Senior Notes had been obtained. As such, the Company entered into a supplemental indenture embodying the proposed amendments ("Supplemental Indenture") on 24 February 2016 and the Supplemental Indenture becomes effective on 26 February 2016.

Following the completion of the repurchase, the outstanding aggregate principal amount of the 2017 Senior Notes is US\$ 79,156,000 and the related specific performance obligations were removed.

On 15 April 2016, the Company further repurchased a total of US\$ 30,000,000 in principal amount of the 2017 Senior Notes and delivered for cancellation. The outstanding aggregate principal amount of the 2017 Senior Notes is further reduced to US\$ 49,156,000.

On 17 November 2016, the Company redeemed in full an aggregate principal amount of US\$ 49,156,000 of the 2017 Senior Notes ("Early Redemption"). Upon the completion of the Early Redemption, no 2017 Senior Notes remained outstanding.

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2016, the interest and short positions of the Directors, chief executives and their associates of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules and adopted by the Company were as follows:

### 契諾中涉及控股股東特定履約的借貸 (續)

於二零一六年一月二十五日，本公司已開始對任何及所有未償還二零一七年優先票據之現金購回要約及同意徵求。

該要約於二零一六年二月二十二日到期。本公司已購回及註銷合共本金額 32,212,000 美元之二零一七年優先票據。已獲得本金額 68,107,000 美元之二零一七年優先票據持有人的同意。因此，本公司於二零一六年二月二十四日訂立補充契約(「補充契約」)具體化建議修訂，且補充契約於二零一六年二月二十六日生效。

於完成購回後，二零一七年優先票據未償還本金總額為 79,156,000 美元及有關須承擔特定履約的責任已移除。

於二零一六年四月十五日，本公司進一步購回及送交註銷二零一七年優先票據合計本金金額 30,000,000 美元，二零一七年優先票據未償還本金總額進一步減少至 49,156,000 美元。

於二零一六年十一月十七日，本公司贖回全部，本金總額 49,156,000 美元的二零一七年優先票據(「該提早贖回」)。在該提早贖回完成後，沒有二零一七年優先票據仍未償還。

### 董事於證券的權益及淡倉

於二零一六年十二月三十一日，各董事、本公司主要行政人員及其聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例「證券及期貨條例」第 XV 部)的股份、相關股份或債券中擁有(i)根據證券及期貨條例第 XV 部的第 7 及第 8 分部須知會本公司及聯交所(包括根據證券及期貨條例彼等被當作或視為擁有之權益或淡倉)；或(ii)根據證券及期貨條例第 352 條須列入該條所指登記冊內；或(iii)根據本公司已採納的上市規則附錄十所載的標準守則知會本公司及聯交所的權益及淡倉載列如下：



## Directors' Report 董事局報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

Interest in the Shares and underlying Shares of the Company:

### 董事於證券的權益及淡倉(續)

於本公司股份和相關股份的權益：

	Interests in Shares 股份權益		Interests in underlying shares pursuant to share options 根據購股權在相關股份的權益		Percentage of the Company's issued share capital 佔本公司已發行股本的百分比	Long/Short position 好/淡倉
	Corporate Interest 公司權益	Personal Interest 個人權益				
Mr. Han Jingyuan (Note 1) 韓敬遠先生(備註1)	1,317,502,849	-	-	-	44.94%	Long(好)
	-	2,800,000	22,500,000		0.86%	Long(好)
Mr. Zhu Jun 朱軍先生	-	2,400,000	7,800,000		0.35%	Long(好)
Mr. Shen Xiaoling 沈曉玲先生	-	2,400,000	7,800,000		0.35%	Long(好)
Mr. Zhu Hao 朱浩先生	-	-	7,800,000		0.27%	Long(好)
Mr. Han Li 韓力先生	-	-	5,400,000		0.18%	Long(好)
Mr. Ondra Otradovec Ondra Otradovec先生	-	-	-		-	-
Mr. Wong Man Chung, Francis 黃文宗先生	-	-	6,600,000		0.23%	Long(好)
Mr. Wang Tianyi 王天義先生	-	-	2,000,000		0.07%	Long(好)
Mr. Zhou Guoping (resigned on 1 April 2016) 周國平先生(於二零一六年四月一日辭任)	-	-	-		-	-
Mr. Wang Bing (appointed on 15 July 2016) 王冰先生(於二零一六年七月十五日獲委任)	-	-	-		-	-

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

Interest in the Shares and underlying Shares of the Company: (continued)

Note:

1. At 31 December 2016, Mr. Han Jingyuan beneficially owned 63.15% of the issued share capital of Wellbeing Holdings Limited ("Wellbeing Holdings") and held 16.09% of the issued share capital of Wellbeing Holdings on trust for the benefit of certain employees of the subsidiary of the Company. Wellbeing Holdings beneficially owned 1,255,849,124 Shares, representing approximately 42.84% of the issued share capital of the Company. Mr. Han also beneficially owns 100% of the issued share capital of Chingford Holdings Limited ("Chingford Holdings") which beneficially owned 61,653,725 Shares, representing approximately 2.10% of the issued share capital of the Company.

At 31 December 2016, Mr. Han Jingyuan beneficially owns 2,800,000 Shares, representing approximately 0.10% of the issued share capital of the Company.

Save as disclosed above and in the section of "Equity-settled Share Option Scheme" below, at 31 December 2016, none of the Directors, chief executives and their associates of the Company had any interest and short positions in the Shares, underlying shares and Senior Notes of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## 董事於證券的權益及淡倉(續)

於本公司股份和相關股份的權益：(續)

備註：

1. 於二零一六年十二月三十一日，韓敬遠先生實益擁有 Wellbeing Holdings Limited (「Wellbeing Holdings」) 已發行股本 63.15% 的權益，並以信託方式就本公司附屬公司若干僱員的利益持有 Wellbeing Holdings 已發行股本的 16.09% 權益。Wellbeing Holdings 實益擁有 1,255,849,124 股股份，約佔本公司已發行股本的 42.84% 權益。韓先生亦實益擁有 Chingford Holdings Limited (「Chingford Holdings」) 的全部已發行股本，而 Chingford Holdings 實益擁有 61,653,725 股股份，約佔本公司已發行股本的 2.10%。

於二零一六年十二月三十一日，韓敬遠先生實益擁有 2,800,000 股股份，約佔本公司已發行股本的 0.10%。

除上文和下述的「以股權結算的購股權計劃」一節所披露外，於二零一六年十二月三十一日，概無董事、本公司主要行政人員及其聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)的股份、相關股份及優先票據中擁有需根據證券及期貨條例第 352 條所存置的股東名冊所記錄，或根據標準守則須知會本公司及聯交所的任何權益及淡倉。

### EQUITY-SETTLED SHARE OPTION SCHEME

The Company adopted three share option schemes approved by the Shareholders at the annual general meeting held on 17 May 2006 (“2006 Share Option Scheme”), approved by the Shareholders at the special general meeting held on 20 December 2010 (“2010 Share Option Scheme”) and approved by the Shareholders at the special general meeting held on 15 May 2013 (“2013 Share Option Scheme”) respectively (collectively referred to as “Share Option Schemes”) for the purpose of providing incentives and rewards to eligible participants who are regarded as valuable human resources of the Group or who have contributed to the growth and success of the Group with their performance and other factors (e.g. their years of service with the Company and/or work experience and/or knowledge in the industry etc.) to contribute further to the Company.

The Share Option Schemes do not specify any minimum holding period and/or performance targets as a condition for the exercise of an option but subject to the rules of the Share Options Schemes. The Board is empowered with the authority to determine granting of an option on a case by case basis taking into account of the relevant factors as the Board in its sole discretion considers appropriate.

### 以股權結算的購股權計劃

本公司已採納的三個購股權計劃分別為於二零零六年五月十七日舉行的股東週年大會上由股東批准的購股權計劃(「二零零六年購股權計劃」)、在二零一零年十二月二十日舉行的股東特別大會上由股東批准的購股權計劃(「二零一零年購股權計劃」)及在二零一三年五月十五日舉行的股東特別大會上由股東批准的購股權計劃(「二零一三年購股權計劃」)(統稱為「購股權計劃」)已向合資格參與者授予購股權，目的旨在激勵及獎勵合資格參與者，彼等被視為本集團的寶貴人力資源或以彼等之表現及其他因素對本集團的發展和成功作出貢獻(例如彼等在本公司的服務年期及／或行內的工作經驗及／或知識等)，並對本公司作出更多貢獻。

購股權計劃並沒有特定須持有的最短期間及／或行使購股權須達致的表現目標，惟根據購股權計劃的條款，授予董事局有權利釐定每個個別情況的授出購股權條款作出其全權酌情認為適當的有關因素。

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

The maximum number of Shares issuable under the Share Option Schemes to each eligible participant within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of share options in excess of this limit is subject to Shareholders approval in a general meeting.

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Schemes shall be valid and effective for a period of ten years from their respective dates of adoption.

The subscription price shall be such price determined by the Board at its absolute discretion and shall be no less than the highest of: (a) the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

The consideration payable on acceptance of the options granted to a grantee under the respective Share Option Schemes is HK\$ 1.00.

The total number of Shares available for issue under the Share Option Schemes upon exercising of all outstanding share options granted and yet to be exercised is 234,670,000 Shares, representing approximately 8.01% of the issued share capital of the Company as at 31 December 2016.

Pursuant to the 2006 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2006 Share Option Scheme are 290,500,000 Shares, representing approximately 9.91% of the issued share capital of the Company as at 31 December 2016. Eligible participants of the 2006 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid). Details of the share options outstanding under 2006 Share Option Scheme were as follows:

## 以股權結算的購股權計劃(續)

根據購股權計劃下向每名合資格參與者授予的最高可發行的股份數目在該授出日期止十二個月期間內上限為當時已發行股份的1%，任何超出限制的進一步授予購股權需於股東大會上由股東批准。

在不抵觸本公司於股東大會上或透過董事局提早終止下，購股權計劃將自其採納日期起計為期十年有效及生效。

認購價乃由董事局全權酌情釐定，並不會低於以下最高者：(a) 股份於授予日期在聯交所每日報價表所報的收市價；(b) 股份於緊接授予日期前五個營業日在聯交所每日報價表所報的平均收市價；及(c) 股份於授予日期的面值。

在各購股權計劃下，接納授予承授人的購股權須支付代價為1.00港元。

於行使所有已授出但尚未行使的所有尚未行使購股權後，根據購股權計劃，可予以發行之股份總數為234,670,000股，佔本公司於二零一六年十二月三十一日已發行股本約8.01%。

根據二零零六年購股權計劃，本公司可授出購股權，以使根據二零零六年購股權計劃授出的所有購股權獲行使時可發行的股份總數為290,500,000股股份，佔本公司於二零一六年十二月三十一日的已發行股本約9.91%。二零零六年購股權計劃的合資格參與者包括本公司全體董事(無論執行董事或非執行董事及無論是否獨立)及本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員(無論全職或兼職)(不論其基於聘用或合約或榮譽或其他性質及是否受薪)。二零零六年購股權計劃下尚未行使的購股權詳情如下：

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## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

## 以股權結算的購股權計劃(續)

	Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2016	No. of options granted during the year ended 31 December 2016	No. of options exercised/ cancelled/ lapsed during the year ended 31 December 2016	No. of options outstanding at 31 December 2016	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
	授予日	可行使期間	行使價 HK\$ 港元	緊接 授予日前的 每股收市價 HK\$ 港元	於 二零一六年 一月一日 未行使的 購股權數目	於截至 二零一六年 十二月 三十一日止 年度內授予 的購股權數目	於截至 二零一六年 十二月 三十一日止 年度內已行使/ 註銷/失效的 購股權數目	於 二零一六年 十二月 三十一日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
Mr. Han Jingyuan 韓敬遠先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,900,000	-	-	2,900,000	0.10%
	2010/11/26	2010/12/20 to 至 2016/5/16	3.00	3.00	6,000,000	-	(6,000,000)	- (Note 1) (備註1)	-
Mr. Zhu Jun 朱軍先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.09%
Mr. Shen Xiaoling 沈曉玲先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.09%
Mr. Zhu Hao 朱浩先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.09%

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

## 以股權結算的購股權計劃(續)

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2016	No. of options granted during the year ended 31 December 2016	No. of options exercised/ cancelled/ lapsed during the year ended 31 December 2016	No. of options outstanding at 31 December 2016	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
授予日	可行使期間	行使價 HK\$ 港元	緊接 授予日前的 每股收市價 HK\$ 港元	於 二零一六年 一月一日 未行使的 購股權數目	於截至 二零一六年 十二月 三十一日止 年度內授予 的購股權數目	於截至 二零一六年 十二月 三十一日止 年度內已行使/ 註銷/失效的 購股權數目	於 二零一六年 十二月 三十一日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
Mr. Han Li 韓力先生	2009/12/29 to 2019/12/28	2.84	2.77	1,600,000	-	-	1,600,000	0.05%
Mr. Wong Man Chung, Francis 黃文宗先生	2009/2/24 to 2019/2/23	1.39	1.24	2,000,000	-	-	2,000,000	0.07%
Employees 僱員	2009/2/24 to 2019/2/23	1.39	1.24	1,200,000	-	-	1,200,000	0.04%
Employees 僱員	2009/12/29 to 2019/12/28	2.84	2.77	115,050,000	-	-	115,050,000	3.92%
Total 合計				<u>136,550,000</u>	<u>-</u>	<u>(6,000,000)</u>	<u>130,550,000</u>	<u>4.45%</u>

Note 1: During the year ended 31 December 2016, 6,000,000 options were lapsed.

備註1：於截至二零一六年十二月三十一日止年度內，6,000,000份購股權已失效。

## Directors' Report 董事局報告

### EQUITY-SETTLED SHARE OPTION SCHEME (continued)

Pursuant to the 2010 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2010 Share Option Scheme are 146,486,250 Shares, representing approximately 5% of the issued share capital of the Company as at 31 December 2016. Eligible participants of the 2010 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) and any person considered by the Directors to have contributions to any company in the Group or any entity in which any member of the Group holds an equity interest. Details of the share options outstanding under 2010 Share Option Scheme were as follows:

### 以股權結算的購股權計劃(續)

根據二零一零年購股權計劃，本公司可發行購股權，以使根據二零一零年購股權計劃將予授出的所有購股權獲行使時可發行的股份總數為146,486,250股股份，佔本公司於二零一六年十二月三十一日的已發行股本約5%。二零一零年購股權計劃的合資格參與者包括本公司全體董事(無論執行董事或非執行董事及無論是否獨立)、本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員(無論全職或兼職)(不論其基於聘用或合約或榮譽或其他性質及是否受薪)及董事認為對本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體作出貢獻的任何人士。二零一零年購股權計劃下尚未行使的購股權詳情如下：

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2016	No. of options granted during the year ended 31 December 2016	No. of options cancelled/lapsed during the year ended 31 December 2016	No. of options outstanding at 31 December 2016	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
Mr. Han Jingyuan 韓敬遠先生	2011/03/28 to 2021/03/27	3.08	3.08	9,800,000	-	-	9,800,000	0.33%

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

## 以股權結算的購股權計劃(續)

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2016	No. of options granted during the year ended 31 December 2016	No. of options exercised/ cancelled/ lapsed during the year ended 31 December 2016	No. of options outstanding at 31 December 2016	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
授予日	可行使期間	行使價 HK\$ 港元	每股收市價 HK\$ 港元	購股權數目	購股權數目	購股權數目	購股權數目	購股權相關股份佔本公司股本的股權概約百分比
Mr. Han Jingyuan 韓敬遠先生	2012/03/30 to 2020/12/19	2.03	2.01	9,800,000	-	-	9,800,000	0.33%
Mr. Zhu Jun 朱軍先生	2010/12/24 to 2020/12/19	3.182	3.17	2,600,000	-	-	2,600,000	0.09%
	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	-	2,600,000	0.09%
Mr. Shen Xiaoling 沈曉玲先生	2010/12/24 to 2020/12/19	3.182	3.17	2,600,000	-	-	2,600,000	0.09%
	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	-	2,600,000	0.09%



# Directors' Report 董事局報告

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

## 以股權結算的購股權計劃(續)

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2016	No. of options granted during the year ended 31 December 2016	No. of options cancelled/ lapsed during the year ended 31 December 2016	No. of options outstanding at 31 December 2016	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
Mr. Zhu Hao 朱浩先生	2010/12/24 to 2020/12/19	3.182	3.17	2,600,000	-	-	2,600,000	0.09%
	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	-	2,600,000	0.09%
Mr. Han Li 韓力先生	2010/12/24 to 2020/12/19	3.182	3.17	1,200,000	-	-	1,200,000	0.04%
	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	-	2,600,000	0.09%

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

## 以股權結算的購股權計劃(續)

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2016	No. of options granted during the year ended 31 December 2016	No. of options exercised/cancelled/lapsed during the year ended 31 December 2016	No. of options outstanding at 31 December 2016	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
授予日	可行使期間	行使價 HK\$ 港元	緊接 授予日前的 每股收市價 HK\$ 港元	於二零一六年 一月一日 未行使的 購股權數目	於二零一六年 十二月 三十一日止 年度內授予 的購股權數目	於截至 二零一六年 十二月 三十一日止 年度內 已行使/ 註銷/失效的 購股權數目	於二零一六年 十二月 三十一日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
Mr. Wong Man Chung, Francis 黃文宗先生	2010/12/24 to 2020/12/19	3.182	3.17	2,300,000	-	-	2,300,000	0.08%
	2012/03/30 to 2020/12/19	2.03	2.01	2,300,000	-	-	2,300,000	0.08%
Mr. Wang Tianyi 王天義先生	2012/03/30 to 2020/12/19	2.03	2.01	2,000,000	-	-	2,000,000	0.07%
Employees 僱員	2010/12/24 to 2020/12/19	3.182	3.17	17,400,000	-	-	17,400,000	0.59%

# Directors' Report 董事局報告

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

## 以股權結算的購股權計劃(續)

	Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2016	No. of options granted during the year ended 31 December 2016	No. of options cancelled/ lapsed during the year ended 31 December 2016	No. of options outstanding at 31 December 2016	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
	授予日	可行使期間	行使價 HK\$ 港元	緊接 授予日前的 每股收市價 HK\$ 港元	於二零一六年 一月一日 未行使的 購股權數目	於二零一六年 十二月 三十一日止 年度內授予 的購股權數目	於二零一六年 十二月 三十一日止 年度內 已行使/ 註銷/失效的 購股權數目	於二零一六年 十二月 三十一日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
Employees 僱員	2012/03/30	2012/03/30 to 2020/12/19	2.03	2.01	41,120,000	-	-	41,120,000	1.40%
Other Participants 其他參與者	2012/03/30	2012/03/30 to 2020/12/19	2.03	2.01	2,000,000	-	(2,000,000) (Note 2) (備註2)	-	-
Total 合計					106,120,000	-	(2,000,000)	104,120,000	3.55%

Note 2: 2,000,000 options were lapsed during the year ended 31 December 2016.

備註2：於截至二零一六年十二月三十一日止年度內，2,000,000份購股權已失效。

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

Pursuant to the 2013 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2013 Share Option Scheme are 146,571,250 Shares, representing 5% of the issued share capital of the Company as at 31 December 2016. Eligible participants of the 2013 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or parttime) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) and any person considered by the Directors to have contributions to any company in the Group or any entity in which any member of the Group holds an equity interest. As at 31 December 2016, no options were granted under the 2013 Share Option Scheme.

The accounting policy for equity-settled share option is stated in the Note 2 to the consolidated financial statements.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year were rights to acquire benefits by means of the acquisition of Shares or debentures of the Company or any other body corporate granted to any Director or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or were the Company or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Company's Directors, their respective spouses or children under 18 years of age to acquire such rights in any other body corporate.

## CONTRACTS OF SIGNIFICANCE

Save as disclosed above and the transactions as disclosed in Note 44 to the consolidated financial statements, no controlling shareholder or any of its subsidiaries have any contract of significance with the Company or its subsidiaries during the year.

## 以股權結算的購股權計劃(續)

根據二零一三年購股權計劃，本公司可發行購股權，以使根據二零一三年購股權計劃將予授出的所有購股權獲行使時可予發行的股份總數為146,571,250股股份，相當於本公司於二零一六年十二月三十一日已發行股本的5%。二零一三年購股權計劃的合資格參與者包括本公司全體董事(無論執行或非執行及無論是否獨立)、本集團任何成員公司或本集團任何成員公司擁有股本權益的任何實體的任何僱員(無論全職或兼職)(不論按聘用或合約或榮譽或以其他方式及是否受薪)以及董事認為對本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體作出貢獻的任何人士。於二零一六年十二月三十一日，概無根據二零一三年購股權計劃授出購股權。

以股權結算的購股權的會計政策於合併財務報表附註2中呈列。

## 董事認購股份或債券的權利

除上文所披露外，於年內任何時間，概無任何董事或彼等各自的配偶或未滿十八歲的子女獲授可透過購買本公司或任何其他法人團體股份或債券而獲益的權利，或行使任何該等權利；而本公司或其任何控股公司、同系附屬公司及附屬公司概無訂立任何安排，致使本公司董事、彼等各自的配偶或未滿十八歲的子女可自任何其他法人團體購入該等權利。

## 重大合約

除上文所披露外及合併財務報表附註44所披露的交易外，控股股東或其任何附屬公司於年內並無與本公司或其附屬公司訂立任何重大合約。

## SUBSTANTIAL SHAREHOLDERS

At 31 December 2016, the interests or short positions of every person, other than a Director or Chief Executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name	Number of shares held	Percentage of the Company's issued share capital	Long/Short Position
名稱	所持股份數目	佔本公司已發行股本百分比	好/淡倉
ArcelorMittal Holdings AG ("AM Holdings AG") (Note 1) ([AM Holdings AG])(備註1)	1,377,491,891	46.99%	Long (好)
Wellbeing Holdings	1,255,849,124	42.84%	Long (好)

Note:

- (1) At 31 December 2016, Mr. Lakshmi Niwas Mittal and Mrs. Usha Mittal beneficially own 37.38% of the issued share capital of ArcelorMittal which indirectly holds the entire equity interest in AM Holdings AG, which beneficially owns 1,377,491,891 Shares, representing approximately 46.99% of the issued share capital of the Company.

Saved as disclosed above and in Directors' Interests and Short Positions in Securities sections, at 31 December 2016, no person, other than a Director or Chief Executive of the Company, had interests or short positions in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## 主要股東

於二零一六年十二月三十一日，根據本公司按照證券及期貨條例第336條所存置的股東名冊所記錄，每名人士(本公司董事或主要行政人員除外)於本公司股份及相關股份擁有的權益或淡倉如下：

Name	Number of shares held	Percentage of the Company's issued share capital	Long/Short Position
名稱	所持股份數目	佔本公司已發行股本百分比	好/淡倉
ArcelorMittal Holdings AG ("AM Holdings AG") (Note 1) ([AM Holdings AG])(備註1)	1,377,491,891	46.99%	Long (好)
Wellbeing Holdings	1,255,849,124	42.84%	Long (好)

備註：

- (1) 於二零一六年十二月三十一日，Lakshmi Niwas Mittal先生和Usha Mittal太太實益擁有ArcelorMittal已發行股本37.38%，而ArcelorMittal間接擁有AM Holdings AG全部股本權益，AM Holdings AG實益擁有1,377,491,891股股份，約佔本公司已發行股本約46.99%權益。

除上文及董事於證券的權益和淡倉一節所披露外，於二零一六年十二月三十一日，根據本公司按照證券及期貨條例第336條所存置的股東名冊，概無人士(本公司董事或主要行政人員除外)於本公司股份及相關股份擁有權益或淡倉。

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company had conducted a review of the related party transactions of the Group and is satisfied that all connected transactions and continuing connected transactions have been properly reported and complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements and independent shareholders' approval, if necessary, had been made and obtained by the Company in accordance with Chapter 14A of the Listing Rules and disclosed in the Note 44 to the consolidated financial statements of the Company where applicable.

### Connected transactions

On 1 April 2016, Hebei Jinxi Iron and Steel Group Special Steel Company Limited ("Jinxi Special Steel") entered into the Share Transfer Agreement with Qianxi Xin Ding Da Trading Company Limited ("Xin Ding Da") relating to an acquisition pursuant to which Jinxi Special Steel has agreed to acquire from Xin Ding Da and Xin Ding Da has agreed to sell to Jinxi Special Steel the entire equity interest in Qianxi County Jinxi Wantong Ductile Iron Pipe Limited ("Jinxi Wantong") for the Consideration of approximately RMB 262,843,700 in accordance with the terms therein contained. Jinxi Wantong was a wholly owned subsidiary of Xin Ding Da which is wholly owned by Mr. Zhang Xin. Mr. Zhang Xin is a deemed connected person of the Company as he is the nephew of Mr. Zhang Yuhai who is a connected person of the Company by virtue of being a director of Tianjin Juli Trade Company Limited ("Juli Trade"), Jinxi Special Steel and Qianxi Xinhaiyuan Trade Company Limited ("Xinhaiyuan"). Therefore, Mr. Zhang Xin and Xin Ding Da are connected persons of the Company.

### Continuing connected transactions

On 27 December 2012, Hebei Iron and Steel Group Company Limited ("Jinxi Limited") entered into a framework agreement with Qianxi County Longba Charging Company Limited ("Longba Charging"), an associate of a substantial shareholder of a subsidiary of the Company, for the purchase of lime products and related products from Longba Charging by Jinxi Limited and/or its subsidiaries for the three years ending 31 December 2015.

## 關連交易及持續關連交易

於年內，本公司已進行檢討本集團之關聯方交易，且信納所有關連交易及持續關連交易均已妥為呈報及遵守上市規則第14A章之披露規定。按上市規則第14A章的規定，若干關連方（按上市規則定義）與本集團進行的下列交易經已訂立及／或持續進行，而本公司已作出相關公佈及獲得獨立股東批准（如需要）及於本公司合併財務報表附註44中已披露（如適用）。

### 關連交易

於二零一六年四月一日，河北津西鋼鐵集團特鋼有限公司（「津西特鋼」）與遷西縣鑫鼎達商貿有限公司（「鑫鼎達」）已就一項收購事項訂立股份轉讓協議，據此津西特鋼已同意從鑫鼎達收購，以及鑫鼎達同意就協議當中所載條款向津西特鋼以代價約人民幣262,843,700元出售遷西縣津西萬通球墨鑄管有限公司（「津西萬通」）全部股權。津西萬通現時為張新先生全資擁有的鑫鼎達之全資擁有附屬公司。因張新先生為張玉海先生（其為天津聚利貿易有限公司（「聚利貿易」）、津西特鋼及遷西縣鑫海源商貿有限公司（「鑫海源」）的董事因而屬於本公司的關連人士）的姪兒而被視為本公司的關連人士。因此，張新先生及鑫鼎達均為本公司的關連人士。

### 持續關連交易

於二零一二年十二月二十七日，河北津西鋼鐵集團股份有限公司（「津西鋼鐵」）與遷西縣龍霸爐料有限責任公司（「龍霸爐料」，本公司附屬公司主要股東的聯繫人），就津西鋼鐵及／或其附屬公司自龍霸爐料購買石灰產品和相關產品訂立一份框架協議至二零一五年十二月三十一日止三年。

### CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

#### Continuing connected transactions (continued)

On 29 January 2016, Jinxi Limited entered into a renewal framework agreement with Longba Charging for a further term of three years commencing from 1 January 2016 and expiring on 31 December 2018. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2016, 2017 and 2018 will not exceed RMB 130 million, RMB 130 million and RMB 130 million respectively. The annual cap for this transaction for the year ended 31 December 2016 was RMB 130 million. The total amount of the aforesaid transaction for the year ended 31 December 2016 was RMB 27.8 million (excluding VAT).

On 27 December 2012, Jinxi Limited entered into a framework agreement with Pingquan County Jinyin Charging Company Limited ("Pingquan County Jinyin"), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company, an associate of a substantial shareholder of a subsidiary of the Company, for the purchase of lime products and related products from Pingquan County Jinyin by Jinxi Limited and/or its subsidiaries for the three years ending 31 December 2015.

On 29 January 2016, Jinxi Limited entered into a renewal framework agreement with Pingquan County Jinyin for a further term of three years commencing from 1 January 2016 and expiring on 31 December 2018. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2016, 2017 and 2018 will not exceed RMB 7.5 million, RMB 7.5 million and RMB 7.5 million respectively. The annual cap for this transaction for the year ended 31 December 2016 was RMB 7.5 million. The total amount of the aforesaid transaction for the year ended 31 December 2016 was nil.

### 關連交易及持續關連交易(續)

#### 持續關連交易(續)

於二零一六年一月二十九日，津西鋼鐵與龍霸爐料已簽訂一份續訂框架協議，由二零一六年一月一日開始至二零一八年十二月三十一日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至二零一六年、二零一七年及二零一八年十二月三十一日止三年的年度上限分別為人民幣1.3億元、人民幣1.3億元及人民幣1.3億元。該交易截至二零一六年十二月三十一日止年度的年度上限為人民幣1.3億元。上述交易於截至二零一六年十二月三十一日止年度的總額(不含增值稅)為人民幣2,780萬元。

於二零一二年十二月二十七日，津西鋼鐵與平泉縣津銀爐料有限公司(「平泉縣津銀」，一間於中國成立的公司，為本公司的間接非全資附屬公司及本公司附屬公司主要股東的聯繫人)，就津西鋼鐵及／或其附屬公司自平泉縣津銀購買石灰產品和相關產品訂立一份框架協議至二零一五年十二月三十一日止三年。

於二零一六年一月二十九日，津西鋼鐵與平泉縣津銀已簽訂一份續訂框架協議，由二零一六年一月一日開始至二零一八年十二月三十一日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至二零一六年、二零一七年及二零一八年十二月三十一日止三年的年度上限分別為人民幣750萬元、人民幣750萬元及人民幣750萬元。該交易截至二零一六年十二月三十一日止年度的年度上限為人民幣750萬元。上述交易於截至二零一六年十二月三十一日止年度的總額為零。

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

### Continuing connected transactions (continued)

On 2 January 2014, Jinxi Limited entered into a framework agreement with Tangshan Jinxin Enterprise Group Limited (formerly known as Qianxi County Jinxin Mining Company Limited) ("Jinxin Mining"), a substantial shareholder of a subsidiary of the Company, for the purchase of iron powder and related products from Jinxin Mining and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for the three years ending 31 December 2016. The annual cap for this transaction for the year ended 31 December 2016 was RMB 140 million. The total amount of the aforesaid transaction incurred by Jinxi Limited and its subsidiaries for the year ended 31 December 2016 was nil. Following the expiry of the framework agreement on 31 December 2016, Jinxi Limited did not renew the framework agreement with Jinxin Mining.

On 4 June 2014, the Company entered into the iron and steel framework agreement with Oriental Sheet Piling Sdn. Bhd. ("Oriental Sheet Piling"), a subsidiary of ArcelorMittal, a substantial shareholder of the Company, in which the Company and/or its subsidiaries would sell steel products to Oriental Sheet Piling and/or its subsidiaries at prevailing market prices for the three years ending 31 December 2016. The annual cap for this transaction for the year ended 31 December 2016 was RMB 139 million. The total amount of the aforesaid transaction for the year ended 31 December 2016 was RMB 72.4 million (excluding VAT) (Note 44(b)).

On 6 January 2017, the Company entered into a renewal framework agreement with Oriental Sheet Piling for a further term of three years commencing from 1 January 2017 and expiring on 31 December 2019. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2017, 2018 and 2019 will not exceed RMB 150 million, RMB 150 million and RMB 150 million respectively.

## 關連交易及持續關連交易 (續)

### 持續關連交易 (續)

於二零一四年一月二日，津西鋼鐵與唐山金信實業集團有限公司(前稱遷西縣金信礦業有限公司)〔金信礦業〕，本公司附屬公司主要股東，就津西鋼鐵及／或其附屬公司自金信礦業及／或其附屬公司購買鐵粉和相關產品訂立一份框架協議至二零一六年十二月三十一日止三年。該交易截至二零一六年十二月三十一日止年度上限為人民幣1.4億元。由津西鋼鐵及其附屬公司產生的上述交易於截至二零一六年十二月三十一日止年度的總額為零。在框架協議於二零一六年十二月三十一日到期後，津西鋼鐵與金信礦業不再續訂框架協議。

於二零一四年六月四日，本公司與Oriental Sheet Piling Sdn. Bhd. (〔Oriental Sheet Piling〕)，本公司主要股東ArcelorMittal的附屬公司)簽訂有關本公司及／或其附屬公司按一般市場價向Oriental Sheet Piling及／或其附屬公司銷售鋼鐵產品的鋼鐵框架協議至二零一六年十二月三十一日止三年。該交易截至二零一六年十二月三十一日止年度的年度上限為人民幣1.39億元。上述交易於截至二零一六年十二月三十一日止年度的總額(不含增值稅)為人民幣7,240萬元(附註44(b))。

於二零一七年一月六日，本公司與Oriental Sheet Piling已簽訂一份續訂框架協議，由二零一七年一月一日開始至二零一九年十二月三十一日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至二零一七年、二零一八年及二零一九年十二月三十一日止三年的年度上限分別為人民幣1.5億元、人民幣1.5億元及人民幣1.5億元。



### CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

#### Continuing connected transactions (continued)

On 31 October 2014, Jinxi Limited entered into a framework agreement with Qianxi Dong Fang Shen Huo Environmental Protection Technology Product Company Limited ("Dong Fang Shen Huo"), a company established in the PRC and currently owned as to 81% by Mr. Wang Qinghong who is the brother-in-law of Mr. Yu Lifeng, the general manager and director of Jinxi Limited, and is a deemed connected person of the Company, for the purchase of energy-saving products from Dong Fang Shen Huo and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for the three years ending 31 December 2016. The annual cap for this transaction for the year ended 31 December 2016 was RMB 100 million. The total amount of the aforesaid transaction for the year ended 31 December 2016 was RMB 7.7 million (excluding VAT). Following the expiry of the framework agreement on 31 December 2016, Jinxi Limited did not renew the framework agreement with Dong Fang Shen Huo.

On 2 December 2014, Jinxi Limited entered into a framework agreement with Xin Ding Da, a company established in the PRC and wholly owned by Mr. Zhang Xin who is the nephew of Mr. Zhang Yuhai, a director of Juli Trade, Jinxi Special Steel and Xinhaiyuan, and is a deemed connected person of the Company, for the purchase of iron powder and coke and related products from Xin Ding Da and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for the three years ending 31 December 2016. The annual cap for this transaction for the year ended 31 December 2016 was RMB 70 million. The total amount of the aforesaid transaction for the year ended 31 December 2016 was RMB 16.0 million (excluding VAT). Following the expiry of the framework agreement on 31 December 2016, Jinxi Limited did not renew the framework agreement with Xin Ding Da.

### 關連交易及持續關連交易(續)

#### 持續關連交易(續)

於二零一四年十月三十一日，津西鋼鐵與遷西縣東方聖火環保科技產品有限公司(「東方聖火」，一間於中國成立的公司，由王慶紅先生持有81%權益，其為于利峰先生(津西鋼鐵的總經理及董事)的姐夫，及為本公司的視作關連人士)，就津西鋼鐵及／或其附屬公司自東方聖火及／或其附屬公司購買節能產品訂立一份框架協議至二零一六年十二月三十一日止三年。該交易截至二零一六年十二月三十一日止年度的年度上限為人民幣1億元。上述交易於截至二零一六年十二月三十一日止年度的總額為人民幣770萬元(不含增值稅)。在框架協議於二零一六年十二月三十一日到期後，津西鋼鐵與東方聖火不再續訂框架協議。

於二零一四年十二月二日，津西鋼鐵與鑫鼎達，一間於中國成立的公司，由張新先生全資擁有，張新先生為張玉海先生(張玉海先生現為聚利貿易、津西特鋼及鑫海源的董事，被視為本公司的關連人士)的姪兒，就津西鋼鐵及／或其附屬公司自鑫鼎達及／或其附屬公司購買鐵粉及焦炭及相關產品訂立一份框架協議至二零一六年十二月三十一日止三年。該交易截至二零一六年十二月三十一日止年度的年度上限為人民幣7,000萬元。上述交易於截至二零一六年十二月三十一日止年度的總額為人民幣1,600萬元(不含增值稅)。在框架協議於二零一六年十二月三十一日到期後，津西鋼鐵與鑫鼎達不再續訂框架協議。

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(continued)*

### Continuing connected transactions *(continued)*

On 2 December 2014, Jinxi Limited entered into a framework agreement with Qianxi Jin Zhao Lai Iron Ore Mine ("Jin Zhao Lai"), a company established in the PRC and wholly owned by Mr. Zhang Yugui who is the brother of Mr. Zhang Yuhai, a director of Juli Trade, Jinxi Special Steel and Xinhaiyuan, and is a deemed connected person of the Company, for the purchase of iron powder and related products from Jin Zhao Lai and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for the three years ending 31 December 2016. The annual cap for this transaction for the year ended 31 December 2016 was RMB 60 million. The total amount of the aforesaid transaction for the year ended 31 December 2016 was nil (excluding VAT).

On 6 January 2017, Jinxi Limited entered into a renewal framework agreement with Jin Zhao Lai for a further term of three years commencing from 1 January 2017 and expiring on 31 December 2019. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2017, 2018 and 2019 will not exceed RMB 30 million, RMB 30 million and RMB 30 million respectively. Jin Zhao Lai is currently wholly owned by Ms. Liu Cuihong. Ms. Liu Cuihong is the wife of Mr. Zhang Yugui and Mr. Zhang Yugui is a deemed connected person of the Company as he is the brother of Mr. Zhang Yuhai who is connected person of the Company by virtue of being a director of Jinxi Special Steel, Juli Trade and Xinhaiyuan, all being indirect non-wholly owned subsidiaries of the Company.

## 關連交易及持續關連交易 *(續)*

### 持續關連交易 *(續)*

於二零一四年十二月二日，津西鋼鐵與遷西縣金兆來精選廠（「金兆來」），一間於中國成立的公司，由張玉貴先生全資擁有，張玉貴先生為張玉海先生（張玉海先生現為聚利貿易、津西特鋼及鑫海源的董事，被視為本公司的關連人士）的哥哥，就津西鋼鐵及／或其附屬公司自金兆來及／或其附屬公司購買鐵粉及相關產品訂立一份框架協議至二零一六年十二月三十一日止三年。該交易截至二零一六年十二月三十一日止年度的年度上限為人民幣6,000萬元。上述交易於截至二零一六年十二月三十一日止年度的總額為零（不含增值稅）。

於二零一七年一月六日，津西鋼鐵與金兆來已簽訂一份續訂框架協議，由二零一七年一月一日開始至二零一九年十二月三十一日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至二零一七年、二零一八年及二零一九年十二月三十一日止三年的年度上限分別為人民幣3,000萬元、人民幣3,000萬元及人民幣3,000萬元。金兆來現時由劉翠紅女士全資擁有，劉翠紅女士為張玉貴先生的妻子而張玉貴先生屬於本公司之被視為關連人士是由於其為張玉海先生的哥哥（因張玉海先生為津西特鋼、聚利貿易及鑫海源之董事，此等均屬於本公司間接非全資擁有的附屬公司）。

### CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS (continued)

#### Continuing connected transactions (continued)

On 5 January 2015, Jinxi Special Steel entered into a tenancy agreement with Jinxi Wantong, a company established in the PRC and wholly owned by Xin Ding Da which is wholly owned by Mr. Zhang Xin, who is the nephew of Mr. Zhang Yuhai, a director of Juli Trade, Jinxi Special Steel and Xinhaiyuan, and is a deemed connected person of the Company, for leasing of the production facilities of Jinxi Wantong for the three years commencing on 26 November 2014 and expiring on 25 November 2017 by Jinxi Special Steel. The annual cap for this transaction for the year ended 31 December 2016 was RMB 204 million. The total amount of the aforesaid transaction for the year ended 31 December 2016 was RMB 44.5 million (excluding VAT). Following the acquisition of Jinxi Wantong on 1 April 2016, Jinxi Wantong becomes an indirect non-wholly owned subsidiary of the Company and ceased to be a connected person of the Company.

On 30 September 2016, Jinxi Limited entered into a framework agreement with Qianxi County Xinxuan Coal Company Limited ("Xinxuan Coal"), a company established in PRC with limited liability and wholly owned by Mr. Zhang Xin who is the nephew of Mr. Zhang Yuhai who is a connected person of the Company by virtue of being a director of Juli Trade, Jinxi Special Steel and Xinhaiyuan, for the purchase of iron powder and related products from Xinxuan Coal and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for the three years commencing on 30 September 2016 and expiring on 31 December 2018. The annual cap for this transaction for the year ended 31 December 2016 was RMB 54 million. The total amount of the aforesaid transaction incurred by Jinxi Limited and its subsidiaries for the year ended 31 December 2016 was RMB 19.1 million.

### 關連交易及持續關連交易(續)

#### 持續關連交易(續)

於二零一五年一月五日，津西萬通，一間於中國成立的公司，由張新先生全資擁有的鑫鼎達之全資擁有附屬公司，張新先生為張玉海先生(張玉海先生現為聚利貿易、津西特鋼及鑫海源的董事，此等公司被視為本公司的關連人士)的姪兒，就津西特鋼自津西萬通租賃其生產設備訂立一份租賃協議，由二零一四年十一月二十六日開始至二零一七年十一月二十五日屆滿，為期三年。該交易截至二零一六年十二月三十一日止年度的年度上限為人民幣2.04億元。上述交易於截至二零一六年十二月三十一日止年度的總額為人民幣4,450萬元(不含增值稅)。在於二零一六年四月一日津西萬通的收購後，津西萬通成為本公司一間間接非全資擁有的附屬公司及不再為本公司的關連人士。

於二零一六年九月三十日，津西鋼鐵與遷西縣鑫軒型煤有限公司(「鑫軒型煤」，一間在中國註冊成立的有限公司，為張新先生全資擁有，張新先生為張玉海先生的姪兒(因張玉海先生是聚利貿易、津西特鋼及鑫海源的董事而屬於本公司的關連人士)，就津西鋼鐵及／或其附屬公司自鑫軒型煤及／或其附屬公司購買鐵粉和相關產品訂立一份框架協議由二零一六年九月三十日開始並於二零一八年十二月三十一日屆滿為期三年。該交易截至二零一六年十二月三十一日止年度上限為人民幣5400萬元。由津西鋼鐵及其附屬公司產生的上述交易於截至二零一六年十二月三十一日止年度的總額為人民幣1,910萬元。

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(continued)*

### Continuing connected transactions *(continued)*

The aforesaid continuing connected transactions have been reviewed by Independent Non-executive Directors of the Company. The Independent Non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter confirming nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed by the Group on pages 93 to 99 of this annual report were not in compliance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

## ENVIRONMENT, SOCIETY AND GOVERNANCE

The Group has committed to perform its corporate responsibility for environmental protection and strictly comply with the national regulations by continue investment in its production facilities to reduce emissions and energy consumption during the steel production process so as to minimise the impact of the production process on the environment. The Group has also recognised the local laws and regulations which are applicable to the Group's business to ensure the operation of the Group complies with all the relevant local laws, regulations and standards.

## 關連交易及持續關連交易 *(續)*

### 持續關連交易 *(續)*

上述持續關連交易已由本公司獨立非執行董事審閱。獨立非執行董事確認上述持續關連交易是(a)在本集團的日常業務中訂立；(b)按照一般商務條款或更佳條款進行；及(c)根據有關交易的協議進行，條款公平合理，並且符合本公司股東的整體利益。

根據香港會計師公會發佈的香港核證業務準則第3000號「歷史財務資料審核或審閱以外的鑒証工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。核數師已就本年報第93至99頁所載本集團披露的持續關連交易，發出函件，確認其並無注意到任何事情，可使他們認為有關持續關連交易並不符合上市規則第14A.56條之規定。本公司已將核數師函件副本向聯交所提供。

## 環境、社會及管治

本集團致力盡其對環境保護的企業責任及緊守國家法規，一直透過持續投入資源於其生產設備以減少鋼鐵生產過程中的排放及能源消耗，從而盡力降低生產過程對環境的影響。本集團亦已確定適用於本集團業務的當地法律及法規以確保集團的運作符合所有有關的當地法律、法規及標準。

### ENVIRONMENT, SOCIETY AND GOVERNANCE (continued)

Except for the installation of electrostatic precipitators and bag precipitators at the production facilities, all the operating production facilities are equipped with environmental control facilities in order to reduce exhaust emission and meet the relevant national standard. Production and domestic wastewater of the Company will be recycled and subsequently used in the closed water loop. In addition, measures for filtration and reuse are adopted to reduce the production of waste mineral oil. For the waste mineral oil which cannot be reused, we engage the experts with relevant qualification and processing capacity to carry out the harmless treatment of waste mineral oil for us as required by the state environmental regulations. Smelting slag and solid waste produced during other smelting process of iron making will be sold to other cement factories or used as raw material in other production process. After the above comprehensive treatment measures, the impact on the environment shall be reduced.

The Environmental, Social and Governance report are set out on pages 57 to 71 in this annual report.

### RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that the employees of the Group are valuable assets. The Group offered competitive remuneration to attract and retain the talented employees. Regular review on remuneration of employees is made in order to retain outstanding employees and attract human resources that are valuable to the Group.

Our relationships with major customers are contract-based. The Group cherished the mutually beneficial relationships with our customers. We will provide the best value to our clients to establish and consolidate the Group's reputation in the industry. Also, we believe that maintaining long term relationship with the suppliers is essential to the Group's success. The Group will keep strengthening the partnership with clients and suppliers, aiming to realise a triple-win result.

### 環境、社會及管治(續)

除了在生产设备安装静电除尘器或布袋除尘器外，投入运行的各类生产设备均配备了环保治理设施，致力降低排放的废气及达到有关国家标准。而本公司的生产及生活废水全部作回收处理，处理后于水闭路迴圈使用。此外，采取过滤重複使用措施降低废矿物油产生量，对于无法利用的废矿物油，我们则按照国家环保要求委托给有相关资格及处理能力的专业厂家进行无害化处置。其他炼铁工序冶炼过程中产生的冶炼渣及固体废物等则销售给其他水泥厂或作为其他生产工序的原料使用。经过上述综合处理措施，减省对环境带来的影响。

環境、社會及管治報告載於本年報第57至71頁。

### 與僱員、客戶及供應商之關係

本集團相信，僱員是我們的寶貴資產，我們提供競爭力之薪酬待遇吸引及挽留人才。我們會定期檢討僱員之待遇，以保留優秀員工及吸納外來人材。

基於我們與主要客戶之間的關係建立在合約之上，本集團十分珍惜與客戶之互惠關係。我們會提供最優秀之價值予客戶，以建立及鞏固本集團在行業的優良信譽。同樣，我們相信，與供應商保持長遠關係是本集團成功的重要因素。本集團會不斷與客戶及供應商加強彼此間的合作關係，我們冀望與客戶及供應商共創三贏局面。

## COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group has implemented policies and procedures which related to our industry designed to ensure compliance with the most relevant laws and regulations, but there can be no assurance that the Group's employees or agents will not violate such laws and regulations or the Group's policies and procedures.

## PUBLIC FLOAT

Trading in the shares of the Company had been suspended from 29 April 2014 when the public float of the Company fell below 25%. The Stock Exchange indicated that the Company is required to suspend trading in the shares of the Company until the minimum public float is restored. Public float of the Company was restored on 27 January 2017 and trading in the shares of the Company had been resumed on 1 February 2017. Details of public float status of the Company have been disclosed in the Company's announcements dated 30 December 2013, 11 April 2014, 5 May 2014, 30 May 2014, 6 July 2014, 20 August 2014, 26 August 2014, 5 September 2014, 16 October 2014, 21 November 2014, 16 December 2014, 13 February 2015, 18 March 2015, 16 April 2015, 15 May 2015, 29 May 2015, 15 June 2015, 17 July 2015, 14 August 2015, 14 September 2015, 6 October 2015, 6 November 2015, 7 December 2015, 7 January 2016, 5 February 2016, 4 March 2016, 7 April 2016, 9 May 2016, 10 May 2016, 10 June 2016, 8 July 2016, 10 August 2016, 12 September 2016, 12 October 2016, 15 November 2016, 15 December 2016, 16 January 2017, 22 January 2017, 27 January 2017 and the announcement of the Stock Exchange dated 27 July 2016.

## 遵守法律法規

於報告期間，本集團已實行旨在與我們行業相關的相關法律法規的政策和程序，惟無法保證本集團的僱員或代理將不會違反有關法律法規或本集團的政策和程序。

## 公眾持股量

本公司之公眾持股量於二零一四年四月二十九日下跌至低於25%，本公司股份已自該日起暫停買賣。聯交所表示，本公司需暫停本公司的股份買賣，直至恢復最低公眾持股量。本公司之公眾持股量已於二零一七年一月二十七日恢復及本公司股份已於二零一七年二月一日恢復買賣。本公司的公眾持股量狀況之詳情已於本公司日期為二零一三年十二月三十日、二零一四年四月十一日、二零一四年五月五日、二零一四年五月三十日、二零一四年七月六日、二零一四年八月二十日、二零一四年八月二十六日、二零一四年九月五日、二零一四年十月十六日、二零一四年十一月二十一日、二零一四年十二月十六日、二零一五年二月十三日、二零一五年三月十八日、二零一五年四月十六日、二零一五年五月十五日、二零一五年五月二十九日、二零一五年六月十五日、二零一五年七月十七日、二零一五年八月十四日、二零一五年九月十四日、二零一五年十月六日、二零一五年十一月六日、二零一五年十二月七日、二零一六年一月七日、二零一六年二月五日、二零一六年三月四日、二零一六年四月七日、二零一六年五月九日、二零一六年五月十日、二零一六年六月十日、二零一六年七月八日、二零一六年八月十日、二零一六年九月十二日、二零一六年十月十二日、二零一六年十一月十五日、二零一六年十二月十五日、二零一七年一月十六日、二零一七年一月二十二日、二零一七年一月二十七日之公告及聯交所日期為二零一六年七月二十七日之公告。

## Directors' Report 董事局報告

### PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Apart from the repurchase and early redemption of a total of principal amount of US\$ 62,212,000 and US\$ 49,156,000 respectively of the 2017 Senior Notes, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2016.

### AUDITOR

PricewaterhouseCoopers retired and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board  
**China Oriental Group Company Limited**

**HAN Jingyuan**  
*Chairman and Chief Executive Officer*

Hong Kong, 31 March 2017

\* *For identification purposes only*

### 購買、出售或贖回本公司上市證券

除分別購回及提前贖回合共本金總額 62,212,000 美元及 49,156,000 美元之二零一七年優先票據外，截至二零一六年十二月三十一日止年度，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證券。

### 核數師

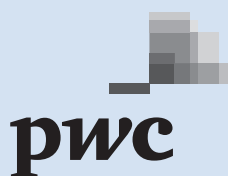
羅兵咸永道會計師事務所退任，而應屆股東週年大會上將提呈決議案，續聘彼等為本公司的核數師。

謹代表董事局  
**中國東方集團控股有限公司\***

**韓敬遠**  
*董事局主席兼首席執行官*

香港，二零一七年三月三十一日

\* *僅供識別*



## 羅兵咸永道

To the shareholders of China Oriental Group Company Limited  
(incorporated in Bermuda with limited liability)

致中國東方集團控股有限公司股東  
(於百慕達註冊成立的有限公司)

### OPINION

### 意見

#### What we have audited

#### 我們已審計的內容

The consolidated financial statements of China Oriental Group Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 114 to 283, which comprise:

中國東方集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第114至283頁的合併財務報表，包括：

- the consolidated balance sheet as at 31 December 2016;
  - the consolidated statement of profit or loss for the year then ended;
  - the consolidated statement of comprehensive income for the year then ended;
  - the consolidated statement of changes in equity for the year then ended;
  - the consolidated statement of cash flows for the year then ended; and
  - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一六年十二月三十一日的合併資產負債表；
  - 截至該日止年度的合併損益表；
  - 截至該日止年度的合併綜合收益表；
  - 截至該日止年度的合併權益變動表；
  - 截至該日止年度的合併現金流量表；及
  - 合併財務報表附註，包括主要會計政策概要。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
羅兵咸永道會計師事務所，香港中環太子大廈廿二樓  
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總機：+852 2289 8888，傳真：+852 2810 9888，www.pwchk.com



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

## Our opinion

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

## Independence

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.

## KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Impairment of property, plant and equipment
- Recoverability of loans and other receivables

## 我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

## 意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## 獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

## 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 物業、廠房及設備的減值
- 貸款及其他應收賬款的可回收性

## KEY AUDIT MATTERS (CONTINUED)

### Key Audit Matter

#### 關鍵審計事項

#### **Impairment of property, plant and equipment (“PP&E”)**

#### 物業、廠房及設備的減值

Refer to Note 2.10 “Accounting policy – Impairment of non-financial assets”, Note 4 (a) “Critical accounting estimates and judgements – Impairment of PP&E” and Note 7 “PP&E” to the consolidated financial statements

As at 31 December 2016, certain PP&E of the Group had impairment indicators, either because certain production lines of the Group were shut down during the year, or the Group has plans to shut down other production lines in the coming year in response to regulations issued by local governments to reduce excessive steel production capacity. In addition, the economic performance of a subsidiary engaging in the manufacturing of certain steel products had been continuously below expectation. As a result, the Group set aside a total impairment provision of RMB 1,573 million against these PP&E at 31 December 2016, and recorded a corresponding charge of RMB 810 million to the consolidated statement of profit or loss for the year then ended.

請參閱合併財務報表附註2.10「會計政策－非金融資產減值」、附註4(a)「關鍵會計估計及判斷－物業、廠房及設備減值」及附註7「物業、廠房及設備」

於二零一六年十二月三十一日，本集團若干物業、廠房及設備具有減值跡象，由於於年內關閉本集團若干生產綫或本集團已計劃於未來年度內關閉其他生產綫，以響應地方政府減少鋼鐵產能過剩所發佈的規定。此外，從事生產若干鋼鐵產品的一間附屬公司之經濟表現已持續低於預期。因此，本集團於二零一六年十二月三十一日就該等物業、廠房及設備計提總額人民幣15.73億元的撥備，並錄得人民幣8.1億元的相應費用，計入於截至該日止年度合併損益表。

### 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 on the PP&E impairment included:

We examined local government's documents and performed search on internet to corroborate management's assessment of the impact of local government's policies on the Group's PP&E, together with the appropriateness of management's grouping of these PP&E with the relevant CGUs.

With regard to the PP&E where the recoverable amount was determined using FVLCOD, we checked, on a sample basis, the estimated disposal considerations of the PP&E by comparing the estimations with currently available market price quotations or recent similar transactions.

我們對物業、廠房及設備的審核程序包括：

我們檢查當地政府的文件及進行網上搜索以證實管理層就當地政府政策對貴集團物業、廠房及設備的影響的評估，連同管理層按相關現金產生單位對該等物業、廠房及設備分組之適當性。

關於可收回金額使用公允價值減出售成本釐定的物業、廠房及設備，我們透過將有關估計與現時可用市場報價或近期類似交易進行比較對物業、廠房及設備的估計出售代價抽樣檢查。

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

## Key Audit Matter

### 關鍵審計事項

In assessing the recoverability of the PP&E that had impairment indicators, management identified the relevant cash generating units (“CGUs”) to which these PP&E belong, and estimated the recoverable amounts of these CGUs based on the higher of their fair value less costs of disposal (“FVLCOB”) and value in use (“VIU”) calculation. Management applied significant judgements in determining the FVLCOB and VIU. The key assumption adopted in the calculations of FVLCOB was the estimated disposal considerations. The key judgements adopted in the VIU calculation included:

- growth rates to extrapolate revenue and cash flows within and beyond the budget period;
- gross margin; and
- discount rate.

We focused on this area due to the magnitude of the impairment provision and the significance of management judgements adopted in assessing the recoverable amount.

於評估具有減值跡象的物業、廠房及設備的可收回性時，管理層確認該等物業、廠房及設備所屬相關現金產生單位（「現金產生單位」）及估計該等現金產生單位的可收回金額，其根據其公允價值減出售成本（「公允價值減出售成本」）與使用價值（「使用價值」）之較高者計算。於釐定公允價值減出售成本及使用價值時，管理層應用重大判斷。計算公允價值減出售成本所採納的重要假設為估計出售代價。計算使用價值時所採納的重要判斷包括：

- 於預算期內及超出預算期的推斷收入及現金流量增長率；
- 毛利；及
- 折現率。

由於減值撥備重大，且管理層於評估可收回金額採用重大判斷，我們將物業、廠房及設備的減值確定為關鍵審計事項。

## How our audit addressed the Key Audit Matter

### 我們的審計如何處理關鍵審計事項

With regard to the PP&E where the recoverable amounts were determined based on VIU calculations:

- We assessed the discounted cash flow method used by management to determine the VIU by reference to industry practices, and tested the mathematical accuracy of the VIU calculations.
- We compared the input data used in the cash flow forecasts against the historical figures and the Group's approved budget and its business plans.
- We challenged management's key assumptions by:
  - Comparing the revenue growth rates within the budget period with the relevant CGU's historical growth rates and industry historical data; and those beyond the budget period with our independent expectation based on economic data;

關於可收回金額按使用價值計算釐定的物業、廠房及設備：

- 我們評估管理層所用以釐定使用價值的折現現金流量方法，乃經參考行業慣例，並測試使用價值計算的數學準確度。
- 我們將現金流量預測所用輸入數據與歷史數據、貴集團之已批准預算及其業務計劃進行比較。
- 我們透過以下方式而質疑管理層的主要假設：
  - 將預算期內的收入增長率與相關現金產生單位的歷史增長率及行業歷史數字進行比較；及將超出預算期的與我們根據經濟資料作出的獨立預期值進行比較；

## Key Audit Matter 關鍵審計事項

### How our audit addressed the Key Audit Matter

#### 我們的審計如何處理關鍵審計事項

- Comparing the gross margin with the relevant CGU's past performance, taking into consideration of market trends; and
- Assessing the discount rate by considering and recalculating the weighted average cost of capital for the individual CGU and comparable companies in the steel industry, as well as considering territory specific factors, such as risk free interest rate and debt ratio prevailing in China market as at base date.

Based on the procedures performed, we considered that management's key judgements applied in the impairment assessment of PP&E were supportable by the evidence we gathered.

- 將毛利與相關現金產生單位的過往業績進行比較，並考慮市場趨勢；及
- 結合地域因素，如於基準日期中國市場無風險利率及債務比率，通過考慮並重新計算各單獨現金產生單位及鋼鐵行業可比較公司的加權平均資本成本，評估折現率。

根據所進行之程序，我們認為管理層在物業、廠房及設備減值評估中使用的主要判斷可被我們獲取的證據所支持。

## Key Audit Matter

### 關鍵審計事項

#### Recoverability of loans and other receivables

#### 貸款及其他應收賬款的可回收性

Refer to Note 2.12 "Accounting policy – Impairment of financial assets carried at amortised cost", Note 4 (c) "Critical accounting estimates and judgements – Impairment of loans and other receivables", Note 18 "Prepayments, deposits and other receivables" and Note 19 "Loans receivables" to the consolidated financial statements.

As at 31 December 2016, the Group had loans and other receivables of RMB 448 million and RMB 563 million, respectively. The borrowers or debtors of certain loans and other receivables were in financial difficulties or have commenced bankruptcy proceedings. A provision of RMB 47 million and RMB 316 million was set aside by management against these loans and other receivables, respectively.

請參閱合併財務報表附註2.12「會計政策－按攤銷成本列賬之金融資產減值」、附註4(c)「關鍵會計估計及判斷－貸款及其他應收賬款減值」、附註18「預付款項、按金及其他應收賬款」及附註19「應收貸款」

於二零一六年十二月三十一日，貴集團擁有貸款及其他應收賬款分別為人民幣4.48億元及人民幣5.63億元。若干貸款及其他應收賬款的借款人或債務人面臨財務困難或已開始破產程序。管理層就該等貸款及其他應收賬款分別作出人民幣4,700萬元及人民幣3.16億元的撥備。

## 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 on the recoverability of loan and other receivables included:

- We assessed, on a sample basis, significant loans and other receivables for indicators of impairment, including reading the relevant contracts and checking against the contractual repayment terms, to independently identify loans and other receivables which had objective evidence of impairment, and compared such with management's own assessment.
- For significant loans and other receivables with objective evidence of impairment:
  - checked settlements of these receivables after the reporting date;
  - conducted background search to evaluate the financial position of the borrowers or debtors;

我們對貸款及其他應收賬款之可收回性的審核程序包括：

- 我們抽樣評估重大的貸款及其他應收賬款之減值跡象(包括閱讀相關合約及對照合約償還條款)，以獨立地確認有客觀證據顯示減值的貸款及其他應收賬款，並與管理層自身的評估進行比較。
- 關於有客觀證據顯示減值的重大貸款及其他應收賬款：
  - 檢查於報告日期後該等應收款項的結算情況；
  - 進行背景調查以評估借款人或債務人的財務狀況；

## Key Audit Matter

### 關鍵審計事項

Impairments are recognised whenever there is objective evidence that the present value of estimated future cash flows measurable decreases and is lower than the carrying amount of the loans and other receivables. The recoverability of individually significant loans and other receivables were assessed on an individual basis based on management's estimates of discounted future cash flows. Loans and other receivable balances without objective evidence of impairment were grouped based on their credit risk characteristics for evaluation. The collective impairment provision was determined by management based on historical loss experience and aging analysis, taking into considerations of industry and other circumstances.

We focused on this area due to the magnitude of loans and other receivables and the significance of management's judgements applied in assessing the recoverability of such balances.

於有客觀證據顯示估計未來可測量的現金流量現值下降且低於貸款及其他應收賬款之賬面值時，確認減值。個別重大貸款及其他應收賬款的可收回性乃根據管理層對折現未來現金流量按個別基準評估。無客觀證據顯示減值的貸款及其他應收賬款結餘按信用風險特徵組合，管理層根據歷史虧損經驗及賬齡分析，並考慮行業特點及其他情況釐定可收回減值撥備。

由於貸款及其他應收賬款重大，且管理層於評估該等結餘時採納的重大判斷，我們將貸款及其他應收賬款的可回收性確定為關鍵審計事項。

## How our audit addressed the Key Audit Matter

### 我們的審計如何處理關鍵審計事項

- gathered information on collaterals, if any, and assessed their values by comparing with the available evidences, including valuation reports; and
- discussed with external legal counsels and obtained legal letters to understand and evaluate the impact of the outstanding legal proceedings with the borrowers or debtors on recoverability of the balances.
- We assessed the appropriateness of management's grouping of balances based on risk characteristics, and tested the collective provision estimation by considering the historical bad debts amounts and pattern, taking into consideration of factors such as borrowers or debtors' credit and market conditions.

Based on the procedures performed, we found management's assessment and judgments of the recoverability of loans and other receivables to be supported by the evidence we gathered.

- 獲取抵押品資料(如有)及透過比較可得到的證據(包括評估報告)評估其價值；及
- 與外聘法律顧問進行討論及取得律師信以就了解及評估借款人或債務人之尚未審結法律程序對餘額的可收回性之影響。
- 我們基於風險特徵評估管理層的結餘組合之適當性，並透過歷史壞賬金額及模式，經考慮借貨人或債務人的信貸及市場狀況等因素，測試可收回撥備估計。

根據所進行之程序，我們發現管理層對貸款及其他應收賬款之可收回性之評估及判斷可被我們獲取的證據所支持。

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

## OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

## 年報中的其他信息

貴公司董事須對其他信息負責。其他信息包括年報內除合併財務報表及我們的核數師報告的所有信息。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

## 董事及治理層就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的合併財務報表，並對其認為為使合併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監控負責。

在編製合併財務報表時，董事須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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

## 核數師就審計綜合財務報表承擔的責任

我們的目標，是對合併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，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年公司法第90條僅向閣下(作為整體)報告我們的意見，及別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可影響使用者依賴這些合併財務報表而作出經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷及保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是根據核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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.

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

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 this independent auditor's report is Mang Kwong Fung, Frederick.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 31 March 2017

從與治理層溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是孟江峰。

**羅兵咸永道會計師事務所**

*執業會計師*

香港，二零一七年三月三十一日

# Consolidated Balance Sheet 合併資產負債表

(All amounts in Renminbi ("RMB") thousands unless otherwise stated) As at 31 December 2016  
(除另有指明外，所有金額均以人民幣(「人民幣」)千元為單位) 於二零一六年十二月三十一日

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
	Note 附註		
<b>ASSETS</b>			
	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Leasehold land and land use rights	租賃土地及土地使用權	6	193,123
Property, plant and equipment	物業、廠房及設備	7	8,038,406
Investment properties	投資物業	8	6,549
Intangible assets	無形資產	9	94,370
Investment in associates	於聯營公司之投資	11	55,632
Available-for-sale financial assets	可供出售金融資產	15	489,555
Loan receivables	應收貸款	19	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	18	13,000
Deferred income tax assets	遞延所得稅資產	29	155,880
			<b>9,046,515</b>
<b>Current assets</b>	<b>流動資產</b>		
Properties under development and held for sale	發展中及持作出售物業	14	1,419,113
Inventories	存貨	16	3,334,350
Trade receivables	應收貿易賬款	17	482,813
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	18	1,405,123
Amounts due from related parties	應收關聯方款項	44(c)	16,671
Prepaid current income tax	預付當期所得稅		28,814
Loan receivables	應收貸款	19	401,000
Notes receivable – bank acceptance notes	應收票據 – 銀行承兌匯票	17	2,339,669
Derivative financial instruments	衍生金融工具		6,220
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	20	387,458
Restricted bank balances	受限制銀行結餘	21	890,617
Cash and cash equivalents	現金及現金等價物	21	1,290,199
			<b>12,002,047</b>
<b>Total assets</b>	<b>總資產</b>		<b>21,048,562</b>
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>歸屬於本公司權益持有者的權益</b>		
Share capital	股本	22	311,853
Share premium	股份溢價	22	2,192,131
Other reserves	其他儲備	23	1,703,308
Retained earnings	留存收益		5,048,806
			<b>9,256,098</b>
<b>Non-controlling interests</b>	<b>非控制性權益</b>		<b>108,443</b>
<b>Total equity</b>	<b>權益合計</b>		<b>9,364,541</b>
			14,062,229

## Consolidated Balance Sheet (continued) 合併資產負債表(續)

(All amounts in Renminbi ("RMB") thousands unless otherwise stated) As at 31 December 2016  
(除另有指明外，所有金額均以人民幣(「人民幣」)千元為單位) 於二零一六年十二月三十一日

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
	Note 附註		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	26	<b>246,500</b>	743,891
Other long-term payables	27	<b>615,194</b>	1,181,343
Deferred revenue	28	<b>78,107</b>	86,317
Amounts due to related parties	44(c)	<b>51,859</b>	51,859
Deferred income tax liabilities	29	<b>42,204</b>	–
		<b>1,033,864</b>	2,063,410
<b>Current liabilities</b>			
Trade payables	24	<b>5,425,323</b>	5,641,030
Accruals, advances and other current liabilities	25	<b>3,368,510</b>	2,846,169
Amounts due to related parties	44(c)	<b>27,266</b>	83,044
Current income tax liabilities		<b>122,918</b>	102,795
Derivative financial instruments		<b>15,669</b>	3,616
Other long-term payables – current portion	27	<b>551,392</b>	48,441
Borrowings	26	<b>1,134,507</b>	2,658,484
Dividends payable		<b>4,572</b>	4,572
		<b>10,650,157</b>	11,388,151
<b>Total liabilities</b>		<b>11,684,021</b>	13,451,561
<b>Total equity and liabilities</b>		<b>21,048,562</b>	22,363,723

The notes on pages 121 to 283 are an integral part of these financial statements.

The financial statements on pages 114 to 283 were approved by the Board of Directors on 31 March 2017 and were signed on its behalf.

**Han Jingyuan**  
韓敬遠  
Chairman  
主席

第121至283頁的附註為該等財務報表的整體一部份。

第114至283頁的合併財務報表已於二零一七年三月三十一日經董事局批准並由以下董事代為簽署。

**Han Li**  
韓力  
Director  
董事

## Consolidated Statement of Profit or Loss 合併損益表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

		Note	Year ended 31 December	
		附註	2016	2015
			二零一六年	二零一五年
Revenue	收入	5	<b>26,427,443</b>	21,071,538
Cost of sales	銷售成本	32	<b>(23,753,492)</b>	(20,714,679)
<b>Gross profit</b>	<b>毛利</b>		<b>2,673,951</b>	356,859
Other income	其他收入	31	<b>6,129</b>	22,555
Distribution costs	分銷成本	32	<b>(118,571)</b>	(100,767)
Administrative expenses	行政費用	32	<b>(782,289)</b>	(421,648)
Other expenses	其他費用	32	<b>(29,854)</b>	(20,000)
Gains/(Losses) from derivative financial instruments	衍生金融工具之收益／(虧損)	37	<b>35,832</b>	(5,040)
Other losses – net	其他虧損－淨額	30	<b>(656,959)</b>	(299,046)
<b>Operating profit/(loss)</b>	<b>經營溢利／(虧損)</b>		<b>1,128,239</b>	(467,087)
Finance income	財務收入	34	<b>109,893</b>	122,129
Finance costs	財務成本	34	<b>(182,162)</b>	(543,965)
Finance costs – net	財務成本－淨額		<b>(72,269)</b>	(421,836)
Share of results of associates	應佔聯營公司業績		<b>(1,022)</b>	(745)
<b>Profit/(Loss) before income tax</b>	<b>除所得稅前溢利／(虧損)</b>		<b>1,054,948</b>	(889,668)
Income tax expense	所得稅費用	35	<b>(523,936)</b>	(46,349)
<b>Profit/(Loss) for the year</b>	<b>年度溢利／(虧損)</b>		<b>531,012</b>	(936,017)
<b>Profit/(Loss) attributable to:</b>	<b>溢利／(虧損)歸屬於：</b>			
Owners of the Company	本公司權益持有者		<b>722,127</b>	(766,503)
Non-controlling interests	非控制性權益		<b>(191,115)</b>	(169,514)
			<b>531,012</b>	(936,017)
<b>Earnings/(Losses) per share for profit/(loss) attributable to owners of the Company during the year</b> (expressed in RMB per share)	<b>年內本公司權益持有者應佔溢利／(虧損)的每股收益／(虧損)</b> (每股人民幣元)			
– Basic earnings/(losses) per share	– 每股基本收益／(虧損)	38	<b>RMB 0.25</b>	RMB (0.26)
– Diluted earnings/(losses) per share	– 每股稀釋收益／(虧損)	38	<b>RMB 0.25</b>	RMB (0.26)

The notes on pages 121 to 283 are an integral part of these financial statements.

第121至283頁的附註為該等財務報表的整體一部份。

# Consolidated Statement of Comprehensive Income 合併綜合收益表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
	Note 附註		
<b>Profit/(Loss) for the year</b>		<b>531,012</b>	(936,017)
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Fair value gains on available-for-sale financial assets		<b>1,521</b>	3,979
Transfer of fair value losses previously credited to reserve to statement of profit or loss upon disposal of available-for-sale financial assets	15	-	(8,754)
		<b>1,521</b>	(4,775)
<b>Total comprehensive income for the year</b>		<b>532,533</b>	(940,792)
<b>Attributable to:</b>			
Owners of the Company		<b>723,648</b>	(771,278)
Non-controlling interests		<b>(191,115)</b>	(169,514)
		<b>532,533</b>	(940,792)

The notes on pages 121 to 283 are an integral part of these financial statements.

第121至283頁的附註為該等財務報表的整體一部份。

# Consolidated Statement of Changes in Equity 合併權益變動表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

	Note	Attributable to owners of the Company 本公司權益持有者應佔					Non-controlling interests 非控制性權益	Total equity 權益合計	
		Share capital	Share premium	Other reserves	Retained earnings	Total			
		股本	股份溢價	其他儲備	留存收益	總計			
<b>Balance at 1 January 2015</b>	於二零一五年一月一日的結餘	311,853	2,192,131	1,630,006	5,123,067	9,257,057	514,789	9,771,846	
<b>Comprehensive income</b>	綜合收益								
Profit or loss for the year	年度溢利或虧損	-	-	-	(766,503)	(766,503)	(169,514)	(936,017)	
<b>Other comprehensive income</b>	其他綜合收益								
Fair value gains on available-for-sale financial assets	可供出售金融資產的公允價值收益	15	-	3,979	-	3,979	-	3,979	
Transfer of fair value losses previously credited to reserve to statement of profit or loss upon disposal of available-for-sale financial assets	於可供出售金融資產出售時將先前計入儲備的公允價值虧損轉至損益表		-	(8,754)	-	(8,754)	-	(8,754)	
<b>Total comprehensive income</b>	綜合收益合計	-	-	(4,775)	(766,503)	(771,278)	(169,514)	(940,792)	
<b>Transactions with owners</b>	與權益持有者的交易								
Profit appropriation to statutory reserves	向法定儲備作出的溢利分配	23	-	16,422	(16,422)	-	-	-	
Establishment of a subsidiary	設立一間附屬公司		-	-	-	-	500	500	
Changes in ownership interests in a subsidiary without change of control	在不改變控制權的情況下變更於附屬公司的所有權權益		-	28,649	-	28,649	51,959	80,608	
<b>Total transactions with owners</b>	與權益持有者的交易合計	-	-	45,071	(16,422)	28,649	52,459	81,108	
<b>Balance at 31 December 2015</b>	於二零一五年十二月三十一日的結餘		311,853	2,192,131	1,670,302	4,340,142	8,514,428	397,734	8,912,162

## Consolidated Statement of Changes in Equity (continued) 合併權益變動表(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司權益持有者應佔					Non- controlling interests 非控制性 權益	Total equity 權益合計
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 留存收益	Total 總計		
Note 附註								
<b>Balance at 1 January 2016</b>	於二零一六年一月一日的結餘	311,853	2,192,131	1,670,302	4,340,142	8,514,428	397,734	8,912,162
<b>Comprehensive income</b>	綜合收益							
Profit or loss for the year	年度溢利或虧損	-	-	-	722,127	722,127	(191,115)	531,012
<b>Other comprehensive income</b>	其他綜合收益							
Fair value gains on available-for-sale financial assets	可供出售金融資產的公允價值收益	15	-	1,521	-	1,521	-	1,521
<b>Total comprehensive income</b>	綜合收益合計	-	-	1,521	722,127	723,648	(191,115)	532,533
<b>Transactions with owners</b>	與權益持有者的交易							
Profit appropriation to statutory reserves	向法定儲備作出的溢利分配	23	-	13,463	(13,463)	-	-	-
Capital reduction of a subsidiary	減少一間附屬公司資本		-	-	-	-	(20,000)	(20,000)
Disposal of subsidiaries with loss of control	出售附屬公司且失去控制權		-	-	-	-	4,111	4,111
Changes in ownership interests in a subsidiary without change of control	在不改變控制權的情況下變更於附屬公司的所有權權益	10(i)(iv)	-	18,022	-	18,022	(82,287)	(64,265)
<b>Total transactions with owners</b>	與權益持有者的交易合計		-	31,485	(13,463)	18,022	(98,176)	(80,154)
<b>Balance at 31 December 2016</b>	於二零一六年十二月三十一日的結餘	311,853	2,192,131	1,703,308	5,048,806	9,256,098	108,443	9,364,541

The notes on pages 121 to 283 are an integral part of these financial statements.

第 121 至 283 頁的附註為該等財務報表的整體一部份。



# Consolidated Statement of Cash Flow 合併現金流量表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
<b>Cash flows from operating activities</b>	<b>來自經營活動的現金流量</b>		
Cash generated from operations	產生自經營的現金	40	1,959,458
Interest received	已收利息		5,438,287
Interest paid	已付利息		44,047
Income tax paid	已付所得稅		(226,316)
			(183,437)
Net cash generated from operating activities	產生自經營活動的現金淨額		<b>1,497,476</b>
			4,839,285
<b>Cash flows from investing activities</b>	<b>來自投資活動的現金流量</b>		
Purchase of property, plant and equipment	購置物業、廠房及設備		(210,283)
Investment in an associate	投資一間聯營公司		(20,000)
(Payments)/Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的(所付款項)/所得款項	40	(57)
Interest income from financial investments and instruments	金融投資及工具之利息收入		181
Interest income from loan receivables	來自應收貸款的利息收入		54,119
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產之所得款項		48,924
Purchases of available-for-sale financial assets	購買可供出售金融資產		(378,429)
Proceeds from disposal of mining rights	出售採礦權之所得款項		-
(Increase)/Decrease in deposits of procurement of derivative financial instruments	獲得衍生金融工具按金(增加)/減少		(100,171)
Net outflows of financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產流出淨值		(245,616)
Loan receivables granted to a third party	向一名第三方提供的應收貸款		(1,000)
Loan receivables repayment received from a third party	一名第三方償還的應收貸款		10,000
Decrease in long-term bank deposits	長期銀行存款減少		-
Disposal of a subsidiary	出售一間附屬公司		(7,209)
Acquisition a subsidiary, net of cash acquired	收購一間附屬公司(扣除所獲現金淨額)		(203,089)
Net cash used in investing activities	用於投資活動的現金淨額		<b>(1,052,811)</b>
			(251,924)
<b>Cash flows from financing activities</b>	<b>來自融資活動的現金流量</b>		
Proceeds from borrowings	借款所得款項		3,754,331
Repayment of borrowings	償還借款		(5,804,362)
Capital injection by non-controlling interests	非控制性權益注資		-
Proceeds from sales and leaseback transaction	售後及回租交易所獲款項		500
Cash paid for sale and leaseback transaction	售後及回租交易已付現金		-
Decrease in amounts due to related parties	應付關聯方款項減少		(126,990)
Decrease in restricted bank balances pledged as security for current bank borrowings	作為流動銀行借款的抵押的受限制銀行結餘減少		-
			649,864
Net cash used in financing activities	用於融資活動的現金淨額		<b>(1,527,157)</b>
			(3,129,094)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		<b>(1,082,492)</b>
			1,458,267
Effect of foreign exchange rate changes	外幣匯率變動的影響		35,144
			30,217
Cash and cash equivalents, beginning of year	年初現金及現金等價物	21	2,337,547
Cash and cash equivalents, end of year	年末現金及現金等價物	21	1,290,199
			2,337,547

The notes on pages 121 to 283 are an integral part of these financial statements.

第121至283頁的附註為該等財務報表的整體一部份。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 1. GENERAL INFORMATION

China Oriental Group Company Limited (the “Company”) was incorporated in Bermuda on 3 November 2003 as an exempted company with limited liability under the Companies Act 1981 of Bermuda as a result of a group reorganisation (“Reorganisation”).

The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 2 March 2004.

The Company together with its subsidiaries are hereinafter collectively referred to as the Group. The Group is principally engaged in the manufacture and sale of iron and steel products, trading of steel products and iron ore and real estate business. The Group has manufacturing plants in Hebei Province and Guangdong Province of the People’s Republic of China (the “PRC”) and sells mainly to customers located in the PRC. The Group engages in real estate business in the PRC.

These consolidated financial statements are presented in thousands of units of RMB, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors (the “Board”) on 31 March 2017.

## 1. 一般資料

中國東方集團控股有限公司(「本公司」)於二零零三年十一月三日經完成一項集團重組(「重組」)後根據百慕達一九八一年公司法在百慕達註冊成立為獲豁免有限責任公司。

本公司的註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司股份自二零零四年三月二日已在香港聯合交易所有限公司上市。

本公司及其附屬公司以下統稱為本集團。本集團主要從事製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。本集團在中華人民共和國(「中國」)河北省及廣東省設有生產廠房，並主要針對位於中國的客戶進行銷售。本集團於中國從事房地產業務。

除另有指明外，本合併財務報表以人民幣千元呈列。本合併財務報表已經由董事局(「董事局」)於二零一七年三月三十一日批准刊發。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

## 2. 重要會計政策摘要

編製本合併財務報表採用的主要會計政策載於下文。除另有指明外，此等政策在所呈列的所有年度內貫徹應用。

### 2.1 編製基準

本集團的合併財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈的所有適用香港財務報告準則（「香港財務報告準則」）及香港公司條例第622章的披露規定編製。合併財務報表已依據歷史成本法編製，並就若干按公允價值列賬的可供出售金融資產、按公允價值計量且其變動計入損益表之金融資產及衍生金融工具的重估作出修訂。

編製符合香港財務報告準則的合併財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對合併財務報表作出重大假設和估算的範疇，在附註4中披露。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures

##### (a) New and amended standards adopted by the Group

The following new and amended standards are mandatory for the first time for the financial year beginning on 1 January 2016:

HKAS 1 (Amendments) “Disclosure initiative” is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies guidance in HKAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

HKFRS 7 (Amendments) “Financial instruments”: Disclosures condensed interim financial statements” is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies that the additional disclosure required by the amendments to HKFRS 7 ‘Disclosure – Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by HKAS 34.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化

##### (a) 本集團已採納的新訂及已修訂準則

下列新訂及已修訂準則強制性於二零一六年一月一日開始之財政年度首次採納：

香港會計準則第1號(修訂)「披露計劃」，於二零一六年一月一日或之後開始的年度期間生效。此修訂釐清香港會計準則第1號對重大性和聚合、分類匯總的呈列、財務報表的結構和會計政策的披露的指引。

香港財務報告準則第7號(修訂)「金融工具：披露簡明中期財務報表」，於二零一六年一月一日或之後開始的年度期間生效。此修訂釐清除非香港會計準則第34號所要求外，並無特別要求所有中期期間額外披露香港財務報告準則第7號的修訂，「披露－抵銷金融資產和金融負債」。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

##### (a) New and amended standards adopted by the Group (continued)

HKAS 34 (Amendments) “Interim financial reporting” is effective for annual periods beginning on or after 1 January 2016. This amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’. It also amends HKAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

Amendments and interpretations as mentioned above are not expected to have a material effect on the Group’s operating results, financial position or comprehensive income.

## 2. 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露的變化 (續)

##### (a) 本集團已採納的新訂及已修訂準則 (續)

香港會計準則第34號(修訂)「中期財務報告」，於二零一六年一月一日或之後開始的年度期間生效。此修訂釐清參考「在中期財務報告披露的其他信息」的準則的意思。其亦修訂香港會計準則第34號要求從中期財務報表的信息位置的交叉引用。該修訂是追溯性的。

預期上述修訂及詮釋不會對本集團的經營業績、財務狀況或綜合收益產生重大影響。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

##### (b) Standards, amendments and interpretations to existing standards effective in 2016 but not relevant to the Group:

HKFRS 14  
香港財務報告準則第14號  
HKFRS 11 (Amendment)  
香港財務報告準則11號(修訂)  
HKAS 16 and HKAS 38  
(Amendment)  
香港會計準則第16號及香港會計  
準則第38號(修訂)  
HKAS 16 and HKAS 41  
(Amendment)  
香港會計準則第16號及香港會計  
準則第41號(修訂)  
HKAS 27 (Amendment)  
香港會計準則第27號(修訂)  
KFRS 5 (Amendment)  
香港財務報告準則第5號(修訂)  
HKFRS 7 (Amendment)  
香港財務報告準則第7號(修訂)  
HKAS 19 (Amendment)  
香港會計準則第19號(修訂)  
HKFRS 10, HKFRS 12 and  
HKAS 28 (Amendment)  
香港財務報告準則第10號、香港  
財務報告準則第12號及香港財  
務報告準則第28號(修訂)

Regulatory deferral accounts  
監管遞延賬戶  
Accounting for acquisitions of  
interests in joint operations  
收購合營公司權益之會計處理  
Clarification of acceptable methods of  
depreciation and amortisation  
折舊及攤銷的可接受方法之澄清  
Agriculture: bearer plants  
農業：生產性植物  
Equity method in separate financial  
statements  
獨立財務報表中的權益法  
Non-current assets held for sale  
and discontinued operations  
持作出售的非流動資產及已終止  
經營業務  
Financial instruments: Disclosure –  
Application of the disclosure  
requirements to serving  
contracts  
金融工具：披露一對服務合約應用  
披露規定  
Employee benefits  
僱員福利  
Investment entities: applying the  
consolidation exception  
投資實體：應用合併之例外情況

1 January 2016  
二零一六年一月一日  
1 January 2016  
二零一六年一月一日  
1 January 2016  
二零一六年一月一日  
1 January 2016  
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1 January 2016  
二零一六年一月一日  
1 January 2016  
二零一六年一月一日  
1 January 2016  
二零一六年一月一日

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

##### (b) 於二零一六年生效但與本集團無關的準則、現有準則的修訂及詮釋：

**Effective for annual periods beginning on or after**  
於下列日期起或之後  
開始的年度期生效

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**

HKAS 7 (Amendment)	Statement of cash flows	1 January 2017
香港會計準則第7號(修訂)	現金流量表	二零一七年一月一日
HKAS 12 (Amendment)	Income taxes	1 January 2017
香港會計準則第12號(修訂)	所得稅	二零一七年一月一日
HKFRS 9 (i)	Financial instruments	1 January 2018
香港財務報告準則第9號(i)	金融工具	二零一八年一月一日
HKFRS 15 (ii)	Revenue from contracts with customers	1 January 2018
香港財務報告準則第15號(ii)	與客戶之間的合約產生的收入	二零一八年一月一日
HKFRS 16 (iii)	Leases	1 January 2019
香港財務報告準則第16號(iii)	租賃	二零一九年一月一日
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
香港財務報告準則第10號及香港會計準則第28號(修訂)	投資者與其聯營或合營企業之間出售或注入資產	待定

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

- (c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：

**Effective for annual periods beginning on or after**  
於下列日期起或之後開始的年度期生效

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- (i) HKFRS 9 “Financial instruments”

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (“AFS”) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (“FVOCI”) and hence there will be no change to the accounting for these assets.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

- (c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

此等新準則及準則的修訂預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：

- (i) 香港財務報告準則第9號「金融工具」

此項新準則針對金融資產和金融負債的分類、計量和終止確認，並介紹對沖會計的新規定和金融資產的新減值模型。

雖然本集團尚未對金融資產的分類和計量進行詳細評估，但目前被分類為可供出售（「可供出售」）金融資產的債務票據似乎符合條件，可分類為按公允價值計量且其變動計入其他綜合收益（「按公允價值計量且其變動計入其他綜合收益」），因此該等資產的入賬並無改變。



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

(c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

For the other financial assets held by the Group, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss which are not relevant to the Group. The derecognition rules have been transferred from HKAS 39 “Financial Instruments: Recognition and Measurement” and have not been changed.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

(c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

對於本集團持有的其他金融資產，本集團不預期新指引會對其金融資產的分類和計量有重大影響。

由於新規定僅影響被指定為按公允價值計量且其變動計入損益表的金融負債的會計法，對本集團並無相關性，這將不會對本集團的金融負債有任何影響。終止確認規則引自香港會計準則第39號「金融工具：確認及計量」，沒有任何變動。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group’s risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. While the Group is yet to undertake a detailed assessment, it would appear that the Group’s current hedge relationships would qualify as continuing hedges upon the adoption of HKFRS 9. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

- (c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

新對沖會計規則將調整對沖工具的會計處理以更緊密配合本集團的風險管理實務。作為一般性原則，因為準則引入更多原則為本的方針，所以更多對沖關係可能符合對沖會計條件。儘管本集團尚未作出詳細評估，但當香港財務報告準則第9號生效時，本集團當前的對沖關係仍將符合條件作為持續的對沖。因此，本集團預期不會對其對沖關係的會計處理有重大影響。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

**(c) The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 “Revenue from Contracts with Customers”, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

## 2. 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露的變化 (續)

**(c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：**  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

新減值模型要求按預期信貸損失(「預期信貸損失」)確認減值撥備，而非僅發生的信貸損失(根據香港會計準則第39號)。其適用於按攤銷成本分類的金融資產、按公允價值計量且其變動計入其他綜合收益的債務工具、香港財務報告準則第15號「與客戶之間的合約產生的收入」下的合同資產、應收租賃款、貸款承擔和若干財務擔保合同。儘管本集團尚未詳細評估新模型將如何影響其減值撥備，但有可能導致提早確認信貸損失。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

**(c) The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

(i) HKFRS 9 “Financial instruments”  
(continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group’s disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

**(c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：**  
(續)

(i) 香港財務報告準則第9號「金融工具」(續)

新準則亦增加了披露規定和呈列的改變。預期將改變本集團有關其金融工具的披露性質和範圍，尤其是在新準則採納的年度內。

香港財務報告準則第9號必須在二零一八年一月一日或之後開始的財政年度起應用。根據香港財務報告準則第9號的過渡性條款，只容許就二零一五年二月一日前開始的年度報告期分階段提早採納。在該日後，新規則必須全數採納。本集團不打算在強制性日期前採納香港財務報告準則第9號。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

(c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (ii) HKFRS 15 “Revenue from contracts with customers”

HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach. HKFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The core principle is that a company should recognise revenue to depict

## 2. 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露的變化 (續)

(c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (ii) 香港財務報告準則第15號「與客戶之間的合約產生的收入」

香港財務報告準則第15號確立了一個綜合框架，用於確定何時確認收入以及通過五步驟方式確認多少收入。香港財務報告準則第15號對合約成本資本化及執照安排提供具體指引。其還包括對實體與客戶的產生的收入和現金流的性質、金額、時間和不確定性的一致性披露要求。核心原則是，一家公司應該確認收入以描述轉移給客戶承諾的貨物或服務，其金額反映了公司期望有權收取交換這些貨物或服務的代價。香港財務報告準則第15號

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (ii) HKFRS 15 “Revenue from contracts with customers” (continued)

the transfer of promised goods or Services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. HKFRS 15 replaces the previous revenue standards: HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related Interpretations on revenue recognition: HK (IFRIC) 13 “Customer Loyalty Programmes”, HK (IFRIC) 15 “Agreements for the Construction of Real Estate”, HK (IFRIC) 18 “Transfers of Assets from Customers” and HK (SIC) 31 “Revenue—Barter Transactions Involving Advertising Services”. HKFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

- (c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (ii) 香港財務報告準則第15號「與客戶之間的合約產生的收入」(續)

取代以前的收入準則：香港會計準則第18號「收入」及香港會計準則第11號「工程合約」及有關收入確認的解釋：香港(國際財務報告詮釋委員會)第13號「客戶忠誠計劃」、香港(國際財務報告詮釋委員會)第15號「房地產建設協議」、香港(國際財務報告詮釋委員會)第18號「客戶資產轉讓」及香港(常設詮釋委員會)第31號「收入—涉及廣告服務的交換交易」。香港財務報告準則第15號自二零一八年一月一日或之後開始的年度報告期生效。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

**(c) The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (ii) HKFRS 15 “Revenue from contracts with customers” (continued)

Management is currently assessing the effects of applying the new standard on the Group’s financial statements and has identified the revenue from sales of services, revenue from sales of properties and revenue from construction contracts that are likely to be affected. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the group does not intend to adopt the standard before its effective date.

## 2. 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露的變化 (續)

**(c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：**  
(續)

- (ii) 香港財務報告準則第15號「與客戶之間的合約產生的收入」(續)

管理層現評估應用新準則對集團財務報表的影響，並已確定服務收入、出售房地產收入及工程合約收入之處理很可能受到影響。本集團將在未來十二個月對影響作出更詳細的評估。

香港財務報告準則第15號強制性於二零一八年一月一日或之後開始的財政年度採納。目前，本集團預計不會在生效日期前採納此準則。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (iii) HKFRS 16 “Leases”

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

- (c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (iii) 香港財務報告準則第16號「租賃」

香港財務報告準則第16號將導致差不多所有租賃在資產負債表內確認，因經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產（該租賃項目的使用權）與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。

對出租人的會計處理將不會有重大改變。



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (iii) HKFRS 16 “Leases” (continued)

The standard will affect primarily the accounting for Group’s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of RMB 147.5 million, see note 42(c). However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

## 2. 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露的變化 (續)

- (c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (iii) 香港財務報告準則第16號「租賃」(續)

此準則將主要影響本集團經營租賃的會計處理。於報告日，本集團有不可取消的經營租賃承擔人民幣1.475億元(見附註42(c))。然而，本集團仍未釐定該等承擔將導致資產和負債就未來付款確認的程度，以及將如何影響本集團的利潤和現金流量分類。

若干承擔或會由短期和低價值租賃的豁免所涵蓋，同時根據香港財務報告準則第16號，部分承擔可能不符合租賃的定義。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

- (c) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2016 and have not been early adopted:**  
(continued)

- (iii) HKFRS 16 “Leases” (continued)

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

- (c) 下列已頒佈但於二零一六年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (iii) 香港財務報告準則第16號「租賃」(續)

此新準則強制性於二零一九年一月一日或之後開始的財政年度採納。目前，本集團預計不會在生效日期前採納此準則。

沒有其他尚未生效的香港財務報告準則或香港(國際財務報告解釋委員會)一詮釋預期會對本集團有重大影響。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

##### (a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司

#### 2.2.1 合併賬目

附屬公司是本集團有控制權的實體(包括結構性實體)。若本集團因參與有關實體而對可變回報承擔風險或享有權利，並能透過其在該實體的權力影響該等回報，本集團即對該實體具有控制權。附屬公司在控制權轉移至本集團之日起合併入賬，並在控制權終止之日起停止合併入賬。

##### (a) 業務合併

本集團應用購買法將業務合併入賬。購買一家附屬公司所轉讓的代價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的代價包括或有代價安排所產生的任何資產和負債的公允價值。在業務合併中所購買的可識別資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

##### (a) Business combinations (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree 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 measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司(續)

#### 2.2.1 合併賬目(續)

##### (a) 業務合併(續)

本集團按個別收購基準，確認在被收購方的任何非控制性權益。被收購方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔實體的淨資產，可按公允價值或按現時的擁有權權益應佔被收購方的可識別淨資產的確認金額比例計量。非控制性權益的所有其他組成部份按收購日期的公允價值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購的相關成本乃於產生時支銷。

倘業務合併分階段進行，收購方先前持有的被收購方股權的收購當日賬面值於收購當日重新計量為公允價值；由此產生的任何溢利或虧損於損益確認。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

##### (a) Business combinations (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss (Note 2.9).

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司(續)

#### 2.2.1 合併賬目(續)

##### (a) 業務合併(續)

本集團所轉讓的任何或然代價將在收購當日按公允價值確認。被視為一項資產或負債的或然代價公允價值隨後變動，將按照香港會計準則第39號金融工具於損益確認。分類為權益的或然代價毋須重新計量，而其隨後結算於權益中入賬。

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股本權益於收購日期的公允價值超出所收購的可識別資產淨值的公允價值的部份以商譽列賬。如在議價購入的情況下，所轉讓代價、已確認非控制性權益與先前所持權益計量的總和低於所收購附屬公司資產淨值的公允價值，其差額則直接在損益表中確認(附註2.9)。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

##### (a) Business combinations (continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

##### (b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司(續)

#### 2.2.1 合併賬目(續)

##### (a) 業務合併(續)

集團內的交易、結餘及集團公司間交易的未確認收益予以對銷。未確認虧損亦予以對銷，除非交易提供所轉讓資產減值的證據。附屬公司的呈報金額已按需要調整，以確保與本集團的會計政策一致。

##### (b) 不導致失去控制權之附屬公司所有權益變動

不導致失去控制權之非控制性權益交易入賬列作權益交易—即以彼等為權益持有者之身份與權益持有者進行交易。任何已付代價公允價值與所收購相關應佔附屬公司資產淨值賬面值之差額列作權益。向非控制性權益出售之盈虧亦列作權益。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.1 Consolidation (continued)

##### (c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

## 2. 重要會計政策摘要 (續)

### 2.2 附屬公司 (續)

#### 2.2.1 合併賬目 (續)

##### (c) 出售附屬公司

當本集團失去控制權時，於該實體之任何保留權益按失去控制權當日之公允價值重新計量，有關賬面值變動在損益中確認。就其後入賬列作聯營公司、合資企業或金融資產之保留權益，其公允價值為初始賬面值。此外，先前於其他綜合收益確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此意味先前在其他綜合收益確認之金額重新分類至損益或根據適用香港財務報告準則之規定／許可轉撥至另一類權益。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Subsidiaries (continued)

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill, if any, identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

## 2. 重要會計政策摘要(續)

### 2.2 附屬公司(續)

#### 2.2.2 獨立財務報表

於附屬公司之投資按成本扣除減值入賬。成本亦包括投資直接應佔成本。本公司根據已收及應收的股息為基準，計算附屬公司的業績。

如附屬公司的投資所得股息高於期內附屬公司的綜合收益總額，或者在獨立財務報表中的投資賬面值高於合併財務報表中的被投資方淨資產(包括商譽)之賬面值時，則須對附屬公司的投資進行減值測試。

### 2.3 聯營公司

聯營公司指本集團對其有重大影響力但無控制權的實體，通常附帶有20%至50%投票權的股權。投資在聯營公司是採用權益會計法入賬。根據該權益會計法，有關投資最初按成本確認，並會增減賬面值以確認收購日後投資者於被投資方的損益份額。本集團於聯營公司之投資包括於收購時識別的商譽(如有)。

倘於聯營公司所有權權益減少但仍保留重大影響，只有按比例將之前於其他綜合收益中確認的金額重新分類至損益(如適當)。



# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.3 Associates (continued)

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of associates' in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

## 2. 重要會計政策摘要(續)

### 2.3 聯營公司(續)

本集團應佔收購後的溢利或虧損於損益表中確認，而應佔收購後其他綜合收益的變動(連同對投資賬面值作出的相應調整)則於其他綜合收益內確認。如本集團應佔聯營公司的虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收賬款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團於各報告日期釐定是否有客觀證據顯示於聯營公司之投資出現減值。如屬此情況，本集團會將減值金額作為聯營公司之可收回款額與其賬面值之差額計算，並將該金額在合併損益表「應佔聯營公司業績」確認。

本集團與其聯營公司之間的上游及下游交易產生的溢利及虧損，只會限於無相關投資者佔聯營公司權益範圍在本集團的合併財務報表內確認。除非交易提供所轉讓資產減值的憑證，否則未變現虧損會予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採納的政策符合一致。

於聯營公司的股權攤薄所產生的收益或虧損於合併損益表內確認。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management committee (Note 5(b)) that makes strategic decisions.

### 2.5 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

## 2. 重要會計政策摘要(續)

### 2.4 分部報告

營運分部之報告方式須與首席營運決策人獲提供的內部報告之方式一致。作出決策的管理委員會(附註5(b))是首席營運決策人，其負責分配資源並且評核營運分部的表現。

### 2.5 外幣換算

#### (a) 功能及呈列貨幣

本集團各實體計入財務報表的項目乃採用實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計算。合併財務報表則以人民幣(「人民幣」)(本公司的功能貨幣及本集團的呈列貨幣)呈列。

#### (b) 交易及結餘

外幣交易按交易日的匯率或重新計量該等項目時之價值換算為功能貨幣。結算此等交易而產生以及將以外幣為單位的貨幣性資產與負債按年終的匯率換算而產生的外匯收益及虧損於合併損益表中確認。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Foreign currency translation (continued)

#### (b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss within 'finance cost'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'Other losses – net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

## 2. 重要會計政策摘要 (續)

### 2.5 外幣換算 (續)

#### (b) 交易及結餘 (續)

與借款相關之匯兌收益及虧損於合併損益表「財務成本」中列賬。所有其他匯兌收益及虧損均於合併損益表「其他虧損－淨額」內列賬。

以外幣為單位及被分類為可供出售證券之債務證券之公允價值轉變將在其證券攤銷成本轉變衍生之匯兌差額及其他證券賬面值轉變之間予以分析。有關攤銷成本變動之匯兌差額會在損益表內確認，而其他賬面值之轉變則在其他綜合收益中確認。

非貨幣金融資產及負債（例如按公允價值計量且其變動計入損益表之權益）之匯兌差額在損益表內確認為公允價值盈虧的一部份。非貨幣金融資產（例如分類為可供出售的權益）之匯兌差額於其他綜合收益內列賬。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Foreign currency translation (continued)

#### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

## 2. 重要會計政策摘要(續)

### 2.5 外幣換算(續)

#### (c) 集團公司

集團旗下所有公司(當中沒有高通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣，其業績及財務狀況須按如下方式兌換為呈列貨幣：

- (i) 每份呈報的資產負債表所列資產及負債按其結算日之收市匯率換算；
- (ii) 每份損益表所列收入及開支按平均匯率換算，但若此平均匯率未能合理地反映各交易日之匯率所帶來的累積影響，則按照交易日之匯率折算此等收入和支出；及
- (iii) 所有由此而產生之貨幣匯兌差額均於其他綜合收益中確認。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Property, plant and equipment

Property, plant and equipment, comprising buildings, machinery, furniture and fixtures, vehicles, leasehold improvements and finance leased machinery are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Estimated useful life
Buildings	10-20 years
Machinery	5-10 years
Furniture and fixtures	3-10 years
Vehicles	4-10 years
Leasehold improvements	2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## 2. 重要會計政策摘要(續)

### 2.6 物業、廠房及設備

包括樓宇、機器設備、辦公設備、汽車、租賃物業裝修及融資租賃機器設備等物業、廠房及設備乃按歷史成本減折舊及減值列賬。歷史成本包括收購該項目直接應佔的開支。

其後成本僅於當與該項目有關的未來經濟利益很有可能會流入本集團，而項目的成本能夠可靠地計量，方會包括在資產的賬面值或確認為獨立資產(如適用)。終止確認被替換部份的賬面值。所有其他維修及保養成本於產生的財務期間自合併損益表扣除。

物業、廠房及設備的折舊乃採用以下估計可使用年期將其成本按直線法分攤至剩餘價值計算，如下：

	估計可使用年期
樓宇	10-20年
機器設備	5-10年
辦公設備	3-10年
汽車	4-10年
租賃物業裝修	2-5年

資產的剩餘價值及可使用年期於每個報告期末獲審閱及調整(如適用)。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other losses – net' in the consolidated statement of profit or loss.

Construction-in-progress ("CIP") represents buildings, plant and machinery under construction or pending installation and is stated at historical cost less accumulated impairment losses, if any. Historical cost includes the costs of construction, acquisition and borrowing. No provision for depreciation is made on CIP until such time as the relevant assets are completed and available for intended use. When the assets concerned are ready for their intended use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

### 2.7 Leasehold land and land use rights

All land in the PRC is state-owned or collectively-owned. There is no individual land ownership right. The Group acquired the right to use certain land. The premiums paid for such right and the improvements related to the land are treated as prepayment for operating lease and recorded as leasehold land and land use rights, which are amortised over the lease periods using the straight-line method. The leasehold land and land use rights are stated at historical cost less accumulated amortisation and impairment losses.

## 2. 重要會計政策摘要(續)

### 2.6 物業、廠房及設備(續)

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額(附註2.10)。

出售盈虧乃對比所得款項與賬面值後釐定，並於合併損益表中在「其他虧損－淨額」內確認。

在建工程(「在建工程」)指正在興建或有待安裝的樓宇、廠房及機器設備，並按歷史成本減累計減值虧損(如有)列賬。歷史成本包括興建、收購及借款成本。概無就在建工程的折舊計提撥備，直至有關資產竣工及可用作擬定用途為止。當有關資產按其既定用途使用，成本會轉撥至物業、廠房及設備，並根據上述政策予以折舊。

### 2.7 租賃土地及土地使用權

中國的所有土地均為國有或集體擁有，個人並無獨立的土地所有權。本集團取得使用若干土地的權利。就該權利支付的價款及有關該土地的裝修視作預付經營租賃並以租賃土地及土地使用權列賬，按租期以直線法攤銷。租賃土地及土地使用權按歷史成本減去累計攤銷及減值虧損列賬。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.8 Investment property

The property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at depreciated cost less accumulated impairment.

Depreciation of investment properties is calculated using the straight-line method to allocate cost to their residual value over their estimated useful lives of 20 years.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

## 2. 重要會計政策摘要(續)

### 2.8 投資物業

持作長期租金收益或資本增值或此兩種用途，而並非由本集團的各實體佔用的物業分類為投資物業。

投資物業按成本(包括相關交易成本)初始計量。初始確認後，投資物業按已折舊成本減累計減值列賬。

投資物業的折舊乃採用其估計可使用年期(20年)將成本按直線法分攤至其剩餘價值計算。

其後開支僅於當與項目有關的未來經濟利益很有可能會流入本集團，而項目的成本能夠可靠地計量，方會包括在資產的賬面值。所有其他維修及保養成本於產生的財務期間自合併損益表扣除。

倘投資物業成為業主自用，則重新分類為物業、廠房及設備，而就會計目的而言，於重新分類當日的賬面值為其成本。

倘物業、廠房及設備的某個項目因其用途改變而成為投資物業，則該轉撥並無改變所轉撥物業的賬面值，亦無改變該物業的成本作計量或披露用途。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 Intangible assets

#### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### (b) Computer software

Computer software costs recognised as assets are amortised using the straight-line method over their estimated useful lives of 3 years.

## 2. 重要會計政策摘要(續)

### 2.9 無形資產

#### (a) 商譽

商譽於收購附屬公司時產生，指所轉讓代價、被收購方的任何非控制性權益金額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產的公允價值。

為進行減值測試，於業務合併中收購之商譽乃分配至預期自合併協同效應受惠之各現金產生單位（「現金產生單位」）或現金產生單位組別。各獲分配商譽之單位或單位組別指就內部管理而言實體監察商譽之最低層面。商譽於經營分部層面監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。商譽賬面值與可收回金額作比較，可收回金額為使用價值與公允價值減出售成本之較高者。任何減值即時確認為開支，且其後不會撥回。

#### (b) 計算機軟件

計算機軟件費用確認為資產，於三年估計使用年期使用直線法作出攤銷。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 Intangible assets (continued)

#### (c) Unpatented technology

Acquired unpatented technology costs recognised as assets are amortised using the straight-line method over their estimated useful life of 8 years.

### 2.10 Impairment of non-financial assets

Assets that have an indefinite useful life-for example, goodwill-are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.11 Financial assets

#### 2.11.1 Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

## 2. 重要會計政策摘要(續)

### 2.9 無形資產(續)

#### (c) 非專利技術

已收購非專利技術成本確認為資產於八年估計使用年期使用直線法作出攤銷。

### 2.10 非金融資產減值

沒有確定可使用年期的資產(例如商譽)毋須攤銷，惟會每年進行減值測試。無論在任何情況下當有事件或變動顯示賬面值可能無法收回時，則須進行攤銷的資產作減值檢討。減值虧損乃按資產賬面值高出其可收回金額的數額確認。可收回金額為資產公允價值減出售成本及使用價值兩者的較高者。就評估減值而言，資產乃按可獨立識別現金流量(現金產生單位)的最低層次組合。出現減值的非金融資產(商譽除外)會於每個報告日期作出可能撥回減值的檢討。

### 2.11 金融資產

#### 2.11.1 分類

本集團將其金融資產分為以下類別：按公允價值計量且其變動計入損益表之金融資產、貸款及應收賬款及可供出售金融資產。分類視乎所收購的金融資產的目的而定。管理層會於初始確認時決定其金融資產分類。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Financial assets (continued)

#### 2.11.1 Classification (continued)

##### (a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading because the financial assets do not qualify for hedge accounting. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise, they are classified as non-current.

##### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'loan receivables', 'trade receivables', 'notes receivable – bank acceptance notes', 'other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 2.17 and 2.18 respectively).

## 2. 重要會計政策摘要(續)

### 2.11 金融資產(續)

#### 2.11.1 分類(續)

##### (a) 按公允價值計量且其變動計入損益表之金融資產

按公允價值計量且其變動計入損益表之金融資產為持作買賣的金融資產。倘收購金融資產的主要目的為在短期內出售則會撥歸此類別。衍生工具亦分類為持作買賣，因該等金融資產不符合對沖會計處理資格。倘預計於12個月內結算，則此類別的資產分類為流動資產，否則則分類為非流動資產。

##### (b) 貸款及應收賬款

貸款及應收賬款為非衍生工具金融資產，具有固定或可決定金額，惟並無在交投活躍的市場上報價。彼等包括於流動資產內，惟不包括於或預期於報告期末起計逾12個月者結算的款項。此等貸款及應收賬款列作非流動資產。本集團的貸款及應收賬款包括列入資產負債表的「應收貸款」、「應收貿易賬款」、「應收票據—銀行承兌匯票」、「其他應收賬款」和「現金及現金等價物」(附註2.17及2.18)。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Financial assets (continued)

#### 2.11.1 Classification (continued)

##### (c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

#### 2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale assets of the Group include investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost less provision for impairment, if any.

## 2. 重要會計政策摘要(續)

### 2.11 金融資產(續)

#### 2.11.1 分類(續)

##### (c) 可供出售的金融資產

可供出售的金融資產為非衍生工具，指定為此類別或並無分類歸入任何其他類別。彼等包括於非流動資產內，惟不包括到期投資或管理層有意於報告期末起計12個月內出售的投資。

#### 2.11.2 確認及計量

金融資產之一般買賣於交易日(即本集團承諾購買或出售資產當日)確認。對於並非按公允價值計量且其變動計入損益表的金融資產投資初始按公允價值加交易成本確認。按公允價值計量且其變動計入損益表之金融資產初始按公允價值確認，而交易成本則於合併損益表中支銷。金融資產乃從收取現金流量的權利屆滿或轉讓，而本集團實質上轉移所有權的一切風險及回報時，投資即終止確認。可供出售金融資產及按公允價值計量且其變動計入損益表之金融資產其後按公允價值入賬。貸款及應收賬款其後以實際利率法按已攤銷成本入賬。本集團之可供出售資產包括沒有於活躍市場的市場報價及其公允價值無法可靠計量的權益工具的投資，其按成本減去減值撥備(如有)計量。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Financial assets (continued)

#### 2.11.2 Recognition and measurement (continued)

Gains or losses arising from changes in the fair value of the derivative financial instruments are presented in the consolidated statement of profit or loss as a separate item in the period in which they arise. Gains or losses arising from changes in the fair value of other financial instruments in financial assets or liabilities at fair value through profit or loss category are presented in the consolidated statement of profit or loss within 'Other losses – net'.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss as 'Other losses – net'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

## 2. 重要會計政策摘要(續)

### 2.11 金融資產(續)

#### 2.11.2 確認及計量(續)

衍生金融工具公允價值變動產生的收益或虧損於合併損益表內呈列為產生期間的獨立項目。按公允價值計量且其變動計入損益表之金融資產或負債類別的其他金融工具公允價值變動產生的收益或虧損呈列於合併損益表的「其他虧損－淨額」中。

可供出售貨幣及非貨幣證券的公允價值變動，在其他綜合收益中確認。

倘可供出售證券出售或減值，則於權益確認的累計公允價值調整計入合併損益表的「其他虧損－淨額」。

使用實際利率法計算的可供出售證券的利息於合併損益表中確認為其他收入的一部份。可供出售權益工具產生的股息收入在本集團收取付款的權利確立時作為其他收入的一部份於合併損益表中確認。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Impairment of financial assets

#### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

## 2. 重要會計政策摘要(續)

### 2.12 金融資產減值

#### (a) 按攤銷成本列賬之資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產之估計未來現金流構成可合理估計的影響，有關金融資產或一組金融資產才算出現減值及產生減值虧損。

減值的證據可能包括以下指標：債務人或一組債務人正處於重大財政困難，逾期或拖欠利息或本金付款，有可能彼等將進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量的減少，例如欠款變動或與逾期還款相關連的經濟狀況。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Impairment of financial assets (continued)

#### (a) Assets carried at amortised cost (continued)

For loans and receivables category, the amount of the 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

## 2. 重要會計政策摘要(續)

### 2.12 金融資產減值(續)

#### (a) 按攤銷成本列賬之資產(續)

就貸款及應收賬款類別而言，虧損金額乃按資產賬面值與按金融資產原實際利率貼現之估計未來現金流現值(不包括尚未產生之未來信貸虧損)間的差額計量。資產賬面值會予以削減，而虧損金額會於合併損益表確認。倘貸款按浮動利率計息，則計量任何減值虧損之貼現率乃根據合約釐定之現行實際利率。在實際運作上，本集團於計量減值時可能採用可觀察之市場價格來釐定工具的公允價值。

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值後發生的事件有關連(例如債務人信貸評級改善)，則以往確認的減值虧損的撥回會於合併損益表中確認。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Impairment of financial assets (continued)

#### (b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

### 2.13 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of item being hedged.

For derivative financial instruments do not qualify for hedge accounting, changes in fair value are recognised immediately in the consolidated statement of profit or loss as a separate item.

## 2. 重要會計政策摘要 (續)

### 2.12 金融資產減值 (續)

#### (b) 分類為可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。倘股本投資被分類為可供出售，證券的公允價值出現重大或持續地低於其成本亦為一種表明其發生減值的證據。若可供出售金融資產存在此等證據，累計虧損按收購成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算，自權益中重新分類並在損益中確認。在合併損益表確認的權益工具減值虧損不會透過合併損益表撥回。

### 2.13 衍生金融工具及對沖活動

衍生工具於訂立衍生工具合約當日按公允價值初始確認，並按其後公允價值重新計量。確認所得盈虧的方法，取決於衍生工具是否界定為對沖工具，如是，則取決於被對沖項目的性質。

就不符合資格進行對沖會計處理的衍生金融工具而言，公允價值的變動即時於合併損益表內確認為單獨項目。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 2.15 Inventories

Inventories are stated at the lower of cost and the net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.16 Properties under development and held for sale

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

## 2. 重要會計政策摘要(續)

### 2.14 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

### 2.15 存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本乃按加權平均法釐定。製成品及在製品的成本包括原材料、直接人工、其他直接成本及相關生產間接開支(依據正常營運能力)，不包括借貸成本。可變現淨值為日常業務過程中的估計售價，減去適用的可變銷售支出。

### 2.16 發展中及持作出售物業

發展中及持作出售物業以成本及可變現淨值兩者的較低者入賬。物業發展成本包括土地使用權費用、建築成本及在建期間產生的借貸成本。竣工後，物業轉為持作出售的已竣工物業。

可變現淨值考慮最終預計可變現價格，減去適用可變動銷售支出及預期竣工成本。



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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Properties under development and held for sale (continued)

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

### 2.17 Trade, notes and other receivables

Trade and notes receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade, notes and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade, notes and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.11.2 for further information about the Group's accounting for trade receivables and Note 2.12 for a description of the Group's impairment policies.

### 2.18 Cash and cash equivalents

In the consolidated statement of cash flow, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less.

## 2. 重要會計政策摘要(續)

### 2.16 發展中及持作出售物業(續)

發展中及持作出售物業歸屬於流動資產，惟相關物業發展項目的建築工期預計超出正常經營周期者除外。

### 2.17 應收貿易賬款、票據及其他應收賬款

應收貿易賬款及票據為在日常業務過程中就已銷售商品之應收客戶的款項。倘應收貿易賬款、票據及其他應收賬款預期可於一年或之內收款(或時間更長，則在業務的正常營運週期)，則分類為流動資產。如未能於一年或之內收款，則分類為非流動資產。

應收貿易賬款、票據及其他應收賬款初始按公允價值確認，而其後則採用實際利率法按已攤銷成本減去減值撥備計量。有關本集團應收貿易賬款列賬之進一步資料請參閱附註2.11.2及有關本集團之減值政策之說明請參閱附註2.12。

### 2.18 現金及現金等價物

合併現金流量表中，現金及現金等價物包括現金、銀行活期存款(三個月或更短內到期)。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.20 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

## 2. 重要會計政策摘要(續)

### 2.19 股本

普通股分類為權益。與發行新股或購股權直接相關的新增成本於權益中列為所得款項的減少(扣除稅項)。

### 2.20 應付貿易賬款

應付貿易賬款為在日常業務過程中就自供應商採購商品或服務的付款責任。倘貿易應付賬款預期於一年或之內到期支付(或時間更長，則在業務的正常營運週期)，則分類為流動負債。如並非於一年或之內到期，則分類為非流動負債。

應付貿易賬款初始按公允價值確認，而其後則採用實際利率法按已攤銷成本計量。

### 2.21 借款

借款初始按公允價值(扣除已產生的交易成本)確認。借款其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間的任何差額於借款期使用實際利率法於合併損益表中確認。

借款於合約列明的責任獲解除、註銷或屆滿時自資產負債表中剔除。已失效或轉移至另一方之財務負債之賬面值與已付代價之差額(包括已轉讓的任何非現金資產或已承擔負債)於損益內確認為其他收入或財務成本。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.21 Borrowings (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.22 Borrowing costs

General and specific 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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency/forward currency rates at the inception of the borrowings.

## 2. 重要會計政策摘要(續)

### 2.21 借款(續)

除非本集團有無條件的權利延遲償還負債直至報告期末後最少12個月，否則借款分類為流動負債。

### 2.22 借款成本

任何直接用於收購、建設或生產需較長時間方可用於其擬定用途或出售的合資格資產的一般及特定借款成本，乃加入該等資產的成本當中，直至資產已大致可作其擬定用途或銷售時為止。

所有其他借款成本則於其產生期間於損益表中確認。

借貸成本包括利息開支、有關融資租賃之融資費用及外幣借貸產生且被視為屬於利息成本調整範圍內之匯兌差異。匯兌收益及虧損為利息成本之調整，包括倘實體按其功能貨幣借入資金將產生借貸成本之利率差異，及外幣借貸實際產生之借貸成本。該款項按實體功能貨幣／借貸成立時的遠期匯率基於類似借貸之利率估計。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.22 Borrowing costs (continued)

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

### 2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## 2. 重要會計政策摘要(續)

### 2.22 借款成本(續)

當建立合資格資產需花費一個以上會計期間，合資格資本化的外匯差異金額基於利息開支的累計金額(該實體以其功能貨幣借貸所產生)按累計方式釐定。外匯差異資本化總額不得超過報告期末按累計基準產生的外匯差異淨值總額。

### 2.23 當期及遞延所得稅

期內稅項開支指當期及遞延稅項。稅項於合併損益表確認，惟倘與該等在其他綜合收益確認或直接在權益確認的項目有關者除外。在該情況下，稅項亦會分別於其他綜合收益確認或直接於權益確認。

#### (a) 當期所得稅

當期所得稅費用按本公司及其附屬公司及聯營公司從事業務經營並產生應課稅收入的所在國家在結算日已頒佈或實質上已頒佈的稅務法律計算。在適用的稅務法規有待解釋的情況下，管理層會定期評估申報的稅務狀況，必要時按預期向稅務機關繳納的稅額計提撥備。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.23 Current and deferred income tax (continued)

#### (b) Deferred income tax

##### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2. 重要會計政策摘要 (續)

### 2.23 當期及遞延所得稅 (續)

#### (b) 遞延所得稅

##### *內在基本差異*

遞延所得稅採用負債法按資產和負債的稅基與其在合併財務報表的賬面值兩者產生的暫時差額確認。然而，倘遞延所得稅負債於首次確認商譽產生時並無確認，遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前生效或實質生效，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產乃就有可能在未來應課稅溢利而就此可動用暫時差額而確認。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.23 Current and deferred income tax (continued)

#### (b) Deferred income tax (continued)

##### *Outside basis differences*

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2. 重要會計政策摘要(續)

### 2.23 當期及遞延所得稅(續)

#### (b) 遞延所得稅(續)

##### *外在基本差異*

遞延所得稅負債就附屬公司及聯營公司投資所產生的暫時差額作出撥備，惟遞延所得稅負債(本集團可以控制暫時差額的撥回時間，而暫時差額在可見將來有可能不會撥回)則除外。本集團一般無法控制聯營公司暫時差額之撥回，僅於訂立協議賦予本集團能力，方可控制未確認暫時差額之撥回。

僅於暫時差額可能將於日後撥回，且有充足之應課稅溢利可動用暫時差額，方會就於附屬公司、聯營公司及合營安排投資產生之可扣減暫時差額，確認遞延所得稅資產。

#### (c) 抵銷

當有法定可執行權利將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.24 Employee benefits

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”). Under the MPF Scheme, the Group and its Hong Kong employees make monthly contributions to the MPF Scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation, subject to a cap per person per month and any excess contributions are voluntary (if any).

In accordance with the rules and regulations in the PRC, the Group has arranged for its PRC employees to join the defined contribution retirement benefit plans organised by PRC government. The PRC government undertakes to assume the retirement benefit obligations of all existing and future retired employees payable under the plan as set out in Note 33. The assets of this plan are held separately from those of the Group in an independent fund managed by the PRC government.

The Group’s contributions to the defined contribution retirement benefit plan are charged to the consolidated statement of profit or loss as incurred. The Group has no further payment obligations once the contributions have been paid.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

## 2. 重要會計政策摘要 (續)

### 2.24 僱員福利

本集團已為其香港僱員安排參與強制性公積金計劃(「強積金計劃」)。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例按僱員收入5%每月向強積金計劃供款，按每人每月的供款上限及自願作出額外供款(如有)。

根據中國的規定及條例，本集團已安排於中國的僱員參與中國政府組織的定額供款統籌退休金計劃。中國政府承諾負擔按附註33所述的計劃向所有現時及未來退休的僱員支付退休金的責任。本計劃的資產撥入獨立於本集團，並由中國政府管理的獨立基金。

本集團向定額供款統籌退休金計劃繳交的供款於產生時在合併損益表列賬。本集團於供款付清後再無其他付款責任。

僱員享有之年假於彼等享有年假時確認。因僱員提供服務至結算日而須給予之估計年假均須計提撥備。

僱員享有之病假及產假須待正式休假時予以確認。

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.25 Share-based payments

#### (a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

## 2. 重要會計政策摘要(續)

### 2.25 購股權支出

#### (a) 以股權結算之購股權支出交易

本集團設有一項以股權結算、股份支付的薪酬計劃，據此實體以本集團的權益工具(購股權)作為代價取得僱員的服務。就僱員提供服務而授予的購股權的公允價值確認為支出。將列作支出的總金額乃參考所授購股權的公允價值釐定：

- 包括任何市場表現狀況(例如，實體的股份價格)；
- 不包括任何服務及非市場表現可行權條件(例如，盈利能力、銷售增長目標和該實體僱員在指定時期留任)之影響；及
- 包括任何非可行權條件(例如，僱員留任之要求)之影響。

在假定預期將授予的購股權數目時，非市場性表現及服務條件亦加入一併考慮。支出的開支總額於可行權期間內確認，該期間為所有特定可行權條件將獲達成的期間。



# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.25 Share-based payments (continued)

#### (a) Equity-settled share-based payment transactions (continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value).

#### (b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

## 2. 重要會計政策摘要 (續)

### 2.25 購股權支出 (續)

#### (a) 以股權結算之購股權支出交易 (續)

此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公允價值會予以估計，以確認服務開始期至授出日期之期間內的開支。

於各個報告期末，實體根據非市場性質的可行權條件調整對預期將授予的購股權數目所作出的估計，如有對原來估計產生影響，在合併損益表中對權益作出相應調整。

在期權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(面值)。

#### (b) 集團實體間購股權支出交易

本公司授出之購股權超過本集團附屬公司業務僱員的權益工具，作為注資處理。已收取僱員服務的公允價值乃參考授出當日公允價值計量，於歸屬期確認為於附屬公司業務投資的增加，並計入相關母實體賬目之權益內。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.26 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

## 2. 重要會計政策摘要(續)

### 2.26 撥備

環境整修、重建成本及法律索償的撥備乃於：本集團因已發生的事件而承擔法定或推定責任；可能須以資源流出清償該項責任；及責任的金額能可靠估計時須予以確認。概不就未來經營虧損確認撥備。

如有多項類似責任，則履行該等責任時將需要流出資源的可能性乃在整體考慮有關責任的類別後予以釐定。即使有關同一類別責任內任何一項責任出現流出的可能性很低，惟仍須確認撥備。

撥備採用稅前以預期清償該項責任的所需開支的現值計量，並反映市場目前對金錢的時間價值及責任特定的風險的評估。撥備因時間流逝的增加乃確認為利息費用。

### 2.27 政府補貼

當本集團可合理確保將會收到補貼，且本集團將符合所有附帶條件時，政府補貼可按公允價值予以確認。

有關成本的政府補貼遞延入賬，並按擬補償的成本配合所需期間於損益表中確認。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.27 Government grants (continued)

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

### 2.28 Revenue recognition

#### (a) Sales of goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

## 2. 重要會計政策摘要 (續)

### 2.27 政府補貼 (續)

有關物業、廠房及設備的政府補貼按遞延政府補貼列入非流動負債，並按有關資產的預期可使用年期以直線法計入損益表。

### 2.28 收入確認

#### (a) 貨品的銷售額

收入包括在本集團的日常業務過程中銷售貨品的已收或應收代價的公允價值。收入在扣除增值稅、退貨、回扣和折扣，以及對銷本集團內銷售額後列示。

就以下所述的本集團各項活動而言，在收入金額能可靠計量，而未來經濟利益將有可能流入實體以及符合特殊標準時，本集團將會確認收入。在所有與銷售有關的或然事件獲解決前，收入金額概不會被視作可予可靠計量。本集團對過往業績的估計的基礎乃已考慮到客戶的類別、交易的類型以及各項安排的特殊情況。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.28 Revenue recognition (continued)

#### (b) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet under current liabilities.

#### (c) Construction contracts

Contract revenue is recognised over the period of the contract by reference to the stage of completion when the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured. The Group uses the percentage-of-completion method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

## 2. 重要會計政策摘要(續)

### 2.28 收入確認(續)

#### (b) 物業的銷售額

出售物業的收入於物業的風險及回報轉讓至買方，即有關物業竣工後並根據銷售協議將物業交付買家，且能合理確保收取有關應收款時，方予確認。收入確認日之前已售物業收取之按金及分期付款將列賬於合併資產負債表流動負債項下。

#### (c) 工程合約

當建築合約之結果能可靠估算，且合約很大可能會產生利潤時，合約收入經參考竣工階段按合約期確認。合約成本經參考合約活動的完工階段於報告期末確認為費用。當總合約成本有可能超過總合約收入，預期之虧損即時列為費用。當工程合約之結果未能可靠估算，合約收入僅按照有可能收回之已發生合約成本確認。合約工程、索償及獎勵金之變動，就可能與客戶達成協議並能可靠計量之金額計入合約收入。本集團採用完工百分比法確定在某期間須確認之收入及成本之適當金額。完工階段乃依據截至報告期末已產生之合約成本佔合約估計總成本之比例計算。在本年度發生與未來合約活動有關的成本不包括於釐定完工階段時的合約成本。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.28 Revenue recognition (continued)

#### (d) Sales of services

The Group sells logistics transportation and customs declaration services. For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

#### (e) Lease income

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

### 2.29 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

### 2.30 Dividend income

Dividend income is recognised when the right to receive payment is established.

## 2. 重要會計政策摘要(續)

### 2.28 收入確認(續)

#### (d) 銷售服務

本集團銷售物流運輸及報關服務。有關服務的銷售，收入於乃參考特定交易之完成階段(按實際提供之服務與將提供的總服務之比例進行評估)，於提供服務之會計期間確認。

#### (e) 租賃收入

經營租賃的租賃收入，在租賃期內按直線法確認為收入。

### 2.29 利息收入

利息收入採用實際利率法確認。倘貸款及應收賬款出現減值，則本集團會將賬面值減至其按該等款項的原定實際利率的估計未來折現現金流量而設定的可收回金額，並繼續解除折現作為利息收入。已減值貸款的利息收入及應收賬款採用原定實際利率確認。

### 2.30 股息收入

股息收入在收取股息的權利確立時確認。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.31 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

If a sale and leaseback transaction results in a finance lease, any excess or deficit of sales proceeds over the carrying amount is deferred and amortised over the lease term.

## 2. 重要會計政策摘要(續)

### 2.31 租賃

擁有權的絕大部份風險及回報由出租人保留的租賃乃分類為經營租賃。根據經營租賃所支付的款項(扣除出租人所給予的任何優惠後)，乃於租賃期內以直線法自合併損益表扣除。

本集團租賃若干物業、廠房及設備。本集團實質上擁有所有權之全部風險及回報之物業、廠房及設備的租賃歸類為融資租賃。融資租賃於租賃開始時按已租賃物業的公允價值與最低租賃付款的現值中之較低者予以資本化。

每項租賃付款於負債及財務費用之間分配，以使未償還財務餘額達致一個固定的比率。對應的租賃承擔減去財務費用，於長期應付款中列賬。財務成本的利息部份在租賃期內計入合併損益表，以使各個期間就負債之餘額達致一個固定週期的利率。

倘一項出售及回租交易導致產生一項融資租賃，則出售所得款項超過賬面值的任何過剩或赤字按租賃期予以遞延及攤銷。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.32 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

### 2.33 Dividends distribution

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

## 2. 重要會計政策摘要 (續)

### 2.32 或然負債

或然負債指因已發生的事件而可能引起的責任，此等責任需就某一宗或多宗本集團不能完全控制會否實現的事件會否發生才能確認。或然負債亦可能是因已發生的事件引致的現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地計量而未有入賬。或然負債不會予以確認，但會在合併財務報表附註中披露。假若消耗資源的可能性改變導致可能出現資源消耗，則其將被列作撥備入賬。

### 2.33 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內確認為負債。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.34 Earnings per share

#### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, by weighted average number of ordinary shares outstanding during the financial year.

#### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### 2.35 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of third parties to secure loans.

## 2. 重要會計政策摘要(續)

### 2.34 每股收益

#### (a) 每股基本收益

每股基本收益按本公司權益持有者應佔溢利除以該財政年度發行在外的普通股加權平均數計算。

#### (b) 每股稀釋收益

每股稀釋收益調整了用於釐定每股基本收益的數字，當中慮及利息所得稅的稅後效應及其他與具攤薄性潛在普通股有關的財務成本，以及假設就具攤薄性潛在普通股作無代價發行的股份的加權平均數。

### 2.35 財務擔保合約

財務擔保合約是指發行人須就某指定債務人未能根據債務工具的條款支付到期債務時須向合約持有人支付指定款項以償付其損失的合約。該等財務擔保乃代表第三方授予銀行、金融機構及其他團體以擔保其貸款。



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.35 Financial guarantee contracts (continued)

Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. Any increase in the liability relating to guarantees is reported in the consolidated statement of profit or loss within other operating expenses.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

## 2. 重要會計政策摘要(續)

### 2.35 財務擔保合約(續)

財務擔保在合併財務報表中初步按提供擔保日期的公允價值確認。由於所有擔保均以公平條款協定，而所協定的溢價價值與擔保責任的價值亦相符，因此財務擔保於簽訂時的公允價值為零。概不會確認未來溢價的應收款項。於初步確認後，本集團於該等擔保的負債按初步數額減根據香港會計準則第18號確認的費用攤銷，與需要結算該擔保數額的最佳估計兩者的較高者計量。此等估計根據類似交易及過往損失的經驗釐定，並附以管理層的判斷。與擔保有關的負債的任何增加於合併損益表其他經營開支內呈報。

## 3. 財務風險管理

### 3.1 財務風險因素

本集團的活動承受多種財務風險：市場風險(包括公允價值利率風險、現金流量利率風險及外匯風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk

##### (i) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant floating interest-bearing assets. The Group's interest rate risk mainly arises from Senior Notes and bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest risk which is partially offset by cash held at variable rates. Senior Notes and loan receivables issued at fixed rates exposed the Group to fair value interest rate risk. The maximum exposures to the interest rate risk have been disclosed in Notes 19 and 26 respectively.

The Group has not used any derivatives to hedge its exposure to interest rate risk for the years ended 31 December 2016 and 2015.

## 3. 財務風險管理 (續)

### 3.1 財務風險因素 (續)

#### (a) 市場風險

##### (i) 現金流量及公允價值利率風險

由於本集團並無任何重大浮動計息資產，故本集團的收入及經營現金流量基本上不受市場利率變動所影響。本集團的利率風險主要來自優先票據及銀行借貸。按浮動利率發行的借款令本集團面臨現金流量利率風險，而該風險由按浮動利率持有的現金部份抵銷。按固定利率發行的優先票據及應收貸款令本集團面臨公允價值利率風險。最大利率風險分別於附註19及26中披露。

截至二零一六年及二零一五年十二月三十一日止年度，本集團並無使用任何衍生工具對沖其利率風險。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk

The major foreign exchange risk exposure arises from the Group's importing and exporting activities and the Group's borrowings, which are mostly denominated in United States Dollars (the "US\$"). The Group also has certain bank deposits, financial assets and financial liabilities that are denominated in foreign currencies, mainly US\$ and HK\$, which are exposed to foreign currency translation risk. The foreign exchange risk is reduced where the Group is in a position of receiving and paying the same currency. The Group also used foreign currency forward contract to hedge its exposure to foreign exchange risk for the year ended 31 December 2016. The maximum exposures to the foreign exchange risks are disclosed in Notes 17, 21, 24 and 26 respectively.

##### (iii) Summarised sensitivity analysis

The following table summarised the impact of increases/decreases of cash flow interest rate and foreign exchange rate on the Group's consolidated financial statements.

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### (a) 市場風險(續)

##### (ii) 外匯風險

外匯風險主要來自本集團進口及出口業務及本集團的借款，其中大部份均以美元(「美元」)計值。本集團有若干以外幣計值的銀行存款、金融資產及金融負債，主要計值貨幣是美元及港元，其面臨外幣匯兌風險。外匯風險降低因本集團收取及支付相同貨幣。截至二零一六年十二月三十一日止年度，本集團亦使用外幣遠期合約對沖其外匯風險。最高外匯風險的金額分別於附註17、21、24及26披露。

##### (iii) 敏感度分析摘要

下表概述現金流量利率及外匯上升/下跌對本集團合併財務報表的影響。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk (continued)

##### (iii) Summarised sensitivity analysis (continued)

The sensitivity analysis for the cash flow interest rate risk and foreign exchange risk is based on the assumption that:

- (a) Interest rate had been 15% lower/higher from the year end rates with all other variables held constant (for example, 11.5% or 8.5% instead of 10.0%);
- (b) RMB had weakened/strengthened by 10% against US\$ and HK\$ (pegged with US\$) with all other variables held constant.

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### (a) 市場風險(續)

##### (iii) 敏感度分析摘要(續)

現金流量利率風險及外匯風險的敏感度分析是基於以下假設：

- (a) 利率較年末下降／上升15%，而所有其他變量均保持不變（如：11.5%或8.5%，而非10.0%）；
- (b) 人民幣兌美元及港元（與美元掛鈎）貶值／升值10%，而所有其他變量均保持不變。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk (continued)

##### (iii) Summarised sensitivity analysis (continued)

		Cash flow interest rate risk 現金流量利率風險			
		-15%		+15%	
	Carrying Amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
<b>31 December 2016</b>	二零一六年十二月三十一日				
<b>Financial assets at floating interest rates</b>	按浮動利率計息的 金融資產				
Cash and cash equivalents	現金及現金等價物	1,290,199	(3,236)	3,236	3,236
Restricted bank balances	受限制銀行結餘	890,617	(2,234)	2,234	2,234
<b>Financial liabilities at floating interest rates</b>	按浮動利率計息的 金融負債				
Bank and other borrowings	銀行及其他借款	(646,500)	4,859	(4,859)	(4,859)
<b>Total (decrease)/increase</b>	合共(減少)/增加		(611)	611	611

		Foreign exchange risk 外匯風險			
		-10%		+10%	
	Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
<b>31 December 2016</b>	二零一六年十二月三十一日				
<b>Monetary assets</b>	貨幣資產				
Cash and cash equivalents	現金及現金等價物	1,290,199	47,708	(47,708)	(47,708)
Restricted bank balances	受限制銀行結餘	890,617	1,156	(1,156)	(1,156)
Trade receivables	應收貿易賬款	482,813	6,201	(6,201)	(6,201)
Deposits and other receivables	按金及其他應收賬款	938,440	172	(172)	(172)
<b>Monetary liabilities</b>	貨幣負債				
Trade payables	應付貿易賬款	(5,425,323)	(5,627)	5,627	5,627
Other payables	其他應付賬款	(479,273)	(776)	776	776
Borrowings	借款	(1,381,007)	(36,951)	36,951	36,951
<b>Total increase/(decrease)</b>	合共增加/(減少)		11,883	(11,883)	(11,883)

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk (continued)

##### (iii) Summarised sensitivity analysis (continued)

		Cash flow interest rate risk 現金流量利率風險				
		-15%		+15%		
		Carrying Amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
<b>31 December 2015</b>	<b>二零一五年十二月三十一日</b>					
<b>Financial assets at floating interest rates</b>	<b>按浮動利率計息的金融資產</b>					
Cash and cash equivalents	現金及現金等價物	2,337,547	(5,977)	(5,977)	5,977	5,977
Restricted bank balances	受限制銀行結餘	1,773,697	(4,497)	(4,497)	4,497	4,497
<b>Financial liabilities at floating interest rates</b>	<b>按浮動利率計息的金融負債</b>					
Bank and other borrowings	銀行及其他借款	(1,206,280)	17,608	17,608	(17,608)	(17,608)
Amounts due to related parties	應付關聯方款項	(134,903)	401	401	(401)	(401)
<b>Total increase/(decrease)</b>	<b>合共增加/(減少)</b>		<b>7,535</b>	<b>7,535</b>	<b>(7,535)</b>	<b>(7,535)</b>
		Foreign exchange risk 外匯風險				
		-10%		+10%		
		Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
<b>31 December 2015</b>	<b>二零一五年十二月三十一日</b>					
<b>Monetary assets</b>	<b>貨幣資產</b>					
Cash and cash equivalents	現金及現金等價物	2,337,547	66,246	66,246	(66,246)	(66,246)
Restricted bank balances	受限制銀行結餘	1,773,697	4,769	4,769	(4,769)	(4,769)
Trade receivables	應收貿易賬款	1,004,526	28,818	28,818	(28,818)	(28,818)
Deposits and other receivables	按金及其他應收賬款	715,667	175	175	(175)	(175)
<b>Monetary liabilities</b>	<b>貨幣負債</b>					
Trade payables	應付貿易賬款	(5,641,030)	(5,280)	(5,280)	5,280	5,280
Other payables	其他應付賬款	(644,466)	(662)	(662)	662	662
Borrowings	借款	(3,402,375)	(179,836)	(179,836)	179,836	179,836
<b>Total (decrease)/increase</b>	<b>合共(減少)/增加</b>		<b>(85,770)</b>	<b>(85,770)</b>	<b>85,770</b>	<b>85,770</b>

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (a) Market risk (continued)

##### (iii) Summarized sensitivity analysis (continued)

Profit represents consolidated profit after tax; equity represents total equity, including non-controlling interests.

Other payables include payables for purchase of property, plant and equipment, customer deposits and employee deposits as stated in Note 25.

#### (b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash and cash equivalents, restricted bank balances, financial assets at fair value through profit or loss, derivative financial instruments, available-for-sale financial assets, trade and notes receivables, deposits and other receivables, loan receivables and amounts due from related parties represent the Group's maximum exposure credit risk in relation to financial assets. The Group does not have significant credit risks arising from off-balance sheet items. The Group's credit policy for the sales of products is mainly delivery either on cash or upon receipt of bank acceptance notes with maturity dates within six months. For bank and financial institutions, the Group has policies that deposits are placed with reputable banks. Credit quality of financial assets is further disclosed in Notes 13, 19 and 44(c) respectively.

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### (a) 市場風險(續)

##### (iii) 敏感度分析摘要(續)

溢利指除稅後合併溢利；權益指權益合計，包括非控制性權益。

其他應付賬款包括購買物業、廠房及設備之應付賬款、客戶按金及僱員按金(載於附註25)。

#### (b) 信貸風險

本集團並無重大集中的信貸風險。現金及現金等價物、受限制銀行結餘、按公允價值計量且其變動計入損益表之金融資產、衍生金融工具、可供出售金融資產、應收貿易賬款及票據、按金及其他應收賬款、應收貸款及應收關聯方款項的賬面值為本集團的金融資產在信貸風險方面的最高風險水平。本集團並無由資產負債表外項目產生的重大信貸風險。本集團產品銷售的信貸政策主要為於收取現金或到期日在六個月內的銀行承兌匯票時方會發貨。對於銀行及金融機構，本集團的政策是將存款存放於有信譽的銀行。金融資產的信貸質素分別在附註13、19和44(c)內進一步披露。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, together with adequate banking facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### (c) 流動資金風險

本集團的流動資金風險透過維持充足現金及現金等價物，以及足夠銀行信貸額度控制。

下表是本集團金融負債的分析。按結算日至合約到期日的剩餘期限，將金融負債分到相關的期限組別。表中披露的金額是約定的未折現現金流量。對於12個月內到期的餘額，因折現影響不大，該等餘額等於其賬面餘額。



# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (c) Liquidity risk (continued)

		Less than 1 year 1年內	Between 1 and 2 years 1至2年	Between 2 and 5 years 2至5年	Over 5 years 5年以上	Total 合計
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>					
Borrowings	借款	1,134,507	-	246,500	-	1,381,007
Interests payable on borrowings (i)	借款應付利息 (i)	43,687	11,709	11,548	-	66,944
Trade payables	應付貿易賬款	5,425,323	-	-	-	5,425,323
Other payables	其他應付賬款	479,273	-	-	-	479,273
Amounts due to related parties	應付關聯方款項	27,266	-	-	51,859	79,125
Finance lease liabilities	融資租賃負債	551,392	603,761	-	-	1,155,153
Interest payments on finance lease liabilities (ii)	融資租賃負債之 利息款項 (ii)	40,563	34,301	-	-	74,864
Derivative financial instruments	衍生金融工具	15,669	-	-	-	15,669
Guarantee for bank borrowings of a third party	為第三方的銀行借款 出具擔保	10,960	-	-	-	10,960
		<b>7,728,640</b>	<b>649,771</b>	<b>258,048</b>	<b>51,859</b>	<b>8,688,318</b>

## 3. 財務風險管理 (續)

### 3.1 財務風險因素 (續)

#### (c) 流動資金風險 (續)

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.1 Financial risk factors (continued)

#### (c) Liquidity risk (continued)

		Less than 1 year 1年內	Between	Between	Over 5 years 5年以上	Total 合計
			1 and 2 years 1至2年	2 and 5 years 2至5年		
<b>At 31 December 2015</b>	<b>於二零一五年 十二月三十一日</b>					
Borrowings	借款	2,658,484	743,891	-	-	3,402,375
Interests payable on borrowings (i)	借款應付利息(i)	80,933	45,837	-	-	126,770
Trade payables	應付貿易賬款	5,641,030	-	-	-	5,641,030
Other payables	其他應付賬款	644,466	-	-	-	644,466
Amounts due to related parties	應付關聯方款項	83,044	-	-	51,859	134,903
Interests payable on amounts due to related parties (i)	應付關聯方款項 的應付利息(i)	2,672	-	-	-	2,672
Finance lease liabilities	融資租賃負債	48,441	49,800	1,105,414	-	1,203,655
Interest payments on finance lease liabilities (ii)	融資租賃負債的 利息付款(ii)	75,549	74,653	62,555	-	212,757
Derivative financial instruments	衍生金融工具	3,616	-	-	-	3,616
Guarantee for bank borrowings of a third party	為第三方的銀行借款 出具擔保	10,960	-	-	-	10,960
		9,249,195	914,181	1,167,969	51,859	11,383,204

(i) The interest on borrowings is calculated based on borrowings held as at 31 December 2016 and 2015 without taking into account extension or refinancing of the borrowings in future. Floating-rate interest is estimated using current interest rate as at 31 December 2016 and 2015 respectively.

(ii) The interest on finance lease is calculated based on remaining balance of finance lease liability and the interest rate implicit in the lease as at 31 December 2016.

## 3. 財務風險管理(續)

### 3.1 財務風險因素(續)

#### (c) 流動資金風險(續)

(i) 借款利息按二零一六年及二零一五年十二月三十一日持有的借款計算，不考慮未來延期或重新籌集借款。浮動利率分別按二零一六年及二零一五年十二月三十一日的當時利率估算。

(ii) 於二零一六年十二月三十一日，融資租賃利息按餘下融資租賃負債結餘及租賃隱含的利率計算。

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by the total capital. Total debt includes current and non-current borrowings, other long-term payables and borrowings from related parties. Total capital includes non-current borrowings, non-current portion of other long-term payables, non-current portion of borrowings from related parties and equity attributable to owners of the Company.

Total debt	債項總額
Total capital	總資本
Debt-to-capital ratio	債項與資本比率

As at 31 December 2016, the ratio declined due to repayment of current bank borrowings and repurchase of certain senior notes.

## 3. 財務風險管理(續)

### 3.2 資金風險管理

本集團的資金管理目標，是保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有者的利益，並維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

本集團是根據債項與資本比率監察資本狀況。該比率為債項總額除以總資本。債項總額包括流動及非流動借款、其他長期應付賬款及關聯方借款。總資本包括非流動借款、其他長期應付賬款非流動部份、關聯方借款非流動部份及歸屬於本公司權益持有者的權益。

	2016 二零一六年	2015 二零一五年
Total debt	<b>2,623,383</b>	4,761,290
Total capital	<b>10,169,651</b>	10,491,521
Debt-to-capital ratio	<b>25.80%</b>	45.38%

於二零一六年十二月三十一日，比率因償還流動銀行借款及購回若干優先票據而下降。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2016 and 31 December 2015.

## 3. 財務風險管理(續)

### 3.3 公允價值估計

下表透過估值法分析按公允價值計量的金融工具。不同級別界定如下：

- 相同資產或負債的活躍市場報價(未經調整)(第一級)。
- 除包含於第一級的報價外，資產或負債的可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定的資產或負債的輸入資料(即不可觀察的輸入資料)(第三級)。

下表呈列本集團於二零一六年十二月三十一日及二零一五年十二月三十一日按公允價值計量的資產及負債。

		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>				
<b>Assets</b>	<b>資產</b>				
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				
– Money market funds (Note 20)	– 貨幣市場基金 (附註20)	214,658	–	–	214,658
– Financial investment products (Note 20)	– 金融投資產品 (附註20)	–	–	172,800	172,800
Available-for-sale financial assets	可供出售金融資產				
– Debt securities (Note 15)	– 債務證券(附註15)	149,950	–	–	149,950
Derivative financial instruments	衍生金融工具				
– Trading derivatives	– 買賣衍生工具	–	6,220	–	6,220
		<b>364,608</b>	<b>6,220</b>	<b>172,800</b>	<b>543,628</b>
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具				
– Trading derivatives	– 買賣衍生工具	12,995	2,674	–	15,669

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.3 Fair value estimation (continued)

#### At 31 December 2015

#### Assets

Financial assets at fair value through profit or loss

- Money market funds (Note 20)
- Financial investment products (Note 20)
- Trading derivatives

#### 於二零一五年十二月三十一日

#### 資產

按公允價值計量且其變動計入損益表之金融資產

- 貨幣市場基金(附註20)
- 金融投資產品(附註20)
- 買賣衍生工具

#### Liabilities

Derivative financial instruments

- Trading derivatives

#### 負債

衍生金融工具

- 買賣衍生工具

## 3. 財務風險管理(續)

### 3.3 公允價值估計(續)

	Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
Financial assets at fair value through profit or loss				
- Money market funds (Note 20)	38,392	-	-	38,392
- Financial investment products (Note 20)	-	-	93,559	93,559
- Trading derivatives	6,914	3,319	-	10,233
	45,306	3,319	93,559	142,184
Derivative financial instruments				
- Trading derivatives	3,616	-	-	3,616

For the year ended 31 December 2016 and 2015, there are no transfers among levels of the fair value hierarchy used in measuring the fair value of financial instruments, and also no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

截至二零一六年及二零一五年十二月三十一日止年度，金融工具公允價值計量所使用公允價值層級間未有作出轉撥，且概無因變更該等資產目的或使用而改變金融資產的分類。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.3 Fair value estimation (continued)

#### 3.3.1 Fair value measurements using quoted prices (Level 1)

The Group's trading fund investments, classified as level 1 financial assets, are the money market funds acquired from certain financial institution whereby the Group is expecting to earn short-term gain from the funds. The fair values of the trading funds are determined based on the quoted market prices at the balance sheet date (Note 20).

The Group's debt securities investments, classified as level 1 financial assets, are investments in debentures with fixed interest ranging from 3.250% to 8.125% and maturity date between May 2018 and June 2021. The fair values are determined based on the quoted market prices at the balance sheet date (Note 15).

The Group's derivative financial instruments, classified as level 1 financial liabilities, are the iron ore swap contracts and coke and rebar future contracts entered into by the Group and certain financial institutions. The fair values are determined based on the prices on the Singapore Futures Exchange and the Shanghai Futures Exchange at the balance sheet date.

## 3. 財務風險管理(續)

### 3.3 公允價值估計(續)

#### 3.3.1 採用報價計量公允價值(第一級)

本集團的基金投資(分類為第一級金融資產)乃向若干金融機構購買的貨幣市場基金，據此，本集團預計自該等基金賺取短期收益。基金的公允價值乃按結算日所報市價釐定(附註20)。

本集團的債務證券投資(分類為第一級金融資產)乃按介乎3.250%至8.125%的固定利率計息及到期介乎二零一八年五月至二零二一年六月的債權證之投資。公允價值乃按結算日所報市價釐定(附註15)。

本集團衍生金融工具(分類為第一級金融資產)為本集團與若干金融機構訂立之鐵礦石掉期合約以及焦炭及螺紋鋼期貨合約。公允價值乃按結算日新加坡期貨交易所及上海期貨交易所的價格釐定。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.3 Fair value estimation (continued)

#### 3.3.2 Valuation techniques used to derive fair values (Level 2)

The Group's derivative financial instruments, classified as level 2 financial assets, are the foreign currency swap contracts entered into by the Group and certain financial institutions. The fair values are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The Group's derivative financial instruments, classified as level 2 financial liabilities, are the foreign currency forward contracts entered into by the Group and certain financial institutions. The fair values are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The foreign currency swap contracts as at 31 December 2016 comprised contracts with notional principal amounts totalling US\$ 18 million (equivalent to approximately RMB 120 million).

The foreign currency forward contracts as at 31 December 2016 comprised contracts with notional principal amounts totalling US\$ 96 million (equivalent to approximately RMB 667 million).

## 3. 財務風險管理(續)

### 3.3 公允價值估計(續)

#### 3.3.2 用於計算公允價值之估值技巧(第二級)

本集團衍生金融工具(分類為第二級金融資產)為本集團與若干金融機構訂立之外幣掉期合約。於結算日之遠期匯率用於考慮外匯遠期合約之公允價值，產生之價值貼現回現值。

本集團衍生金融工具(分類為第二級金融資產)為本集團與若干金融機構訂立之外幣遠期合約。於結算日之遠期匯率用於考慮外匯遠期合約之公允價值，產生之價值貼現回現值。

於二零一六年十二月三十一日，外幣掉期合約包括名義本金總額1,800萬美元(約等於人民幣1.2億元)之合約。

於二零一六年十二月三十一日，外幣遠期合約包括名義本金總額9,600萬美元(相等於約人民幣6.67億元)之合約。

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.3 Fair value estimation (continued)

#### 3.3.3 Fair value measurements using significant unobservable inputs (Level 3)

The Group's financial investment products, classified as level 3 financial assets are issued by banks and bond companies. Buyers of these products entrust the bank and bond companies to make investment mainly in money market or bond market. Principals and returns of such products are not guaranteed. These products cannot be traded but can only be redeemed from the issuing bank and bond companies. The fair values are determined using discounted cash flow model, the main inputs are the expected yield rates which are an unobservable data.

#### Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 31 December 2016 於二零一六年 十二月三十一日 之公允價值	Valuation Technique	Unobservable input	Range (weighted average)
		估值技巧	不可觀察輸入數據	範圍(加權平均)
Financial investment products invested both in money market and bond market	172,800	Discounted cash flow	Expected yield rate	0%-4.8% (2.4%)
投資於貨幣市場及債券市場之金融投資產品	172,800	貼現現金流	預期收益率	0%-4.8% (2.4%)

### 3.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the other financial assets and liabilities of the Group are disclosed in the relevant notes of these financial statements.

## 3. 財務風險管理(續)

### 3.3 公允價值估計(續)

#### 3.3.3 使用重大不可觀察輸入值之公允價值計量(第三級)

本集團金融投資產品(分類為第三級金融資產)由銀行及債券公司發行。該等產品之買方委託銀行及債券公司主要於貨幣市場或債券市場進行投資。該等產品的本金及回報不受擔保。該等產品不可交易，但僅可於發行銀行及債券公司贖回。公允價值乃使用貼現現金流量模式釐定，主要輸入數據為預期回報率(不可觀察數據)。

#### 公允價值計量採用的主要不可觀察輸入數據(第三級)之定量資料

### 3.4 按攤銷成本計量之金融資產及負債之公允價值

本集團的其他金融資產及負債的公允價值披露於該等財務報表相關附註。



# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes judgements, estimates and assumptions concerning the future. The resulting accounting judgements and estimates will, by definition, seldom equal to the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (a) Impairment of property, plant and equipment

The Group reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policy stated in Note 2.10. The recoverable amount of a CGU has been determined based on higher of value-in-use and fair value less costs to sell.

As at 31 December 2016, certain property, plant and equipment of the Group had impairment indicators, either because certain production lines of the Group were shut down during the year, or the Group has plans to shut down other production lines in the coming year in response to regulations issued by local governments to reduce excess steel production capacity. In addition, the economic performance of a subsidiary engaging in the manufacturing of certain steel products had been continuously below expectation (Note 7).

## 4. 關鍵會計估計及判斷

估計及判斷會被持續評估，並根據過往經驗和其他因素進行持續評估，包括在有關情況下相信為合理的對未來事件的預期。

本集團對未來作出判斷、估計及假設。所得的會計判斷及估計如其定義，很少會與其實際結果相同。很大風險導致下個財政年度的資產與負債的賬面值作出重大調整的判斷、估計及假設討論如下。

### (a) 物業、廠房及設備減值

當在任何情況下有事件或變動顯示賬面值可能不會予以收回時，本集團則會根據附註2.10所述的會計政策檢討物業、廠房及設備的減值。現金產生單位的可收回金額已根據使用價值與公允價值減銷售成本兩者的較高者釐定。

於二零一六年十二月三十一日，本集團若干物業、廠房及設備具有減值跡象，由於於年內關閉本集團若干生產線及本集團已計劃於未來數年關閉其他生產線，以響應地方政府減少鋼鐵產能過剩所發佈的規定。此外，從事生產若干鋼鐵產品的附屬公司之經濟表現已持續低於預期(附註7)。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### (a) Impairment of property, plant and equipment (continued)

In assessing the recoverability of the property, plant and equipment that had impairment indicators, management identified the relevant cash generating units (“CGUs”) to which these property, plant and equipment belong, and estimated the recoverable amounts of these CGUs based on the higher of their fair value less costs of disposal (“FVLCO”) and value in use (“VIU”) calculation. Management applied significant judgements in determining the FVLCO and VIU. The key assumption adopted in the calculations of FVLCO was the estimated disposal considerations. The key judgements adopted in the VIU calculation included:

- growth rates to extrapolate revenue and cash flows within and beyond the budget period;
- gross margin; and
- discount rate.

### (b) Current and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

## 4. 關鍵會計估計及判斷(續)

### (a) 物業、廠房及設備減值(續)

於評估具有減值跡象的物業、廠房及設備的可收回性時，管理層確認該等物業、廠房及設備所屬相關現金產生單位(「現金產生單位」)及估計該等現金產生單位的可收回金額，其根據其公允價值減出售成本(「公允價值減出售成本」)與使用價值(「使用價值」)之較高者計算。於釐定公允價值減出售成本及使用價值時，管理層應用重大判斷。計算公允價值減出售成本所採納的重要假設為估計出售代價。計算使用價值時所採納的重要判斷包括：

- 於預算期內及超出預算期的推斷收入及現金流量增長率；
- 毛利；及
- 折現率。

### (b) 當期及遞延所得稅

本集團須繳納眾多司法權區的所得稅。於釐定所得稅準備時需作出重要判斷。有許多交易及計算均難以確定最終稅項的釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜的責任。倘該等事宜的最終稅務結果與最初記錄的金額不同，有關差異會影響到有關釐定期間的當期及遞延所得稅資產及負債。

當管理層認為將來可能有應課稅溢利以抵扣暫時性差額或可使用稅務虧損時，有關若干暫時性差額及稅務虧損之遞延稅項資產予以確認。實際應用結果可能不同。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### (c) Impairment of loans and other receivables

As at 31 December 2016, the borrowers or debtors of certain loans and other receivables were in financial difficulties or have commenced bankruptcy proceedings. Impairments are recognised whenever there is objective evidence that the present value of estimated future cash flows measurable decreases and is lower than the carrying amount of the loans and other receivables. The recoverability of individually significant loans and other receivables were assessed on an individual basis based on management's estimates of discounted future cash flows. Loans and other receivable balances without objective evidence of impairment were grouped based on their credit risk characteristics for evaluation. The collective impairment provision was determined by management based on historical loss experience and aging analysis, taking into considerations of industry and other circumstances.

## 4. 關鍵會計估計及判斷(續)

### (c) 貸款及其他應收賬款減值

於二零一六年十二月三十一日，若干貸款及其他應收賬款的借款人或債務人面臨財務困難或已開始破產程序。於有客觀證據顯示估計未來可測量的現金流量現值下降且低於貸款及其他應收賬款之賬面值時，確認減值。個別重大貸款及其他應收款項的可收回性乃根據管理層對折現未來現金流量按個別基準評估。並無客觀證據顯示減值的貸款及其他應收賬款結餘按信貸風險特點進行組合。管理層根據歷史虧損經驗及賬齡分析，並考慮行業特點及其他情況釐定可收回減值撥備。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 5. SALES AND SEGMENT INFORMATION

### (a) Sales

The Group is principally engaged in the manufacture and sale of iron and steel products, trading of steel products and iron ore and real estate business. Sales recognised for the years ended 31 December 2016 and 2015 were as follows:

Gross sales less discounts, returns and sales taxes	銷售總額減折扣、退貨及銷售稅
– Strips and strip products	– 帶鋼及帶鋼類產品
– H-section steel products	– H型鋼產品
– Rebar	– 螺紋鋼
– Iron ore	– 鐵礦石
– Cold rolled sheets and galvanised sheets	– 冷軋板及鍍鋅板
– Billets	– 鋼坯
– Sheet piling	– 鋼板樁
– Real estate	– 房地產
– Others	– 其他

## 5. 銷售額及分部資料

### (a) 銷售額

本集團主要從事製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。截至二零一六年及二零一五年十二月三十一日止各年度已確認的銷售額如下：

2016 二零一六年	2015 二零一五年
<b>8,734,682</b>	6,896,144
<b>7,300,486</b>	6,651,590
<b>3,265,882</b>	3,279,491
<b>1,931,434</b>	893,138
<b>929,314</b>	1,126,699
<b>2,852,695</b>	1,224,383
<b>565,734</b>	333,246
<b>211,830</b>	460,672
<b>635,386</b>	206,175
<b>26,427,443</b>	21,071,538

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 5. SALES AND SEGMENT INFORMATION (continued)

#### (b) Segment information

The chief decision-maker has been identified as the management committee, which comprises all executive directors and top management. The chief decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources.

Based on these reports, the chief decision-maker considers the business from a business perspective. From a business perspective, the chief decision-maker assesses the performance of the iron and steel and the real estate segments.

- (i) Iron and steel - Manufacture and sale of iron and steel products and trading of steel products and iron ore; and
- (ii) Real estate - Development and sale of properties.

The chief decision-maker assesses the performance of the operating segments based on a measure of revenue and operating profit. This measurement is consistent with that in the annual financial statements.

### 5. 銷售額及分部資料 (續)

#### (b) 分部資料

首席決策人已獲確認為包括所有執行董事及最高管理層的管理委員會。首席決策人審閱本集團的內部報告以作評估業績表現及分配資源。

根據該等報告，首席決策人從商業角度考慮業務。從商業角度，首席決策人評估鋼鐵及房地產分部表現。

- (i) 鋼鐵－製造及銷售鋼鐵產品以及鋼鐵產品及鐵礦石貿易；及
- (ii) 房地產－開發及銷售物業。

首席決策人根據計量收入及經營溢利評估經營分部表現。該計量與年度財務報表一致。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 5. SALES AND SEGMENT INFORMATION (continued)

### (b) Segment information (continued)

The segment information provided to the chief decision-maker for the reportable segments for the year was as follows:

## 5. 銷售額及分部資料(續)

### (b) 分部資料(續)

就年內報告分部提供予首席決策人的分部資料呈列如下：

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度		
		Iron and steel 鋼鐵	Real estate 房地產	Total 合計
<b>Revenue</b>	收入	<b>26,215,613</b>	<b>211,830</b>	<b>26,427,443</b>
<b>Segment results:</b>	分部業績：			
<b>Operating profit/(loss)</b>	經營溢利/(虧損)	<b>1,146,253</b>	<b>(18,014)</b>	<b>1,128,239</b>
Finance (costs)/income – net	財務(成本)/收入—淨額	<b>(73,529)</b>	<b>1,260</b>	<b>(72,269)</b>
Share of results of associates	應佔聯營公司業績	<b>(1,022)</b>	<b>-</b>	<b>(1,022)</b>
Profit before income tax	除所得稅前溢利			<b>1,054,948</b>
Income tax expense	所得稅費用			<b>(523,936)</b>
<b>Profit for the year</b>	年度溢利			<b>531,012</b>
<b>Other profit or loss items</b>	其他損益項目			
Depreciation and amortisation	折舊及攤銷	<b>1,082,917</b>	<b>1,750</b>	<b>1,084,667</b>
Impairment of property, plant and equipment	物業、廠房及設備減值	<b>809,790</b>	<b>-</b>	<b>809,790</b>
<b>Capital expenditure</b>	資本開支	<b>810,850</b>	<b>21</b>	<b>810,871</b>
		Year ended 31 December 2015 截至二零一五年十二月三十一日止年度		
		Iron and steel 鋼鐵	Real estate 房地產	Total 合計
<b>Revenue</b>	收入	20,610,866	460,672	21,071,538
<b>Segment results:</b>	分部業績：			
<b>Operating (loss)/profit</b>	經營(虧損)/溢利	(485,915)	18,828	(467,087)
Finance (costs)/income – net	財務(成本)/收入—淨額	(422,206)	370	(421,836)
Share of result of an associate	應佔一間聯營公司業績	(745)	-	(745)
Loss before income tax	除所得稅前虧損			(889,668)
Income tax expense	所得稅費用			(46,349)
<b>Loss for the year</b>	年度虧損			<b>(936,017)</b>
<b>Other profit or loss items</b>	其他損益項目			
Depreciation and amortisation	折舊及攤銷	1,095,965	2,092	1,098,057
Impairment of property, plant and equipment	物業、廠房及設備減值	521,019	-	521,019
<b>Capital expenditure</b>	資本開支	980,688	133	980,821

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 5. SALES AND SEGMENT INFORMATION (continued)

### (b) Segment information (continued)

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that is reported as direct offsets in the balance sheet. Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, investment properties, intangible assets, prepayments, deposits and other receivables, inventories, trade receivables, amounts due from related parties, notes receivable, restricted bank balances and cash and cash equivalents.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities consist primarily of other long-term payables, deferred revenue, amounts due to related parties, trade payables and accruals, advances and other current liabilities.

## 5. 銷售額及分部資料 (續)

### (b) 分部資料 (續)

分部資產乃分部用於其經營活動的經營資產。分部資產扣除以資產負債表中直接抵銷呈報的相關津貼後釐定。分部資產主要包括租賃土地及土地使用權、物業、廠房及設備、投資物業、無形資產、預付款項、按金及其他應收賬款、存貨、應收貿易賬款、應收關聯方款項、應收票據、受限制銀行結餘及現金及現金等價物。

分部負債乃分部的經營活動所導致的經營負債。分部負債主要包括其他長期應付賬款、遞延收入、應付關聯方款項、應付貿易賬款以及預提費用、預收款項及其他流動負債。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 5. SALES AND SEGMENT INFORMATION (continued)

### (b) Segment information (continued)

The segment assets and liabilities as at 31 December 2016 were as follows:

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
<b>Segment assets</b>	<b>分部資產</b>	<b>17,941,495</b>	<b>1,811,238</b>	<b>(173,098)</b>	<b>19,579,635</b>
Segment assets for reportable segments	報告分部的分部資產				19,579,635
<b>Unallocated:</b>	<b>未分配：</b>				
Deferred income tax assets	遞延所得稅資產				155,880
Available-for-sale financial assets	可供出售金融資產				489,555
Derivative financial instruments	衍生金融工具				6,220
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				387,458
Loan receivables	應收貸款				401,000
Prepaid current income tax	預付當期所得稅				28,814
Total assets per balance sheet	資產負債表內的總資產				21,048,562
		<b>8,974,275</b>	<b>1,316,474</b>	<b>(173,098)</b>	<b>10,117,651</b>
<b>Segment liabilities</b>	<b>分部負債</b>				
Segment liabilities for reportable segments	報告分部的分部負債				10,117,651
<b>Unallocated:</b>	<b>未分配：</b>				
Current income tax liabilities	當期所得稅負債				122,918
Current borrowings	流動借款				1,134,507
Non-current borrowings	非流動借款				246,500
Derivative financial instruments	衍生金融工具				15,669
Dividends payable	應付股息				4,572
Deferred income tax liabilities	遞延所得稅負債				42,204
Total liabilities per balance sheet	資產負債表內的總負債				11,684,021

## 5. 銷售額及分部資料 (續)

### (b) 分部資料 (續)

於二零一六年十二月三十一日的分部資產及負債如下：



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 5. SALES AND SEGMENT INFORMATION (continued)

### (b) Segment information (continued)

The segment assets and liabilities as at 31 December 2015 were as follows:

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
<b>Segment assets</b>	<b>分部資產</b>	20,137,987	1,596,049	(438,179)	21,295,857
Segment assets for reportable segments	報告分部的分部資產				21,295,857
<b>Unallocated:</b>	<b>未分配：</b>				
Deferred income tax assets	遞延所得稅資產				377,949
Available-for-sale financial assets	可供出售金融資產				109,605
Derivative financial instruments	衍生金融工具				10,233
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				131,951
Loan receivables	應收貸款				400,000
Prepaid current income tax	預付當期所得稅				38,128
Total assets per balance sheet	資產負債表內的總資產				22,363,723

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
<b>Segment liabilities</b>	<b>分部負債</b>	9,017,013	1,359,369	(438,179)	9,938,203
Segment liabilities for reportable segments	報告分部的分部負債				9,938,203
<b>Unallocated:</b>	<b>未分配：</b>				
Current income tax liabilities	當期所得稅負債				102,795
Current borrowings	流動借款				2,658,484
Non-current borrowings	非流動借款				743,891
Derivative financial instruments	衍生金融工具				3,616
Dividends payable	應付股息				4,572
Total liabilities per balance sheet	資產負債表內的總負債				13,451,561

## 5. 銷售額及分部資料 (續)

### (b) 分部資料 (續)

於二零一五年十二月三十一日的分部資產及負債如下：

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
<b>Segment assets</b>	<b>分部資產</b>	20,137,987	1,596,049	(438,179)	21,295,857
Segment assets for reportable segments	報告分部的分部資產				21,295,857
<b>Unallocated:</b>	<b>未分配：</b>				
Deferred income tax assets	遞延所得稅資產				377,949
Available-for-sale financial assets	可供出售金融資產				109,605
Derivative financial instruments	衍生金融工具				10,233
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				131,951
Loan receivables	應收貸款				400,000
Prepaid current income tax	預付當期所得稅				38,128
Total assets per balance sheet	資產負債表內的總資產				22,363,723
<b>Segment liabilities</b>	<b>分部負債</b>	9,017,013	1,359,369	(438,179)	9,938,203
Segment liabilities for reportable segments	報告分部的分部負債				9,938,203
<b>Unallocated:</b>	<b>未分配：</b>				
Current income tax liabilities	當期所得稅負債				102,795
Current borrowings	流動借款				2,658,484
Non-current borrowings	非流動借款				743,891
Derivative financial instruments	衍生金融工具				3,616
Dividends payable	應付股息				4,572
Total liabilities per balance sheet	資產負債表內的總負債				13,451,561

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 6. LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent the prepayment for the operating lease, the net book value of which is analysed as follows:

At 1 January	於一月一日		
Additions from acquiring a subsidiary (Note 43)	收購一間附屬公司增加 (附註43)		
Transfer from property plant and equipment (Note 7)	物業、廠房及設備轉入(附註7)		
Amortisation of leasehold land and land use rights (Note 32)	租賃土地及土地使用權攤銷(附註32)		
At 31 December 2016	於二零一六年十二月三十一日		

As at 31 December 2016, the net book value of leasehold land and land use rights pledged as security for the Group's borrowings amounted to approximately RMB 56 million (2015: Nil) (Note 26).

The Group's leasehold land and land use rights are all located in the PRC and the remaining lease period is between 27 years to 50 years.

## 6. 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指經營租賃預付款項，按其賬面淨值分析如下：

	2016 二零一六年	2015 二零一五年
At 1 January	140,422	136,386
Additions from acquiring a subsidiary (Note 43)	58,091	-
Transfer from property plant and equipment (Note 7)	-	7,614
Amortisation of leasehold land and land use rights (Note 32)	(5,390)	(3,578)
At 31 December 2016	<b>193,123</b>	140,422

於二零一六年十二月三十一日，為本集團之借款作抵押的租賃土地及土地使用權之賬面淨值約為人民幣5,600萬元(二零一五年：無)(附註26)。

本集團的租賃土地及土地使用權均位於中國，餘下租期介乎27年至50年。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 7. PROPERTY, PLANT AND EQUIPMENT

## 7. 物業、廠房及設備

		Buildings	Machinery	Furniture and fixtures	Vehicles	Leasehold improve- ments	CIP	Total
		樓宇	機器設備	辦公設備	汽車	租賃物業 裝修	在建工程	合計
<b>Year ended 31 December 2015</b>	<b>截至二零一五年十二月三十一日止年度</b>							
Opening net book amount	年初賬面淨值	2,688,069	5,374,266	32,058	48,265	97	678,075	8,820,830
Additions	添置	6,313	69,689	8,114	11,857	-	884,425	980,398
Transfer from CIP	在建工程轉入	110,796	837,266	2,083	-	-	(950,145)	-
Transfer from inventory	存貨轉入	-	75,896	-	-	-	-	75,896
Transfer to land use right (Note 6)	轉至土地使用權(附註6)	-	-	-	-	-	(7,614)	(7,614)
Disposals (Note 40)	出售(附註40)	(2,624)	(51)	(324)	(1,338)	-	-	(4,337)
Depreciation (Note 32)	折舊(附註32)	(176,116)	(883,230)	(7,950)	(16,447)	(55)	-	(1,083,798)
Impairment (Note 30)	減值(附註30)	(85,689)	(433,013)	(2,121)	(196)	-	-	(521,019)
Closing net book amount	年末賬面淨值	2,540,749	5,040,823	31,860	42,141	42	604,741	8,260,356
<b>At 31 December 2015</b>	<b>於二零一五年十二月三十一日</b>							
Cost	成本	3,867,524	11,532,866	126,645	166,707	1,337	604,741	16,299,820
Accumulated depreciation	累計折舊	(1,192,399)	(5,866,815)	(91,231)	(124,287)	(1,295)	-	(7,276,027)
Impairment	減值	(134,376)	(625,228)	(3,554)	(279)	-	-	(763,437)
Net book amount	賬面淨值	2,540,749	5,040,823	31,860	42,141	42	604,741	8,260,356
<b>Year ended 31 December 2016</b>	<b>截至二零一六年十二月三十一日止年度</b>							
Opening net book amount	年初賬面淨值	2,540,749	5,040,823	31,860	42,141	42	604,741	8,260,356
Additions	添置	1,602	51,057	4,286	9,893	-	744,033	810,871
Additions from acquiring a subsidiary	收購一間附屬公司增加	233,810	615,174	2,007	1,394	-	-	852,385
Transfer from CIP	在建工程轉入	473,156	305,021	993	-	-	(779,170)	-
Disposals (Note 40)	出售(附註40)	-	(1,727)	(853)	(4,246)	-	-	(6,826)
Depreciation (Note 32)	折舊(附註32)	(183,302)	(864,227)	(5,116)	(15,903)	(42)	-	(1,068,590)
Impairment (Note 30)	減值(附註30)	(257,005)	(535,549)	(1,890)	(3,187)	-	(12,159)	(809,790)
Closing net book amount	年末賬面淨值	2,809,010	4,610,572	31,287	30,092	-	557,445	8,038,406
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>							
Cost	成本	4,576,899	12,477,821	132,856	144,995	1,337	569,604	17,903,512
Accumulated depreciation	累計折舊	(1,376,508)	(6,706,472)	(96,125)	(111,437)	(1,337)	-	(8,291,879)
Impairment	減值	(391,381)	(1,160,777)	(5,444)	(3,466)	-	(12,159)	(1,573,227)
Net book amount	賬面淨值	2,809,010	4,610,572	31,287	30,092	-	557,445	8,038,406

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 7. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expenses have been charged to the consolidated statement of profit or loss as follows:

Cost of sales	銷售成本
Administrative expenses	行政費用

As at 31 December 2016, the net book value of property, plant and equipment pledged as security for the Group's borrowings amounted to approximately RMB 975 million (2015: Nil) (Note 26).

For the year ended 31 December 2016, borrowing costs amounted to approximately RMB 11 million (2015: RMB 35 million) were capitalised in the cost of property, plant and equipment at an annual average capitalisation rate of 6.35% (2015: 7.60%).

For the year ended 31 December 2016, provision for impairment of approximately RMB 810 million was made for certain property, plant and equipment of the Group (Note 30). The impairment amount was determined using the higher of FVLCOD and VIU of the relevant CGUs. The key assumptions used for the VIU calculations of CGUs as at 31 December 2016 were as follows:

Gross margin	毛利
Growth rate	增長率
Discount rate	折現率

## 7. 物業、廠房及設備(續)

已於合併損益表中扣除的折舊開支如下：

	2016 二零一六年	2015 二零一五年
	1,031,271	1,057,578
	37,319	26,220
	<b>1,068,590</b>	1,083,798

於二零一六年十二月三十一日，為本集團借款作抵押之物業、廠房及設備之賬面值約人民幣9.75億元(二零一五年：無)(附註26)。

截至二零一六年十二月三十一日止年度，借貸成本約人民幣1,100萬元(二零一五年：人民幣3,500萬元)已按年度平均資本化比率6.35%(二零一五年：7.60%)資本化為物業、廠房及設備的成本。

截至二零一六年十二月三十一日止年度，已就本集團之若干物業、廠房及設備作出約人民幣8.10億元的減值撥備(附註30)。減值金額使用相關現金產生單位之公允價值減出售成本與使用價值之較高者釐定。於二零一六年十二月三十一日用於各現金產生單位使用價值計算之主要假設如下：

### CGUs 現金產生單位

(2.0%)~3.4%
0%~3.0%
12.4%

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 7. PROPERTY, PLANT AND EQUIPMENT (continued)

Buildings and machinery includes the following amounts where the Group is a lessee under several finance lease arrangements arising from a sale and leaseback:

Cost – capitalised finance leases	成本－資本化融資租賃
Accumulated depreciation	累計攤銷
Net book amount	賬面淨值

### 7. 物業、廠房及設備 (續)

樓宇及機器設備包括以下款項，本集團為產生售後回租之數個融資租賃安排的承租人：

2016	2015
二零一六年	二零一五年
<b>1,200,000</b>	1,200,000
<b>(172,730)</b>	(13,995)
<b>1,027,270</b>	1,186,005

### 8. INVESTMENT PROPERTIES

The investment properties are located in the PRC and their net book value are analysed as follows:

#### Year ended 31 December 2015

Opening net book amount  
Depreciation (Note 32)

Closing net book amount

#### At 31 December 2015

Cost  
Accumulated depreciation

Net book amount

#### Year ended 31 December 2016

Opening net book amount  
Depreciation (Note 32)

Closing net book amount

#### At 31 December 2016

Cost  
Accumulated depreciation

Net book amount

#### 截至二零一五年十二月三十一日止年度

年初賬面淨值  
折舊 (附註32)

年末賬面淨值

#### 於二零一五年十二月三十一日

成本  
累計折舊

賬面淨值

#### 截至二零一六年十二月三十一日止年度

年初賬面淨值  
折舊 (附註32)

年末賬面淨值

#### 於二零一六年十二月三十一日

成本  
累計折舊

賬面淨值

### 8. 投資物業

投資物業位於中國，按其賬面淨值分析如下：

7,431
(441)
6,990
12,042
(5,052)
6,990
6,990
(441)
6,549
12,042
(5,493)
6,549

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 8. INVESTMENT PROPERTIES (continued)

Amounts recognised in consolidated statement of profit or loss for investment properties included:

Rental income (Note 31)	租金收入(附註31)
Direct operating expenses from properties that generated rental income	產生租金收入的物業的直接經營開支

As at 31 December 2016 and 2015, the Group had no significant contractual obligations for future repairs and maintenance of the investment properties.

As at 31 December 2016, the Directors estimated that the fair value of the investment properties was approximately RMB 55.4 million (2015: RMB 49.9 million) based on the prices in the active market.

### 8. 投資物業(續)

於合併損益表內就投資物業確認的金額包括：

2016 二零一六年	2015 二零一五年
2,574	2,616
(441)	(441)
<b>2,133</b>	2,175

於二零一六年及二零一五年十二月三十一日，本集團並無就投資物業的日後維修及保養產生重大合約承擔。

於二零一六年十二月三十一日，董事根據在交投活躍市場的價格估計投資物業的公允價值約人民幣5,540萬元(二零一五年：人民幣4,990萬元)。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
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## 9. INTANGIBLE ASSETS

## 9. 無形資產

		Unpatented technology 非專利技術	Software 軟件	Goodwill 商譽	Total 合計
<b>Year ended 31 December 2015</b>	<b>截至二零一五年 十二月三十一日止年度</b>				
Opening net book amount	年初賬面淨值	–	175	8,498	8,673
Additions	添置	80,608	423	–	81,031
Amortisation (Note 32)	攤銷(附註32)	(10,076)	(164)	–	(10,240)
Closing net book amount	年末賬面淨值	70,532	434	8,498	79,464
<b>At 31 December 2015</b>	<b>於二零一五年 十二月三十一日</b>				
Cost	成本	80,608	840	16,165	97,613
Accumulated amortisation and impairment	累計攤銷及減值	(10,076)	(406)	(7,667)	(18,149)
Net book amount	賬面淨值	70,532	434	8,498	79,464
<b>Year ended 31 December 2016</b>	<b>截至二零一六年 十二月三十一日止年度</b>				
Opening net book amount	年初賬面淨值	<b>70,532</b>	<b>434</b>	<b>8,498</b>	<b>79,464</b>
Additions from acquiring a subsidiary (Note 43)	收購一間附屬公司增加 (附註43)	–	–	<b>25,152</b>	<b>25,152</b>
Amortisation (Note 32)	攤銷(附註32)	<b>(10,076)</b>	<b>(170)</b>	–	<b>(10,246)</b>
Closing net book amount	年末賬面淨值	<b>60,456</b>	<b>264</b>	<b>33,650</b>	<b>94,370</b>
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>				
Cost	成本	<b>80,608</b>	<b>840</b>	<b>41,317</b>	<b>122,765</b>
Accumulated amortisation and impairment	累計攤銷及減值	<b>(20,152)</b>	<b>(576)</b>	<b>(7,667)</b>	<b>(28,395)</b>
Net book amount	賬面淨值	<b>60,456</b>	<b>264</b>	<b>33,650</b>	<b>94,370</b>

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 10. SUBSIDIARIES

As at 31 December 2016, the Company had direct and indirect interests in the following subsidiaries:

## 10. 附屬公司

於二零一六年十二月三十一日，本公司於下列附屬公司擁有直接及間接權益：

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益 百分比	Issued and fully paid capital 已發行及繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Gold Genesis Development Limited ("Gold Genesis")	British Virgin Islands ("BVI") 21 February 2003	Limited liability company	100% (Directly held)	US\$ 1	US\$ 50,000	Investment holding
Gold Genesis Development Limited (「Gold Genesis」)	英屬維爾京群島 (「英屬維爾京群島」) 二零零三年二月二十一日	有限責任公司	100% (直接持有)	1 美元	50,000 美元	投資控股
Good Lucky Enterprises Limited ("Good Lucky")	BVI 21 February 2003	Limited liability company	100% (Directly held)	US\$ 1	US\$ 50,000	Investment holding
Good Lucky Enterprises Limited (「Good Lucky」)	英屬維爾京群島 二零零三年二月二十一日	有限責任公司	100% (直接持有)	1 美元	50,000 美元	投資控股
First Glory Services Limited ("First Glory")	BVI 16 October 2003	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
First Glory Services Limited (「First Glory」)	英屬維爾京群島 二零零三年十月十六日	有限責任公司	100% (直接持有)	2 美元	50,000 美元	投資控股
Accordpower Investments Limited ("Accordpower")	BVI 30 November 2004	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
致威投資有限公司 (「致威」)	英屬維爾京群島 二零零四年十一月三十日	有限責任公司	100% (直接持有)	2 美元	50,000 美元	投資控股
Fullhero Investments Limited ("Fullhero")	BVI 3 May 2005	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
英豐投資有限公司 (「英豐」)	英屬維爾京群島 二零零五年五月三日	有限責任公司	100% (直接持有)	2 美元	50,000 美元	投資控股
Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited")	PRC 24 December 1999	Joint stock company with limited liability	97.6% (Indirectly held)	RMB 228,640,000	RMB 228,640,000	Manufacture and sales of steel products
河北津西鋼鐵集團股份有限公司 (「津西鋼鐵」)	中國 一九九九年 十二月二十四日	股份有限責任公司	97.6% (間接持有)	人民幣 228,640,000 元	人民幣 228,640,000 元	生產及銷售鋼鐵產品



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan")	PRC 26 December 2003	Limited liability company	80.28% (Indirectly held)	US\$ 55,150,000	US\$ 55,150,000	Manufacture and sales of steel products
佛山津西金蘭冷軋板有限公司 (「津西金蘭」)	中國 二零零三年十二月二十六日	有限責任公司	80.28% (間接持有)	55,150,000 美元	55,150,000 美元	生產及銷售鋼鐵產品
Oriental Fullhero Leasing Co. Ltd. ("Fullhero Leasing")	PRC 23 September 2005	Limited liability company	100% (Indirectly held)	US\$ 65,000,000	US\$ 65,000,000	Leasing and financial leasing
東方英豐租賃有限公司 (「英豐租賃」)	中國 二零零五年九月二十三日	有限責任公司	100% (間接持有)	65,000,000 美元	65,000,000 美元	租賃及融資租賃
Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel")	PRC 30 May 2008	Limited liability company	97.6% (Indirectly held)	RMB 350,000,000	RMB 350,000,000	Manufacture and sales of steel products
河北津西型鋼有限公司 (「津西型鋼」)	中國 二零零八年五月三十日	有限責任公司	97.6% (間接持有)	人民幣 350,000,000 元	人民幣 350,000,000 元	生產及銷售鋼鐵產品
Jinxi Hong Kong Trading Company Limited ("HK Trading")	Hong Kong 27 October 2008	Limited liability company	97.6% (Indirectly held)	HK\$ 38,750,001	HK\$ 80,000,000	Import and export of goods
津西香港進出口有限公司 (「津西香港」)	香港 二零零八年十月二十七日	有限責任公司	97.6% (間接持有)	38,750,001 港元	80,000,000 港元	進出口貨物
Suifenghe City Jinyin Trading Co. Ltd. ("Jinyin Trading")	PRC 24 September 2008	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Import and export of goods and technology
綏芬河市津銀貿易有限公司 (「津銀貿易」)	中國 二零零八年九月二十四日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000 元	人民幣 10,000,000 元	進出口貨物及技術
Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Co. Ltd. ("Zhengda Iron and Steel")	PRC 19 December 2008	Limited liability company	69.3% (Indirectly held)	RMB 50,000,000	RMB 50,000,000	Manufacture and sales of steel products
河北津西鋼鐵集團正達鋼鐵有限公司 (「正達鋼鐵」)	中國 二零零八年十二月十九日	有限責任公司	69.3% (間接持有)	人民幣 50,000,000 元	人民幣 50,000,000 元	生產及銷售鋼鐵產品

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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Tangshan Fengrun Qu Tong Yuan Trading Company Limited ("Tong Yuan Trading")	PRC 22 May 2009	Limited liability company	69.3% (Indirectly held)	RMB 5,000,000	RMB 5,000,000	Purchase and sale of ferrous metal and coke
唐山市豐潤區通遠商貿有限公司 (「通遠商貿」)	中國 二零零九年 五月二十二日	有限責任公司	69.3% (間接持有)	人民幣 5,000,000元	人民幣 5,000,000元	買賣黑色金屬及焦炭
Hebei Jinxi Boyuan Real Estate Co. Ltd. ("Boyuan Real Estate") (i)	PRC 17 December 2009	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Development and sales of real estate
河北津西博遠房地產開發有限公司 (「博遠房地產」)(i)	中國 二零零九年 十二月十七日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	開發及銷售房地產
Clear Precision Limited ("Clear Precision")	BVI 22 July 2010	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
明達有限公司 (「明達」)	英屬維爾京群島 二零一零年 七月二十二日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Beijing Jinxi Investment Holding Co. Ltd. ("Beijing Jinxi Investment")	PRC 26 August 2010	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Investment holding
北京津西投資控股有限公司 (「北京津西投資」)	中國 二零一零年 八月二十六日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	投資控股
Oriental Evertrust Finance Leasing Co. Ltd. ("Oriental Evertrust")	PRC 27 September 2010	Limited liability company	98.20% (Indirectly held)	US\$ 200,000,000	US\$ 200,000,000	Financial leasing and leasing
東方信遠融資租賃有限公司 (「東方信遠」)	中國 二零一零年 九月二十七日	有限責任公司	98.20% (間接持有)	200,000,000 美元	200,000,000 美元	融資租賃及租賃

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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	百分比	已發行及繳足股本	法定股本	主要業務
Oriental Green Energy-Saving Environmental Protection Engineering Co. Ltd. ("Oriental Green")	PRC 20 October 2010	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Environmental Protection Engineering
東方綠源節能環保工程有限公司(「東方綠源」)	中國 二零一零年 十月二十日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	環境保護工程
Hebei Jinshun Energy-Saving Technology Development Co. Ltd. ("Jinshun Energy-Saving")	PRC 17 November 2010	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Research and development on recycling and energy-saving technology and other recycling business
河北津順節能技術開發有限公司(「津順節能」)	中國 二零一零年 十一月十七日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	研發循環及節能技術及其他循環業務
Beijing Jinxi Boyuan Real Estate Co. Ltd. ("Beijing Real Estate")	PRC 18 November 2010	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Development and sales of real estate
北京津西博遠置業有限公司(「北京房地產」)	中國 二零一零年 十一月十八日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	開發及銷售房地產
China Oriental Singapore Pte. Ltd. ("China Oriental Singapore")	Singapore 29 November 2010	Limited liability company	100% (Indirectly held)	US\$ 10,000,000	Not applicable	Trading of iron ore and related products
China Oriental Singapore Pte. Ltd. (「China Oriental Singapore」)	新加坡 二零一零年 十一月二十九日	有限責任公司	100% (間接持有)	10,000,000美元	不適用	買賣鐵礦石及相關產品

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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Hebei Jinxi Iron and Steel Group Dafang Heavy Industry Science and Technology Co. Limited ("Jinxi Dafang") (ii) (vii)	PRC 27 November 2003	Limited liability company	55.75% (Indirectly held)	RMB 93,098,162	RMB 93,098,162	Manufacture and sales of casting products and equipment maintenance
河北津西鋼鐵集團大方重工科技有限公司 (「津西大方」) (ii) (vii)	中國 二零一三年十一月二十七日	有限責任公司	55.75% (間接持有)	人民幣 93,098,162元	人民幣 93,098,162元	生產及銷售鑄造產品及設備保養
Jinxi International Trade Co. Ltd. ("Jinxi International Trade")	PRC 23 March 2011	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	International trading
津西國際貿易有限公司 (「津西國際貿易」)	中國 二零一一年三月二十三日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	國際貿易
Hebei Caofeidian Jinxing Resource Development Co. Ltd. ("Caofeidian Jinxing")	PRC 1 July 2011	Limited liability company	97.6% (Indirectly held)	RMB 6,000,000	RMB 6,000,000	Motor vehicle scrap and crush demolition solution
河北曹妃甸津興資源開發有限公司 (「曹妃甸津興」)	中國 二零一一年七月一日	有限責任公司	97.6% (間接持有)	人民幣 6,000,000元	人民幣 6,000,000元	機動車輛報廢和壓碎清理方案
Beijing Jinxi LongXiang Culture Co. Ltd. ("Longxiang Culture")	PRC 4 May 2012	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Publication
北京津西龍翔文化發展有限公司 (「龍翔文化」)	中國 二零一二年五月四日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	出版業
Tianjin Oriental Huitong Microcredit Co. Ltd. ("Oriental Huitong")	PRC 29 June 2012	Limited liability company	97.8% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Provision of loans
天津東方匯通小額貸款有限公司 (「東方匯通」)	中國 二零一二年六月二十九日	有限責任公司	97.8% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	提供貸款

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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Tianjin Jinxi Logistics Co. Ltd. ("Jinxi Logistics") 天津津西物流有限公司 (「津西物流」)	PRC 31 July 2012 中國 二零一二年七月三十一日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 20,000,000 人民幣 20,000,000元	RMB 20,000,000 人民幣 20,000,000元	Provision of agency services for import/export 提供進出口代理服務
Qianxi Xinhaiyuan Trade Co. Ltd. ("Xinhaiyuan") 遷西縣鑫海源商貿有限公司 (「鑫海源」)	PRC 24 October 2012 中國 二零一二年十月二十四日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 2,000,000 人民幣 2,000,000元	RMB 2,000,000 人民幣 2,000,000元	Sales of mining machinery accessories 銷售採礦機械配件
Tianjin Julii Trade Co. Ltd. ("Julii Trade") 天津聚利貿易有限公司 (「聚利貿易」)	PRC 25 October 2012 中國 二零一二年十月二十五日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 100,000,000 人民幣 100,000,000元	RMB 100,000,000 人民幣 100,000,000元	International trading 國際貿易
Suzhou Jinxi Boyuan Real Estate Co. Ltd. ("Suzhou Boyuan") (iii) 蘇州津西博遠房地產開發有限公司(「蘇州博遠」)(iii)	PRC 23 January 2013 中國 二零一三年一月二十三日	Limited liability company 有限責任公司	58.56% (Indirectly held) 58.56% (間接持有)	RMB 80,000,000 人民幣 80,000,000元	RMB 80,000,000 人民幣 80,000,000元	Development and sales of real estate 房地產開發及銷售
Beijing Jinxi Boyuan Project Management Co. Ltd. ("Beijing Boyuan Project Management") 北京津西博遠項目管理有限公司 (「北京博遠項目管理」)	PRC 12 July 2013 中國 二零一三年七月十二日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 1,000,000 人民幣 1,000,000元	RMB 1,000,000 人民幣 1,000,000元	Construction project management 工程項目管理
Well Balanced Global Limited ("Well Balance") Well Balanced Global Limited (「Well Balance」)	BVI 2 January 2014 英屬維爾京群島 二零一四年一月二日	Limited liability company 有限責任公司	100% (Directly held) 100% (直接持有)	US\$ 1 1美元	US\$ 50,000 50,000美元	Investment holding 投資控股
Finest Sino International Limited ("Finest Sino") Finest Sino International Limited (「Finest Sino」)	BVI 2 January 2014 英屬維爾京群島 二零一四年一月二日	Limited liability company 有限責任公司	100% (Indirectly held) 100% (間接持有)	US\$ 1 1美元	US\$ 50,000 50,000美元	Investment holding 投資控股

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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Oriental Jingyuan Science Technology (Beijing) Co. Ltd. ("Oriental Jingyuan") (v) (vii)	PRC 18 February 2014	Limited liability company	49.8% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Technology and import and export of goods
東方晶源電子科技(北京)有限公司(「東方晶源」)(v) (vii)	中國 二零一四年二月十八日	有限責任公司	49.8% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	技術及貨物進出口
Tian Jin Hainajin International Trade Co. Ltd. ("Tian Jin Hainajin")	PRC 20 February 2014	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	International trading
天津海納金國際貿易有限公司(「天津海納金」)	中國 二零一四年二月二十日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	國際貿易
Tian Jin Hengyuanda Coal Trade Co. Ltd. ("Tian Jin Hengyuanda")	PRC 26 March 2014	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 10,000,000	Wholesale and retail trade
天津恒遠達煤炭貿易有限公司(「天津恒遠達」)	中國 二零一四年三月二十六日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 10,000,000元	批發及零售貿易
Tian Jin Haichangsheng Steel Trade Co. Ltd. ("Tian Jin Haichangsheng")	PRC 26 March 2014	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 10,000,000	Wholesale and retail trade
天津海昌升鋼材貿易有限公司(「天津海昌升」)	中國 二零一四年三月二十六日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 10,000,000元	批發及零售貿易
Tian Jin Longshunxiang Environmental Protection Engineering Co. Ltd. ("Tian Jin Longshunxiang")	PRC 26 March 2014	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 30,000,000	Environmental protection engineering
天津龍順翔環保工程有限公司(「天津龍順翔」)	中國 二零一四年三月二十六日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 30,000,000元	環保工程
Suzhou Jinxi Boyun Real Estate Co. Ltd. ("Suzhou Boyun")	PRC 25 April 2014	Limited liability company	97.6% (Indirectly held)	RMB 30,000,000	RMB 30,000,000	Development and sales of real estate
蘇州津西博運房地產開發有限公司(「蘇州博運」)	中國 二零一四年四月二十五日	有限責任公司	97.6% (間接持有)	人民幣 30,000,000元	人民幣 30,000,000元	房地產開發及銷售

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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Qianxi Xian Dafang Pengcheng Science and Technology Co. Ltd. ("Dafang Pengcheng") (vii)	PRC 21 July 2014	Limited liability company	45.75% (Indirectly held)	RMB 6,000,000	RMB 6,000,000	Development of energy saving technology and freight transport
遷西縣大方騰程科技有限公司 (「大方騰程」) (vii)	中國 二零一四年七月二十一日	有限責任公司	45.75% (間接持有)	人民幣 6,000,000元	人民幣 6,000,000元	開發節能技術及貨運
Hebei Jinxi Iron and Steel Group Special Steel Co. Ltd. ("Jinxi Special Steel")	PRC 16 October 2014	Limited liability company	97.6% (Indirectly held)	RMB 1,570,000,000	RMB 2,150,000,000	Manufacture and sales of steel products
河北津西鋼鐵集團特鋼有限公司 (「津西特鋼」)	中國 二零一四年十月十六日	有限責任公司	97.6% (間接持有)	人民幣 1,570,000,000元	人民幣 2,150,000,000元	生產及銷售鋼鐵產品
Tangshan Jinxi Logistics Co. Ltd. ("Tangshan Logistics")	PRC 7 April 2015	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Transport agency of import and export goods
唐山津西物流有限公司 (「唐山物流」)	中國 二零一五年四月七日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	進出口貨物運輸代理
Qianxi Boshun Logistics Co. Ltd. ("Boshun Logistics")	PRC 9 April 2015	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Logistics
遷西縣博順物流有限公司 (「博順物流」)	中國 二零一五年四月九日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	物流
New Asia Prosperity International Trade Co. Ltd. ("New Asia Prosperity")	PRC 10 June 2015	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 100,000,000	International trading
天津新亞熙國際貿易有限公司 (「新亞熙貿易」)	中國 二零一五年六月十日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易

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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Dongfang Jingyuan Hong Kong Co. Ltd. ("Dongfang Jingyuan Hong Kong") (vii)	Hong Kong 18 September 2015	Limited liability company	49.8% (Indirectly held)	HK\$ 1	Not applicable	Investment holding
東方晶源香港有限公司 (「東方晶源香港」) (vii)	香港 二零一五年九月十八日	有限責任公司	49.8% (間接持有)	1港元	不適用	投資控股
Tianjin Ansai Assets Management Co. Ltd. ("Ansay Asset Management")	PRC 30 September 2015	Limited liability company	97.6% (Indirectly held)	RMB 2,000,000	RMB 100,000,000	Assets management
天津安塞資產管理有限公司 (「安塞資產管理」)	中國 二零一五年九月三十日	有限責任公司	97.6% (間接持有)	人民幣 2,000,000元	人民幣 100,000,000元	資產管理
Qianxi County Jinxi Wantong Ductile Iron Pipe Co. Ltd. ("Jinxi Wantong") (iv)	PRC 22 July 2009	Limited liability company	97.6% (Indirectly held)	RMB 680,000,000	RMB 680,000,000	Manufacture and sales of steel products
遷西縣津西萬通球墨鑄管有限公司 (「津西萬通」) (iv)	中國 二零零九年七月二十二日	有限責任公司	97.6% (間接持有)	人民幣 680,000,000元	人民幣 680,000,000元	生產及銷售鋼鐵產品
Tianjin Oriental Jiangtian Section Steel Sales Co. Ltd. ("Oriental Jiangtian")	PRC 25 December 2015	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 10,000,000	Manufacture and sales of steel products
天津市東方江天型鋼銷售有限公司 (「東方江天」)	中國 二零一五年十二月二十五日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 10,000,000元	生產及銷售鋼鐵產品
Tianjin Jinxi Zhengda Hengxin International Trade Co. Ltd. ("Zhengda Hengxin")	PRC 23 March 2016	Limited liability company	69.3% (Indirectly held)	RMB 0	RMB 100,000,000	International trading
天津津西正達恒信國際貿易有限公司 (「正達恒信」)	中國 二零一六年三月二十三日	有限責任公司	69.3% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易



# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 10. SUBSIDIARIES (continued)

## 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	百分比	已發行及繳足股本	法定股本	主要業務
Tianjin Jinxi Zhiyuan International Trade Co. Ltd. ("Jinxi Zhiyuan")	PRC 23 March 2016	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 100,000,000	International trading
天津津西致遠國際貿易有限公司 (「津西致遠」)	中國 二零一六年三月二十三日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Tianjin Xinhui Finance Leasing Co. Ltd. ("Tianjin Xinhui")	PRC 13 April 2016	Limited liability company	98.2% (Indirectly held)	RMB 1 billion	RMB 1 billion	Financial leasing and leasing
天津信匯融資租賃有限公司 (「天津信匯」)	中國 二零一六年四月十三日	有限責任公司	98.2% (間接持有)	人民幣 1,000,000,000元	人民幣 1,000,000,000元	融資租賃及租賃
Hebei Jinxi International Trade Co. Ltd. ("Hebei Jinxi International Trade")	PRC 27 April 2016	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 100,000,000	International trading
河北津西國際貿易有限公司 (「河北津西國貿」)	中國 二零一六年四月二十七日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Zhongke Jingyuan Science Technology (Beijing) Co. Ltd. ("Zhongke Jingyuan") (vii)	PRC 25 August 2016	Limited liability company	44.8% (Indirectly held)	RMB 8,000,000	RMB 100,000,000	Technology and import and export of goods
中科晶源微電子技術(北京)有限公司 (「中科晶源」) (vii)	中國 二零一六年八月二十五日	有限責任公司	44.8% (間接持有)	人民幣 8,000,000元	人民幣 100,000,000元	技術及貨物進出口
Zhongjin Finance Leasing Co. Ltd. ("Zhongjin Leasing")	PRC 15 December 2016	Limited liability company	99.1% (Indirectly held)	RMB 750,000,000	RMB 1 billion	Financial leasing and leasing
中津融資租賃有限公司 (「中津融資」)	中國 二零一六年十二月十五日	有限責任公司	99.1% (間接持有)	人民幣 750,000,000元	人民幣 1,000,000,000元	融資租賃及租賃

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 10. SUBSIDIARIES (continued)

The English name of certain companies referred in this financial statements represent management's best effort at translating the Chinese names of these companies as no English names have been registered.

- (i) On 5 February 2016, Beijing Jingtang Guangzhi Investment Management Company Limited ("Jingtang Guangzhi Investment"), which is controlled by Mr. Wang Zhihong, a director of Boyuan Real Estate, transferred its 40% equity interest in Boyuan Real Estate to a third party while this part was subsequently acquired by Jinxi Limited on 2 March 2016 with payment in notes receivables. The difference between the fair value of consideration paid by the Group and the 40% share of the net assets of Boyuan Real Estate, amounting to RMB 24.5 million, is credited in equity and attributable to the owner of the Group.
- (ii) Jinxi Limited acquired 10% equity interest in Jinxi Dafang from another shareholder with payment in notes receivables and the percentage of equity interest in Jinxi Dafang and Dafang Pengcheng attributable to the Group correspondingly risen to 55.9%. The difference between the fair value of consideration paid by the Group and the 10% share of the net assets of Jinxi Dafang, amounting to RMB 4 million, is debited in equity and attributable to the owner of the Group.
- (iii) Beijing Real Estate and Mudanjiang Ruiyuan Investment Company Limited separately decreased share capital of RMB 30 million and RMB 20 million from Suzhou Boyuan with repayment in notes receivables and the equity percentage has not changed.

## 10. 附屬公司(續)

本財務報表所述若干公司的英文名稱為管理層根據其中文名稱最佳翻譯所得，此乃由於該等公司並無登記任何官方英文名稱。

- (i) 於二零一六年二月五日，北京京唐廣志投資管理有限公司（「京唐廣志投資」）（由博遠房地產的董事王志紅先生控制）轉讓其於博遠房地產40%股權予一名第三方，而該部份股權其後於二零一六年三月二日由津西鋼鐵收購，以應收票據付款。本集團所支付代價之公允價值與應佔博遠房地產資產淨值40%之差額為人民幣2,450萬元，於權益內列賬及歸屬於本集團權益持有人。
- (ii) 津西鋼鐵自另一名股東收購津西大方10%股權，以應收票據付款，本集團應佔津西大方及大方鵬程之股權百分比增加至55.9%。本集團所支付代價之公允價值與應佔津西大方資產淨值10%之差額為人民幣400萬元，於權益內列賬及歸屬於本集團權益持有人。
- (iii) 北京房地產及牡丹江瑞源投資有限公司各自減少於蘇州博遠人民幣3,000萬元及人民幣2,000萬元之股本，以應收票據償還，而權益百分比並無變動。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 10. SUBSIDIARIES (continued)

- (iv) On 1 April 2016, Jinxi Special Steel, the subsidiary of Jinxi Limited, acquired all equity interest of Jinxi Wantong whose original paid-in capital was RMB 100 million at a consideration of RMB 263 million in notes receivables amounting to RMB 55 million and cash amounting to RMB 208 million from a third party and increased its share capital to RMB 680 million in notes receivables consequently (Note 43).
- (v) Beijing Jinxi Investment injected new capital contribution of RMB 5 million to Oriental Jingyuan without changing the percentage of equity interest. The difference of the 49% share of net assets owned by non-controlling interest before and after the capital contribution by Beijing Jinxi Investment, amounting to RMB 2.5 million, is debited in equity and attributable to the owner of the Group.
- (vi) Jinxi Dafang transferred all equity interest in Hebei Jinxi Kaixin Energy-Saving Technology Development Company Limited (“Kaixin Energy-Saving”) to a third party at a consideration of RMB 3.1 million. The difference between the fair value of consideration received and the net assets of Kaixin Energy-Saving, amounting to RMB 1.7 million, is recorded in “other losses – net” in the consolidated statement of profit or loss.
- (vii) Although the equity holdings of the Group in these subsidiaries are below 51%, the Directors are of the review that the Group has control over these subsidiaries given that majority of the directors of the companies are appointed by the Group by virtue of the article of association of the respective companies.

## 10. 附屬公司(續)

- (iv) 於二零一六年四月一日，津西特鋼(津西鋼鐵之附屬公司)以代價人民幣2.63億元(以人民幣5,500萬元的應收票據及人民幣2.08億元自一名第三方獲得的現金)收購津西萬通(其原始實繳資本為人民幣1億元)的全部股權及因此以應收票據增加其股本至人民幣6.8億元(附註43)。
- (v) 北京津西投資在未變更股權百分比之情況下向東方晶源注資人民幣500萬元。北京津西投資於注資前後應佔非控制性權益擁有49%之資產淨值之差額為人民幣250萬元，於權益內列賬及歸屬於本集團權益持有人。
- (vi) 津西大方以代價人民幣310萬元轉讓河北津西開興節能科技股份有限公司(「開興節能」)的所有股權予一名第三方。已收代價之公允價值及開興節能之資產淨值之差額為人民幣170萬元，並計入合併損益表中的「其他虧損 – 淨額」。
- (vii) 儘管本集團持有該等附屬公司之股權低於51%，鑒於該等公司大部分董事由本集團根據該等公司的組織章程細則委任，董事認為本集團對該等附屬公司擁有控制權。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 10. SUBSIDIARIES (continued)

### (a) Material non-controlling interests

As at and for the year ended 31 December 2016, there were no significant non-controlling interests of the subsidiaries in the Group.

For the year ended 31 December 2016, loss attributable to non-controlling interests is RMB 191 million, of which RMB 188 million is attributed to the non-controlling interests of Zhengda Iron and Steel.

### Summarised financial information on subsidiary with material loss attributable to non-controlling interests

Set out below are the summarised financial information for the subsidiary that has loss attributable to non-controlling interests that is material to the group.

### Summarised balance sheet

<b>Current</b>	<b>流動</b>
Assets	資產
Liabilities	負債
Total current net assets	總流動資產淨值
<b>Non-current</b>	<b>非流動</b>
Assets	資產
Liabilities	負債
Total non-current net assets	總非流動資產淨值
Net assets	資產淨值

## 10. 附屬公司(續)

### (a) 重大非控制性權益

於及截至二零一六年十二月三十一日止年度，本集團的附屬公司並無重大非控制性權益。

於截至二零一六年十二月三十一日止年度，非控制性權益應佔虧損為人民幣1.91億元，當中人民幣1.88億元歸屬於正達鋼鐵的非控制性權益。

### 非控制性權益有重大虧損的附屬公司之財務資料概要

下文載列非控制性權益應佔虧損對本集團而言屬重大之附屬公司之財務資料概要。

### 資產負債表概要

#### Zhengda Iron and Steel

#### 正達鋼鐵

	2016	2015
	二零一六年	二零一五年
Assets	908,194	931,989
Liabilities	(1,265,302)	(920,345)
Total current net assets	(357,108)	11,644
Assets	181,384	1,053,394
Liabilities	-	(594,034)
Total non-current net assets	181,384	459,360
Net assets	(175,724)	471,004

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 10. SUBSIDIARIES (continued)

(a) Material non-controlling interests (continued)

### Summarised statement of profit or loss

Revenue	收入
(Loss)/Profit before income tax	除所得稅前(虧損)/溢利
Income tax expense	所得稅費用
Post-tax loss from continuing operations	持續經營業務除稅後虧損
Other comprehensive income	其他綜合收益
Total comprehensive loss	綜合虧損總額
Total comprehensive loss allocated to non-controlling interests	分配予非控制性權益之綜合虧損總額
Dividends paid to non-controlling interests	已付非控制性權益之股息

## 10. 附屬公司(續)

(a) 重大非控制性權益(續)

### 損益表概要

Zhengda Iron and Steel	
正達鋼鐵	
2016	2015
二零一六年	二零一五年
<b>2,160,154</b>	2,127,522
<b>(602,060)</b>	8,854
<b>(44,668)</b>	(60,821)
<b>(646,728)</b>	(51,967)
-	-
<b>(646,728)</b>	(51,967)
<b>(187,551)</b>	(15,071)
-	-

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
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## 10. SUBSIDIARIES (continued)

(a) Material non-controlling interests (continued)

### Summarised cash flows

#### Cash flows from operating activities

Cash generated from/(used in) operations

Income tax paid

Net cash generated from/(used in) operating activities

Net cash used in investing activities

Net cash (used in)/generated from financing activities

#### Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of year

Cash and cash equivalents at end of year

來自經營活動的現金流量

營運產生的/(所用)現金

已付所得稅

經營活動產生的/(所用)現金

用於投資活動的現金淨額

融資活動(所用)/產生的現金淨額

現金及現金等價物減少淨額

年初現金及現金等價物

年末現金及現金等價物

## 10. 附屬公司(續)

(a) 重大非控制性權益(續)

### 現金流量概要

#### Zhengda Iron and Steel

正達鋼鐵

2016

2015

二零一六年

二零一五年

**244,911** (336,942)

**(126,142)** (163,817)

**118,769** (500,759)

**(127,323)** (91,529)

**(33,881)** 558,559

**(42,435)** (33,729)

**99,066** 132,795

**56,631** 99,066

The information above is the amount before inter-company eliminations.

上述資料為公司間抵銷前金額。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 11. INVESTMENT IN ASSOCIATES

## 11. 於聯營公司之投資

		2016 二零一六年	2015 二零一五年
At 1 January	於一月一日	8,836	—
Establishment of an associate	成立一間聯營公司	20,000	—
Capital injection (i)	注資 (i)	8,658	9,581
Deemed disposal of a subsidiary with the remaining interest retained in an associate (i)	視作出售附屬公司而 餘下權益仍保留於 一間聯營公司 (i)	19,160	—
Share of results of associates	應佔聯營公司業績	(1,022)	(745)
At 31 December	於十二月三十一日	<b>55,632</b>	8,836

The information of the unlisted associated company at 31 December 2016 is as follows:

於二零一六年十二月三十一日，有關非上市聯營公司的資料載列如下：

Name 名稱	Place and date of incorporation 註冊成立地點及日期	Percentage of equity interest attributable to the Group 本集團應 佔股權百分比	Assets 資產	Liabilities 負債	Revenues 收入	Net profit/ (loss)
						淨收益/ (虧損)
Palma Ceia SemiDesign, Inc. ("PCS")	USA 5 November 2012	30% (indirectly held)	279	14,143	7,781	(14,358)
Palma Ceia SemiDesign, Inc. ("PCS")	美國 二零一二年 十一月五日	30% (間接持有)	279	14,143	7,781	(14,358)
XTAL Inc. ("XTAL") (i)	USA 27 January 2014	32.13% (indirectly held)	6,589	13,980	64,411	10,224
XTAL Inc. ("XTAL") (i)	美國 二零一四年 一月二十七日	32.13% (間接持有)	6,589	13,980	64,411	10,224
Beijing Wofu Energy Co. Ltd ("Wofu") (ii)	PRC 6 December 2016	20% (indirectly held)	100,000	—	—	—
北京沃富能源有限公司 ("沃富") (ii)	中國 二零一六年 十二月六日	20% (間接持有)	100,000	—	—	—

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 11. INVESTMENT IN ASSOCIATES (continued)

- (i) Pursuant to a stock purchase agreement dated 20 January 2016, both Finest Sino, a subsidiary of the Group and a third party agreed to subscribe Series A Preferred Stock newly issued by XTAL amounting to US\$ 1.3 million (approximately RMB 8.7 million) and US\$ 4 million (approximately RMB 26.0 million) respectively. As a result, the Group's equity interest was diluted from 67.1% to 32.13% and XTAL had become an associate of the Group. After remeasurement of the fair value of investment in XTAL, the gain on deemed disposal of XTAL, amounting to RMB 28.6 million, is recorded in "other losses – net" in the consolidated statement of profit or loss.
- (ii) Pursuant to a collaboration agreement between Ansai Asset Management and other shareholders of Wofu dated 1 November 2016, Ansai Asset Management agreed to participate in setting up Wofu by injecting capital contribution of RMB 20 million, owning 20% of equity interest. Besides, Ansai Asset Management occupied one of the four seats in the board of directors of Wofu and had significant influence.

For the period ended 31 December 2016, the Group had recognised share of loss of associates amounted to approximately RMB 1 million from application of equity accounting.

## 11. 於聯營公司之投資 (續)

- (i) 根據日期為二零一六年一月二十日之購股協議，本集團之附屬公司Finest Sino及一名第三方均同意認購XTAL新發行的A系列優先股，分別為130萬美元(約人民幣870萬元)及400萬美元(約人民幣2,600萬元)。因此，本集團之股權由67.1%攤薄至32.13%及XTAL成為本集團之聯營公司。於重新計量於XTAL投資之公允價值後，視作出售XTAL之收益為人民幣2,860萬元，並計入合併損益表中的「其他虧損－淨額」。
- (ii) 根據安塞資產管理與沃富之其他股東於二零一六年十一月一日訂立之合作協議，安塞資產管理同意透過注資人民幣2,000萬元(擁有20%股權)參與成立沃富。此外，安塞資產管理於沃富董事會佔有四個中之一個席位及具重大影響。

截至二零一六年十二月三十一日止期間，本集團已應用權益會計法確認應佔聯營公司虧損約人民幣100萬元。



# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 12. FINANCIAL INSTRUMENTS BY CATEGORY

## 12. 金融工具(按類別)

		Loans and receivables	Financial assets at fair value through profit and loss 按公允價值 計量且其變動 計入損益表之 金融資產	Available- for-sale financial assets 可供出售 金融資產	Total 合計
<b>Assets as per consolidated balance sheet</b>	<b>合併資產負債表所示的資產</b>				
As at 31 December 2016	於二零一六年十二月三十一日				
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)	-	-	489,555	489,555
Trade and notes receivables (Note 17)	應收貿易賬款及票據(附註17)	2,822,482	-	-	2,822,482
Deposits and other receivables (Note 18)	按金及其他應收賬款(附註18)	938,440	-	-	938,440
Financial assets at fair value through profit or loss (Note 20)	按公允價值計量且其變動計入 損益表之金融資產(附註20)	-	387,458	-	387,458
Derivative financial instruments	衍生金融工具	-	6,220	-	6,220
Amounts due from related parties (Note 44(c))	應收關聯方款項(附註44(c))	16,671	-	-	16,671
Loan receivables (Note 19)	應收貸款(附註19)	401,000	-	-	401,000
Restricted bank balances (Note 21)	受限制銀行結餘(附註21)	890,617	-	-	890,617
Cash and cash equivalents (Note 21)	現金及現金等價物(附註21)	1,290,199	-	-	1,290,199
<b>Total</b>	<b>總計</b>	<b>6,359,409</b>	<b>393,678</b>	<b>489,555</b>	<b>7,242,642</b>
As at 31 December 2015	於二零一五年十二月三十一日				
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)	-	-	109,605	109,605
Trade and notes receivables (Note 17)	應收貿易賬款及票據(附註17)	3,456,825	-	-	3,456,825
Deposits and other receivables (Note 18)	按金及其他應收賬款(附註18)	715,667	-	-	715,667
Derivative financial instruments	衍生金融工具	-	10,233	-	10,233
Financial assets at fair value through profit or loss (Note 20)	按公允價值計量且其變動計入 損益表之金融資產(附註20)	-	131,951	-	131,951
Amounts due from related parties (Note 44(c))	應收關聯方款項(附註44(c))	5,828	-	-	5,828
Loan receivables (Note 19)	應收貸款(附註19)	400,000	-	-	400,000
Restricted bank balances (Note 21)	受限制銀行結餘(附註21)	1,773,697	-	-	1,773,697
Cash and cash equivalents (Note 21)	現金及現金等價物(附註21)	2,337,547	-	-	2,337,547
<b>Total</b>	<b>總計</b>	<b>8,689,564</b>	<b>142,184</b>	<b>109,605</b>	<b>8,941,353</b>

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 12. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

## 12. 金融工具(按類別)(續)

Liabilities as per consolidated balance sheet	合併資產負債表所示的負債	Financial liabilities measured at fair value through profit or loss 按公允價值 計量且其變動計入 損益表之金融負債	Financial liabilities measured at amortised cost 按攤銷 成本計量之 金融負債	Total 合計
As at 31 December 2016	於二零一六年十二月三十一日			
Trade payables (Note 24)	應付貿易賬款(附註24)	-	5,425,323	5,425,323
Other payables (Note 25)	其他應付賬款(附註25)	-	479,273	479,273
Borrowings (Note 26)	借款(附註26)	-	1,381,007	1,381,007
Other long-term payables (Note 27)	其他長期應付賬款(附註27)	-	1,166,586	1,166,586
Amounts due to related parties (Note 44(c))	應付關聯方款項(附註44(c))	-	79,125	79,125
Derivative financial instruments	衍生金融工具	15,669	-	15,669
<b>Total</b>	<b>總計</b>	<b>15,669</b>	<b>8,531,314</b>	<b>8,546,983</b>
As at 31 December 2015	於二零一五年十二月三十一日			
Trade payables (Note 24)	應付貿易賬款(附註24)	-	<b>5,641,030</b>	<b>5,641,030</b>
Other payables (Note 25)	其他應付賬款(附註25)	-	<b>644,466</b>	<b>644,466</b>
Borrowings (Note 26)	借款(附註26)	-	<b>3,402,375</b>	<b>3,402,375</b>
Other long-term payables (Note 27)	其他長期應付賬款(附註27)	-	<b>1,229,784</b>	<b>1,229,784</b>
Amounts due to related parties (Note 44(c))	應付關聯方款項(附註44(c))	-	<b>134,903</b>	<b>134,903</b>
Derivative financial instruments	衍生金融工具	<b>3,616</b>	-	<b>3,616</b>
<b>Total</b>	<b>總計</b>	<b>3,616</b>	<b>11,052,558</b>	<b>11,056,174</b>

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 13. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by types of the financial assets and by reference to historical information about counterparty default rates. The Group categorised the trade, notes receivables and loan receivables as follows:

- Group 1 – Bank acceptance notes
- Group 2 – Trade, notes receivables and loan receivables due from customers with no defaults in the past
- Group 3 – Trade, notes receivables and loan receivables due from customers with some defaults in the past

Trade, notes receivables and loan receivables

Group 1	第一類
Group 2	第二類
Group 3	第三類

The credit quality of 'Available-for-sale financial assets', 'Deposits and other receivables' and 'Amounts due from related parties' of the Group is disclosed in Notes 15, 18 and 44(c) respectively.

## 13. 金融資產的信貨狀況

尚未逾期亦沒有減值的金融資產的信貨狀況可根據金融資產類別，並參考有關對方拖欠比率的歷史資料進行評估。本集團將應收貿易賬款、應收票據及應收貸款分類如下：

- 第一類－銀行承兌匯票
- 第二類－應收過往無拖欠記錄的客戶的應收貿易賬款、應收票據及應收貸款
- 第三類－應收過往部份有拖欠記錄的客戶的應收貿易賬款、應收票據及應收貸款

應收貿易賬款、應收票據及應收貸款

	2016 二零一六年	2015 二零一五年
	<b>2,339,669</b>	2,452,299
	<b>883,813</b>	1,004,526
	<b>-</b>	400,000
	<b>3,223,482</b>	3,856,825

本集團「可供出售金融資產」、「按金及其他應收賬款」及「應收關聯方款項」的信貨狀況分別於附註15、18及44(c)披露。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 13. CREDIT QUALITY OF FINANCIAL ASSETS (continued)

The Group categorises cash in banks as follows:

- Group 1 – Major international banks
- Group 2 – Listed banks in the PRC
- Group 3 – Subsidiary of listed banks and other banks in the PRC

The Directors considered the credit risks in respect of cash in banks and bank deposits with financial institution are relatively minimum as each counter party either bears a high credit rating or is state-owned bank and large local banks in the PRC.

### Cash in banks and bank deposits

## 13. 金融資產的信貨狀況(續)

本集團將其銀行現金分類如下：

- 第一類 – 主要國際銀行
- 第二類 – 中國上市銀行
- 第三類 – 中國上市銀行附屬機構及其他銀行

由於各方有高度信貸評級或為中國國有銀行及中國當地大型銀行，故董事認為存放於金融機構的銀行現金及銀行存款信貸風險極低。

### 銀行現金及銀行存款

		2016 二零一六年	2015 二零一五年
Group 1	第一類	616,524	970,619
Group 2	第二類	976,835	2,654,984
Group 3	第三類	554,663	465,150
		<b>2,148,022</b>	4,090,753

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 14. PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE

### 14. 發展中及持作出售物業

		2016 二零一六年	2015 二零一五年
Properties under development comprise:	發展中物業包括：		
– Construction costs	– 建設成本	156,322	459,017
– Land use rights	– 土地使用權	53,412	492,156
– Interests capitalised	– 資本化利息	22,059	92,225
		<b>231,793</b>	1,043,398
Completed properties held for sale	已完成的持作出售物業	<b>1,187,320</b>	270,314
		<b>1,419,113</b>	1,313,712

The properties under development and held for sale are all located in the PRC. The related land use rights are on lease of 40 to 70 years.

發展中及持作出售物業均位於中國。相關土地使用權租期為40至70年。

As at 31 December 2015, land use rights with the carrying amount of approximately RMB 146 million was pledged as security for the Group's bank borrowings.

於二零一五年十二月三十一日，賬面值約人民幣1.46億元的土地使用權為本集團的銀行借款作抵押。

For the year ended 31 December 2016, borrowing costs amounted to approximately RMB 15 million (2015: RMB 45 million) were capitalised into the cost of properties under development at an annual average capitalisation rate of 6.38% (2015: 7.57%) approximately.

截至二零一六年十二月三十一日止年度，借貸成本約人民幣1,500萬元(二零一五年：人民幣4,500萬元)已按年度平均資本化比率約6.38%(二零一五年：7.57%)資本化為發展中物業的成本。

		2016 二零一六年	2015 二零一五年
Properties under development comprised:	發展中物業包括：		
Expected to be completed and available for sale within 12 months	預期於12個月內完工及可供出售	<b>231,793</b>	1,043,398

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

## 15. 可供出售金融資產

		2016 二零一六年	2015 二零一五年
Unlisted equity interests (a)	非上市權益(a)	<b>527,705</b>	297,705
Less: provision for impairment	減：減值撥備	<b>(188,100)</b>	(188,100)
Net	淨值	<b>339,605</b>	109,605
Listed equity interests	上市權益(b)	-	11,638
Add: fair value gains credited to other comprehensive income (Note 23)	加：計入其他綜合收益之公允價值收益(附註23)	-	3,979
Less: disposal	減：出售	-	(15,617)
Net	淨值	-	-
Listed debt securities (b)	上市債務證券(b)	<b>148,429</b>	-
Add: fair value gains credited to other comprehensive income (Note 23)	加：計入其他綜合收益之公允價值收益(附註23)	<b>1,521</b>	-
		<b>149,950</b>	-
Total	合計	<b>489,555</b>	109,605

(a) The Group's unlisted equity interests mainly comprised an investment amounted to RMB 230 million in a 3% equity interest in Bank of Cangzhou Company Limited ("Bank of Cangzhou"), an investment amounted to RMB 188 million in a 51% equity interest in Qianxi County Jinjin Mine Co. Ltd. ("Jinjin Mine") and an investment amounted to RMB 95 million in a 10% equity interest in Caofeidian Port Company Limited. The investee companies are all operating in the PRC.

As the above investments do not have any quoted market price in an active market, the range of reasonable fair value estimate is so significant and the probabilities of the various estimates cannot be reasonably assessed, the Directors are of the opinion that their fair values cannot be reliably measured. Therefore, these investments are stated at cost less impairment, if any.

(a) 本集團的非上市權益主要包括以人民幣2.3億元投資取得滄州銀行股份有限公司(「滄州銀行」)的3%股權、以人民幣1.88億元投資取得遷西縣津金礦業有限公司(「津金礦業」)的51%股權及以人民幣9,500萬元投資取得唐山曹妃甸港口有限公司的10%股權。該等獲投資的公司均於中國營運。

由於上述投資於活躍市場並無任何市場報價，公允價值合理估計的範圍相當廣闊，而對各項估計的可能性無法合理作出評估，故董事認為其公允價值無法可靠計量。因此，該等投資按成本減去減值列賬(如有)。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

(a) (continued)

During the year ended 31 December 2016, Oriental Green, a subsidiary of the Group, entered into the investment in shares agreement with Bank of Cangzhou, an independent third party of the Group pursuant to which Oriental Green agreed to invest and subscribe for, and Bank of Cangzhou agreed to issue and allot 100 million ordinary shares of Bank of Cangzhou for the consideration of approximately RMB 230 million. The 100 million ordinary shares represented approximately 3% of the enlarged issued share capital of Bank of Cangzhou after completion of the private subscription.

(b) The Group's listed debt securities comprised investments in debentures of several companies.

## 16. INVENTORIES

Raw materials and materials in-transit	原材料及在途材料
Work-in-progress	在製品
Finished goods	製成品
Less: impairment provision	減：減值撥備
Inventories – net	存貨－淨額

As at 31 December 2016, inventories with a net book value of RMB 69 million (2015: RMB 62 million) were pledged as security for the Group's notes payable (Note 24).

The cost of inventories recognised in cost of sales for the year ended 31 December 2016 amounted to RMB 23,565 million (2015: RMB 20,307 million).

For the year ended 31 December 2015, the Group recognised a loss of RMB 105 million, in respect of the write-down of inventories to their net realisable values (Note 32).

## 15. 可供出售金融資產(續)

(a) (續)

於截至二零一六年十二月三十一日止年度，東方綠源(本集團之附屬公司)與滄州銀行(本集團之獨立第三方)訂立股份投資協議，據此，東方綠源同意及認購而滄州銀行同意發行及配售100,000,000股滄州銀行普通股，代價約為人民幣2.30億元。100,000,000股普通股佔滄州銀行於私募認購完成後經擴大的已發行股本約3%。

(b) 本集團上市債務證券包括於數間公司之債權證之投資。

## 16. 存貨

	2016 二零一六年	2015 二零一五年
	<b>2,595,524</b>	1,652,499
	<b>252,834</b>	171,872
	<b>485,992</b>	819,251
	-	(149,598)
	<b>3,334,350</b>	2,494,024

於二零一六年十二月三十一日，已為本集團的應付票據(附註24)而抵押的存貨的賬面淨值為人民幣6,900萬元(二零一五年：人民幣6,200萬元)。

截至二零一六年十二月三十一日止年度，已確認為銷售成本的存貨成本為人民幣235.65億元(二零一五年：人民幣203.07億元)。

截至二零一五年十二月三十一日止年度，本集團已確認人民幣1.05億元為有關撇減存貨至可變現淨值的虧損(附註32)。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 17. TRADE AND NOTES RECEIVABLES

Trade receivables	應收貿易賬款	509,659	614,405
Long-term trade receivables	長期應收貿易賬款		
– current portion	– 流動部份	–	400,000
Less: impairment provision for trade receivables	減：應收貿易賬款的減值撥備	(26,846)	(9,879)
Trade receivables – net	應收貿易賬款 – 淨額	482,813	1,004,526
Notes receivable	應收票據	2,339,669	2,452,299
Total trade and notes receivables, net of provision	應收貿易賬款及票據總額，扣除撥備	2,822,482	3,456,825

The long-term trade receivables – current portion as at 31 December 2015 represented the receivables for the provision of construction services in the previous years, and bear interest at a rate of 6.3% per annum. During the year ended 31 December 2016, the receivables from Jinxi Wantong had been settled through a business combination.

The notes receivable are all bank acceptance notes. The settlement of the notes receivable were guaranteed by banks with maturity dates within six months and the credit risks of the notes receivable are considered low. As at 31 December 2016, approximately RMB 358 million (2015: RMB 582 million) were pledged as security for the Group's notes payable (Note 24) and no notes receivable (2015: RMB 844 million) was pledged as security for the Group's borrowings (Note 26).

The fair values of trade and notes receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

## 17. 應收貿易賬款及票據

	2016 二零一六年	2015 二零一五年
Trade receivables	509,659	614,405
Long-term trade receivables		
– current portion	–	400,000
Less: impairment provision for trade receivables	(26,846)	(9,879)
Trade receivables – net	482,813	1,004,526
Notes receivable	2,339,669	2,452,299
Total trade and notes receivables, net of provision	2,822,482	3,456,825

於二零一五年十二月三十一日，長期應收貿易賬款 – 流動部份為之前年度提供工程服務之應收款項，並按年利率6.3%計息。於截至二零一六年十二月三十一日止年度，應收津西萬通之款項已透過一項業務合併結算。

應收票據均為銀行承兌匯票。應收票據的到期日在六個月以內，其結算由銀行擔保及信貸風險被視為低。於二零一六年十二月三十一日，約人民幣3.58億元(二零一五年：人民幣5.82億元)為開具本集團的應付票據(附註24)作抵押及並無應收票據(二零一五年：人民幣8.44億元)為本集團的借款(附註26)作抵押。

因折現影響不重大，應收貿易賬款及票據於結算日的公允價值近似其賬面值。



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 17. TRADE AND NOTES RECEIVABLES (continued)

Except for the long-term trade receivables – current portion, the credit policy usually adopted by the Group for the sales of products to customers is to deliver goods either upon receipt in cash or upon receipt of bank acceptance notes with the maturity dates within six months.

As at 31 December 2016 and 2015, the ageing analysis of the gross amount of trade and notes receivables was as follows:

Within 3 months	3個月內
4-6 months	4至6個月
7-12 months	7至12個月
Over 1 year	一年以上

As at 31 December 2016, trade receivables amounting to RMB 58 million (2015: RMB 239 million) were secured by letters of credit issued by third party customers and no trade receivable (2015: RMB 479 million) was secured by the pledge of property, plant and equipment of customers.

As at 31 December 2016, trade receivables of RMB 30 million (2015: RMB 433 million) were past due, of which amounting to RMB 27 million (2015: RMB 10 million) were fully impaired. The remaining balances of these receivables were past due but not impaired which related to a number of customers with no recent history of default.

## 17. 應收貿易賬款及票據(續)

除長期應收貿易賬款—流動部份外，本集團執行的產品銷售信貸政策，通常為於收取現金或到期日在六個月以內的銀行承兌匯票時向客戶交付貨物。

於二零一六年及二零一五年十二月三十一日，應收貿易賬款及票據總額的賬齡分析如下：

2016 二零一六年	2015 二零一五年
<b>1,882,767</b>	1,215,906
<b>860,059</b>	1,717,523
<b>45,661</b>	44,396
<b>60,841</b>	488,879
<b>2,849,328</b>	3,466,704

於二零一六年十二月三十一日，以第三方客戶開具的信用證作抵押的應收貿易賬款為人民幣5,800萬元(二零一五年：人民幣2.39億元)，而並無應收貿易賬款(二零一五年：人民幣4.79億元)以客戶的物業、廠房及設備作抵押。

於二零一六年十二月三十一日，人民幣3,000萬元(二零一五年：人民幣4.33億元)的應收貿易賬款已逾期，其中人民幣2,700萬元(二零一五年：人民幣1,000萬元)的應收貿易賬款已全額減值。該等應收賬款的餘額已逾期但未減值，並涉及多個最近沒有拖欠還款記錄的客戶。

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## 17. TRADE AND NOTES RECEIVABLES (continued)

The ageing analysis of these trade receivables was as follows:

		<b>2016</b>	2015
		二零一六年	二零一五年
Within 3 months	3個月內	<b>3,591</b>	22,626
Over 1 year	一年以上	<b>26,846</b>	409,879
		<b>30,437</b>	432,505

The gross amounts of the Group's trade and notes receivables are denominated in the following currencies:

		<b>2016</b>	2015
		二零一六年	二零一五年
RMB	人民幣	<b>2,787,318</b>	3,227,915
US\$	美元	<b>62,010</b>	238,789
		<b>2,849,328</b>	3,466,704

Movements on the Group's allowance for impairment of trade receivables are as follow:

		<b>2016</b>	2015
		二零一六年	二零一五年
At 1 January	於一月一日	<b>9,879</b>	13,533
Provision for impairment (Note 32)	減值撥備(附註32)	<b>16,967</b>	4,186
Derecognition of receivables	終止確認應收賬款	-	(7,840)
At 31 December	於十二月三十一日	<b>26,846</b>	9,879

## 17. 應收貿易賬款及票據(續)

該等應收貿易賬款的賬齡分析如下：

	<b>2016</b>	2015
	二零一六年	二零一五年
Within 3 months	<b>3,591</b>	22,626
Over 1 year	<b>26,846</b>	409,879
	<b>30,437</b>	432,505

本集團應收貿易賬款及票據的總額乃以下列貨幣為單位：

	<b>2016</b>	2015
	二零一六年	二零一五年
RMB	<b>2,787,318</b>	3,227,915
US\$	<b>62,010</b>	238,789
	<b>2,849,328</b>	3,466,704

本集團應收貿易賬款減值撥備變動如下：

	<b>2016</b>	2015
	二零一六年	二零一五年
At 1 January	<b>9,879</b>	13,533
Provision for impairment (Note 32)	<b>16,967</b>	4,186
Derecognition of receivables	-	(7,840)
At 31 December	<b>26,846</b>	9,879

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 18. 預付款項、按金及其他應收賬款

		2016 二零一六年	2015 二零一五年
<b>Non-current</b>	<b>非流動</b>		
Prepayments for purchase of property, plant and equipment (a)	購買物業、廠房及設備的預付款項(a)	234,235	234,235
Less: impairment provision	減：減值撥備	(234,235)	(234,235)
Prepayments for purchase of property, plant and equipment – net	購買物業、廠房及設備的預付款項－淨額	–	–
Other receivables	其他應收賬款	13,000	23,000
		<b>13,000</b>	23,000
<b>Current</b>	<b>流動</b>		
Prepayments for purchase of inventories	購買存貨的預付款項	784,611	553,383
Other receivables	其他應收賬款	549,503	667,054
Less: impairment provision	減：減值撥備	(315,826)	(86,283)
Other receivables – net	其他應收賬款－淨額	233,677	580,771
Prepaid tax	預付稅款	214,370	208,307
Deposits	按金	161,567	44,198
Prepaid expenses	預付費用	10,898	8,497
		<b>1,405,123</b>	1,395,156
		<b>1,418,123</b>	1,418,156

The fair values of prepayments, deposits and other receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

因折現影響不重大，預付款項、按金及其他應收賬款於結算日的公允價值近似其賬面值。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Details of certain prepayment, deposits and other receivables are set out below:

- (a) This prepayment was fully impaired in year 2013 due to the supplier was in significant financial difficulty and had defaulted the payment of the remaining balance.

Movement on the Group's impairment provision of prepayments, deposits and other receivables are as follows:

At 1 January	於一月一日
Provision for impairment (Note 32)	減值撥備(附註32)
Derecognition of receivables	終止確認應收賬款
At 31 December	於十二月三十一日

## 18. 預付款項、按金及其他應收賬款 (續)

若干預付款項、按金及其他應收賬款的詳情載列如下：

- (a) 這預付款項已於二零一三年全額減值，乃由於供應商處於重大財務困難並已拖欠支付餘額。

本集團預付款項、按金及其他應收賬款的減值撥備變動如下：

	2016 二零一六年	2015 二零一五年
At 1 January	(320,518)	(291,245)
Provision for impairment (Note 32)	(231,713)	(29,273)
Derecognition of receivables	2,170	-
At 31 December	<b>(550,061)</b>	(320,518)

## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 19. LOAN RECEIVABLES

<b>Non-current</b>	<b>非流動</b>
Long-term loan receivable (a)	應收長期貸款 (a)
<b>Current</b>	<b>流動</b>
Long-term loan receivable (a)	應收長期貸款 (a)
Loan receivables (a)	應收貸款 (a)
Less: impairment provision (b)	減：減值撥備 (b)
 Total loan receivables	 應收貸款總額

The Group provided loans to third parties. The details of the loans are set out below:

- (a) As at 31 December 2016, loan receivable of RMB 400 million (2015: RMB 400 million) was secured by the pledge of certain property, plant and equipment of borrower, bearing interest at a rate of 12% per annum and repayable in full in December 2017. A loan receivable of RMB 1 million represented the rent receivables from finance lease. The remaining RMB 47 million (2015: RMB 57 million) comprised various loans of individual amount ranging from RMB 7 million to RMB 20 million (2015: RMB 7 million to RMB 20 million), which were secured by the pledged of property, plant and equipment of the borrowers or guarantees of the borrowers or other parties, and interest bearing at rates ranging from 19.8% to 24.0% (2015: 19.8% to 24.0%) per annum.

### 19. 應收貸款

<b>2016</b>	2015
二零一六年	二零一五年
-	400,000
<b>400,000</b>	-
<b>48,000</b>	57,000
<b>(47,000)</b>	(57,000)
<b>401,000</b>	-
<b>401,000</b>	400,000

本集團向第三方提供貸款。貸款詳情載列如下：

- (a) 於二零一六年十二月三十一日，人民幣4億元(二零一五年：人民幣4億元)的應收貸款由借款人的若干物業、廠房及設備作為抵押，按年利率12%計息，並需於二零一七年十二月全額償付。人民幣100萬元的應收貸款為應收融資租賃之租金。餘下人民幣4,700萬元(二零一五年：人民幣5,700萬元)包括各項貸款，單項金額介乎人民幣700萬元至人民幣2,000萬元(二零一五年：人民幣700萬元至人民幣2,000萬元)，由借款人或借款人的擔保人或其他方的物業、廠房及設備作為抵押，按年利率介乎19.8%至24.0%(二零一五年：19.8%至24.0%)計息。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 19. LOAN RECEIVABLES (continued)

- (b) As at 31 December 2016, provisions amounting to RMB 47 million (2015: RMB 57 million) were made on the loan receivables given that the borrowers were in significant financial difficulty and had defaulted in scheduled payments and there was significant uncertainty of recovering the loan receivables by the enforcement of mortgage rights.

The fair values of loan receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Money market funds	貨幣市場基金
Financial investment products	金融投資產品

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other losses – net' in the consolidated statement of profit or loss (Note 30).

## 19. 應收貸款 (續)

- (b) 於二零一六年十二月三十一日，鑒於借款人面臨重大財政困難及已違反還款計劃，且強制執行按揭權利收回應收貸款存在重大不明朗因素，故就應收貸款作出人民幣4,700萬元（二零一五年：人民幣5,700萬元）的撥備。

因折現影響不重大，應收貸款於結算日的公允價值近似其賬面值。

## 20. 按公允價值計量且其變動計入損益表之金融資產

	2016 二零一六年	2015 二零一五年
	<b>214,658</b>	38,392
	<b>172,800</b>	93,559
	<b>387,458</b>	131,951

按公允價值計量且其變動計入損益表之金融資產之公允價值變化計入合併損益表中的「其他虧損－淨額」（附註30）。

## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 21. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

Cash and cash equivalents	現金及現金等價物
Restricted bank balances	受限制銀行結餘
Total cash and bank balances	現金及銀行結餘合計

As at 31 December 2016, restricted bank balances comprised the following:

- (a) Approximately RMB 830.3 million (2015: RMB 1,066.3 million) were pledged as security for issuing notes payable of the Group (Note 24);
- (b) Approximately US\$ 1.67 million (equivalent to RMB 11.6 million) (2015: US\$ 6.91 million (equivalent to RMB 44.9 million)) and RMB 48.7 million (2015: RMB 12.6 million) were pledged as security for issuing letters of credit of the Group;
- (c) No cash in bank (2015: RMB 649.9 million) were pledged as security for current borrowings of the Group (Note 26).

### 21. 現金及現金等價物及受限制銀行結餘

2016 二零一六年	2015 二零一五年
<b>1,290,199</b>	2,337,547
<b>890,617</b>	1,773,697
<b>2,180,816</b>	4,111,244

於二零一六年十二月三十一日，受限制銀行結餘包括下列各項：

- (a) 約人民幣8.303億元(二零一五年：人民幣10.663億元)已為開具本集團應付票據(附註24)作抵押；
- (b) 約167萬美元(相等於人民幣1,160萬元)(二零一五年：691萬美元(相等於人民幣4,490萬元))及人民幣4,870萬元(二零一五年：人民幣1,260萬元)已為開具本集團信用證作抵押；
- (c) 並無銀行現金(二零一五年：人民幣6.499億元)已為本集團流動借款(附註26)作抵押。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 21. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES (continued)

The carrying amounts of the cash and cash equivalents and restricted bank balances are denominated in the following currencies:

		2016 二零一六年	2015 二零一五年
Cash and cash equivalents and restricted bank balances	現金及現金等價物以及受限制銀行結餘		
RMB	人民幣	1,692,179	3,538,465
US\$	美元	484,108	571,274
HK\$	港元	4,529	1,505
Total	合計	<b>2,180,816</b>	4,111,244

## 21. 現金及現金等價物及受限制銀行結餘(續)

現金及現金等價物及受限制銀行結餘的賬面值乃以下列貨幣為單位：

## 22. SHARE CAPITAL AND SHARE PREMIUM

As at 1 January 2015 and 2016, and at 31 December 2015 and 2016

As at 31 December 2016 and 2015, the total number of authorised ordinary shares of the Company is 5,000,000,000 shares with a par value of HK\$ 0.1 per share.

## 22. 股本及股份溢價

	Amount 金額			
	Number of shares (thousands) 股份數目 (千股)	Ordinary shares 普通股	Share premium 股份溢價	Total 總計
As at 1 January 2015 and 2016, and at 31 December 2015 and 2016	2,931,425	311,853	2,192,131	2,503,984

於二零一六年及二零一五年十二月三十一日，本公司法定普通股總數為5,000,000,000股每股面值0.1港元之股份。



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## 23. OTHER RESERVES

## 23. 其他儲備

		Merger reserve	Capital surplus	Statutory reserve	Options	Available- for-sale financial assets	Total
		合併儲備	資本公積	法定儲備	購股權	可供出售 金融資產	總計
		(a)	(b)	(c)	(d)		
<b>Balance at 1 January 2015</b>	於二零一五年一月一日的結餘	(599)	6,696	1,199,386	419,748	4,775	1,630,006
Profit appropriation	溢利分配	-	-	16,422	-	-	16,422
Changes in ownership interests in a subsidiary without change of control	在不改變控制權的情況下 變更於附屬公司的所有權權益	-	28,649	-	-	-	28,649
Fair value gains on available-for-sale financial assets (Note 15)	可供出售金融資產的公允價值 收益(附註15)	-	-	-	-	3,979	3,979
Transfer of fair value losses previously taken to reserve to statement of profit or loss upon impairment of available-for-sale financial assets	於可供出售金融資產減值時將先前 計入儲備的公允價值虧損轉至 損益表	-	-	-	-	(8,754)	(8,754)
<b>Balance at 31 December 2015</b>	於二零一五年十二月三十一日的結餘	(599)	35,345	1,215,808	419,748	-	1,670,302
Profit appropriation	溢利分配	-	-	13,463	-	-	13,463
Changes in ownership interests in a subsidiary without change of control (Note 10 (i)(ii)(v))	在不改變控制權的情況下 變更於附屬公司的所有權權益 (附註10(i)(ii)(v))	-	18,022	-	-	-	18,022
Fair value gains on available-for-sale financial assets (Note 15)	可供出售金融資產 的公允價值收益(附註15)	-	-	-	-	1,521	1,521
<b>Balance at 31 December 2016</b>	於二零一六年十二月三十一日的結餘	(599)	53,367	1,229,271	419,748	1,521	1,703,308

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## 23. OTHER RESERVES (continued)

### (a) Merger reserve

The merger reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries that had been acquired and the nominal value of the Company's shares issued in exchange therefore pursuant to the Reorganisation.

### (b) Capital surplus

The Group's capital surplus arose from transactions with non-controlling interests.

### (c) Statutory reserve

#### (i) Statutory surplus reserves

In accordance with the PRC regulations and the Articles of the Association of certain subsidiaries of the Group registered in the PRC, before distributing the net profit of each year, these PRC subsidiaries are required to set aside 10% of their statutory net profit for the year after offsetting any prior year's losses as determined under the PRC accounting regulations to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of the share capital, any further appropriation is optional.

The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of the entity's share capital after such issuance.

#### (ii) Discretionary reserves

The appropriation of discretionary reserve fund is proposed by Board of the PRC subsidiaries, and approved by the shareholder's meeting. The discretionary reserve fund can be utilised to offset prior years' losses or increase share capital.

## 23. 其他儲備(續)

### (a) 合併儲備

本集團的合併儲備指已收購附屬公司股份的面值與根據重組為有關收購而發行的本公司股份面值的差額。

### (b) 資本公積

本集團的資本公積來自與非控制性權益的交易。

### (c) 法定儲備

#### (i) 法定盈餘儲備

根據中國法規及本集團內在中國註冊的若干附屬公司的組織章程細則，每年分派淨溢利前，該等中國附屬公司根據中國會計準則規定抵銷去年的虧損後，須撥其年度法定淨溢利的10%至法定盈餘儲備資金，直至該儲備達至其股本的50%為止，可選擇繼續或者停止該等撥備。

法定盈餘儲備資金可用作抵銷往年的虧損或發行紅股。然而，該法定盈餘儲備資金必須於發行後維持該實體股本的最少25%。

#### (ii) 任意儲備

任意儲備資金的分配乃由中國附屬公司的董事局建議，並須獲股東大會的批准。任意儲備資金可用作抵銷過往年度的虧損或用作增加股本。

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### 23. OTHER RESERVES (continued)

#### (d) Employee share option scheme

As approved by the Company's Board meeting, certain share options were granted to selected directors and employees as follows. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Date of grant 授予日		Number of share options in an aggregate 購股權總數目	Exercises price 行使價 HK\$/share 每股港元	Exercisable period 可行使期間
24 February 2009	二零零九年二月二十四日	21,200,000	1.39	Note 1 附註1
11 May 2009	二零零九年五月十一日	6,600,000	1.50	Note 1 附註1
29 December 2009	二零零九年十二月二十九日	148,780,000	2.84	Note 1 附註1
20 December 2010	二零一零年十二月二十日	6,000,000	3.00	Note 1 附註1
24 December 2010	二零一零年十二月二十四日	47,100,000	3.182	Note 1 附註1
14 January 2011	二零一一年一月十四日	800,000	3.20	Note 1 附註1
27 April 2011	二零一一年四月二十七日	9,800,000	3.08	Note 1 附註1
30 March 2012	二零一二年三月三十日	75,370,000	2.03	Note 1 附註1
30 May 2012	二零一二年五月三十日	9,800,000	2.03	Note 1 附註1

Note 1: The share options are exercisable in different periods from February 2009 to December 2020, and with different vesting requirements.

### 23. 其他儲備(續)

#### (d) 僱員購股權計劃

經本公司董事局會議批准後，下列經挑選的董事及僱員已獲授予若干購股權。本集團並無以現金購回或結算購股權的法定或推定責任。

附註1: 該等購股權於二零零九年二月至二零二零年十二月不同期間內可予行使，行權要求各異。

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 23. OTHER RESERVES (continued)

#### (d) Employee share option scheme (continued)

Movements in the number of share options outstanding during the year ended 31 December 2016 and their related weighted average exercise prices were as follows:

		2016 二零一六年		2015 二零一五年	
		Average exercise price per share in HK\$ 每股股份 平均行使價 (港元)	Number of options (thousands) 購股權數目 (千份)	Average exercise price per share in HK\$ 每股股份 平均行使價 (港元)	Number of options (thousands) 購股權數目 (千份)
At 1 January	於一月一日	2.59	242,670	2.59	293,020
Lapsed	已失效	2.76	(8,000)	2.59	(50,350)
At 31 December	於十二月三十一日	2.58	234,670	2.59	242,670

### 23. 其他儲備(續)

#### (d) 僱員購股權計劃(續)

截至二零一六年十二月三十一日止年度內，尚未行使的購股權數目及其相關加權平均行使價的變動如下：

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 23. OTHER RESERVES (continued)

#### (d) Employee share option scheme (continued)

Share options outstanding at 31 December 2016 and 2015 have the expiry dates and exercise prices as follows:

Expiry date 屆滿日期		Exercise price 行使價 HK\$ per share 每股港元	Number of options (thousands) 購股權數目(千份)	
			2016 二零一六年	2015 二零一五年
23 February 2019	二零一九年二月二十三日	1.39	13,900	13,900
10 May 2019	二零一九年五月十日	1.50	–	–
28 December 2019	二零一九年十二月二十八日	2.84	116,650	116,650
16 May 2016	二零一六年五月十六日	3.00	–	6,000
19 December 2020	二零二零年十二月十九日	3.18	28,700	28,700
13 January 2021	二零二一年一月十三日	3.20	–	–
27 March 2021	二零二一年三月二十七日	3.08	9,800	9,800
19 December 2020	二零二零年十二月十九日	2.03	55,820	57,820
19 December 2020	二零二零年十二月十九日	2.03	9,800	9,800
			<b>234,670</b>	242,670

### 23. 其他儲備(續)

#### (d) 僱員購股權計劃(續)

於二零一六年及二零一五年十二月三十一日尚未行使的購股權的屆滿日期及行使價如下：

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 24. TRADE PAYABLES

Account payables 應付賬款  
Notes payable 應付票據

As at 31 December 2016, all notes payable represented bank acceptance notes, of which RMB 358 million (2015: RMB 575 million) were secured by certain notes receivable (Note 17), RMB 1,828 million (2015: RMB 2,312 million) were secured by certain restricted bank balances (Note 21), and RMB 93 million (2015: RMB 102 million) were secured by certain inventories (Note 16) and certain restricted bank balances (Note 21).

As at 31 December 2016 and 2015, the ageing analysis of the trade payables was as follows:

Within 3 months 3個月內  
4-6 months 4至6個月  
7-9 months 7至9個月  
10-12 months 10至12個月  
Over 1 year 一年以上

### 24. 應付貿易賬款

2016 2015  
二零一六年 二零一五年

**3,146,492** 2,651,537  
**2,278,831** 2,989,493  
**5,425,323** 5,641,030

於二零一六年十二月三十一日，所有應付票據均為銀行承兌匯票，其中包括人民幣3.58億元(二零一五年：人民幣5.75億元)以若干應收票據(附註17)作抵押，人民幣18.28億元(二零一五年：人民幣23.12億元)以若干受限制銀行結餘(附註21)作抵押及人民幣9,300萬元(二零一五年：人民幣1.02億元)以若干存貨(附註16)及若干受限制銀行結餘(附註21)作抵押。

於二零一六年及二零一五年十二月三十一日，應付貿易賬款的賬齡分析如下：

2016 2015  
二零一六年 二零一五年

**4,595,245** 3,319,454  
**437,988** 1,921,146  
**123,111** 125,444  
**31,980** 48,059  
**236,999** 226,927  
**5,425,323** 5,641,030

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 24. TRADE PAYABLES (continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

RMB	人民幣
US\$	美元

### 24. 應付貿易賬款(續)

本集團應付貿易賬款的賬面值乃以下列貨幣為單位：

2016	2015
二零一六年	二零一五年
5,369,056	5,588,227
56,267	52,803
<b>5,425,323</b>	5,641,030

### 25. ACCRUALS, ADVANCES AND OTHER CURRENT LIABILITIES

Advances from customers	預收客戶款項
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付賬款
Deposits from customers	客戶按金
Value-added tax payable and other taxes payables	應付增值稅及其他應付稅項
Accrual of interest expense	預提利息費用
Salary, pension and other social welfare payables	應付薪金、退休金及其他社會福利
Provisions for legal claims	法律索償撥備
Accrual for iron ore importing expenses	預提鐵礦石進口費用
Employee deposits	僱員按金
Others	其他

### 25. 預提費用、預收款項及其他流動負債

2016	2015
二零一六年	二零一五年
2,215,134	1,665,095
308,854	488,828
138,403	126,203
88,686	40,364
9,232	37,572
153,570	118,062
20,000	20,000
144,034	51,404
32,016	29,435
258,581	269,206
<b>3,368,510</b>	2,846,169

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 26. BORROWINGS

## 26. 借款

		2016 二零一六年	2015 二零一五年
<b>Non-current</b>	<b>非流動</b>		
Bank borrowings (a)	銀行借款 (a)		
Secured	有抵押	246,500	24,000
Senior Notes (b)	優先票據 (b)	-	719,891
		<b>246,500</b>	743,891
<b>Current</b>	<b>流動</b>		
Bank borrowings (a)	銀行借款 (a)		
Secured	有抵押	35,000	1,515,654
Unsecured	無抵押	1,034,507	1,077,830
		<b>1,069,507</b>	2,593,484
Other borrowings, unsecured (c)	其他借款，無抵押 (c)	65,000	65,000
		<b>1,134,507</b>	2,658,484
<b>Total borrowings</b>	<b>總借款</b>	<b>1,381,007</b>	3,402,375

(a) The secured bank borrowings as at 31 December 2016 totalling RMB 281.5 million were secured by property, plant and equipment (Note 7) and leasehold land and land use rights (Note 6).

The secured bank borrowings as at 31 December 2015 totalling RMB 1,540 million were secured by certain restricted bank balances (Note 21), notes receivable (Note 17) and properties under development (Note 14) of the Group and guaranteed by a subsidiary of the Group.

(a) 於二零一六年十二月三十一日，抵押銀行借款合共人民幣2.815億元以物業、廠房及設備（附註7）以及租賃土地及土地使用權（附註6）作抵押。

於二零一五年十二月三十一日，抵押銀行借款合共人民幣15.4億元以本集團若干受限制銀行結餘（附註21）、應收票據（附註17）及發展中物業（附註14）作抵押，及本集團一間附屬公司出具擔保。



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 26. BORROWINGS (continued)

- (b) On 17 November 2010, the Group issued US\$ 300 million senior notes (the “2017 Senior Notes”), which bears interest at 7% per annum and payable semi-annually, to refinance its outstanding short-term debts.

During the year ended 31 December 2016, the Group repurchased US\$ 111 million of the 2017 Senior Notes, resulted in a loss of approximately RMB 1 million (Note 30). As at 31 December 2016, the principal amount and interest of the 2017 Senior Notes have been fully repaid.

- (c) The other unsecured borrowings of RMB 65 million (2015: RMB 65 million) represented a borrowing from a local county government without fixed term of repayment. Interest is charged at the RMB bank deposit rate for one year fixed deposit.
- (d) As at 31 December 2016 and 2015, the Group’s borrowings were repayable as follows:

## 26. 借款(續)

- (b) 於二零一零年十一月十七日，本集團發行3.00億美元的優先票據(「二零一七年優先票據」)，以年利率7%計息及每半年結息償還，以資助其償付尚未償還的短期債務。

於截至二零一六年十二月三十一日止年度內，本集團購回1.11億美元二零一七年優先票據，導致虧損約人民幣100萬元(附註30)。於二零一六年十二月三十一日，二零一七年優先票據本金及利息已悉數償還。

- (c) 其他無抵押借款人民幣6,500萬元(二零一五年：人民幣6,500萬元)指當地縣政府提供的借款，該筆借款無固定償還期。利息開支按銀行人民幣一年定期存款利率計算。
- (d) 於二零一六年及二零一五年十二月三十一日，本集團的借款到期期限如下：

	Bank borrowings 銀行借款		Other borrowings and Senior Notes 其他借款及優先票據	
	2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
Within 1 year 1年內	<b>1,069,507</b>	2,593,484	<b>65,000</b>	65,000
Between 1 and 2 years 1至2年	-	24,000	-	719,891
Between 2 and 5 years 2至5年	<b>246,500</b>	-	-	-
	<b>1,316,007</b>	2,617,484	<b>65,000</b>	784,891

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 26. BORROWINGS (continued)

The effective interest rates at the balance sheet date were as follows:

		2016 二零一六年		2015 二零一五年	
		RMB 人民幣	US\$ 美元	RMB 人民幣	US\$ 美元
Bank borrowings	銀行借款	4.75%-6.00%	1.43%-1.50%	5.09%-7.69%	1.41%-3.81%
Other borrowings	其他借款	3.60%	-	3.60%	-
Senior Notes	優先票據	-	-	-	7.00%

The carrying amounts of current borrowings approximated their fair values as at the balance sheet date as the impact of discounting is not significant.

The carrying amounts and fair value of the non-current bank borrowings and Senior Notes are as follows:

		Carrying amount 賬面值		Fair value 公允價值	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
Bank borrowings	銀行借款	246,500	24,000	225,642	23,985
Senior Notes	優先票據	-	719,891	-	692,389
		<b>246,500</b>	<b>743,891</b>	<b>225,642</b>	<b>716,374</b>

The fair values of non-current bank borrowings are based on discounted cash flow approach using the prevailing market rates of interest available to the Group for financial institution with substantially the same terms and characteristics at the respective balance sheet dates. The fair values of Senior Notes are based on quoted market price.

As at 31 December 2016, the carrying amount of the borrowings amounting to RMB 370 million (2015: RMB 1,799 million) and RMB 1,011 million (2015: RMB 1,603 million) were denominated in US\$ and RMB respectively.

### 26. 借款(續)

於結算日的實際利率如下：

由於折現影響不大，流動借款於結算日的賬面值近似其公允價值。

非流動銀行借款及優先票據的賬面值及公允價值如下：

非流動銀行借款的公允價值使用本集團於各結算日條款及特徵大體相同的金融機構的現行市場利率按現金流量法折現處理。優先票據的公允價值根據市場報價列賬。

於二零一六年十二月三十一日，賬面值為人民幣3.70億元(二零一五年：人民幣17.99億元)及人民幣10.11億元(二零一五年：人民幣16.03億元)的借款分別以美元及人民幣計值。

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 26. BORROWINGS (continued)

The exposure of the Group's bank borrowings to interest-rate changes and the contractual repricing dates are as follows:

6 months or less	6個月內
6-12 months	6至12個月
More than 12 months	12個月以上

### 26. 借款(續)

本集團銀行借款承擔利率變動風險及合約重新定價日期如下：

	2016 二零一六年	2015 二零一五年
	419,507	2,181,203
	650,000	436,281
	246,500	–
	<b>1,316,007</b>	2,617,484

### 27. OTHER LONG-TERM PAYABLES

#### Non-current

Finance lease obligations (i)
Other payable

#### 非流動

融資租賃承擔 (i)
其他應付款

	2016 二零一六年	2015 二零一五年
	603,761	1,155,214
	11,433	26,129
	<b>615,194</b>	1,181,343

#### Current

Finance lease obligations (i) (ii)
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#### 流動

融資租賃承擔 (i) (ii)
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	551,392	48,441
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#### Total other long-term payables

#### 其他長期應付賬款總額

	<b>1,166,586</b>	1,229,784
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(i) In November 2015, the Group entered into certain asset sale and leaseback agreements (the "Sale and Lease Agreement") with one financial institution. The sales proceeds of the relevant property, plant and equipment were RMB 1,200 million with a notional disposal loss of RMB 10 million which was amortised over the lease term of 36 months. The Group was entitled to purchase the related asset at a cost of RMB 3 at the end of the lease.

(i) 於二零一五年十一月，本集團與一間金融機構訂立若干資產售後回租協議（「售後回租協議」）。出售相關物業、廠房及設備所得款項為人民幣12億元，出售虧損為人民幣1,000萬元按租賃期36個月攤銷。本集團於租賃期末有權以人民幣3元的成本購買相關資產。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 27. OTHER LONG-TERM PAYABLES (continued)

- (ii) Given that a subsidiary of the Group is required to shut down all of its remaining production facilities in the year 2017, the relevant covenant term of one sales and lease back agreement is triggered, the Directors reclassified the finance lease obligation from non-current to current portion at 31 December 2016.
- (iii) As at 31 December 2016, total minimum lease payments under the finance lease based on the PBOC interest rate as at the balance sheet date and their present values were as follows:

Gross finance lease liabilities	融資租賃負債總額
– minimum lease payments	– 最低租賃付款
Within 1 year	1年內
Between 1 and 5 years	1至5年

Future finance charges on finance leases	融資租賃之未來融資支出
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<b>Present value of finance lease liabilities</b>	<b>最低租賃付款之現值</b>
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The present value of finance lease liabilities is as follows:

Within 1 year	1年內
Between 1 and 5 years	1至5年

The range of effective interest rates of the finance lease obligations of the Group is 6.21% to 6.39% per annum.

As at 31 December 2016, the fair value of the finance lease obligations equals to carrying amount as the effective interest rates of the finance lease obligations equals to the prevailing market rates of interest available to the Group.

## 27. 其他長期應付賬款(續)

- (ii) 於二零一六年十二月三十一日，鑒於本集團一間附屬公司須於二零一七年度關閉其餘下所有生產設施，則觸發相關售後租回協議之契約條款，董事們將融資租賃承擔由非流動重新分類至流動部分。
- (iii) 於二零一六年十二月三十一日，按中國人民銀行於結算日利率計息之融資租賃之最低租賃付款總額及其現值如下：

2016  
二零一六年

591,955  
638,062  

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1,230,017

(74,864)

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1,155,153

551,392  
603,761  

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1,155,153

本集團融資租賃承擔的實際利率介乎每年6.21%至6.39%。

於二零一六年十二月三十一日，由於融資租賃負債之實際利率等於本集團可用的現行市場利率，故融資租賃承擔之公允價值等於其賬面值。

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 28. DEFERRED REVENUE

### 28. 遞延收入

		<b>Deferred government grant</b> 遞延政府補貼
At 1 January 2015	於二零一五年一月一日	59,284
Addition	添置	44,403
Credited to the consolidated statement of profit or loss	於合併損益表內記賬	(17,370)
At 31 December 2015	於二零一五年十二月三十一日	<u>86,317</u>
Addition	添置	8,850
Credited to the consolidated statement of profit or loss	於合併損益表內記賬	(17,060)
At 31 December 2016	於二零一六年十二月三十一日	<u>78,107</u>

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 29. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxed levied by the same taxation authority on either the taxable entity or different taxable entities where there is an interaction to settle the balances on a net basis. The offset amounts are as follows:

Deferred tax assets:	遞延稅項資產：
– Deferred tax asset to be recovered after more than 12 months	– 將於12個月後收回的遞延稅項資產
– Deferred tax asset to be recovered within 12 months	– 將於12個月內收回的遞延稅項資產
Deferred tax liabilities:	遞延稅項負債：
– Deferred tax liabilities to be settled after more than 12 months	– 將於12個月後支銷的遞延稅項負債
– Deferred tax liabilities to be settled within 12 months	– 將於12個月內支銷的遞延稅項負債
Deferred tax assets – net	遞延稅項資產 – 淨額

The gross movement on the deferred income tax account is as follows:

At 1 January	於一月一日
(Charged)/Credited to the consolidated statement of profit or loss (Note 35)	於合併損益表 (扣除)/記賬 (附註35)
Acquisition of a subsidiary	收購一間附屬公司
Disposal of a subsidiary	出售一間附屬公司
At 31 December	於十二月三十一日

## 29. 遞延所得稅

當有將流動稅項資產與流動稅項負債抵銷之合法強制執行權，以及當遞延所得稅與同一稅務機關就該應課稅實體或不同應課稅實體徵收之所得稅有關，而有關方面擬按淨額基準繳納稅項時，遞延所得稅資產與負債將會抵銷。抵銷金額如下：

	2016 二零一六年	2015 二零一五年
	94,850	299,655
	61,030	78,294
	<b>155,880</b>	377,949
	(37,900)	–
	(4,304)	–
	<b>(42,204)</b>	–
	<b>113,676</b>	377,949

遞延所得稅賬目的總變動如下：

	2016 二零一六年	2015 二零一五年
	377,949	342,238
	(221,940)	35,711
	(36,101)	–
	(6,232)	–
	<b>113,676</b>	377,949

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(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 29. DEFERRED INCOME TAX (continued)

Deferred taxation is calculated on temporary differences under the liability method using the tax rate and the tax base that is consistent with the expected manner of recovery or settlement for the year ended 31 December 2016.

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets:

		Tax losses	Temporary difference arising from expense recognition	Impairment provision of assets and provision of legal claims	Unrealised gains	Total
		稅項虧損	費用確認的暫時性差異	資產減值撥備及法律索償撥備	尚未變現收益	總計
At 1 January 2015	於二零一五年一月一日	24,472	65,534	225,637	76,855	392,498
(Charged)/Credited to the consolidated statement of profit or loss	於合併損益表(扣除)/記賬	220,579	4,382	(206,955)	20,926	38,932
At 31 December 2015	於二零一五年十二月三十一日	245,051	69,916	18,682	97,781	431,430
(Charged)/Credited to the consolidated statement of profit or loss	於合併損益表(扣除)/記賬	(205,586)	1,385	(36)	(14,297)	(218,534)
Disposal of a subsidiary	出售一間附屬公司	(6,232)	-	-	-	(6,232)
At 31 December 2016	於二零一六年十二月三十一日	33,233	71,301	18,646	83,484	206,664

The Directors are of opinion that accumulated tax losses of RMB 345 million and unused tax credits arising from impairment provision of assets of RMB 2,498 million as at 31 December 2016 (31 December 2015: RMB 368 million and RMB 1,462 million) were unlikely to be utilised, therefore no deferred income tax assets were recognised in this regard. Tax loss amounting to RMB 163 million (2015: RMB 172 million), RMB 119 million (2015: RMB 119 million), RMB 33 million (2015: RMB 77 million) and RMB 30 million (2015: Nil) expire in 2018, 2019, 2020 and 2021 respectively.

### 29. 遞延所得稅 (續)

遞延稅項採用負債法就暫時性差異按與截至二零一六年十二月三十一日止年度預期收回或結算方式一致的稅率及稅基計算。

年內遞延所得稅資產及負債(沒有計入在同一徵稅區內抵銷的結餘)的變動如下:

遞延所得稅資產:

董事們認為，於二零一六年十二月三十一日，人民幣3.45億元的累計稅項虧損及人民幣24.98億元資產減值撥備產生的未動用稅項抵免(二零一五年十二月三十一日：人民幣3.68億元及人民幣14.62億元)將不大可能被使用，因此，並無就此確認遞延所得稅資產。人民幣1.63億元(二零一五年：人民幣1.72億元)、人民幣1.19億元(二零一五年：人民幣1.19億元)、人民幣3,300萬元(二零一五年：人民幣7,700萬元)及人民幣3,000萬元(二零一五年：無)的稅項虧損分別於二零一八年、二零一九年、二零二零年及二零二一年屆滿。

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## 29. DEFERRED INCOME TAX (continued)

Deferred income tax liabilities:

		Fair value gains 公允價值收益	Capitalised interest 資本化利息	Investment in associates 於聯營公司之投資	Total 合計
At 1 January 2015	於二零一五年一月一日	(5,725)	(44,535)	-	(50,260)
Credit/(Charged) to the consolidated statement of profit or loss	於合併損益表記賬/(扣除)	358	(3,579)	-	(3,221)
At 31 December 2015	於二零一五年十二月三十一日	(5,367)	(48,114)	-	(53,481)
Credit/(Charged) to the consolidated statement of profit or loss	於合併損益表記賬/(扣除)	3,961	1,964	(9,331)	(3,406)
Acquisition of a subsidiary	收購一間附屬公司	(36,101)	-	-	(36,101)
At 31 December 2016	於二零一六年十二月三十一日	(37,507)	(46,150)	(9,331)	(92,988)

Deferred income tax liabilities of RMB 412 million (2015: RMB 324 million) have not been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries in PRC amounting to RMB 4,122 million as at 31 December 2016 (2015: RMB 3,243 million). The Directors are of the view that the Group will not distribute the unremitted earnings in the foreseeable future.

## 29. 遞延所得稅 (續)

遞延所得稅負債：

於二零一六年十二月三十一日，並無就中國若干附屬公司人民幣41.22億元(二零一五年：人民幣32.43億元)的未匯付收益的應繳預扣稅確認人民幣4.12億元(二零一五年：人民幣3.24億元)的遞延所得稅負債。董事們認為，本集團將不會於可見將來分派未匯付收益。



## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 30. OTHER LOSSES – NET

### 30. 其他虧損－淨額

		2016 二零一六年	2015 二零一五年
Government grants	政府補貼	51,570	106,622
(Losses)/Gains on repurchase of Senior Notes (Note 26)	購回優先票據之(虧損)/收益(附註26)	(1,041)	105,677
Reversal for legal claims	法律索償撥回	–	61,278
Gain on disposal of mining rights	出售採礦權之收益	–	10,150
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	–	8,754
Fair value gain of financial assets at fair value through profit or loss (Note 20)	按公允價值計量且其變動計入損益表之金融資產之公允價值收益(附註20)	8,496	1,195
Gains on disposal of property, plant and equipment (Note 40)	出售物業、廠房及設備之收益(附註40)	4,763	563
Losses of raw materials and by-products	原材料及副產品虧損	(2,902)	(260)
Other foreign exchange gains/(losses) – net (Note 36)	其他匯兌收益/(虧損) – 淨額(附註36)	52,819	(68,718)
Impairment of property, plant and equipment (Note 7)	物業、廠房及設備減值(附註7)	(809,790)	(521,019)
Gain on disposal of the subsidiaries	出售附屬公司之收益	31,487	–
Others, net	其他，淨額	7,639	(3,288)
Total other losses – net	其他虧損淨額合計	<b>(656,959)</b>	(299,046)

### 31. OTHER INCOME

### 31. 其他收入

		2016 二零一六年	2015 二零一五年
Interest income from available-for-sale financial assets	可供出售金融資產之利息收入	3,525	–
Investment income from available-for-sale financial assets	可供出售金融資產之投資收入	–	9,981
Income from other operating leases	其他經營租賃之收入	–	9,838
Rental income from investment properties (Note 8)	投資物業之租金收入(附註8)	2,574	2,616
Others	其他	30	120
Total	合計	<b>6,129</b>	22,555

## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 32. EXPENSES BY NATURE

### 32. 按性質呈列的開支

		2016 二零一六年	2015 二零一五年
Employee benefit expense (Note 33)	僱員福利開支(附註33)	1,096,917	870,882
Changes in inventories of finished goods and work in progress	製成品及在製品的存貨變動	(250,219)	(245,669)
Raw materials used	所用原材料	20,055,941	17,463,429
Cost of properties sold	已銷售物業成本	186,919	408,323
Utilities	能源	1,818,390	1,083,028
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備折舊(附註7)	1,068,590	1,083,798
Amortisation of intangible assets (Note 9)	無形資產攤銷(附註9)	10,246	10,240
Amortisation of leasehold land and land use rights (Note 6)	租賃土地及土地使用權攤銷(附註6)	5,390	3,578
Depreciation of investment properties (Note 8)	投資物業折舊(附註8)	441	441
Operating lease expenses in respect of land use rights	有關土地使用權的經營租賃費用	1,850	2,592
Provision for impairment of trade receivables (Note 17)	應收貿易賬款減值之撥備(附註17)	16,967	4,186
Impairment provision of prepayments, deposits and other receivables (Note 18)	預付款項、按金及其他應收賬款之減值撥備(附註18)	231,713	29,273
Provision for write-down of inventories to net realisable value (Note 16)	存貨價值撇減至可變現淨值之撥備(附註16)	-	105,373
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	4,050	4,131
– Non-audit services	– 非核數服務	143	142
Rental fee	租金費用	108,535	177,993
Export fee	出口費用	39,474	42,049
Technical consulting fees	技術諮詢費	24,096	1,679
Others	其他	264,763	211,626
Total	合計	<b>24,684,206</b>	21,257,094

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 33. EMPLOYEE BENEFIT EXPENSE

## 33. 僱員福利開支

		2016 二零一六年	2015 二零一五年
Staff costs (including directors' emoluments)	僱員成本(包括董事酬金)		
– Salaries and welfare	– 薪金及福利	974,739	704,584
– Pension costs-defined contribution plans (a)	– 退休金成本— 定額供款計劃(a)	122,178	166,298
		<b>1,096,917</b>	870,882

### (a) Pensions – defined contribution plans

The employees of the subsidiaries of the Group that are incorporated in the PRC participate in a defined contribution retirement benefit plan organised by the relevant provincial government. For the years ended 31 December 2016 and 2015, the Group is required to make monthly defined contributions to these plans at rates from 10% to 20%, with the base of their total salary subject to a certain ceiling.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments disclosed in the above note.

### (a) 退休金— 定額供款計劃

本集團於中國註冊成立的附屬公司的僱員參與有關省政府組織的定額供款統籌退休金計劃。截至二零一六年及二零一五年十二月三十一日止年度，本集團按僱員薪金總額10%至20%每月向該等計劃作出定額供款，惟受若干上限所限。

除以上附註所披露的款項外，本集團並無向僱員或退休人士支付退休金及給予其他退休後福利的其他責任。

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 33. EMPLOYEE BENEFIT EXPENSE (continued)

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2015: four) directors whose emoluments are reflected in the analysis of Note 47. The emoluments of the remaining one (2015: one) highest paid individual for the year are as follows:

Salaries and allowances	薪金及津貼
Fair value of employee share options granted	已授出僱員購股權的公允價值

The remuneration fell within the following bands:

RMB 500,000 to RMB 1,000,000 (approximately HK\$ 577,271 to HK\$ 1,154,541)	人民幣500,000元至人民幣1,000,000元 (約577,271港元至1,154,541港元)
RMB 1,000,001 to RMB 3,000,000 (approximately HK\$ 1,154,542 to HK\$ 3,463,623)	人民幣1,000,001元至人民幣3,000,000元 (約1,154,542港元至3,463,623港元)

## 33. 僱員福利開支 (續)

### (b) 五名最高薪酬人士

本年度本集團五位最高薪酬人士包括四位(二零一五年：四位)董事，其酬金已於附註47的分析中呈列。本年度內支付予其餘一位(二零一五年：一位)最高薪人士的酬金如下：

2016 二零一六年	2015 二零一五年
1,075	850
-	-
<b>1,075</b>	<b>850</b>

酬金介乎以下範圍：

Number of individuals 人數	
2016 二零一六年	2015 二零一五年
-	1
1	-

## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 34. FINANCE INCOME AND COSTS

### 34. 財務收入及成本

		2016 二零一六年	2015 二零一五年
Interest expenses	利息費用		
– borrowings	– 借款	<b>(78,161)</b>	(389,622)
– amounts due to related parties	– 應付關聯方款項	–	(5,447)
– discount of notes receivable	– 應收票據貼現	<b>(23,965)</b>	(25,332)
– finance lease liabilities	– 融資租賃負債	<b>(77,634)</b>	(3,655)
Net foreign exchange losses on borrowings (Note 36)	借款的淨匯兌虧損 (附註36)	<b>(28,663)</b>	(199,631)
Finance costs	財務成本	<b>(208,423)</b>	(623,687)
Less: amounts capitalised as qualifying assets	減：合資格資產資本化金額	<b>26,261</b>	79,722
Total finance costs (Note 40)	財務成本總額(附註40)	<b>(182,162)</b>	(543,965)
Interest income	利息收入		
– bank deposits	– 銀行存款	<b>36,464</b>	48,446
– trade receivables	– 應收貿易賬款	<b>3,717</b>	23,667
– prepayments, deposits and other receivables	– 預付款項、按金及 其他應收賬款	<b>20,772</b>	28,630
– loan receivables	– 應收貸款	<b>48,940</b>	21,386
Total finance income (Note 40)	財務收入總額(附註40)	<b>109,893</b>	122,129
Finance costs – net	財務成本–淨額	<b>(72,269)</b>	(421,836)

# Notes to the Consolidated Financial Statements 合併財務報表附註

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## 35. INCOME TAX EXPENSE

## 35. 所得稅費用

		2016 二零一六年	2015 二零一五年
Current income tax	當期所得稅		
– PRC enterprise income tax (the “EIT”)	– 中國企業所得稅 (「企業所得稅」)	295,042	82,060
– Singapore profit tax	– 新加坡利得稅	6,954	–
Deferred income tax (Note 29)	遞延所得稅(附註29)	221,940	(35,711)
		<b>523,936</b>	46,349

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and, accordingly, is exempted from payment of Bermuda income tax.

The subsidiaries directly held by the Company were incorporated in BVI with limited liability under the International Business Companies Act Chapter 291 and, accordingly, are exempted from payment of BVI income tax.

No Hong Kong profits tax has been provided since the Company and the subsidiaries traded or incorporated in Hong Kong do not have assessable taxable profits during the year ended 31 December 2016 after utilising accumulated tax losses (2015: nil). The Directors are of opinion that the accumulated tax losses of the Company and the subsidiaries are unlikely to be utilised in the future. No deferred tax assets were recognised.

China Oriental Singapore has been awarded the “Global Trader Programme” status for 2 years 9 months with effect from 1 April 2011 and continued to be awarded from 1 January 2014 for 5 years. Income from qualifying transactions will be taxed at the concessionary corporate tax rate of 10%, subject to China Oriental Singapore meeting certain terms and conditions as stated in the letter issued by International Enterprise Singapore.

本公司根據百慕達一九八一年公司法在百慕達註冊成立為獲豁免有限責任公司，故獲豁免繳付百慕達所得稅。

本公司直接持有的附屬公司根據國際商業公司法第291章在英屬維爾京群島註冊成立為有限責任公司，故獲豁免繳付英屬維爾京群島所得稅。

由於在動用累計稅項虧損後，於香港進行貿易或註冊成立的本公司及附屬公司於截至二零一六年十二月三十一日止年度並無應課稅利潤，故並沒有計提香港利得稅(二零一五年：無)。董事認為，本公司及附屬公司於未來動用累計稅項虧損之可能性不大，故並無確認遞延稅項資產。

中國東方新加坡已獲得自二零一一年四月一日起生效的兩年零九個月的「環球貿易計劃」地位，並繼續獲得自二零一四年一月一日起生效五年。根據中國東方新加坡達到新加坡國際企業發展局發出的函件內所列的若干條款及條件，合資格的交易之收入將按特許企業稅率10%徵稅。

## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 35. INCOME TAX EXPENSE (continued)

The PRC EIT is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items which are not assessable or deductible for income tax purposes. The EIT rate applicable to the subsidiaries incorporated in the PRC is 25% (2015: 25%).

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average applicable tax rate of 21.79% (2015: 29.58%) to respective profits of the consolidated entities for the years ended 31 December 2016 and 2015 as follows:

		2016 二零一六年	2015 二零一五年
Profit/(Loss) before taxation	除稅前溢利／(虧損)	1,054,948	(889,668)
Taxation calculated at statutory tax rate	按法定稅率計算的稅項	229,826	(263,305)
Temporary difference and tax losses for which no deferred income tax asset was recognised	未確認遞延所得稅資產的暫時性差異及稅項虧損	281,126	125,369
Withholding tax of investment in associates	代扣代繳於聯營公司之投資之稅項	9,331	-
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(15,337)	-
Write-off of deferred income tax asset recognised in prior years	撇銷過往年度確認之遞延所得稅資產	11,695	186,946
Withholding tax of intra-group interest	代扣代繳集團內部利息之稅項	1,387	6,987
Effect of non-taxable income	毋須課稅收入之影響	(2,964)	(29,303)
Effect of non-deductible expenses	不可扣減費用的影響	8,872	19,655
		<b>523,936</b>	<b>46,349</b>

### 35. 所得稅費用 (續)

中國企業所得稅乃基於在中國註冊成立的附屬公司的法定溢利，根據中國稅務法律及條例，於調整若干不須課稅或不可扣減所得稅的收入及開支項目後計算。適用於在中國註冊成立的附屬公司的企業所得稅稅率為25% (二零一五年：25%)。

本集團除稅前溢利的稅項於截至二零一六年及二零一五年十二月三十一日止年度合併實體的溢利因採用加權平均稅率21.79% (二零一五年：29.58%) 計算的理論總額的差異分別如下：

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 36. NET FOREIGN EXCHANGE GAINS/(LOSSES)

The exchange differences credited in the consolidated statement of profit or loss included the followings:

		2016 二零一六年	2015 二零一五年
Other gains/(losses) – net (Note 30)	其他收益／(虧損) – 淨額 (附註30)	52,819	(68,718)
Finance costs – net (Note 34)	財務成本 – 淨額 (附註34)	(28,663)	(199,631)
		<b>24,156</b>	<b>(268,349)</b>

## 36. 匯兌收益／(虧損)淨額

於合併損益表內記賬之匯兌差異載列如下：

## 37. GAINS/(LOSSES) FROM DERIVATIVE FINANCIAL INSTRUMENTS

		2016 二零一六年	2015 二零一五年
Investment gains from foreign currency forward contracts (a)	外幣遠期合約之 投資收益(a)	2,879	4,292
Investment gains/(losses) from iron ore swap contracts (b)	鐵礦石掉期合約之 投資收益／(虧損)(b)	3,284	(215)
Investment gains/(losses) from rebar future contracts (c)	螺紋鋼期貨合約之 投資收益／(虧損)(c)	29,669	(9,117)
Total	合計	<b>35,832</b>	<b>(5,040)</b>

## 37 衍生金融工具之收益／(虧損)

(a) As at 31 December 2016, realised gains amounted to RMB 5.6 million and unrealised losses amounted to RMB 2.7 million (2015: realised gains amounted to RMB 1.0 million and unrealised gains amounted to RMB 3.3 million) were derived from foreign currency forward contracts. A derivative financial liability of RMB 2.7 million was recognised on balance sheet as at 31 December 2016 accordingly.

(a) 於二零一六年十二月三十一日，外幣遠期合約產生人民幣560萬元已確認收益及人民幣270萬元未確認虧損(二零一五年：人民幣100萬元已確認收益及人民幣330萬元未確認收益)。因此，於二零一六年十二月三十一日，人民幣270萬元的衍生金融負債於資產負債表中確認。



# Notes to the Consolidated Financial Statements 合併財務報表附註

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 37. GAINS/(LOSSES) FROM DERIVATIVE FINANCIAL INSTRUMENTS (continued)

- (b) As at 31 December 2016, realised losses amounted to RMB 2.1 million and unrealised gains amounted to RMB 5.4 million (2015: realised losses amounted to RMB 6.8 million and unrealised gains amounted to RMB 6.6 million) were derived from iron ore swap contracts. A derivative financial asset of RMB 6.2 million and a derivative financial liability of RMB 0.9 million were recognised on balance sheet as at 31 December 2016 accordingly.
- (c) As at 31 December 2016, realised gains amounted to RMB 41.8 million (2015: realised losses amounted to RMB 5.8 million) and unrealised losses amounted to RMB 12.1 million (2015: unrealised losses amounted to RMB 3.3 million) were derived from rebar future contracts. A derivative financial liability of RMB 12.1 million was recognised on balance sheet as at 31 December 2016 accordingly.

## 37 衍生金融工具之收益／(虧損)(續)

- (b) 於二零一六年十二月三十一日，鐵礦石掉期合約產生人民幣210萬元已確認虧損及人民幣540萬元未確認收益(二零一五年：人民幣680萬元已確認虧損及人民幣660萬元未確認收益)。因此，於二零一六年十二月三十一日，人民幣620萬元的衍生金融資產及人民幣90萬元的衍生金融負債於資產負債表中確認。
- (c) 於二零一六年十二月三十一日，螺紋鋼期貨合約產生人民幣4,180萬元已確認收益(二零一五年：人民幣580萬元已確認虧損)及人民幣1,210萬元未確認虧損(二零一五年：人民幣330萬元未確認虧損)。因此，於二零一六年十二月三十一日，人民幣1,210萬元的衍生金融負債於資產負債表中確認。

## 38. EARNINGS/(LOSSES) PER SHARE

### Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

## 38. 每股收益／(虧損)

### 基本

每股基本收益乃根據本公司權益持有者應佔溢利除以年內已發行普通股的加權平均數而計算。

		2016 二零一六年	2015 二零一五年
Profit/(Loss) attributable to owners of the Company	本公司權益持有者應佔溢利／(虧損)	722,127	(766,503)
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	2,931,425	2,931,425
Basic earnings/(losses) per share (RMB per share)	每股基本收益／(虧損)(每股人民幣元)	0.25	(0.26)

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 38. EARNINGS/(LOSSES) PER SHARE (continued)

### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The diluted earnings per shares is the same as the basic earnings per shares since the employee share options outstanding as at 31 December 2016 and 2015 would have an anti-dilutive effect on the earnings per share.

## 39. DIVIDENDS

At a meeting held on 31 March 2017, the Board proposed a final dividend of HK\$ 175.9 million (approximately RMB 157.3 million), representing HK\$ 0.05 per ordinary share and a special dividend of HK\$ 351.8 million (approximately RMB 314.7 million), representing HK\$ 0.10 per ordinary share in respect of the year ended 31 December 2016.

At a meeting held on 31 March 2016, the Board did not recommend the payment of any final dividend in respect of the year ended 31 December 2015.

## 38. 每股收益／(虧損)(續)

### 稀釋

每股稀釋收益乃在假設所有可稀釋的潛在普通股被兌換後，透過調整未發行普通股的加權平均股數計算。本公司僅有一類可稀釋的潛在普通股：購股權。就購股權而言，根據尚未行使購股權所附的認購權的貨幣價值，釐定按公允價值(釐定為本公司股份的平均年度市價)可購入的股份數目。按以上方式計算的股份數目乃與假設購股權行使而應已發行的股份數目作出比較。

由於於二零一六年及二零一五年十二月三十一日尚未行使之僱員購股權對每股盈利有反攤薄影響，故每股稀釋盈利與每股基本盈利相同。

## 39. 股息

於二零一七年三月三十一日舉行的會議上，董事局建議就截至二零一六年十二月三十一日止年度派發末期股息1.759億港元(約人民幣1.573億元)(即每股普通股0.05港元)及特別股息3.518億港元(約人民幣3.147億元)(即每股普通股0.10港元)。

於二零一六年三月三十一日舉行的會議上，董事局不建議就截至二零一五年十二月三十一日止年度派付任何末期股息。

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## 40. CASH GENERATED FROM OPERATIONS

## 40. 營運產生的現金

(a) Reconciliation of profit/(loss) before income tax to cash generated from operations is as follows:

(a) 除所得稅前溢利/(虧損)與營運產生的現金的調節表如下：

		2016 二零一六年	2015 二零一五年
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)	1,054,948	(889,668)
Adjustments for:	調整：		
Amortisation of leasehold land and land use rights (Notes 6, 32)	租賃土地及土地使用權攤銷 (附註6、32)	5,390	3,578
Depreciation of property, plant and equipment (Notes 7, 32)	物業、廠房及設備折舊 (附註7、32)	1,068,590	1,083,798
Depreciation of investment properties (Notes 8, 32)	投資物業折舊(附註8、32)	441	441
Amortisation of intangible assets (Notes 9, 32)	無形資產攤銷(附註9、32)	10,246	10,240
Gain on disposal for property, plant and equipment (Note 30)	出售物業、廠房及設備之收益 (附註30)	(4,763)	(563)
Impairment of property, plant and equipment (Notes 7, 30)	物業、廠房及設備減值 (附註7、30)	809,790	521,019
Provision for write-down of inventories to net realisable value (Notes 16, 32)	存貨價值撇減至其可變現淨值之撥備 (附註16、32)	-	105,373
Provision for impairment of trade receivables (Notes 17, 32)	應收貿易賬款減值之撥備 (附註17、32)	16,967	4,186
Impairment provision of prepayments, deposits and other receivables (Notes 18, 32)	預付款項、按金及其他應收賬款之減值撥備(附註18、32)	231,713	29,273
Share of results of associates	應佔聯營公司業績	1,022	745
Gain on disposal of mining rights	出售探礦權之收益	-	(10,150)
Gain on disposal of available-for-sale financial assets (Note 30)	出售可供出售金融資產之收益 (附註30)	-	(8,754)
Gain on disposal of the subsidiaries (Note 30)	出售附屬公司收益(附註30)	(31,487)	-
(Gains)/Losses from derivative financial instruments (Note 37)	衍生金融工具之(收益)/虧損 (附註37)	(35,832)	5,040
Investment income from available-for-sale financial assets (Note 31)	可供出售金融資產之投資收入 (附註31)	-	(9,981)
Interest income from available-for-sale financial assets (Note 31)	可供出售金融資產之利息收入(附註31)	(3,525)	-
Investment income from financial assets at fair value through profit or loss (Note 30)	按公允價值計量且其變動計入損益表之金融資產之投資收入(附註30)	(8,496)	(1,195)
Other foreign exchange (gains)/losses (Notes 30, 36)	其他匯兌(收益)/虧損(附註30、36)	(52,819)	68,718
Finance income (Note 34)	財務收入(附註34)	(109,893)	(122,129)
Finance costs (Note 34)	財務成本(附註34)	182,162	543,965
Loss/(Gain) on repurchase of Senior Notes (Note 30)	購回優先票據之虧損/(收益)(附註30)	1,041	(105,677)
Reversal of Provision for legal claims (Notes 25, 30)	法律索償撥回(附註25、30)	-	(61,278)
(Increase)/Decrease in inventories and properties under development and held for sale	存貨及發展中及持作出售物業(增加)/減少	(783,591)	543,363
(Increase)/Decrease in trade and notes receivables, prepayments, deposits and other receivables	應收貿易賬款及票據、預付款項、按金及其他應收賬款(增加)/減少	(866,653)	982,442
(Increase)/Decrease in amount due from related parties	應收關聯方款項(增加)/減少	(10,843)	172,915
Decrease/(Increase) in restricted bank balances	受限制銀行結餘減少/(增加)	233,216	(670,810)
Increase in deferred revenue (Note 28)	遞延收入增加(附註28)	(8,210)	27,033
Increase in trade payables, accruals, advances from customers and other current liabilities	應付貿易賬款、預提費用、預收客戶款項及其他流動負債增加	315,822	3,386,298
Decrease in trade balance due to related parties	應付關聯方貿易結餘減少	(55,778)	(169,935)
<b>Cash generated from operation</b>	<b>營運產生的現金</b>	<b>1,959,458</b>	<b>5,438,287</b>

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 40. CASH GENERATED FROM OPERATIONS (continued)

### (b) Major non-cash transactions:

Except the major non-cash transactions disclosed elsewhere in these consolidated financial statements, the Group endorsed bank acceptance notes to suppliers for purchase of property, plant and equipment amounting to approximately RMB 779 million (2015: approximately RMB 544 million) for the year ended 31 December 2016.

### (c) In the cash flow statement, proceeds from sales of property, plant and equipment comprised:

Net book amount of property, plant and equipment disposed (Note 7)	所出售物業、廠房及設備的賬面淨值(附註7)
Gains on disposals of property, plant and equipment (Note 30)	出售物業、廠房及設備收益(附註30)
Non-cash assets received	已收非現金資產
Cash (payments)/proceeds from disposal of property, plant and equipment	出售物業、廠房及設備(所付)／所得現金

Non-cash assets received mainly represented bank acceptance notes and other receivables received from deductions of property, plant and equipment.

## 40. 營運產生的現金(續)

### (b) 主要非現金交易：

除合併財務報表其他部份所披露的主要非現金交易外，截至二零一六年十二月三十一日止年度，本集團就購買物業、廠房及設備向供應商背書銀行承兌匯票約人民幣7.79億元(二零一五年：約人民幣5.44億元)。

### (c) 於現金流量表內，出售物業、廠房及設備所得款項包括：

2016 二零一六年	2015 二零一五年
<b>6,826</b>	4,337
<b>4,763</b>	563
<b>(11,646)</b>	(4,719)
<b>(57)</b>	181

收取的非現金資產主要指就物業、廠房及設備減少而收取的銀行承兌匯票及其他應收賬款。

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## 41. FINANCIAL GUARANTEE CONTRACTS

Guarantee for bank borrowings  
of third parties

為第三方的銀行  
借款出具擔保

As at 31 December 2016, Jinxi Limited provided guarantee for bank borrowings in favour of a third party amounted to approximately RMB 11 million. (2015: RMB 11 million). The fair value of the financial guarantee is not significant.

The Directors are of the view that such obligation will not cause an outflow of the Group's resources embodying economic benefits.

## 42. COMMITMENTS

(a) Capital commitments

Purchase of property, plant  
and equipment

購買物業、廠房及設備

– Contracted but not provided for – 已訂約但未撥備

– Authorised but not contracted for – 已授權但未訂約

## 41. 財務擔保合約

**2016** 2015  
二零一六年 二零一五年

**10,960** 10,960

於二零一六年十二月三十一日，津西鋼鐵為一名第三方的銀行借款出具擔保，共約人民幣1,100萬元（二零一五年：人民幣1,100萬元）。該等財務擔保的公允價值並不重大。

董事認為該償還責任將不會造成本集團包含經濟利益的資源流出。

## 42. 承擔

(a) 資本承擔

**2016** 2015  
二零一六年 二零一五年

**553,600** 266,387

**750,440** 149,873

**1,304,040** 416,260

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 42. COMMITMENTS (continued)

(b) Commitments to properties under development

Purchase of properties under development 購買發展中物業

2016 2015  
二零一六年 二零一五年

**106,649** 291,524

(c) Operating lease commitments

The future aggregate minimum lease rental expenses in respect of land use rights, property, plant and equipment under non-cancellable operating leases are payable as follows:

No later than one year 1年內  
Later than one year and no later than five years 1年以上，5年以內  
Later than five years 5年以上

(c) 經營租賃承擔

有關不可撤銷經營租賃項下的土地使用權、物業、廠房及設備的應付未來最低租賃租金總支出如下：

2016 2015  
二零一六年 二零一五年

**10,341** 10,188

**31,687** 31,732

**105,479** 112,889

**147,507** 154,809

## 43. BUSINESS COMBINATIONS

On 1 April 2016, the Group acquired all share equity of Jinxi Wantong, a company that manufactures and sells steel products, at a consideration of about RMB 263 million. The acquisition is expected to secure the Group's production capacity and reduce cost of leasing production facilities. None of the goodwill recognised is expected to be deductible for income tax purposes.

The goodwill of RMB 25 million arises from a number of factors including obtaining greater production efficiencies through securing production capacity and reducing cash outflow by cost reductions in leasing expense and unrecognised assets such as the workforce.

## 43. 業務合併

於二零一六年四月一日，本集團以代價約人民幣2.63億元收購津西萬通（一間製造及銷售鋼鐵產品的公司）全部股權。預期收購將保證本集團的生產能力及減少租賃生產設備的成本。預期任何已確認商譽概不可就所得稅扣減。

人民幣2,500萬元的商譽來自若干因素，包括透過保證生產能力獲得更高生產效率及透過減少租賃開支的成本及未確認資產（如勞動力）而減少現金流出。

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 43. BUSINESS COMBINATIONS (continued)

The following table summarises the consideration paid for Jinxi Wantong, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Purchase consideration	購買代價	
– Cash paid	– 已付現金	207,843
– Bank acceptance notes	– 銀行承兌匯票	55,000
<b>Total purchase consideration</b>	<b>購買代價總額</b>	<b>262,843</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>收購可識別資產及負債的責任已確認金額</b>	
<b>Provisional fair value</b>	<b>暫估公允價值</b>	
Cash and banks	現金及銀行	4,754
Property, plant and equipment	物業、廠房及設備	852,385
Intangibles:	無形資產：	
– Land use rights	– 土地使用權	9,901
– Leasehold land	– 租賃土地	48,190
Receivables	應收款項	93,037
Payables	應付款項	(487,975)
Borrowings	借款	(246,500)
Net deferred tax liabilities	遞延稅項負債淨額	(36,101)
Total identifiable net assets	可供識別資產淨值總額	237,691
Goodwill	商譽	25,152
		<b>262,843</b>
Acquisition-related costs (included in administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2016)	收購相關成本 (包括計入截至二零一六年十二月三十一日止年度的合併損益表的行政費用)	75

The revenue included in the consolidated statement of profit or loss since 1 April 2016 contributed by Jinxi Wantong was RMB 2,372 million. Jinxi Wantong also contributed profit of RMB 11 million over the same period.

### 43. 業務合併(續)

下表概述於收購日期已確認就津西萬通已付代價，及已收購資產之金額及負債的責任。

1 April 2016

二零一六年

四月一日

自二零一六年四月一日起，計入合併損益表由津西萬通貢獻的收入為人民幣23.72億元，同期津西萬通亦貢獻人民幣1,100萬元的溢利。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 43. BUSINESS COMBINATIONS (continued)

Had Jinxi Wantong been consolidated from 1 January 2016, the consolidated statement of profit or loss would show pro-forma revenue of RMB 2,372 million and profit of RMB 16 million.

## 43. 業務合併 (續)

倘津西萬通於二零一六年一月一日起合併入賬，則合併損益表將顯示人民幣23.72億元的備考收入及人民幣1,600萬元的溢利。

## 44. RELATED PARTY TRANSACTIONS

(a) For the years ended 31 December 2016 and 2015, the Directors are of the view that the following companies and persons are related parties of the Group:

## 44. 關聯方交易

(a) 截至二零一六年及二零一五年十二月三十一日止年度，董事們認為以下公司及人士為本集團的關聯方：

Name 名稱	Relationship with the Group 與本集團的關係
Foshan Jin Lan Aluminium Company Limited ("Foshan Jin Lan") 佛山金蘭鋁廠有限公司 (「佛山金蘭」)	Minority shareholder of Jinxi Jinlan 津西金蘭的少數股東
Foshan Jin Lan Nonferrous Metals Product Co. Ltd. ("Jin Lan Nonferrous Metals") 佛山金蘭有色金屬製品有限公司 (「金蘭有色金屬」)	Foshan Jin Lan's subsidiary 佛山金蘭的附屬公司
Tangshan Fengnan Qu Jinxi Fenggang Iron and Steel Co. Ltd. ("Jinxi Fenggang") 唐山市豐南區津西豐鋼鋼鐵有限公司(「津西豐鋼」)	Chairman of the board of Jinxi Fenggang is Mr Shen Xiaoling, a director of the Company 津西豐鋼董事局主席為本公司董事沈曉玲先生
Beijing Jingtang Guangzhi Investment Management Co. Ltd. ("Jingtang Guangzhi Investment") 北京京唐廣志投資管理有限公司 (「京唐廣志投資」)	Controlled by Mr. Wang Zhihong, a director of Boyuan Real Estate (before 5 February 2016) 由博遠房地產的董事王志紅先生控制 (於二零一六年二月五日前)
Mr. Li Hejun 李賀軍先生	Minority shareholder of Jinxi Dafang, a subsidiary of the Group 本集團一間附屬公司津西大方的少數股東



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 44. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years ended 31 December 2016 and 2015, the Directors are of the view that the following companies and persons are related parties of the Group: (continued)

### Name 名稱

Oriental Sheet Piling Sdn. Bhd. and it's subsidiaries  
("Oriental Sheet Piling")

Oriental Sheet Piling Sdn. Bhd. 及其附屬公司  
([Oriental Sheet Piling])

Arcelor International Steel Trading (Shanghai)  
Co. Ltd ("Arcelor International Trading")

Arcelor International Steel Trading (Shanghai)  
Co. Ltd ([Arcelor International Trading])

Arcelor Mittal Singapore PTE  
("Arcelor Mittal Singapore")

Arcelor Mittal Singapore PTE  
("Arcelor Mittal Singapore")

XTAL Inc. ("XTAL")  
XTAL Inc. ([XTAL])

The English name of certain companies referred in this financial statements represent management's best effort at translating the Chinese names of these companies as no English names have been registered.

## 44. 關聯方交易 (續)

- (a) 截至二零一六年及二零一五年十二月三十一日止年度，董事認為以下公司及人士為本集團的關聯方：(續)

### Relationship with the Group 與本集團的關係

Controlled by the same ultimate parent company of ArcelorMittal Holdings AG, an entity holds over 20% equity interests in the Company

由擁有本公司超過20%權益的實體 ArcelorMittal Holdings AG的相同最終母公司控制

Controlled by the same ultimate parent company of ArcelorMittal Holdings AG, an entity holds over 20% equity interests in the Company

由擁有本公司超過20%權益的實體 ArcelorMittal Holdings AG的相同最終母公司控制

Controlled by the same ultimate parent company of ArcelorMittal Holdings AG, an entity holds over 20% equity interests in the Company

由擁有本公司超過20%權益的實體 ArcelorMittal Holdings AG的相同最終母公司控制

An associated company of the Group  
本集團的聯營公司

本財務報表所述若干公司的英文名稱為管理層根據其中文名稱最佳翻譯所得，此乃由於該等公司並無登記任何官方英文名稱。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 44. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, the Directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group during the years ended 31 December 2016 and 2015:

## 44. 關聯方交易 (續)

(b) 除本合併財務報表其他部份中已披露外，於截至二零一六年及二零一五年十二月三十一日止年度內，董事們認為以下的重大關聯方交易乃於本集團日常業務過程中進行：

		2016 二零一六年	2015 二零一五年
Sales of goods	銷售貨物		
– Oriental Sheet Piling	– Oriental Sheet Piling	51,757	71,505
– Arcelor International Trading	– Arcelor International Trading	20,605	34,058
		<b>72,362</b>	105,563
Sales of utilities	銷售能源		
– Jin Lan Nonferrous Metals	– 金蘭有色金屬	28,809	28,588
Purchase of raw materials	購買原材料		
– Arcelor Mittal Singapore	– Arcelor Mittal Singapore	–	23,555
Service provided	已提供服務		
– XTAL	– XTAL	9,257	–
Service received	已接收服務		
– XTAL	– XTAL	10,266	–

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 44. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, the Directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group during the years ended 31 December 2016 and 2015:  
(continued)

### (i) Key management compensation

Key management includes executive and non-executive directors. The compensation paid or payable to key management for employee services is shown below:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Post-employment benefits	退休金供款
Share-based payments	購股權支出

## 44. 關聯方交易 (續)

(b) 除本合併財務報表其他部份中已披露外，於截至二零一六年及二零一五年十二月三十一日止年度內，董事們認為以下的重大關聯方交易乃於本集團日常業務過程中進行：(續)

### (i) 主要管理人員酬金

主要管理人員包括執行及非執行董事。就僱員服務而已付或應付主要管理人員的酬金如下：

2016 二零一六年	2015 二零一五年
12,939	10,147
80	75
-	-
<b>13,019</b>	10,222

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 44. RELATED PARTY TRANSACTIONS (continued)

- (c) The following were the related party balances of the Group as at 31 December 2016 and 2015:

Amounts due from related parties	應收關聯方款項
<i>Current</i>	<i>流動</i>
– Oriental Sheet Piling (trade balance)	– Oriental Sheet Piling (貿易結餘)
– Jin Lan Nonferrous Metals (trade balance)	– 金蘭有色金屬 (貿易結餘)
– XTAL (non-trade balance)	– XTAL (非貿易結餘)

As at 31 December 2016, the ageing of trade balances due from related parties were within three months.

## 44. 關聯方交易 (續)

- (c) 於二零一六年及二零一五年十二月三十一日，本集團的關聯方結餘如下：

	2016 二零一六年	2015 二零一五年
	<b>3,678</b>	5,216
	<b>1,424</b>	612
	<b>11,569</b>	–
	<b>16,671</b>	5,828

於二零一六年十二月三十一日，應收關聯方貿易結餘的賬齡為三個月內。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 44. RELATED PARTY TRANSACTIONS (continued)

(c) The following were the related party balances of the Group as at 31 December 2016 and 2015: (continued)

Amounts due to related parties 應付關聯方款項

*Non-Current*

*非流動*

Borrowing from related parties

關聯方借款

– Li Hejun (ii)

– 李賀軍 (ii)

**51,859**

51,859

*Current*

*流動*

Borrowing from related parties

關聯方借款

– Jingtang Guangzhi Investment (iii)

– 京唐廣志投資 (iii)

–

53,341

– Foshan Jin Lan (i)

– 佛山金蘭 (i)

**23,931**

23,931

**23,931**

77,272

Others

其他

– Arcelor International Trading

– Arcelor International Trading

**733**

2,891

– Oriental Sheet Piling

– Oriental Sheet Piling

**302**

503

– Foshan Jin Lan

– 佛山金蘭

**383**

383

– Jinxi Fenggang

– 津西豐鋼

**1,917**

1,995

**3,335**

5,772

**27,266**

83,044

**79,125**

134,903

Except for the related party balances disclosed in (i) to (iii) below, others were unsecured, interest-free and without fixed terms of repayments.

除下文 (i) 至 (iii) 披露的關聯方結餘外，其他均為無抵押、免息且無固定償還期。

(i) The borrowing from Foshan Jinlan was unsecured, interest-free.

(i) 佛山金蘭提供之借款為無抵押及免息。

(ii) The borrowing from Mr. Li Hejun was unsecured, interest-free.

(ii) 李賀軍先生提供之借款為無抵押及免息。

(iii) The loan from Jingtang Guangzhi Investment was unsecured and bore interest at a rate of 6.31% per annum and had been paid in notes receivables during the year ended 31 December 2016.

(iii) 京唐廣志投資提供的貸款為無抵押及按年利率6.31%計息及已於截至二零一六年十二月三十一日止年度內以應收票據支付。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 45. POST BALANCE SHEET EVENTS

- (a) On 20 January 2017, the Company entered into a placing agreement (the “Placing Agreement I”) with Shenwan Hongyuan Securities (H.K.) Limited (“the Placing Agent”) whereby the Company agreed to place, through the Placing Agent, on a best effort basis, a maximum of 586,285,000 Shares (“Placing Shares I”) to not less than six placees (“Placees I”) at a price of HK\$ 1.30 per Placing Share I. (“Placing I”)

On 20 January 2017, Wellbeing Holdings Limited (“Vendor”), the controlling shareholder of the Company, entered into a placing agreement (the “Placing Agreement II”) with the Placing Agent in order to assist the Company to restore its public float. Pursuant to the Placing Agreement II, the Placing Agent agreed to place, on a best effort basis, 64,314,000 Shares representing approximately 1.83% of the issued share capital of the Company of 3,517,710,000 Shares as enlarged by the issue of the 586,285,000 Placing Shares I. (“Placing II”)

- (b) On 27 January 2017, completion of the Placing I took place in accordance with the terms and conditions of the Placing Agreement I. An aggregate of 586,284,000 Placing Shares I, representing approximately 16.67% of the issued share capital of the Company immediately after completion of the Placing I, have been successfully placed to not less than six Placees I at the placing price of HK\$ 1.30 per Placing Shares I.

## 45. 結算日後事項

- (a) 於二零一七年一月二十日，本公司與申萬宏源證券(香港)有限公司(「配售代理」)訂立配售協議(「配售協議一」)，據此，本公司已同意透過配售代理盡力向不少於六名承配人(「承配人一」)配售最多586,285,000股股份(「配售股份一」)，價格為每股配售股份一1.30港元。(「配售事項一」)

於二零一七年一月二十日，本公司的控股股東Wellbeing Holdings Limited(「賣方」)與配售代理訂立配售協議(「配售協議二」)，旨在協助本公司恢復其公眾持股量。根據配售協議二，配售代理已同意盡力配售64,314,000股股份(佔經發行586,285,000股配售股份一擴大的本公司已發行股本3,517,710,000股股份的約1.83%)。(「配售事項二」)

- (b) 於二零一七年一月二十七日，配售事項一已按配售協議一之條款及條件完成。合共586,284,000股配售股份一(佔本公司緊隨完成配售事項一後已發行股本約16.67%)已按配售價每股配售股份一1.30港元獲成功配售予不少於六名承配人一。

## Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

### 45. POST BALANCE SHEET EVENTS (continued)

On 27 January 2017, completion of the Placing II took place in accordance with the terms and conditions of the Placing Agreement II. An aggregate of 64,314,000 Placing Shares II, representing approximately 1.83% of the issued share capital of the Company immediately after completion of the Placing I, have been successfully placed at the placing price of HK\$ 1.30 per Placing Shares II.

Immediately after the completion of the Placing I and Placing II, the Vendor and parties acting in concert with it and other connected persons of the Company are interested in 2,638,280,740 Shares (representing approximately 75.00% of the total issued share capital of the Company) and the balance of 879,428,260 Shares (representing approximately 25.00% of the total issued share capital of the Company) will be held in the hands of the public. Accordingly, the public float of the Company has been restored and the Company has met the minimum prescribed percentage of shares being held by public shareholders in accordance with Rule 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

- (c) On 1 February 2017, the trading in the shares of the Company had been resumed.

### 45. 結算日後事項(續)

二零一七年一月二十七日，配售事項二已按配售協議二之條款及條件完成。合共64,314,000股配售股份二(佔本公司緊隨完成配售事項一後已發行股本約1.83%)已按配售價每股配售股份二1.30港元獲成功配售。

緊隨配售事項一及配售事項二完成後，賣方及其一致行動人士以及本公司其他關連人士將於2,638,280,740股股份(佔本公司全部已發行股本約75.00%)中擁有權益，而餘下879,428,260股股份(佔本公司全部已發行股本約25.00%)將由公眾持有。因此，本公司的公眾持股量已予恢復，且本公司已符合聯交所證券上市規則(「上市規則」)第8.08條規定的公眾股東最低持股百分比。

- (c) 於二零一七年二月一日，本公司的股份已恢復買賣。

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 46. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

## 46. 本公司資產負債表及儲備變動

		<b>As at 31 December</b>	
		於十二月三十一日	
		<b>2016</b>	2015
		二零一六年	二零一五年
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	<b>552</b>	596
Investments in subsidiaries	附屬公司投資	<b>574,873</b>	574,873
Loans to subsidiaries	附屬公司貸款	<b>1,378,393</b>	1,930,379
Available-for-sale financial assets	可供出售金融資產	<b>149,950</b>	–
		<b>2,103,768</b>	2,505,848
<b>Current assets</b>	<b>流動資產</b>		
Trade receivables	應收貿易賬款	<b>48,696</b>	86,529
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	<b>1,717</b>	7,398
Amounts due from a related party	應收關聯方款項	<b>11,569</b>	–
Cash and cash equivalents	現金及現金等價物	<b>224,046</b>	334,979
		<b>286,028</b>	428,906
<b>Total assets</b>	<b>總資產</b>	<b>2,389,796</b>	2,934,754



# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 46. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

## 46. 本公司資產負債表及儲備變動(續)

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>歸屬於本公司權益持有者的權益</b>		
Share capital	股本	311,853	311,853
Share premium	股份溢價	2,192,131	2,192,131
Other reserves	其他儲備	421,269	419,748
Accumulated losses	累計虧損	(603,844)	(812,201)
<b>Total equity</b>	<b>權益合計</b>	<b>2,321,409</b>	2,111,531
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借款	-	719,891
<b>Current liabilities</b>	<b>流動負債</b>		
Trade payables	應付貿易賬款	52,987	85,365
Accruals and other current liabilities	預提費用及其他流動負債	15,253	17,835
Dividends payable	應付股息	147	132
		<b>68,387</b>	103,332
<b>Total liabilities</b>	<b>總負債</b>	<b>68,387</b>	823,223
<b>Total equity and liabilities</b>	<b>權益及負債合計</b>	<b>2,389,796</b>	2,934,754

The balance sheet of the Company was approved by the Board of Directors on 31 March 2017 and were signed on its behalf.

本公司資產負債表已於二零一七年三月三十一日經董事局批准並由以下董事代為簽署。

**Han Jingyuan**  
韓敬遠  
Chairman  
主席

**Han Li**  
韓力  
Director  
董事

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 46. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

## 46. 本公司資產負債表及儲備變動(續)

		Options	Available-for-sale financial assets 可供出售金融資產	Accumulated losses 累計虧損	Total 合計
<b>Balance at 1 January 2015</b>	於二零一五年一月一日之結餘	419,748	4,775	(922,683)	(498,160)
Profit for the year	年度溢利	-	-	110,482	110,482
Fair value gains on available-for-sale financial assets	可供出售金融資產公允價值收益	-	3,979	-	3,979
Transfer of fair value losses previously credited to reserve to statement of profit or loss upon disposal of available-for-sale financial assets	於可供出售金融資產出售時將先前計入儲備的公允價值虧損轉至損益表	-	(8,754)	-	(8,754)
<b>Balance at 31 December 2015</b>	於二零一五年十二月三十一日之結餘	419,748	-	(812,201)	(392,453)
Profit for the year	年度溢利	-	-	208,357	208,357
Fair value gains on available-for-sale financial assets	可供出售金融資產公允價值收益	-	1,521	-	1,521
<b>Balance at 31 December 2016</b>	於二零一六年十二月三十一日之結餘	419,748	1,521	(603,844)	(182,575)

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 47. BENEFITS AND INTERESTS OF DIRECTORS

The emoluments received/receivable by individual directors and the chief executive is set out below:

(i) For the year ended 31 December 2016:

Name of director	Fees	Salaries and allowances	Bonus	Fair value of employee share options granted	Pension costs - defined plans contribution	Total
董事姓名	袍金	薪金及津貼	花紅	已授出僱員購股權計劃之公允價值	退休金成本-定額供款計劃	合計
2016						
Mr. Han Jingyuan (i)						
韓敬遠先生 (i)	851	5,297	-	-	16	6,164
Mr. Zhu Jun	622	1,048	-	-	16	1,686
朱軍先生						
Mr. Shen Xiaoling	346	1,230	-	-	16	1,592
沈曉玲先生						
Mr. Han Li	800	680	-	-	16	1,496
韓力先生						
Mr. Zhu Hao	346	434	-	-	16	796
朱浩先生						
Mr. Ondra Otradovec	346	-	-	-	-	346
Ondra Otradovec 先生						
Mr. Wong Man Chung, Francis	346	-	-	-	-	346
黃文宗先生						
Mr. Wang Tianyi	346	-	-	-	-	346
王天義先生						
Mr. Zhou Guoping						
周國平先生						
(resigned on 1 April 2016)	87	-	-	-	-	87
(於二零一六年四月一日辭任)						
Mr. Wang Bing						
王冰先生						
(appointed on 15 July 2016)	160	-	-	-	-	160
(於二零一六年七月十五日獲委任)						
	4,250	8,689	-	-	80	13,019

## 47. 董事福利及權益

個人董事及主要行政人員已收／應收薪酬載列如下：

(i) 截至二零一六年十二月三十一日止年度：

# Notes to the Consolidated Financial Statements 合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2016  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一六年十二月三十一日止年度

## 47. BENEFITS AND INTERESTS OF DIRECTORS

(continued)

(ii) For the year ended 31 December 2015:

Name of director	Salaries and		Bonus	Fair value of	Pension	Total
	Fees	allowances		share options granted	costs – defined plans	
董事姓名	袍金	薪金及津貼	花紅	已授出僱員購股權計劃之公允價值	退休金成本—定額供款計劃	合計
2015						
Mr. Han Jingyuan (i)	韓敬遠先生 (i)	724	3,465	-	15	4,204
Mr. Zhu Jun	朱軍先生	602	595	-	15	1,212
Mr. Shen Xiaoling	沈曉玲先生	418	522	-	15	955
Mr. Han Li	韓力先生	821	982	-	15	1,818
Mr. Zhu Hao	朱浩先生	325	406	-	15	746
Mr. Ondra Otradovec	Ondra Otradovec 先生					
(re-appointed on	(於二零一五年一月十六日					
16 January 2015)	獲再度委任)	312	-	-	-	312
Mr. Wong Man Chung, Francis	黃文宗先生	325	-	-	-	325
Mr. Wang Tianyi	王天義先生	325	-	-	-	325
Mr. Zhou Guoping	周國平先生					
(resigned on 1 April 2016)	(於二零一六年四月一日辭任)	325	-	-	-	325
		4,177	5,970	-	75	10,222

(i) Mr. Han Jingyuan is also the Chief Executive Officer of the Company.

None of the directors waived or agreed to waive any remuneration for the years ended 31 December 2016 and 2015. The emoluments of the independent non-executive directors of the Company during the year are approximately RMB 0.9 million (2015: RMB 1.0 million).

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2016 and 2015.

## 47. 董事福利及權益 (續)

(i) 截至二零一五年十二月三十一日止年度：

Name of director	Salaries and		Bonus	Fair value of	Pension	Total
	Fees	allowances		share options granted	costs – defined plans	
董事姓名	袍金	薪金及津貼	花紅	已授出僱員購股權計劃之公允價值	退休金成本—定額供款計劃	合計
2015						
Mr. Han Jingyuan (i)	韓敬遠先生 (i)	724	3,465	-	15	4,204
Mr. Zhu Jun	朱軍先生	602	595	-	15	1,212
Mr. Shen Xiaoling	沈曉玲先生	418	522	-	15	955
Mr. Han Li	韓力先生	821	982	-	15	1,818
Mr. Zhu Hao	朱浩先生	325	406	-	15	746
Mr. Ondra Otradovec	Ondra Otradovec 先生					
(re-appointed on	(於二零一五年一月十六日					
16 January 2015)	獲再度委任)	312	-	-	-	312
Mr. Wong Man Chung, Francis	黃文宗先生	325	-	-	-	325
Mr. Wang Tianyi	王天義先生	325	-	-	-	325
Mr. Zhou Guoping	周國平先生					
(resigned on 1 April 2016)	(於二零一六年四月一日辭任)	325	-	-	-	325
		4,177	5,970	-	75	10,222

(i) 韓敬遠先生亦為本公司首席執行官。

截至二零一六年及二零一五年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金。年內，支付予本公司的獨立非執行董事的酬金約人民幣90萬元(二零一五年：人民幣100萬元)。

於截至二零一六年及二零一五年十二月三十一日止年度年末或於該年度任何時間，本公司於其中概無就本集團業務訂立使本公司董事直接或間接擁有重大權益之重要交易、安排或合約。

## Five-year Financial Information 五年財務資料

A summary of the consolidated statement of profit or loss and of the consolidated assets, liabilities and non-controlling interests of the Group for the last five financial years is as set out below:

本集團截至前五個財政年度的合併損益表及合併資產、負債及非控制性權益概要載列如下：

### Consolidated Statement of Profit or Loss

### 合併損益表

		Year ended 31 December 截至十二月三十一日止年度				
		Audited 經審核				
		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)	2014 二零一四年 (RMB'000) (人民幣千元)	2013 二零一三年 (RMB'000) (人民幣千元)	2012 二零一二年 (RMB'000) (人民幣千元)
Revenue	收入	<b>26,427,443</b>	21,071,538	28,495,498	32,516,937	36,122,358
Profit/(Loss) before income tax	除所得稅前 溢利/(虧損)	<b>1,054,948</b>	(889,668)	245,080	249,341	326,056
Income tax expense	所得稅費用	<b>(523,936)</b>	(46,349)	(178,600)	(186,313)	(179,579)
Profit/(Loss) for the year	年度溢利/(虧損)	<b>531,012</b>	(936,017)	66,480	63,028	146,477
Profit/(Loss) attributable to :	溢利/(虧損) 歸屬於 :					
Owners of the Company	本公司權益 持有者	<b>722,127</b>	(766,503)	66,715	101,609	126,062
Non-controlling interests	非控制性權益	<b>(191,115)</b>	(169,514)	(235)	(38,581)	20,415
		<b>531,012</b>	(936,017)	66,480	63,028	146,477

### Consolidated Assets, Liabilities and Non-controlling Interests

### 合併資產、負債與非控制性權益

		As at 31 December 於十二月三十一日				
		Audited 經審核				
		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)	2014 二零一四年 (RMB'000) (人民幣千元)	2013 二零一三年 (RMB'000) (人民幣千元)	2012 二零一二年 (RMB'000) (人民幣千元)
Total assets	總資產	<b>21,048,562</b>	22,363,723	23,743,408	23,750,600	24,751,983
Total liabilities	總負債	<b>(11,684,021)</b>	(13,451,561)	(13,971,562)	(14,039,698)	(15,196,967)
Non-controlling interests	非控制性權益	<b>(108,443)</b>	(397,734)	(514,789)	(519,698)	(513,247)
		<b>9,256,098</b>	8,514,428	9,257,057	9,191,204	9,041,769



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\* For identification purposes only  
僅供識別

