



Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited 珠江石油天然氣鋼管控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock code 股份代號: 1938

萬眾一心 開創新領域
United As One To Inaugurate A New Prospect

**ANNUAL
REPORT
2016
年報**



目錄 CONTENTS



2	企業資料 Corporate Profile
4	公司資料 Corporate Information
6	主席報告書 Chairman's Statement
12	獎項與認證 Awards and Recognitions
16	質量認證 Quality Certifications
17	業務往績 Track Record
33	管理層討論與分析 Management Discussion and Analysis
54	董事及高級管理層履歷 Profile of Directors and Senior Management
64	董事會報告書 Report of Directors
78	企業管治報告 Corporate Governance Report
95	環境、社會及管治報告 Environmental, Social and Governance Report
102	獨立核數師報告 Independent Auditor's Report
111	綜合損益表 Consolidated Statement of Profit or Loss
112	綜合全面收入表 Consolidated Statement of Comprehensive Income
113	綜合財務狀況表 Consolidated Statement of Financial Position
115	綜合權益變動表 Consolidated Statement of Changes in Equity
116	綜合現金流量表 Consolidated Statement of Cash Flows
119	財務報表附註 Notes to Financial Statements
227	五年財務概要 Five-Year Financial Summary

企業資料 CORPORATE PROFILE

Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "Company", together with its subsidiaries hereinafter referred to as the "Group") is the largest manufacturer and exporter of longitudinal welded steel pipes in China. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 1938) since February 2010. The Group's steel pipes are mainly used for energy transmission including oil and gas transmission pipelines, deep sea pipelines, city gas networks, and petrochemicals, mining, infrastructure construction, offshore engineering, steel structures and water utilities industries.

The Group's production bases and offices are located in Panyu, Zhuhai, Lianyungang, Jiangyin, Nanjing, Ningbo of China, Singapore, Indonesia, Dubai of the United Arab Emirates, United States, Canada and Hong Kong, with 9 longitudinal submerged arc-welded ("LSAW"), 4 spiral submerged arc-welded ("SSAW") and 1 electric resistance welded ("ERW") production lines and other lines with a combined annual production capacity of 3,380,000 tonnes as at 31 December 2016.

The Group is an industry pioneer, particularly strong in research and development, holding 168 patents (including 31 invention patents) and 11 international certificates and having a long standing international and nationwide track record. Furthermore, the Group is the first and only steel pipe manufacturer in China to manufacture deep sea welded steel pipes for the use at a water depth of 1,500m and a qualified supplier of Petrobras. The Group is the only welded steel pipe manufacturer in China that has received five national honours and awards, including "Gold Cup Prize for Actual Quality of Metallurgical Products", "Superior Quality Award for Actual Quality of Metallurgical Products", "National Key New Products", "National-recognised Enterprise Technology Centre" and "High and New Technology Enterprise", and host a "Academician Workstation" and is the main drafter of the national standard for longitudinal welded steel pipes in China.

珠江石油天然氣鋼管控股有限公司（「本公司」，連同其附屬公司於下文統稱為「本集團」）是中國最大的直縫焊管製造商及出口商。本公司由二零一零年二月起於香港聯合交易所有限公司（「聯交所」）主板上市（股份代號：1938）。本集團鋼管產品主要用於能源運輸，包括油氣傳輸管線、深海管道、城市燃氣網絡，以及石化產品、採礦、基建工程、海洋工程、鋼結構及水務行業。

本集團的生產基地及辦事處位於中國番禺、珠海、連雲港、江陰、南京、寧波、新加坡、印尼、阿聯酋杜拜、美國、加拿大及香港，共設有九條直縫埋弧焊管（「LSAW」）、四條螺旋埋弧焊管（「SSAW」）及一條高頻電阻焊管（「ERW」）生產線及其他生產線，於二零一六年十二月三十一日的年產能合共為3,380,000噸。

本集團為行業先驅，憑藉強大研發實力，擁有一百六十八項已註冊專利（包括三十一項發明專利）及十一項國際證書，以悠久往績享譽海外及全國。另外，本集團是中國第一家及唯一可製造用於1,500米水深深海焊管的焊管製造商。本集團亦為巴西石油的合資格供應商，並且是中國唯一集「中國冶金產品實物質量金盃獎」、「中國冶金產品實物質量特優質量獎」、「國家重點新產品」、「國家認定企業技術中心」及「國家級高新技術企業」五項國家級榮譽於一身的焊管製造商，設有「院士工作站」，也是中國焊管國家標準的主要起草單位。





公司資料

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr CHEN Chang (*Chairman*)

Ms CHEN Zhao Nian

Ms CHEN Zhao Hua

Independent Non-executive Directors

Mr CHEN Ping

Mr SEE Tak Wah

Mr TIAN Xiao Ren

REGISTERED OFFICE

Cricket Square, Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

COMPANY SECRETARY

Ms WONG Pui Shan *FCCA, CPA, ACIS, ACS, MSc (Fin)*

AUDIT COMMITTEE

Mr SEE Tak Wah (*Chairman*)

Mr CHEN Ping

Mr TIAN Xiao Ren

NOMINATION COMMITTEE

Mr CHEN Ping (*Chairman*)

Mr TIAN Xiao Ren

Mr CHEN Chang

REMUNERATION COMMITTEE

Mr TIAN Xiao Ren (*Chairman*)

Mr CHEN Ping

Mr CHEN Chang

AUTHORISED REPRESENTATIVES

Mr CHEN Chang

Ms CHEN Zhao Nian

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Qinghe Road

Shiji Town

511450 Panyu District

Guangzhou City

Guangdong Province

The PRC

董事

執行董事

陳昌先生 (主席)

陳兆年女士

陳兆華女士

獨立非執行董事

陳平先生

施德華先生

田曉韜先生

註冊辦事處

Cricket Square, Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

公司秘書

王珮珊小姐 *FCCA, CPA, ACIS, ACS, MSc (Fin)*

審核委員會

施德華先生 (主席)

陳平先生

田曉韜先生

提名委員會

陳平先生 (主席)

田曉韜先生

陳昌先生

薪酬委員會

田曉韜先生 (主席)

陳平先生

陳昌先生

授權代表

陳昌先生

陳兆年女士

總辦事處及中國主要營業地點

中國

廣東省

廣州市

番禺區石碁鎮

清河路

郵編：511450

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite Nos 1, 2 and 19
15th Floor, Tower 3
China Hong Kong City
33 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

AUDITOR

Ernst & Young

STOCK CODE

1938

COMPANY'S WEBSITE

www.pck.com.cn
www.pck.todayir.com

LEGAL ADVISERS AS TO HONG KONG LAW

Locke Lord

PRINCIPAL BANKERS

In Hong Kong:

China Citic Bank International Limited
China Development Bank Corporation
Industrial and Commercial Bank of China (Asia) Limited

In the PRC:

Bank of China Limited
Bank of Communications
Bank of Jiangsu
China Construction Bank
Guangzhou Rural Commercial Bank
Huaxia Bank
Industrial and Commercial Bank of China
Ping An Bank
Shanghai Pudong Development Bank
The Export-Import Bank of China

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Center
183 Queen's Road East
Hong Kong

香港主要營業地點

香港
九龍尖沙咀
廣東道33號
中港城
第3座15樓
1、2及19室

核數師

安永會計師事務所

股份代號

1938

公司網站

www.pck.com.cn
www.pck.todayir.com

香港法律顧問

洛克律師事務所

主要往來銀行

於香港：

中信銀行(國際)有限公司
國家開發銀行股份有限公司
中國工商銀行(亞洲)有限公司

於中國：

中國銀行股份有限公司
交通銀行
江蘇銀行
中國建設銀行
廣州農村商業銀行
華夏銀行
中國工商銀行
平安銀行
上海浦東發展銀行
中國進出口銀行

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

主席報告書 CHAIRMAN'S STATEMENT

眾志成城 勇創業績
United As One To Inaugurate A New Prospect



Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of the Company, I would like to present to you the audited consolidated annual results of the Group for the year ended 31 December 2016. In the difficult and challenging year of 2016, the Group recorded a turnover of approximately RMB1,443.5 million, down by approximately 43.2% as compared with that of 2015 (2015: RMB2,539.2 million). Loss for the year was approximately RMB1,499.0 million. Loss per share attributable to ordinary equity holders of the parent was approximately RMB1.48 (2015: profit per share RMB0.02). The Board did not recommend the payment of final dividend for the year ended 31 December 2016.

Excluding the impairment of RMB615.5 million, which included (i) provision for impairment of trade and other receivables amounting to RMB72.1 million (2015: write-back of RMB15.5 million), (ii) provision for inventories in respect of the write-down to net realisable value amounting to RMB27.1 million (2015: RMB10.8 million); and (iii) impairment of property, plant and equipment and goodwill amounting to RMB516.3 million (2015: Nil), the Group recorded a consolidated net loss of RMB883.5 million for the year. These non-cash items had not affected the Group's operating cash flows. The Group had net cash inflows in operating activities of approximately RMB963.1 million (2015: RMB100.8 million).

It was a difficult year for the steel pipe industry in 2016 in light of the low oil price, the depreciation of Renminbi and the political instability across the globe etc. These factors have made substantial impacts on the oil and gas industry as well as the global economy. Apart from the impairment of RMB615.5 million, the poor results of the Group was the result of the drop in both domestic and overseas sales due to the slowdown in the rolling out of major oil and gas projects.

各位股東：

本人謹代表本公司董事（「董事」）會（「董事會」），向股東提呈本集團截至二零一六年十二月三十一日止年度之經審核綜合全年業績。二零一六年之經營極其困難，充滿挑戰，本集團錄得營業額約人民幣1,443,500,000元（二零一五年：人民幣2,539,200,000元），較二零一五年下跌約43.2%。本年度虧損約為人民幣1,499,000,000元。母公司普通股權持有人應佔每股虧損約為人民幣1.48元（二零一五年：每股盈利人民幣0.02元）。董事會不建議派發截至二零一六年十二月三十一日止年度之末期股息。

倘不計及減值人民幣615,500,000元，其中包括(i)貿易及其他應收款項撥備人民幣72,100,000元（二零一五年：撥回人民幣15,500,000元）；(ii)有關撇減可變現淨值之存貨撥備人民幣27,100,000元（二零一五年：人民幣10,800,000元）；及(iii)物業、廠房及設備以及商譽減值人民幣516,300,000元（二零一五年：無），本集團年內錄得綜合虧損淨額人民幣883,500,000元。該等非現金項目並無影響本集團之經營現金流量。本集團有經營活動現金流入淨額約人民幣963,100,000元（二零一五年：人民幣100,800,000元）。

在油價下跌，人民幣貶值，全球政治不穩等背景下，二零一六年鋼管行業的經營十分困難。這些因素對油氣行業乃至全球經濟均造成重大影響。除減值人民幣615,500,000元外，本集團業績不如理想，乃由於國內及國際銷售由於主要油氣項目推出緩慢而有所下降。

During the year under review, the Group has accomplished six major milestones as follows:

1. Residential units of Phase One of Golden Dragon City Fortune Plaza has been fully released for sale
2. The construction of Phase Two of Golden Dragon City Fortune Plaza has kicked off
3. Entered an agreement with Fangyang Group to establish a joint venture company to build a new plant to develop bimetal composite plate business
4. We are in the final stage of the research and development for deep sea welded steel pipes for use at 3,500m under water
5. The production plant in Saudi Arabia has obtained the relevant international certificates
6. Participated in large scale overseas offshore projects

於回顧年度，本集團達成六個主要里程碑，包括：

1. 金龍城財富廣場第一期公寓單位全面發售
2. 金龍城財富廣場第二期開始動工
3. 與方洋集團達成協議成立合營公司建設新廠房以發展雙金屬複合板業務
4. 適用於3,500米深海使用的深海焊管踏入最後的研發階段
5. 沙特阿拉伯生產基地已獲得相關國際證書
6. 參與建設海外大型國際項目

主席報告書 CHAIRMAN'S STATEMENT

Following the conversion of the Panyu land in 2013, the Group grasped the opportunity of asset appreciation to convert the land use right of the Panyu production plant from industrial use to commercial use. The property project, named Golden Dragon City Fortune Plaza (金龍城財富廣場) ("GDC"), is a large scale integrated commercial complex, the first phase was publicly launched in late 2015. The land area of the converted land accounted for approximately 25% of the total land area of the Panyu factory site. The first phase of the development has a permitted construction area (including the underground construction area) of approximately 135,000 square metres. The construction of the second phase, with approximately 191,000 square metres, has already kicked off. The total permitted construction area of GDC (including underground construction area) is approximately 550,000 square metres. We believe GDC will become one of our stable income sources and provide a solid financial support to our steel pipe business in the long run. It will also help improving our financial position with its steady cash flow.

The Group is also planning to relocate its production facilities in Panyu to Lianyungang and Zhuhai, which will both serve as the Group's major production bases in China in the near future. When such relocation is completed, the Group will carefully consider all available options relating to the vacated land in Panyu with a view to maximising its economic return to the Company and its shareholders.

In order to achieve our strategy in "Integration of the production of plates and pipes", the Group has established a JV company with Fangyang Group, which is wholly-owned by the Government of Lianyungang, for the development of a new bimetal composite plate business in Lianyungang. We believe that the cooperation with Fangyang Group will strengthen the development of the Group in Lianyungang. Fangyang Group is wholly-owned by the Government of Lianyungang, which is capable and experienced in infrastructure projects in Lianyungang. The financial injection by Fangyang Group is a sign of the huge potential of the project, and it also helps the project's development and capital capability. The Group will have its own steel plate production afterwards, which will provide the Group with a stable supply of raw materials at manageable costs. Our steel plate products will also be supplied to local and nearby customers.

於二零一三年番禺土地改變用途後，本集團適時利用資產增值機會，將番禺生產廠房的土地用途由工業轉為商業用途。金龍城財富廣場（「金龍城」）項目為大型綜合商業體，第一期已於二零一五年年底推出市場。已改土地佔番禺廠區土地的總面積約四分之一。第一期的許可建築面積（包括地下建築面積）約為135,000平方米，第二期約191,000平方米已開始施工。金龍城的總許可建築面積（包括地下建築面積）約為550,000平方米。我們相信，金龍城長遠而言將成為我們的穩定收入來源之一，為鋼管業務提供紮實財政支持，提供穩定現金流，亦有助改善財務狀況。

本集團亦計劃將番禺生產設施遷移至連雲港及珠海，該兩地將為本集團日後在中國的主要生產基地。完成搬遷後，本集團將審慎考慮有關番禺空置土地的所有可行處理方案，藉以提升本公司及股東的經濟回報。

為實現我們「板管一體化」的策略，本集團已與連雲港市政府全資持有的屬下企業方洋集團成立合營公司，於連雲港發展新的雙金屬複合板業務。董事會相信與方洋集團的合作，可加強本集團在連雲港的發展能力。方洋集團為連雲港市政府全資持有的屬下企業，在連雲港相關基建項目方面擁有雄厚實力及豐富經驗。方洋集團的財務注資足以證明該項目的巨大潛力，有助該項目的發展及資本能力。本集團自此之後將可自行生產鋼板，以可控成本為本集團穩定供應原材料。鋼板產品亦會提供給當地及鄰近的客戶。

主席報告書 CHAIRMAN'S STATEMENT

We have a strong research and development team with extensive experience. The research and development of deep sea welded steel pipes for use at 3,500m under water has entered into the final stage and the deep sea welded steel pipes product is expected to be launched soon. This new product of deep sea pipes will further broaden our product range and strengthen our reputation in the offshore equipment manufacturing market.

With our PCK brand name, outstanding performance and track record, we have participated in several large scale overseas projects which require high quality pipes. Those projects include the new order from a windfarm in the United Kingdom and the PETRONAS Refinery and Petrochemical Integrated Development (RAPID) project. Supplying steel pipes to these sizeable projects will enhance our market position in the global energy markets as well the offshore engineering equipment market.

The development of our production plant in Saudi Arabia is on track. The plant has been accredited with ISO9001 certificate and we expect other certificates will follow. The plant is designed to house a LSAW production line with a capacity of 300,000 tonnes for the demand in the Middle East. We believe following the establishment of the new plant in the Middle East and the business relationships with major oil and gas industry players in the Middle East and our footprints in overseas markets, our PCK brand will obtain more recognition in the region, hence be ready for more business opportunities.

我們擁有一支實力雄厚、經驗豐富的研發團隊。集團開發應用於水深3,500米的深海焊管的研發已進入最後階段，而該深海焊管產品預期即將推出。該新型深海鋼管產品將進一步擴大產品類型，並鞏固我們於海洋工程設備及製造市場的名聲。

憑藉PCK品牌、亮眼表現及往績記錄，我們已參與建設多項大型需要優質標準鋼管的海外項目。該等項目包括來自英國的風電場及PETRONAS的煉油化工一體化開發(RAPID)項目的新訂單。為該等重大項目供應鋼管將提升我們於全球能源市場及海洋工程裝備業的市場地位。

我們沙特阿拉伯生產廠房的發展正如期進行。該廠房已獲得ISO9001認證，而我們預期將取得其他認證。該廠房設有一條直縫埋弧焊管生產線，產能達300,000噸，以應付中東的需求。我們相信於中東建立新廠房、與中東大型油氣行業公司建立業務關係及涉足海外市場等，將讓PCK品牌於該地區獲得更廣泛認可，從而迎接更多商機。



PROSPECT AND GOING FORWARD

There are positive signs of industry recovery starting in 2017 in light of the “13th Five Year Plan – Oil Development” and “13th Five Year Plan – Natural Gas Development” recently announced by the National Development and Reform Commission of the PRC, pursuant to which a total of 17,000km of crude and refined oil pipelines and 40,000 km of gas pipelines are targeted to be constructed by 2020; pursuant to the “13th Five Year Plan – Wind Power Development” issued by the National Energy Administration, various construction projects of offshore wind power facilities are planned for the four provinces and a number of first-tier cities; with the One Belt One Road (“OBOR”) strategy and the development of offshore engineering equipment manufacturing industry, plus those construction projects for pipelines of offshore platforms, offshore windmills, offshore structure pipes and bridges in China, we expect the worst is already over in view of the green light for upcoming major gas projects.

Owing to delays of bidding activities over the past three years, we anticipate the demand for steel pipes will rebound at a strong pace. In fact, the 13th Five-Year Plan of oil and gas pipeline network has been launched, in which it is expected that the oil and gas pipeline would reach 165,000km by 2020, representing an extension of 47%. It would be a golden era for the development of oil and gas pipelines during the 13th Five-Year Plan period.

There are 6 crude oil pipelines to be constructed under the plan, including phase II of the Sino-Russian Crude Oil Pipeline, the Yizheng-Changling Dual Pipelines, the Lianyungang-Yizheng, Rizhao-Luoyang, Rizhao-Zhanhua and Dongjiakou-Dongying crude oil pipelines.

There are 8 new refined oil pipelines to be constructed under the plan, including the Zhangshu-Zhuzhou, Zhanjiang-Beihai, Luoyang-Linfen, Sanmenxia-Xian, Yongping-Jinzhong and Hubei-Chongqing refined oil pipelines as well as coal-derived oil transportation pipelines in western and eastern Inner Mongolia. Meanwhile, the Qinghai-Tibet refined oil pipeline will be extended and upgraded.

展望及前瞻

鑑於中國國家發展改革委員會近期發佈《石油發展「十三·五」規劃》及《天然氣發展「十三·五」規劃》，提出於二零二零年之前建設全長17,000公里的原油及成品油管道及40,000公里的天然氣管道；國家能源局發佈《風電發展「十三·五」規劃》，訂下推進四省及多個一線城市的海上風電設施建設項目；「一帶一路」（「一帶一路」）戰略和海洋工程裝備製造業的發展，以及中國海上平台、海上風電、海上導管架及海上橋樑等管道項目的建設，二零一七年初行業復甦跡象向好。隨著大型油氣項目即將上馬，我們預期已渡過最黯淡的時刻。

根據過去三年的管道項目競投活動屢次押後，我們預計鋼管需求可能強勢反彈。事實上，油氣管網的「十三·五」發展規劃已出台。規劃中指出，到二零二零年，油氣管網預計將達到16.5萬公里，增長幅度為47%。「十三·五」將是油氣管道發展的黃金時期。

原油管道規劃建設六條，包括中俄原油管道二線、儀長複綫、連雲港—儀征、日照—洛陽、日照—沾化、董家口—東營原油管道。

成品油管道規劃新建八條，包括新建樟樹—株洲、湛江—北海、洛陽—臨汾、三門峽—西安、永坪—晉中、鄂渝沿江成品油管道，以及蒙西、蒙東煤制油外輸管道。同時還將改擴建青藏成品油管道。

There are 14 new gas pipelines to be constructed under the plan, including the Central Asia-China Gas Pipeline Line D, Sino-Russian East pipeline, middle part of the West-East Gas Pipeline (Phase III), Phase IV and Phase V of the West-East Gas Pipeline, Phase IV of the Shanxi-Beijing Pipeline, Sichuan-East Gas Pipeline, coal gas transportation pipeline in Xinjiang, Erdos-Anping-Cangzhou, Qingdao-Nanjing, Chongqing-Guizhou-Guangxi, Qinghai-Tibet, Fujian-Guangdong and Haikou-Xuwen gas pipelines etc. Construction of regional pipeline networks will be accelerated and gas storages, transportation pipelines for coalbed methane, shale gas and coal gas will be constructed when necessary.

The Chinese government intends to promote clean energy as one of the major sources of energy in the future. The gas consumption in the cities of China is expected to increase by 33% each year and the increase of transmission pipe is expected to increase by 10.20% each year, which will boost the demand for steel pipes.

Moreover, China's OBOR strategy and the establishment of the Asian Infrastructure Investment Bank ("AIIB") are expected to fuel the constructions of infrastructure and hardware developments in Asia and boost the economic growth in the region. As a world-recognised pipe manufacturer, the Company is poised to capture the precious opportunities created by the implementation of the OBOR and the establishment of AIIB. The demand for pipes to be used in infrastructure projects and oil and gas pipeline installations is expected to increase substantially.

APPRECIATION

On behalf of the Group, I recognise that it has been a challenging year and would like to extend its appreciation to all staff members, who continue to perform their tasks diligently. I would also like to thank our shareholders for their continuous tremendous support to the Group in this consolidation stage, accumulating strength for the Group to embrace the prosperities in the future. The Board remains confident in the management team and its ability. The future looks bright as we build on stronger foundations.

Chen Chang

Chairman

Panyu, Guangdong Province, China

31 March 2017

天然氣管道規劃新建十四條，包括中亞D線、中俄東線、西氣東輸三線（中段）、西氣東輸四線、西氣東輸五線、陝京四線、川氣東送二線、新疆煤制氣外輸、鄂爾多斯—安平—滄州、青島—南京、重慶—貴州—廣西、青藏、閩粵、海口—徐聞等天然氣管道，加快建設區域管網，適時建設儲氣庫和煤層氣、頁岩氣、煤制氣外輸管道。

中國政府有意未來加快推廣潔淨能源為主要能源供應之一。中國各城市的天然氣消耗量預期將每年增加33%，而輸氣管道預期將每年增加10.20%，將推動鋼管需求增加。

此外，中國的「一帶一路」戰略及亞洲基礎設施投資銀行（「亞投行」）的成立預期會為亞洲基礎設施發展及硬件發展注入新動力，並推動地區經濟增長。作為全球知名鋼管製造商，本公司定能捕捉實施一帶一路及成立亞投行所帶來的難得機遇。預期基建項目及油氣管道安裝使用令管道的需求將大幅提升。

致謝

本人謹代表本集團，感謝全體員工在過去這充滿挑戰的一年，一如既往恪盡職守。同時，我亦感激各位股東對本集團為匯聚實力迎向璀璨未來而進行整合所給予的鼎力支持。董事會對管理團隊及其能力充滿信心。隨著我們構建更強大的基礎，未來將充滿光明。

主席

陳昌

中國廣東省番禺

二零一七年三月三十一日

獎項與認證 AWARDS AND RECOGNITIONS



1996

廣東省優秀新產品
(廣東省經濟委員會)
Guangdong Province
Outstanding New Product*
(The Economic Commission
of Guangdong Province*)
GPEC



1997

冶金產品實物質量金杯獎
(中國冶金工業部)
Gold Cup Prize for Actual
Quality of Metallurgical
Products*
(Ministry of Metallurgical
Industries of the PRC*)



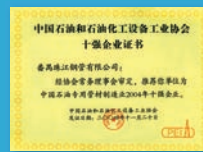
2002 (Renewed in
2010/2014 續)

廣東省著名商標
(廣東工商行政管理局)
Guangdong Province
Famous Trademark*
(Guangdong Province
Bureau for Administration of
Industry and Commerce*)



2001

高新技術企業認定證書
(廣州市科學技術委員會)
Certificate for the
Recognition of High and New
Technology Enterprises*
(Guangzhou City Science and
Technology Committee*)



2004

中國石油和石化設備工業協會
十強企業證書
各瑞地石油有限公司
獲頒全國石油石化設備工業協會、中國石油和
石化設備工業協會2004年十強企業。
中國石油和石化設備工業協會
2004年11月11日



2005 (Renewed in
2011/2012/2015 續)

冶金產品實物質量
金杯獎 (直縫埋弧焊管)
(中國鋼鐵工業協會)
Gold Cup Prize for Actual
Quality of Metallurgical
Products* - LSAW
(China Iron & Steel Association*)



2005 (Renewed in
2011/2012/2015 續)

冶金產品實物質量
金杯獎 (高頻焊管)
(中國鋼鐵工業協會)
Gold Cup Prize for Actual
Quality of Metallurgical
Products* - ERW
(China Iron & Steel Association*)



2006

2005年廣東省質量管理
先進企業
(廣東省質量技術監督局)
Leader in Quality
Management in Guangdong
Province in 2005*
(Guangdong Provincial Bureau of
Quality and Technical Supervision*)



2007

國家火炬計劃項目
(中國科學技術部)
China Torch Item*
(Science and Technology
Department of the PRC*)

* Unofficial transliteration from Chinese name for identification purposes only.

獎項與認證 AWARDS AND RECOGNITIONS



2007 (Renewed in 2010/2013 續)

廣東省名牌產品
(廣東省質量技術監督局)
Guangdong Province Top Brand Product*
(Guangdong Province Bureau of Quality and Technical Supervision*)



2007

2007年廣東企業創新紀錄最佳首創產品
(廣東省企業聯合會及廣東企業創新紀錄審定委員會)
Best Original Product of Innovative Record for Guangdong Enterprise in 2007*
(Association of Enterprise in Guangdong Province & The Innovative Record of Guangdong Enterprise Approval Commission*)



2008

國際發明展覽會金獎
三輥成型工藝及設備
(中國發明協會)
International Exhibition of Inventions Golden Awards* (Three-roller forming technology and equipment)*
(China Inventions Association*)



2007

廣州市科技進步一等獎
(廣州市人民政府)
First Prize for Sci-Tech Achievement in Guangzhou City*
(The People's Government of Guangzhou City*)



2008 (Renewed in 2011/2014 續)

廣東高新技術企業
(廣東省科學技術廳、廣東省財政廳、廣東省國家稅務局、廣東省地方稅務局)
Guangdong High and New Technology Enterprise*
(Department of Science and Technology of Guangdong Province*, Guangdong Province Department of Finance*, Guangdong Provincial Office of the State Administration of Taxation*, and Guangdong Provincial Local Taxation Bureau*)



2009 (Renewed in 2013 續)

廣東省高新技術產品
(廣東省科學技術廳)
High-tech Product of Guangdong Province*
(Department of Science and Technology of Guangdong Province*)



2009

廣東專利優秀獎
— 三輥成型工藝及設備
(廣東省人事廳及廣東省知識產權局)
Guangdong Province Patent Excellence Award* (Three-roller forming technology and equipment)
(Guangdong Provincial Bureau of Personnel & Intellectual Property Office of Guangdong Province*)



2010 (Renewed in 2013 續)

國家火炬計劃
重點高新技術企業
(國家科技部火炬科技部火炬高技術產業開發中心)
Key High and New Technology Enterprise of China Torch Item* (Torch High-tech Industry Development Centre of Science and Technology Department of the PRC*)



2010

國家認定企業技術中心
(國家發展改革委、科技部、財政部、海關總署、國家稅務總局)
National-recognised Enterprise Technology Centre*
(National Development and Reform Commission*, Science and Technology Department*, Finance Department*, General Administration of Customs*, State Administration of Taxation*)

獎項與認證 AWARDS AND RECOGNITIONS



2010

第十九屆全國發明
展覽會銀獎—雙驅動推壓式鋼管
擴徑裝置
(中國發明協會)
1st Runner-up of The 19th
National Invention Exhibition*
Dual-drive push-press type steel
pipe expanding device*
(Invention Association of China*)



2010

廣東省科學技術一等獎
(廣東省人民政府)
First Prize for Sci-tech of
Guangdong Province*
(The People's Government of
Guangdong Province*)



2010

廣東省自主創新產品
(廣東省科學技術廳、廣東省發展和改革委員會、
廣東省經濟和信息化委員會、廣東省財政廳、
廣東省知識產權局、廣東省質量技術監督局)
Indigenous Innovation Product of
Guangdong Province*
Department of Science and Technology of Guangdong Province*,
Development and Reform Commission of Guangdong Province*,
Economic and Information Commission of Guangdong Province*,
Finance Department of Guangdong Province*, Intellectual
Property Department of Guangdong Province*, Administration
of Quality and Technology Supervision of Guangdong Province*)



2010

廣東省工程技術研發中心
(廣東省科學技術廳、廣東省發展和改革委
員會、廣東省經濟貿易委員)
Technology Research and
Development Centre of
Guangdong Province*
(Department of Science and
Technology of Guangdong
Province*, Development and
Reform Commission of
Guangdong Province*,
Economic and Trade
Commission of
Guangdong
Province*)



2010

廣州市創新型企業
(廣州市科技興市領導小組)
Innovative Enterprise of
Guangzhou*
(Technology and City Enhancement
Steering Committee of Guangzhou*)



2011

第二十屆全國發明
展覽會銀獎—五絲埋
弧焊焊接設備
(中國發明協會)
1st Runner-up of The 20th National
Invention Exhibition*
Five-electrode submerged arc
welding equipment
(Invention Association of China*)



2011

廣東省知識產權示範企業
(廣東省知識產權局)
Intellectual Property
Demonstration Enterprise of
Guangdong Province*
(Intellectual Property Department
of Guangdong Province*)



2011

廣東省十佳自主品牌
(廣東省企業聯合會、廣東省企業
家協會)
Top 10 Original Brands of
Guangdong Province*
(Association of Enterprises of
Guangdong Province*, Association
of Entrepreneurs of Guangdong
Province*)



2011

院士工作站
(廣東省人民政府)
Academician Workstation
(The People's Government of
Guangdong Province*)



2011

廣州市政府質量獎
(廣東省人民政府)
Governmental Quality
Award of The Guangzhou
Government*
[The People's Government of
Guangdong Province*]



2012

廣東省政府質量獎
(廣東省人民政府)
Government Quality Award of
Guangdong Province*
[The People's Government of
Guangdong Province*]



2013

廣東省科學技術獎勵
(廣東省人民政府)
Science Technological Award
of Guangdong Province*
[The People's Government of
Guangdong Province*]



2013-2016

廣東省創新型企業
(廣東省科學技術廳、廣東省發展和改革委員會、廣東
省經濟和信息委員會、廣東省人民政府國有資產監督
管理委員會、廣東省知識產權局、廣東省總工會)
Innovative Enterprise of Guangdong
Province*
[The Guangdong Provincial Department of
Science and Technology, the Guangdong
Development and Reform Commission, the
Economic & Information Commission of
Guangdong Province, the State-owned
Assets Supervision and Administration
Commission of the Guangdong
Province, the Guangdong
Intellectual Property Office and
the Guangdong Provincial
Federation of Trade
Unions*]



2014

特優質量獎(直縫埋弧焊管)
(中國鋼鐵工業協會)
Prime Quality Award-LSAW
(China Iron & Steel Association*)



2014

中國冶金產品實物質量
特優質量獎
(中國鋼鐵工業協會)
Superior Quality Award
for Actual Quality of China
Metallurgical Product
(China Iron & Steel Association*)



2014

廣東省信用管理示範創建
試點企業
(廣東省信用協會)
Model Experimenting Enterprise
for Credit Management of
Guangdong Province
(Guangdong Credit Association)



2016

廣東省科學技術一等獎
(天然氣用深海焊管)
(廣東省人民政府)
First Prize of Sci-Tech
Achievement
[Deep Sea Pipe for Natural Gas]
(The People's Government of Guangdong
Province)



2016

連雲港市科學技術進步獎
(連雲廣市人民政府)
Science Technological Progress
Award of Lianyungang City
(The People's Government of
Lianyungang City)

質量認證 QUALITY CERTIFICATIONS

本集團已獲得多項國際質量認證。

The Group was received numerous international quality certifications.

沙特公司 Saudi Arabia



1996 (Renewed in 2010
2013/2016 續)
ISO9001
(香港品質保證局)
(Hong Kong Quality Assurance Agency)



1996 (Renewed in
2011/2014 續)
API
(美國石油協會)
(American Petroleum Institute)



2016
API
(美國石油協會)
(American Petroleum Institute)



2016
ISO9001
(TÜV NORD CERT GmbH)



2002 (Renewed in 2009
2010/2014 續)
BV
(法國船級社)
(Bureau Veritas)



2006 (Renewed in 2010
2011/2015 續)
DNV
(挪威船級社)
(Det Norske Veritas)



2011 (Renewed in
2014 續)
ASME
(美國機械工程師協會)
(American Society of
Mechanical Engineers)



2011 (Renewed in
2014 續)
CNAS
(中國合格評定國家認可委員會)
(China National Accreditation Service of
Conformity Assessment)



2014
ABS
(美國船級社)



2016
CACQC
(中國工業防腐蝕技術協會)
(China Industry
Anticorrosion
Technology Association)



2016
CASC
(中國工業防腐蝕技術協會)
(China Industry
Anticorrosion
Technology Association)



2016
CIATA
(中國工業防腐蝕技術協會)
(China Industry
Anticorrosion
Technology Association)



1999 (Renewed in 2010
2010/2013 續)
CE
(英國勞氏船級社)
(Lloyd's Register of Shipping)



TRACK RECORD

業務往績

The Group has a long track record of involvement in onshore and offshore projects domestically and internationally.

本集團擁有悠久之國內及國際項目（岸上及海底）業務往績。

SELECTED ONSHORE PROJECTS FOR LSAW PIPE

直縫埋弧焊管岸上項目摘錄

Projects 項目	Quantity (MT) 數量 (噸)	Year 年份
Oil Pipeline Project, TOTAL Automation Company, Middle East 達道爾自動化公司中東輸油管道工程	90	2017
High Pressure Gas Pipeline from Xiamen-Tonganmen Station to Huadian Distributed Energy Station, the III Branch of West-to-east Natural Gas Transmission Projects, Xiamen China Resources Gas Co., Ltd., China 廈門華潤燃氣有限公司西氣東輸三線廈門同安門站至華電分佈式能源站天然氣高壓管線工程	630	2016-2017
Hukou-Jinshawan-Pengze Branch, Jiangxi Gas Pipeline Network Project, Jiangxi Natural Gas Co., Ltd., China 中國江西省天然氣有限公司江西省天然氣管網一期工程湖口—金沙灣—彭澤支線	410	2016-2017
Foundation and Associated Works Contract for Main Works Package 1 for Expansion of United Christian Hospital, United Christian Hospital, Hongkong 香港基督教聯合醫院擴建工程一期一攬子主工程的地基及相關工程合約	3,413	2016-2017
Kai Tak Development-Stage 5A Infrastructure at Former North Apron Area, Hongkong Civil Engineering and Development Department, Hongkong 香港土木工程拓展署啟德發展階段5A基礎設施北停機坪工程	595	2016-2017
REPSOL Tarragona Spain 西班牙巴塞羅那輸油項目	100	2016-2017
Tuberia Recubierta-Gasoducto Mamonal Paiva., Promigas S.A. E.S.P, U.S.A 美國輸油輸氣管項目	6,623	2016-2017
Realisation Project for Pumping Station SP1-HEH/R-OB1, Sonatrach SPA. Algeria 阿爾及利亞國家石油公司泵站項目	1,253	2016-2017
Water Diversion Pipeline for Small Hydropower Stations, Madagascar 馬達加斯加國家小型水電站引水輸水管道	305	2016-2017
Order of Bend Pipes, Pipeline Equipment (Beijing) Co., Ltd., China 中益管道裝備(北京)有限公司彎管母管訂單	248	2016-2017
Anhui Natural Gas – Ningguo-Huangshan Branch, Jixi-Huangshan Section, Jiangbei Industrial Concentrated Area Project, China 中國安徽省天然氣開發股份有限公司寧國—黃山支綫、績溪—黃山段、江北產業集中區支綫工程	5,100	2016
Petroleum Nasional Bhd – RAPID Project, Malaysia 馬來西亞國家石油公司RAPID煉油化工項目	1,080	2016
Corpac Ore Slurry Project, USA 美國Corpac輸石礦漿項目	1,176	2016
GC-31 Process Piping Project, Middle East 中東GC-31抗酸管道項目	1,790	2016
Suqian City Gas Pipeline Project, China 中國宿遷市輸氣管道工程	1,030	2016

TRACK RECORD

業務往績

SELECTED ONSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管岸上項目摘錄(續)

Projects 項目	Quantity (MT) 數量(噸)	Year 年份
Gas Project in Gaoyou Economic Development Zone 中國高郵經濟開發區天然氣利用工程	413	2015-2016
PetroChina Power Plant and Oilfield Project, Middle East 中國石油工程建設公司中東電廠項目及油田項目	1,455	2016
L&T GC30 Project, Middle East 中東L&T GC30項目	1,036	2016
Heavy Oil Development Program, Middle East 中東稠油開發項目一期工程	1,970	2016
Abu Dhabi Gas Project 阿布扎比BSL抗酸管道項目	352	2016
Canada Oil Sands Project 加拿大油砂項目	2,690	2015
Offshore Riser Pipe Project 美國深海隔水管項目	104	2015
Zhuhai City West Water Plant-Quanwu Water Plant Expansion Project, China 中國珠海市西區水廠-乾務水廠擴建配套管道工程	1,366	2015
Dubai Oil Project, Petro Energy Dorsa 中東佩特羅能源有限公司項目	783	2015
Phase II, Crude Oil Pipeline Project, Sinopec 中石化魯寧原油管綫二期工程	3,353	2015
High-pressure Gas Transmission Pipeline Project, Chengdu City Gas Co, China 中國成都城市燃氣有限責任公司繞城高速路天然氣高壓輸儲氣管道工程	6,230	2015
USA Project 美國項目	3,696	2015
L&T GC30 Project, Middle East 中東L&T GC30項目	2,148	2015
Tangyan-Gu'an Complex Modificate Pipeline Project, Sinopec 中石化塘燕複綫固安縣城區占壓改綫工程	1,562	2015
Tianwan nuclear power project of 4# unit high pressure steam and low pressure steam pipeline project 哈爾濱汽輪機廠有限責任公司田灣核電項目4#機組高壓排汽及低壓進汽管道項目	149	2015
Sub-transmission Station in Gujiao – Taiyuan Section, Taiyuan Gas Pipeline Project 嵐縣-太原輸氣管道工程古交分輸站-太原段	1,949	2015
ZCINA Algeria Project 阿爾及利亞ZCINA輸氣管道工程	30,490	2015
Project, Middle East 中東南部-東部集聚中心多點無煙高壓火炬安裝工程	121	2015

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業務往績

SELECTED ONSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管岸上項目摘錄(續)

Projects 項目	Quantity (MT) 數量(噸)	Year 年份
Oman Project 阿曼石油開發分離過濾系統改建項目	500	2015
Yuncheng-Hejin Gas Pipeline Project, Shanxi Natural Gas, China 中國山西天然氣河津—運城輸氣管道工程	2,072	2015
Sour Gas Pipeline Project, Middle East 中東酸性輸氣管綫	1,000	2015
Reggane Nord Development Project, Sonatrach, Algeria 阿爾及利亞國家油氣公司拉甘諾德開發項目	576	2015
Scenic Hill-HKBCF-Airport Line Project, China 中國建築工程(香港)有限公司觀景山—香港口岸—機揚連綫項目	2,929	2015
Luomahu-No.2 Waterworks Construction Water Pipeline Project, China 中國徐州市水務局徐州市駱馬湖水源地及第二水廠建設項目	5,584	2015
Taizhou Gas Pipeline Project, China Chemical Engineering Construction Co 中國化學工程第十四建設有限公司台州染氣管道工程	2,883	2015
Macao Taipa MGM Hotel Cooling water Project 澳門氹仔輸冷氣水工程	323	2015
PetroChina, Mozambique Oil Project 中石油莫桑比克彪馬能源馬托拉成品油庫項目	381	2015
Oiltanking Beaumont New Finger Pier Marine Construction Project, Texas, USA 美國德州Oiltanking Beaumont 新型碼頭海洋建設項目	2,377	2015
Gas Project, Middle East 中東天然氣項目	1,977	2015
Hangzhou Natural Gas Project, China 中國杭州天然氣項目	2,370	2015
Reggane Nord Development Project, Algeria 阿爾及利亞拉甘諾德開發項目	7,103	2014-2015
Gasoducto Andino del Sur Project, Peru 秘魯輸氣項目	57,700	2015
Shenhua Coal Carbon Indirect Liquefaction Project, China 中國神華寧煤間接液化項目	3,848	2015
Gas/Oil Pipeline Project, Canada 加拿大輸油輸氣項目	3,198	2014
Phase II, Weizhou Oilfield Jacket Project, Shenzhen Chiwan, China 中國深圳赤灣瀾洲油田二期開發導管架建造項目	2,151	2014
High-rise Building Project, Foshan, China 中國佛山高層建築項目	1,565	2014
Gas Gathering Project, Chengdu, China 中國成都氣田內部集輸工程	200	2014

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業務往績

SELECTED ONSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管岸上項目摘錄(續)

Projects 項目	Quantity (MT) 數量 (噸)	Year 年份
Dongshan Double Gas Pipeline Project, Shanxi, China 中國山西東山複綫輸氣管道工程	5,305	2014
Jiajie Power Plant Gas Pipeline Project, China 中國嘉節電廠輸氣管道工程	4,072	2014
Hong Kong – Zhuhai – Macau Bridge Project, Guangdong-Scenic Hill Project, Hong Kong 香港政府路政署港珠澳大橋粵港分界線至觀景山接綫	560	2014
Yibal 3RD Stage Depletion Compression Project, Oman 阿曼依伯爾消耗壓縮項目第三期	512	2014
Gas Pipeline Project, Pakistan 巴基斯坦輸氣項目	844	2014
Sek Areas Flowlines Project, Sweden 瑞典克朗地區采氣管綫工程	2,715	2014
Southeast Asia Pipeline Project, Southeast Asia 東南亞 — 東南亞管道項目	2,600	2014
Gas/Oil Pipeline Project, Canada 加拿大輸油輸氣項目	7,355	2014
CNRL Slurry Pipeline Project, Canada 加拿大CNRL砂漿輸送項目	7,616	2014-2015
SSUT Gas Project, PTT, Thailand 泰國輸氣管道項目	1,488	2014
Indorama Eleme Fertilizer & Chemical Limited, Nigeria 奈及利亞Indorama元素肥料化工有限公司	1,670	2014
Changqing Oil Field Project, SINOPEC, China 中國中石化長慶油田項目	268	2014
Gas Pipeline Project, Shaanxi, China 中國陝西輸氣管道工程	6,537	2014
Uzbekistan Gas Project, Lukoil 盧克石油公司烏茲別克斯坦輸氣項目	20,521	2014
Tuen Mun-Chek Lap Kok Link-southern Connection Viaduct Section Project, Hong Kong 香港屯門 — 赤鱗角 — 南面高架路連綫項目	2,000	2014
“Hope” Flume Dam Project, Ecuador 厄瓜多爾「希望」渡槽壩項目	31,949	2014
USA Project 美國項目	4,788	2014
Water Project for Erdos Deep Coal factory, China 中國鄂爾多斯煤炭深加工示範項目廠外輸水項目	10,680	2014

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業務往績

SELECTED ONSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管岸上項目摘錄(續)

Projects 項目	Quantity (MT) 數量 (噸)	Year 年份
Highway Road High-pressure Gas Transmission Pipeline, Chengdu, China 中國成都高速公路高壓輸氣管道	1,677	2014
Southern Section of Jingzhou-Gongan-Shishou Natural Gas Pipeline Project, Hubei, China 中國湖北省荊州 — 公安 — 石首天然氣管道項目南段	1,652	2014
Phase II, Uzbekistan Project, Uzbekistan 烏茲別克斯坦二期項目	26,076	2014
Yong-Tai-Wen Natural Gas Pipeline Project, Zhejiang, China 中國浙江甬台溫項目天然氣輸氣管道工程	27,997	2014
Changzhou Wujin Gas Storage Project, Suzhou, China 中國蘇州常州武進儲氣項目	6,035	2013-2014
Middle East Projects, Beijing, China 中國北京中東項目	2,450	2013-2014
Hangzhou Natural Gas Project, China 中國杭州天然氣項目	4,500	2013-2014
Yizheng – Changling Crude Oil Pipeline, Yizheng – Jiujiang section, SINOPEC, China 中國石油化工股份有限公司管道儲運分公司儀征 — 長嶺原油管綫儀征 — 九江段	6,013	2013-2014
LNG Pipeline Project, Phase II, SINOPEC, China 中國中石化廣西輸氣管道工程第二批	8,348	2013-2014
LNG Pipeline Project, Phase II, Guangxi Natural Gas Pipeline Project, China 中國廣西天然氣管道項目廣西輸氣管道工程第二批	1,078	2013-2014
ADCO, Abu Dhabi, United Arab Emirates 阿拉伯聯合酋長國阿布扎比項目	2,135	2013-2014
Suzhou Baorun Gas Project, China 中國蘇州寶潤燃氣項目	6,033	2013-2014
Jiangyin City Heat Supply Network Southeast Pipeline Project, China 中國江陰城區熱網(東南綫)工程	5,200	2013
Gathering Pipeline, CNPC, China 中國中油管道物資裝備總公司集輸管綫項目	3,300	2013
X90M Small Batch Trial Project, CNPC, China 中國石油天然氣股份項目X90M小批量試製項目	400	2013
Siping – Baishan Gas Pipeline Project, CNPC, China 中國中石油管道公司四平 — 白山天然氣管道工程	12,600	2013
Sichuan – East Gas Pipeline, Jiangsu Yutai Section, Jiangsu Natural Gas Project, China 中國江蘇省天然氣項目川氣東送虞太管道工程	4,200	2013
Zhoushan Fishing Island Oil Depot Project, CNPC, China 中國石油天然氣管道局第三工程分公司舟山外釣島油庫工程	10,600	2013

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業務往績

SELECTED ONSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管岸上項目摘錄(續)

Projects 項目	Quantity (MT) 數量 (噸)	Year 年份
Shanxi Zhongli Flange Project, China 中國山西眾立法蘭項目	500	2013
Jincheng – Houma pipeline project, Qinshui – Duanshi section, Shanxi Qinshui Guoxin Coalbed Gas Project, China 中國山西沁水國新煤層氣綜合利用項目晉城 — 侯馬輸氣管綫工程沁水 — 端氏段	2,800	2013
The Hong Kong – Zhuhai – Macau Bridge Project, Hong Kong 香港港珠澳大橋項目	3,600	2013
Provincial Gas Transmission Pipeline Project to Nakhon Ratchasima, PTT, Thailand 泰國項目	28,825	2013
Shell, Canada 殼牌加拿大項目	1,000	2013
Indonesia Project, Indonesia 印尼項目 (印尼)	380	2013
Chemical Industry Project, China 中國化工項目	4,800	2013
Uzbekistan Gas Project, Uzbekistan 烏茲別克斯坦輸氣項目	16,100	2012
TieLing – JinXi Crude Oil Double Pipeline Project, CNPC, China 中國中石油鐵嶺 — 錦西原油管道復線工程	13,600	2012-2013
West-to-East Phase III Ji An – Fu Zhou Section, CNPC, China 中國中石油西汽東輸三線管道工程吉安 — 福州段	13,400	2012-2013
Zhejiang Gas Project, China 中國浙江輸氣項目	27,000	2012-2013
Syncrude, Canada 加拿大 Syncrude 油砂公司項目	4,225	2012
Canada Shell Oil Sand Project, Canada 加拿大殼牌油砂項目	11,028	2012
West-East Gas Pipeline Project (Nanning – Baise Section), Phase II CNPC, China 中國石油天然氣股份有限公司西氣東輸管道二線分公司 (南寧 — 百色項目)	13,273	2012
Shenwei Coal Slurry Pipeline Project, Shaanxi Coal Industry Co., Ltd., China 中國陝西煤業股份有限公司神渭管道輸煤項目	71,729	2012
Huainan – Shanghai Ultra High Voltage Power Grids, State Grid Corporation of China (SGCC), China 中國淮南 — 上海高壓電網項目 · 中國國家電網公司	42,610	2012
Guangdong Natural Gas Pipe Network, CNOOC, China 中國中海油之廣東省天然氣管網	48,274	2010-2011
Gas Pipeline Project, Southeast Asia 東南亞輸氣管線項目	49,928	2010-2011

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業務往績

SELECTED ONSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管岸上項目摘錄(續)

Projects 項目	Quantity (MT) 數量 (噸)	Year 年份
Syncrude, Canada 加拿大 Syncrude 油砂公司項目	24,352	2010-2011
Shell Nigeria 殼牌尼日尼亞	9,304	2011
Jingbian – XiAn Gas Pipeline Project, Phase III, CNPC, China 中國中石油(靖邊至西安輸氣管線三線)	4,575	2011
Turkmengas, Tukemenistan 土庫曼斯坦天然氣公司Turkmengas 項目	12,048	2011
Halfaya Project, CNPC, China 中國中石油哈法亞項目	3,237	2011
West – East Gas Pipeline Project, Phase II, CNPC, Hong Kong 香港中石油西氣東輸二線香港支線	55,946	2011
Crude Oil Pipeline SINOPEC, China 中國中石化原油管道工程	10,523	2010-2011
Inner Mongolia Gas, China 中國內蒙古輸氣管道工程	14,412	2010-2011
Columbia Gas Pipeline Project, Ecopetrol, Columbia 哥倫比亞之哥倫比亞國家石油公司哥倫比亞氣體管線工程	144,669	2010-2011
Shell Canada, Canada 加拿大殼牌	27,000	2008-2011
China-Russia Oil Pipeline Project Phase II, CNPC, China 中國中石油中俄原油二期項目	12,182	2010
Guangdong Gas, China 中國廣東省天然氣管網一期工程	55,000	2010
East Siberia – Pacific Ocean, Russia 俄羅斯東西伯利亞 — 太平洋訂單	10,078	2010
Ampliacion Red Principal de Distribucion de Gas en Lima y Callao Project, Peru 秘魯輸氣項目	11,350	2010
Kinteroni MIPAYA Pipeline Project, Repsol, Peru 秘魯輸氣項目	17,831	2010
Syncrude, Canada 加拿大 Syncrude 油砂公司項目	13,968	2010
West – East Gas Pipeline Project, Phase II, CNPC, China 中國中石油西氣東輸二線	47,282	2010
Guangdong Natural Gas Pipe Network, CNOOC, China 中國中海油廣東省天然氣管網有限公司	61,855	2009-2010
GTCL, Bangladesh 孟加拉國家天然氣公司	35,000	2009

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業務往績

SELECTED ONSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管岸上項目摘錄(續)

Projects 項目	Quantity (MT) 數量(噸)	Year 年份
Shell Canada, Canada 加拿大之殼牌加拿大項目	20,000	2009
Kazakhstan-China Pipeline, CNPC, China 中國中石油中哈管線項目	77,400	2009
ESPERANZA Project, CNPC, Chile 智利中石油銅礦項目	36,000	2008
Yulin-Jinan Gas Pipeline, SINOPEC, China 中國中石化榆—濟輸氣管線	14,000	2008
Southwest Oil and Gas Pipeline, CNPC, China 中國中石油西南油氣田輸氣管線	40,398	2007-2008
Kurdistan Gas Pipeline Network, The Middle East 中東庫爾德斯坦天然氣管線工程	23,000	2007
NGC, Nigeria 尼日利亞天然氣管線	16,000	2007
Sichuan-East Gas Pipeline Project, SINOPEC, China 中國中石化川氣東送項目	200,000	2007
GNL Quintero Project, Chile 智利結構管項目	11,000	2007
Shagyrly-Shomyshty Gas Pipeline, Kazakhstan 哈薩克斯坦Shagyrly-Shomyshty輸氣管線	11,000	2006
Sonatrach, Algeria 阿爾及利亞石油公司	7,500	2006
Changbei Gas Field Project, Shell, China 中國殼牌長北氣田項目	3,600	2005
Guangzhou Gas Company, China 中國廣州市煤氣公司	14,270	2005
Pipe and Piling, Canada 加拿大管道公司	2,250	2005
Western Crude Oil and Product Oil Pipeline, CNPC, China 中國中石油西部原油成品管道工程項目	33,000	2004-2005
Guangdong Dapeng LNG Company, CNOOC & BP, China 中國中海油及BP廣東大鵬液化天然氣有限公司	14,523	2004
GTCL, Bangladesh 孟加拉氣體儲運公司	7,400	2004
NOCO, The Middle East 中東石油公司	4,000	2002

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業務往績

SELECTED OFFSHORE PROJECTS FOR LSAW PIPE

直縫埋弧焊管海底項目摘錄

Projects 項目	Quantity (MT) 數量 (噸)	Year 年份
Amrun Offshore Piling Project, Rio Tinto, Australia 力拓集團澳大利亞 Amrun 海洋樁管項目	3,429	2016-2017
Gazprom EPC Gas Pipeline Project 俄羅斯天然氣管理工程	9,424	2015
Yacheng Oil Pipeline Maintenance Project, CNOOC 中海油崖城海管維修工程	180	2015
Dubai Petroleum Pipeline installation 迪拜石油設施鋪管工程	3,448	2015
Waidiao Island-Cezi Island-Zhenhai, Sinopec Offshore Project 中石化外釣島－冊子島－鎮海海底管道穿越工程	30	2015
Dubai pipeline installation works, Dubai 迪拜管道安裝工程	7,092	2014-2015
Gas Pipeline Project, Panama 巴拿馬天然氣輸送管道工程	2,332	2014-2015
Zhuhai Guishan Offshore Windmill Jacket Project, China 中國珠海桂山海上風電導管架項目	2,405	2014
Huangyan and The Surrounding Gas Rolling Development Project, Phase I, North of Huangyan Oil and Gas Field Group, CNOOC, China 中國中海石油(中國)有限公司黃岩及周邊氣田滾動開發項目平北黃岩油氣田群一期開發項目	11,620	2013-2014
Zhanjiang South Sea Oil Offshore Construction Project, China 中國湛江南海石油近海建設項目	800	2013
Yong-Tai-Wen Gas Project, Longwan Branch Pipeline, Zhejiang Natural Gas Project, China 中國浙江省天然氣項目龍灣支綫海底管道甬台溫天然氣輸氣管道工程	850	2013
Shell, Nigeria 殼牌尼日利亞項目	1,800	2013
Mexico Pemex Platform Project, Mexico 墨西哥海洋平台管	4,640	2012-2013
South China Sea Deep Water Gas Development PMT, CNOOC, China 中國中海油南海深水天然氣開發項目	66,238	2011
Liwan Deep Water Gas Development Project, Saipem/Husky/CNOOC, China 中國 Saipem/Husky/中海油荔灣深海天然氣開發項目	51,000	2011
West-East Gas Pipeline Project, Phase II, Hong Kong Branch, CNPC, China 中國中石油西氣東輸二綫深圳支綫·香港支綫	14,665	2011
Offshore & Onshore Pipeline Project-Feed, Total, Southeast Asia 東南亞海底及岸上輸氣項目	15,500	2009

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業務往績

SELECTED OFFSHORE PROJECTS FOR LSAW PIPE (Continued)

直縫埋弧焊管海底項目摘錄(續)

Projects 項目	Quantity (MT) 數量(噸)	Year 年份
Manifa Field Causeway Project, Saudi Arabia 沙特油田管道項目	10,113	2007
Malaysia Angsi-TCOT Crude Oil Offshore Pipeline Project, PETRONAS, Malaysia 馬來西亞PETRONAS馬來西亞海底石油管線項目	43,000	2007
Ledong Gas Fields Engineering PMT, CNOOC, China 中國中海油樂東氣田海底項目	27,000	2007
Jamnagar Refinery Complex/Bechtel, India 印度煉油廠項目	36,000	2006
Panyu/Huizhou Natural Gas Development Project, CNOOC, China 中國中海油番禺/惠州天然氣開發項目	58,881	2005
CNOOC & Shell Petro Chemicals Company Ltd., China 中國中海殼牌石油化工有限公司	12,149	2004
Chunxiao Gas Complex Development Project, CNOOC, China 中國中海油春曉氣田群開發項目	68,645	2003

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業務往績

SELECTED PROJECTS FOR SSAW PIPE

螺旋埋弧焊管項目摘錄

Projects 項目	Quantity (MT) 數量 (噸)	Year 年份
Zhanjiang Donghaidao – Leizhou High-speed Bridge Project, Guangdong Changda Highway Engineering Co., Ltd., China 中國廣東省長大公路工程有限公司湛江東海島—雷州高速引橋項目	10,884	2016-2017
Honghe Bridge Steel Pipe Project, Guangdong Changda Highway Engineering Co., Ltd., China 中國廣東省長大公路工程有限公司洪鶴大橋引橋鋼護筒項目	6,269	2016-2017
Lianyungang City Drinking Water Project, China 中國連雲港市飲用水輸水工程	984	2015-2016
The CWB No. 8 Road Connecting Tunnel Project, Hong Kong 香港中環灣仔繞道八號連接路段隧道工程	386	2015
The CWB No. 8 Road Connecting Tunnel Project, Hong Kong 香港中環灣仔繞道八號連接路段隧道工程	2,226	2015
Zhuhai City West Water Plant-Quanwu Water Plant Expansion Project, China 中國珠海市西區水廠—乾務水廠擴建配套管道工程	2,610	2015
Luomahu-No. 2 Waterworks Construction Water Pipeline Project, Xuzhou, China 中國徐州市駱馬湖水源地及第二水廠建設工程	9,074	2015
Scenic Hill-HKBCF-Airport Line Project, Hong Kong 香港觀景山—香港口岸—機楊連線項目	1,441	2015
Crew Construction Project, Phase I, Southwest Hainan Power Plant, China 中國海南西南部電廠一期團隊建設項目	2,270	2015
The Nigerian National Petroleum OB3 Project, Nigeria 尼日利亞國家石油OB3項目	6,000	2015
Water Diversion Project, Nanning, China 中國南寧輸水工程	2,065	2014
Piling Foundation Pipe Project, Humen Bridge II, Guangdong, China 中國廣東省虎門二橋樁基鋼護筒工程	5,161	2014
Gaolangang Area Container Terminal Project, Phase II, China 中國高欄港區集裝箱碼頭二期工程	4,200	2014
Crew Construction Project, Phase I, Southwest Hainan Power Plant, China 中國海南西南部電廠一期團隊建設項目	8,994	2014
Hong Kong – Zhuhai – Macau Bridge Project, Guangdong-Scenic Hill Project, Hong Kong 香港政府路政署港珠澳大橋粵港分界線至觀景山接線	3,000	2014
Pakistan Gas Pipeline Project, Pakistan 巴基斯坦輸氣項目	7,537	2014
Los Ramones Gas Pipeline Project, Mexico 墨西哥 Los Ramones 輸氣項目	49,587	2014-2015

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業務往績

SELECTED PROJECTS FOR SSAW PIPE (Continued)

預精焊螺旋埋弧焊管項目摘錄(續)

Projects 項目	Quantity (MT) 數量(噸)	Year 年份
Chemical Project, Jiangsu, China 中國江蘇化工項目	2,071	2014
Yancheng Water Project, Jiangsu, China 中國江蘇鹽城輸水工程	5,896	2014
Water Irrigation Project, Venezuela 委內瑞拉水灌溉項目	565	2014
Tuen Mun-Chek Lap Kok Link-southern Connection Viaduct Section Project, Hong Kong 香港屯門—赤鱸角—南面高架路連線項目	7,950	2014
Zhuhai Port Temporary Construction Bridge Project for Hong Kong – Zhuhai – Macau Bridge Project, China 中國港珠澳大橋項目珠海口岸臨時施工便橋工程	9,115	2014
Al Hallaniyat Island Project, Oman 阿曼Al Hallaniyat Island項目	330	2014
Hong Kong – Zhuhai – Macau Bridge Project, China 中國港珠澳大橋項目	360	2014
Hong Kong – Zhuhai – Macau Bridge Project, China 中國港珠澳大橋項目	8,556	2013-2014
Lianyungang City Drinking Water Project, Jiangsu, China 中國江蘇連雲港市飲用水輸水工程	3,700	2013-2014
Tuen Mun-Chek Lap Kok Link-southern Connection Viaduct Section Project, Hong Kong 香港屯門—赤鱸角—南面高架路連線項目	313	2013-2014
Cross Sea Bridge Project, Lianyungang City, China 中國連雲港市跨海大橋項目	1,700	2013
Hong Kong – Zhuhai – Macau Bridge Project, Hong Kong 香港港珠澳大橋項目	838	2013
City Heat Supply Network Southeast Pipeline Project, China 中國城區熱網(東南綫)工程	7,300	2013
NNPC, Nigeria 尼日利亞國家石油公司輸氣項目	9,940	2013
Jiangsu Water Network Project, China 中國江蘇徐圩水廠及廠外配套供水管網	8,000	2013
Hainan LNG Station Transmission Pipeline Project, CNOOC, China 中國中海石油(海南液化天然氣站綫輸氣管道工程)	3,000	2012-2013

TRACK RECORD

業務往績

SELECTED PROJECTS FOR ERW PIPE

電阻焊管項目摘錄

Projects 項目	Quantity (Km) 數量 (公里)	Year 年份
Middle East Oil Orders 中東輸油訂單	18.62	2017
Insulation Pipe Project in Hong Kong 香港保溫管項目	0.54	2016-2017
Phase III, Gas Pipeline for GMP New 12SPP Project, PTT & GULF, Thailand 泰國國家石油公司&海灣石油GMP新12sppIII期項目天然氣管道	10.7	2016-2017
RAPID Petronas Project, Petronas, Singapore 馬來西亞石油公司新加坡輸油/輸氣項目	21.4	2016-2017
NGP Gas Transmission Project, Jemena, Australia 澳大利亞Jemena公司NGP輸氣項目	626	2016-2017
Marmul Rationalization Project, PDO, Oman 阿曼石油開發公司阿曼邁爾穆勒污泥油輸送管道	11.83	2016
Liuzhou City Natural Gas Project, Guangxi, China 中國廣西柳州市天然氣項目	13.7	2016
Beiliu City Natural Gas Project, Guangxi, China 中國廣西北流市天然氣項目	47.46	2016
Yicheng City Change Line Project, Weijing Pipeline, Sinopec, China 中石化魏荊綫宜城市城區占壓段管道改綫工程	18	2015
Sinopec Gas Pipeline reinstallation project, Qilu Branch 中石化齊魯分公司天然氣進廠管綫安全隱患治理項目	3.5	2015
Phase I, Xiangyuan Gas Pipeline Project, Shanxi, China 中國山西煤層氣(天然氣)集輸有限公司襄垣縣天然氣利用一期工程	44.9	2015
Phase I, Changzhi-Tunliu Section, Shanxi Coal Bed Gas Pipeline Project, China 中國襄垣縣漳江煤層氣(天然氣)集輸有限公司山西煤層氣綜合利用項目長治縣一屯留縣天然氣利用一期工程	66.5	2015
Betara Complex Development 479 Project, Petrochina International Jabung Ltd., Indonesia 中石油印度尼西亞Betara綜合開發479項目	16.14	2015
Badra-Zubaidah, EPC Gas Export Pipeline Project, Gazprom 俄羅斯天然氣-茹柏達EPC出口天然氣管道工程	105.14	2015
Madura BD Field Development, Husky-CNOOC Madura Limited, Indonesia 赫斯基-中海油馬都拉有限公司印尼馬都拉BD油田開發區	53.6	2015
Macao Taipa MGM Hotel Cooling water Project, China 澳門氹仔美高梅酒店輸冷氣水工程	6.58	2015
Sour Oil/Gas Pipeline Project, Daleel Petroleum L.L.C., Oman 阿曼達利石油公司抗酸油氣管項目	10	2015
Scenic Hill-HKBCF-Airport Line Project, Hong Kong 香港觀景山-香港口岸-機場連綫項目	11.4	2015

TRACK RECORD

業務往績

SELECTED PROJECTS FOR ERW PIPE (Continued)

電阻焊管項目摘錄 (續)

Projects 項目	Quantity (Km) 數量 (公里)	Year 年份
Kuwait Oil Pipeline Project 科威特北部地區輸油管綫工程	9.5	2015
Pstream Project, Australia 澳大利亞項目	49	2015
Gasoducto Andino del Sur Project, Peru 秘魯輸氣項目	84	2015
Phase II, Stage Product Oil Pipeline, The Pearl River Delta, SINOPEC, China 中國石化銷售有限公司華南分公司珠三角二期成品油管綫第七批	30	2014
Jiangxi Gas Network Project, Phase I, Qingyun-Wannian, Shanggao-Yifeng Branch, China 中國江西省天然氣管網一期工程青雲 — 萬年 · 上高 — 宜豐支綫	26	2014
The Expansion Project of Macau University of Science and Technology, Macau 澳門科技大學擴建工程	27	2014
Catchment System Of Sea Water And Iodon Plant, Chile 智利流域系統海水管道工程	23	2014
Flow line Pipes, PDO, Oman 阿曼集輸管項目	200	2014
QNP Lateral Pipeline Project, Australia 澳大利亞QNP項目	19	2014
Eastern Goldfields Pipeline Project, APA, Australia 澳大利亞APA項目	298	2014
Aviation Oil Pipeline Project, BP, Australia 英國石油公司澳洲輸航空油項目	4	2014
Central Wan Chai bypass No. 8 Connection Line Tunnel Project, Hong Kong 香港路政署中環灣仔繞道八號連接線路段隧道工程	8	2014
JQ AEP/ODP1 Project, Shell, China 殼牌中國四川成都金秋項目	32	2014
Scenic Hill-HKBCF-Airport Line Project, Hong Kong 香港觀景山 — 香港口岸 — 機楊連綫項目	7	2014
Mexico Project, Mexico 墨西哥項目	123	2014
Longquan – Taiyuan Section of Lanxian – Taiyuan Gas Pipeline Project, Shanxi, China 中國山西嵐縣 — 太原輸氣管道工程龍泉 — 太原段	45	2014
Nakhon Sawan Project, CNPC, Thailand 中油管道物資裝備總公司泰國那空沙旺項目	36	2014
Natural Gas Pipeline Project, Phase I, CNOOC, China 中國珠海市天然氣管道工程一期項目	28	2014

TRACK RECORD

業務往績

SELECTED PROJECTS FOR ERW PIPE (Continued)

電阻焊管項目摘錄 (續)

Projects 項目	Quantity (Km) 數量 (公里)	Year 年份
OGDCL, Pakistan 巴基斯坦國家石油公司	15	2014
Santos, Australia 澳大利亞項目	212	2013-2014
Pipeline Crossing Project, Sinopec, China 中國中石化管道穿越工程	4.1	2013
Southern China Project, SINOPEC, China 中國中石化華南項目	25	2013
Hainan Natural Gas Project, CNOOC, China 中海石油海南天然氣項目	2.9	2013
Jian Rong Foundation Project, Hong Kong 香港建築地基項目	3.6	2013
Guangxi PetroChina Kunlun Natural Gas Project, CNPC, China 中國中石油廣西中石油昆侖天然氣項目	52	2013
Chongqing Gas Project, China 中國重慶燃氣項目	102	2013
Jiangxi Oil Pipeline Project, Phase II, SINOPEC, China 中國石化銷售有限公司華中分公司江西成品油管道二期工程項目	10	2013
Mexican Project, Mexico 墨西哥輸油項目 (墨西哥)	155	2013
Hongkong Tunnel project, Hong Kong 香港隧道工程 (香港)	3,445 (MT) (噸)	2013
OGDCL, Oil/Gas Pipeline, Pakistan 巴基斯坦輸氣管道	378	2012-2013
Flow line Pipes, PDO, Oman 阿曼集輸管項目	550	2012-2013
Kuwait Sour Crude Oil Pipeline, Kuwait 科威特酸性原油輸送管道	232	2012-2013
Jiangxi Product Oil Pipeline Project, Phase II, SINOPEC, China 中國中石化江西成品油管道二期工程	270	2012
OGDCL, Pakistan 巴基斯坦項目	145	2012
Huainan-Shanghai Ultra High Voltage Power Grids, State Grid Corporation of China (SGCC), China 中國淮南 — 上海高壓電網項目 · 中國國家電網	24,763 (MT) (噸)	2012
Sui Northern Gas Pipeline Limited, Pakistan 巴基斯坦天然氣管道公司	143	2009

TRACK RECORD

業務往績

SELECTED PROJECTS FOR ERW PIPE (Continued)

電阻焊管項目摘錄 (續)

Projects 項目	Quantity (Km) 數量 (公里)	Year 年份
ONGC, India 印度天然氣公司	300	2009
Electricity Network, China 中國國家電網項目	960	2009
Flowline Pipes, PDO, Oman 阿曼項目	1,602	2008
Gasoducto Gibraltar Project, Columbia 哥倫比亞輸氣項目	151	2008
Esperanza Project, Chile 智利銅礦項目	150	2008
Sui Northern Gas Pipeline Limited, Pakistan 巴基斯坦天然氣項目	250	2008
Sui Northern Gas Pipeline Limited, Pakistan 巴基斯坦天然氣項目	170	2007
Shengli Oil Field, SINOPEC, China 中國中石化勝利油田項目	255	2007
Sui Northern Gas Pipelines Limited, Pakistan 巴基斯坦天然氣項目	195	2006
Copergas, GDK, Brazil 巴西天然氣公司	126	2005
Henan Product Oil Pipeline, SINOPEC, China 中國中石化河南成品油管線	191	2005
Pearl River Delta Product Oil Pipeline, SINOPEC, China 中國中石化珠三角成品油管線	1,200	2004-2005
Southwest Oil Pipeline, SINOPEC, China 中國中石化大西南成品油管線 (茂名 — 昆明)	379	2003-2004
Jingzhou-Jingmen Product Oil Pipeline, SINOPEC, China 中國中石化荊州 — 荊門成品油管線	153	2002
Lan-Cheng-Yu Oil Pipeline Project, CNPC, China 中國中石油蘭成渝輸油管道工程	220	2001
National Oil Company Limited, The Middle East 中東北方石油公司	130	2000
Texas Oil Field, USA 美國德州油田	153	1998
Changqing Oil Field, CNPC, China 中國中石油長慶油田	290	1996
Kelamayi Oil Field, CNPC, China 中國中石油克拉瑪依油田	150	1996

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The Group mainly (i) manufactures and sells longitudinal welded steel pipes, as well as providing manufacturing service for processing raw materials into steel pipes; and (ii) engages in property development and investment.

Our welded steel pipe products can be broadly categorised into LSAW steel pipes, SSAW steel pipes and ERW steel pipes. We are the largest LSAW steel pipe manufacturer and exporter in the PRC, and are capable of producing LSAW steel pipes that meet the X100 standard. We are also accredited 11 international quality certifications such as Det Norske Veritas (“DNV”) and American Petroleum Institute (“API”). In addition, we are the first and the sole PRC manufacturer that have successfully produced deep sea welded pipes for use at 1,500m under water. Our products are widely applicable to major oil and gas pipeline projects (both onshore and offshore) and infrastructure projects domestically and internationally.

Our Group is capable of manufacturing subsea pipes and drilling platforms for offshore projects, and is being classified under the Offshore Engineering Equipment Industry* (海洋工程裝備製造業). We have benefited from and supported by China's strategic policies and received supports from policy banks and insurance institutions in China. We have maintained good relationships with and have obtained medium-term loans and credit facilities from the China Development Bank, the Export-Import Bank of China, and the China Export & Credit Insurance Corporation.

業務回顧

本集團主要(i)製造及銷售直縫焊接鋼管，以及提供將原材料加工為鋼管的製造服務；及(ii)從物業發展及投資。

本集團的焊接鋼管產品大致可分為直縫埋弧焊管、螺旋埋弧焊管及電阻焊管。我們是中國最大直縫埋弧焊管製造商及出口商，可生產符合X100標準的直縫埋弧焊管，而我們已取得挪威船級社（「DNV」）及美國石油協會（「API」）等十一項國際質量認證。此外，本集團為中國首名和唯一能成功生產出1,500米深海焊管的製造商，產品在國內外被廣泛應用於大型石油及天然氣管道項目（岸上和海底）及基建項目。

由於本集團可製造海上工程使用的海底管及海上鑽井平台，故此本集團被劃入海洋工程裝備製造業企業，受惠於國家戰略性政策及支持，我們亦得到中國政策性銀行及保險業機構的大力支持，與國家開發銀行、中國進出口銀行及中國出口信用保險公司亦保持良好合作關係，並已從該等機構獲得中期貸款及信貸融資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

In November 2016, the Group entered into a subscription agreement with Fangyang Commerce Trade Company Limited (中國方洋商貿有限公司) (“Fangyang”), pursuant to which the Group would inject its existing land and equipment at the market value of RMB982 million and Fangyang would inject RMB500 million by cash to the registered capital of the Lianyungang Zhujiang Metal Composite Materials Co., Ltd.* (連雲港珠江金屬複合材料有限公司) (the “JV Company”). Upon completion of the capital injection, Fangyang held 33.33% of the enlarged registered capital of the JV Company and the Group’s equity interest in the JV Company reduced from 100% to 66.67%. The capital injection constituted a major transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Group also entered into a non-legally binding memorandum of understanding with Fangyang, pursuant to which Fangyang would further inject RMB200 million in cash to the registered capital of the JV Company. If this further capital injection materialises, Fangyang would hold 41.2% of the further enlarged registered capital of the JV Company and the Group’s equity interest in the JV Company would further reduce to 58.8%. The JV Company also entered into construction agreements for the purchase of bimetal composite plate processing equipment and construction of the processing plant for an aggregate consideration of not more than RMB2.5 billion, which constituted a very substantial acquisition of the Company under the Listing Rules. The Company has obtained a written approval of the capital injection from Mr. Chen Chang and Bournam Profits Limited. The construction agreements for the purchase of bimetal composite plate processing equipment and construction of the processing plant was duly passed by the shareholders of the Company at the extraordinary general meeting held on 25 January 2017. The principal business of the JV Company is the manufacturing and sales of bimetal composite plates. The construction of the processing plant will provide the Group with a stable supply of raw materials located near its production base at costs under its control. The capital injection will provide the start-up capital for the construction plant and the introduction of a reliable partner located in Lianyungang.

於二零一六年十一月，本集團與中國方洋商貿有限公司（「方洋」）訂立認購協議，據此，本集團將向連雲港珠江金屬複合材料有限公司（「合營公司」）的註冊資本注資其現有土地及設備（市值人民幣982,000,000元）及方洋將向合營公司的註冊資本以現金注資人民幣500,000,000元。於完成注資後，方洋持有合營公司經擴大註冊資本的33.33%及本集團於合營公司之股權將由100%減少至66.67%。注資構成本公司於香港聯合交易所有限公司證券上市規則（「上市規則」）項下之主要交易。本集團亦與方洋訂立不具法律約束力的諒解備忘錄，據此，方洋將向合營公司的註冊資本進一步以現金注資人民幣200,000,000元。倘進一步注資落實，方洋將持有合營公司進一步經擴大註冊資本之41.2%及本集團於合營公司之股權將進一步減少至58.8%。合營公司亦訂立建設協議，以購買雙金屬複合板加工設備及建設加工廠，總代價不超過人民幣25億元，其構成本公司於上市規則項下之非常重大收購事項。本公司已自陳昌先生及Bournam Profits Limited取得注資之書面批准。本公司股東已於二零一七年一月二十五日舉行的股東特別大會上正式通過購買雙金屬複合板加工設備及建設加工廠之建設協議。合營公司的主要業務為製造及銷售雙金屬複合板。建設加工廠將令本集團能按其可控成本穩定供應位於其生產基地附近的原材料。注資將為建設廠房及引進一名位於連雲港的可靠合作夥伴提供啟動資本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Panyu Land Development

In 2013, the Group has converted a piece of land in Panyu (the “Panyu Land”) into commercial use. The total land area of the Panyu Land is 125,000m² which accounted for 25% of area of the parcels of Land owned by the Group in Panyu Land. The total construction area of the Panyu Land is 550,000m². The Panyu Land will be divided into three phases for development.

Project name:

項目名稱：

Address: Qinghe Road, Shiji Town, Panyu District,
Guangzhou City, Guangdong, PRC

地址：中國廣東省廣州市番禺區石基鎮清河路

Usage: large scale of integrated commercial complex of offices,
shops, serviced apartments and villas

用途：寫字樓、商舖、服務式公寓和商墅的大型綜合商業項目

Total permitted construction area (including underground
construction area)

允許建築總面積（包括地下建築面積）

The Group had pre-sold the first phase of GDC and the total contracted sales were approximately RMB525 million as at 31 December 2016. The Group will record the sale of properties in 2017.

In October 2016, the Group also developed the second phase of GDC. The second phase is mainly composed of serviced apartments and shopping centers, and the pre-sale is expected to commence in late-2017.

The GDC is part of the Group's strategy to widen its income sources. The Directors believe that the GDC will maximise the potential economic return of the Panyu Land to the Group. Furthermore, upon the completion of GDC, stable rental income and the proceeds from the sale of properties will support the further development of the Group's steel pipe business. The steel pipe business will remain as the Group's core business.

番禺土地發展

本集團於二零一三年將番禺一幅土地（「番禺土地」）轉為商業用地。番禺土地的總面積為125,000平方米，佔本集團於番禺土地所擁有的地塊面積的四分之一。番禺土地的總建築面積為550,000平方米。番禺土地將會分為三期發展。

Golden Dragon City Fortune Plaza* (“GDC”)

金龍城財富廣場（「金龍城」）

Phase I	135,000m ²
第一期	135,000平方米
Phase II	191,000m ²
第二期	191,000平方米
Phase III	224,000m ²
第三期	224,000平方米

於二零一六年十二月三十一日，本集團已預售金龍城第一期，總合約銷售額約為人民幣525,000,000元。本集團將於二零一七年入賬銷售物業。

於二零一六年十月，本集團亦已開發金龍城第二期。第二期主要由服務式公寓和購物中心組成，預售預計於二零一七年年末開始。

金龍城為本集團擴大收入來源的策略一部分。董事相信，金龍城可將番禺土地對本集團的潛在經濟回報提升至最高。再者，完成金龍城後，穩定租金收入及物業銷售收入將支持本集團鋼管業務的進一步發展。鋼管業務將繼續為本集團的核心業務。

The Group will relocate the production lines in Panyu to the Lianyungang and Zhuhai production sites within three years. The Directors will seek any further development opportunities on the vacated land in Panyu in order to maximise its economic return. The Lianyungang and Zhuhai production bases will be the major production bases of the Group in China, as both production bases are in proximity to the self-operated ports where the Group can minimise its transportation cost.

Order Status

In 2016, the Group received new orders of approximately 230,000 tonnes and approximately 67% were received from overseas customers. Some sizeable overseas orders obtained were related to offshore windfarm project in the United Kingdom, the PETRONAS Refinery and Petrochemical Integrated Development (RAPID) project in Malaysia, Sinopec's natural gas project in Tianjin, PRC and MRC's Northern Gas Pipeline (NGP) project in Queensland, Australia. The Group delivered approximately 334,000 tonnes of welded steel pipes during 2016.

LSAW Steel Pipes

The Group is the largest LSAW steel pipe manufacturer and exporter in the PRC. LSAW steel pipe was the largest revenue contributor to the Group and accounted for approximately 68.7% of our total revenue for the year ended 31 December 2016. For the year ended 31 December 2016, revenue from the sales and manufacturing service of LSAW steel pipes amounted to approximately RMB949.4 million and RMB43.1 million, respectively, representing a decrease of approximately 34.8% and of 33.0%, respectively, as compared to that for the year ended 31 December 2015. The decrease in sales of LSAW steel pipes was mainly due to the decrease in both overseas and domestic orders the Group has received. This was due to the slowdown in the rolling out of major oil and gas projects.

本集團將於三年內搬遷番禺的生產線至連雲港及珠海生產區。董事將尋求番禺閒置土地的任何進一步發展機會，將其經濟回報最大化。連雲港及珠海生產基地將成為本集團在中國的主要生產基地，因為兩個基地鄰近自營港口，本集團可減少其運輸成本。

訂單狀況

於二零一六年，本集團接獲的新訂單數量約為230,000噸，而約67%來自海外客戶。已接獲的若干大型海外訂單涉及英國的海上風電項目、馬來西亞的煉油化工一體化開發(RAPID)項目、中國天津中石化天然氣項目以及澳大利亞昆士蘭州的MRC北部輸氣管道(NGP)項目。本集團已於二零一六年交付約334,000噸焊接鋼管。

直縫埋弧焊管

本集團是中國最大的直縫埋弧焊管製造商及出口商。直縫埋弧焊管為本集團最大收入來源，截至二零一六年十二月三十一日止年度佔本集團總收入約68.7%。截至二零一六年十二月三十一日止年度，直縫埋弧焊管的銷售及製造服務收入分別約為人民幣949,400,000元及人民幣43,100,000元，較截至二零一五年十二月三十一日止年度分別減少約34.8%及33.0%。直縫埋弧焊管銷量減少，主要由於本集團接獲的海外和國內訂單俱報跌。此乃由於主要油氣項目推出步伐放緩。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

SSAW Steel Pipes

Our SSAW steel pipes produced in our plant in Lianyungang use the pre-welding and precision welding SSAW technique, which is the most advanced standard among all SSAW technologies. Revenue from the sales and manufacturing service of SSAW steel pipes amounted to approximately RMB108.3 million and RMB13.2 million respectively. The total revenue from SSAW steel pipes accounted for approximately 8.4% of the total revenue for the year ended 31 December 2016.

ERW Steel Pipes

Market competition of ERW steel pipes has been very keen due to its relatively low technical and standardised entry requirements. For the year ended 31 December 2016, revenue from the sales and manufacturing service of ERW steel pipes amounted to approximately RMB148.4 million and RMB2.3 million, respectively. The total revenue from ERW steel pipes accounted for approximately 10.5% of the total revenue for the year ended 31 December 2016.

FINANCIAL REVIEW

Revenue and gross profit

For the year ended 31 December 2016, our revenue was approximately RMB1,443.5 million, representing a decrease of approximately RMB1,095.7 million or 43.2% as compared with that of 2015. The decrease in revenue was mainly due to the decrease in both overseas and domestic orders received by the Group. This was due to the slowdown in the rolling out of major oil and gas projects. In addition, there was a drop in average selling price in 2016 as compared with that of 2015.

螺旋埋弧焊管

我們於連雲港廠房生產的螺旋埋弧焊管採用預精焊螺旋埋弧焊管技術製造。該項技術屬所有螺旋埋弧焊管工藝中最先進的標準。螺旋埋弧焊管的銷售及製造服務分別錄得收入約人民幣108,300,000元及人民幣13,200,000元。螺旋埋弧焊管的總收入佔截至二零一六年十二月三十一日止年度總收入約8.4%。

電阻焊管

電阻焊管因所需技術較低及較標準化的入門規格，以致市場競爭比較激烈。截至二零一六年十二月三十一日止年度，電阻焊管的銷售及製造服務收入分別約為人民幣148,400,000元及人民幣2,300,000元。截至二零一六年十二月三十一日止年度，來自電阻焊管的總收入佔總收入約10.5%。

財務回顧

收入及毛利

於截至二零一六年十二月三十一日止年度，本集團收入約為人民幣1,443,500,000元，較二零一五年減少約人民幣1,095,700,000元或43.2%。收入減少主要由於本集團接獲的海外和國內訂單俱報跌。此乃由於主要油氣項目推出步伐放緩。此外，平均售價於二零一六年較二零一五年下降。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The following table sets forth the revenue, gross profit, sales volume and average gross profit per tonne by business segments for each of the periods indicated:

下表載列述明各期間業務分部的收入、毛利、銷售額及每噸平均毛利：

		2016 二零一六年 Revenue 收入		2015 二零一五年 Revenue 收入	
		RMB'000	% to total	RMB'000	% to total
		人民幣千元	佔總收入 百分比	人民幣千元	佔總收入 百分比
Sales of steel pipes	銷售鋼管				
LSAW steel pipes	直縫埋弧焊管	949,426	65.8	1,455,874	57.3
SSAW steel pipes	螺旋埋弧焊管	108,259	7.5	361,869	14.2
ERW steel pipes	電阻焊管	148,376	10.3	176,615	7.0
Subtotal	小計	1,206,061	83.6	1,994,358	78.5
Manufacturing services	製造服務				
LSAW steel pipes	直縫埋弧焊管	43,149	2.9	64,399	2.5
SSAW steel pipes	螺旋埋弧焊管	13,170	0.9	47,393	1.9
ERW steel pipes	電阻焊管	2,306	0.2	2,565	0.1
Subtotal	小計	58,625	4.0	114,357	4.5
Others	其他	178,801	12.4	430,463	17.0
Grand total	總計	1,443,487	100.0	2,539,178	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

		2016 二零一六年			2015 二零一五年		
		Gross profit 毛利 RMB'000 人民幣千元	Sales volume 銷售量 tonnes 噸	Average gross profit 平均毛利 RMB/tonne 人民幣/噸	Gross profit 毛利 RMB'000 人民幣千元	Sales volume 銷售量 tonnes 噸	Average gross profit 平均毛利 RMB/tonne 人民幣/噸
Sales of steel pipes	銷售鋼管						
LSAW steel pipes	直縫埋弧焊管	71,963	214,000	336	302,833	259,343	1,168
SSAW steel pipes	螺旋埋弧焊管	4,093	32,404	126	45,387	95,017	478
ERW steel pipes	電阻焊管	3,268	28,302	115	15,379	33,229	463
Subtotal	小計	79,324	274,706		363,599	387,589	
Manufacturing services	製造服務						
LSAW steel pipes	直縫埋弧焊管	1,814	26,023	70	36,402	32,503	1,120
SSAW Steel pipes	螺旋埋弧焊管	28	30,703	1	6,607	23,679	279
ERW steel pipes	電阻焊管	75	2,254	33	315	195	1,615
Subtotal	小計	1,917	58,980		43,324	56,377	
Others	其他	346	N/A 不適用	N/A 不適用	290	N/A 不適用	N/A 不適用
Grand total	總計	81,587	333,686		407,213	443,966	

The revenue generated from the sales of steel pipes accounted for approximately 83.6% of our total revenue in 2016 as compared with approximately 78.5% in 2015. Steel pipe manufacturing services accounted for approximately 4.0% of our total revenue in 2016 as compared with approximately 4.5% in 2015. The revenue classified as "Others" mainly represented the trading of steel plates, sales of screw thread steel, sales of steel fittings, trading of equipment and sales of scrap materials which accounted for approximately 12.4% of our total revenue in 2016 as compared with approximately 17.0% in 2015.

Gross profit for 2016 was approximately RMB81.6 million, representing a decrease of approximately 80.0% or RMB325.6 million as compared with approximately RMB407.2 million in 2015. Gross profit margin for 2016 was approximately 5.7% which was lower than that of last year. This was due to (i) trading of steel materials with lower gross profit margin; (ii) the sale of old stock at loss to enhance our cashflow; (iii) the decrease in sales cannot cover the fixed cost of the Group; and (iv) sale of infrastructure products during the year where its gross profit per ton.

Our overseas sales accounted for approximately 56.9% of our total revenue in 2016, as compared to approximately 53.0% in 2015.

於二零一六年，來自銷售鋼管的收入約佔本集團總收入約83.6%，而於二零一五年則約佔78.5%。二零一六年，鋼管製造服務約佔本集團總收入約4.0%，而於二零一五年則約佔4.5%。分類為「其他」之收入主要指買賣鋼板、銷售螺紋鋼、銷售鋼質管件、買賣設備及銷售廢料的收入，約佔本集團二零一六年總收入約12.4%，而於二零一五年則約佔17.0%。

二零一六年的毛利約為人民幣81,600,000元，較二零一五年約人民幣407,200,000元減少約80.0%或人民幣325,600,000元。二零一六年毛利率約為5.7%，較去年有所下降，此乃由於(i)鋼材交易的毛利率較低；(ii)為了加強現金流，銷售存貨管，導致虧損增加；(iii)本集團銷售減少不可覆蓋其固定成本；及(iv)年內銷售基建管，其噸毛利較低。

於二零一六年，本集團的海外銷售額佔總收入約56.9%，而於二零一五年則約佔53.0%。

SALES BY GEOGRAPHICAL AREAS

按地區劃分的銷售

		2016 二零一六年 Revenue 收入		2015 二零一五年 Revenue 收入	
		<i>RMB'000</i>	<i>% to total</i>	<i>RMB'000</i>	<i>% to total</i>
		人民幣千元	佔總收入 百分比	人民幣千元	佔總收入 百分比
Overseas sales	海外銷售	821,034	56.9	1,346,127	53.0
Domestic sales	國內銷售	622,453	43.1	1,193,051	47.0
Total	總計	1,443,487	100.0	2,539,178	100.0

CHANGE IN FAIR VALUES OF INVESTMENT PROPERTY

The Group has adopted the accounting policy of measuring investment property by using fair values. Accordingly, gains or losses arising from the changes in the fair values of investment property are reflected as profit or loss for the reporting period. The Group has transferred part of the investment property – Phase I and Phase II to properties under development as at 30 November 2015 and 31 December 2016 respectively. The Group has engaged RHL Appraisal Limited, an independent valuer, to value the investment property. According to the valuation report as at 31 December 2016 issued by RHL Appraisal Limited, the market value of the investment property as at 31 December 2016 was RMB1.14 billion. No gain was resulted from the fair values of investment property in 2016 (2015: the fair value gains on investment property of approximately RMB627.9 million).

OTHER INCOME AND GAINS

Other income and gains in 2016 mainly represented bank interest income. Other income and gains increased by approximately 28.6% or RMB8.3 million from approximately RMB29.2 million in 2015 to approximately RMB37.6 million in 2016. Increase in other income and gains was mainly due to increase in subsidy income from the government during 2016.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses decreased by approximately 15.9% or RMB27.3 million from approximately RMB171.7 million in 2015 to approximately RMB144.4 million in 2016. The decrease was mainly due to the decrease in sales as discussed above.

投資物業公平值變動

本集團已採納會計政策，以公平值計量投資物業。因此，投資物業公平值變動產生之損益，已於報告期間的損益內反映。本集團分別於二零一五年十一月三十日及二零一六年十二月三十一日將部分投資物業I期及II期轉撥至發展中物業。本集團已委聘獨立估值師永利行評值顧問有限公司，為投資物業進行估值。根據永利行評值顧問有限公司於二零一六年十二月三十一日發出的估值報告，投資物業於二零一六年十二月三十一日的市值為人民幣1,140,000,000元。於二零一六年，沒有投資物業的公平值收益（二零一五年：投資物業公平值收益約為人民幣627,900,000元）。

其他收入及收益

二零一六年的其他收入及收益主要指銀行利息收入。其他收入及收益由二零一五年約人民幣29,200,000元，增加約28.6%或人民幣8,300,000元，至二零一六年約人民幣37,600,000元。其他收入及收益增加主要由於二零一六年政府補貼收入增加。

銷售及分銷開支

銷售及分銷開支由二零一五年約人民幣171,700,000元，減少約15.9%或人民幣27,300,000元，至二零一六年約人民幣144,400,000元。該減少主要由於上文所討論的銷售減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately 7.0% or RMB31.0 million from approximately RMB440.0 million in 2015 to approximately RMB471.0 million in 2016. The increase in administrative expenses was due to the increase in bank charges and modification charges for our headquarters in Panyu.

FINANCE COSTS

The finance costs for 2016 was approximately RMB237.1 million which were similar with that of 2015 of approximately RMB237.1 million. The effective interest rate in 2016 was approximately 3.7% (2015: 3.8%).

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL

The Group has provided the impairment on property, plant and equipment and goodwill of approximately RMB516.3 million for the year ended 2016 (2015: nil).

OTHER EXPENSES

Other expenses increased by approximately 502.7% or RMB87.8 million from approximately RMB17.5 million in 2015 to approximately RMB105.3 million in 2016. The increase was mainly due to provision for inventories and trade and other receivables of approximately RMB99.3 million.

EXCHANGE LOSS, NET

The Group recorded exchange loss of approximately RMB86.4 million in 2016 as compared to exchange loss of approximately RMB53.6 million in 2015. The increase in exchange loss was mainly due to further depreciation of RMB against USD.

INCOME TAX EXPENSES

Income tax expenses decreased from RMB118.4 million in 2015 to RMB56.2 million in 2016. The Group recorded loss for 2016 but there were tax expenses of approximately RMB56.2 million mainly due to the reversal of deferred tax assets during the year as the Group recorded operating losses for consecutive years. Panyu Chu Kong Steel Pipe Company Limited (“PCKSP”), Panyu Chu Kong Steel Pipe (Zhuhai) Co. Limited (“PCKSP (Zhuhai)”) and Panyu Chu Kong Steel Pipe (Lianyungang) Co. Limited (“PCKSP (Lianyungang)”), wholly-owned subsidiaries of the Company, were qualified as High and New Technology Enterprises and thus entitled to a reduced tax rate of 15% in 2016 (2015: 15%).

行政費用

行政費用由二零一五年約人民幣440,000,000元，增加約7.0%或人民幣31,000,000元，至二零一六年約人民幣471,000,000元，行政費用增加由於銀行費用增加及番禺總部改建費用。

融資成本

二零一六年融資成本約為人民幣237,100,000元與二零一五年約為人民幣237,100,000元相若。二零一六年的實際利率約為3.7%（二零一五年：3.8%）。

物業、廠房及設備以及商譽減值

截至二零一六年止年度，本集團就物業、廠房及設備以及商譽減值計提撥備約人民幣516,300,000元（二零一五年：無）。

其他費用

其他費用由二零一五年約人民幣17,500,000元，增加約502.7%或人民幣87,800,000元，至二零一六年約人民幣105,300,000元。該增加主要由於存貨以及貿易及其他應收款項撥備約人民幣99,300,000元。

匯兌虧損，淨額

本集團於二零一六年錄得匯兌虧損約人民幣86,400,000元，而於二零一五年則錄得匯兌虧損約人民幣53,600,000元。匯兌虧損增加主要由於人民幣兌美元進一步貶值。

所得稅開支

所得稅開支由二零一五年人民幣118,400,000元，減至二零一六年人民幣56,200,000元，本集團於二零一六年錄得虧損但仍有稅項開支約人民幣56,200,000元主要由於年內沖回遞延稅項資產，因本集團營運連年錄得虧損。番禺珠江鋼管有限公司（「番禺珠江鋼管」）、番禺珠江鋼管（珠海）有限公司（「番禺珠江鋼管（珠海）」）及番禺珠江鋼管（連雲港）有限公司（「番禺珠江鋼管（連雲港）」）為本公司全資附屬公司，獲認可為高新科技企業，因而於二零一六年享有經減免的15%稅率（二零一五年：15%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LOSS FOR THE YEAR

As a result of the factors discussed above, the Group recorded a loss of approximately RMB1,499.0 million in 2016 (2015: profit RMB25.5 million).

LIQUIDITY AND FINANCIAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for the years ended 31 December 2015 and 2016:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net cash flows from operating activities	經營活動所得現金流量淨額	963,118	100,845
Net cash flows used in investing activities	投資活動所用現金流量淨額	(428,244)	(401,180)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(459,385)	(124,392)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	75,489	(424,727)

NET CASH FLOWS FROM OPERATING ACTIVITIES

The Group's net cash inflows from operating activities increased from approximately RMB100.8 million in 2015 to approximately RMB963.1 million in 2016. The net cash inflows from operating activities were primarily due to the combined effect of (i) loss before taxation; (ii) decrease in inventories, trade receivables, prepayment and other receivables, pledged bank deposit and trade payables, and (iii) increase in other payables and government grants.

NET CASH FLOWS USED IN INVESTING ACTIVITIES

The Group's net cash flows used in investing activities increased from approximately RMB401.2 million in 2015 to approximately RMB428.2 million in 2016. The net cash outflows were mainly due to the capital expenditure for the production bases in Lianyungang and Zhuhai of China during the year.

年內虧損

由於上文所述因素，本集團於二零一六年錄得虧損約人民幣1,499,000,000元（二零一五年：溢利人民幣25,500,000元）。

流動資金及財務資源

下表載列有關本集團截至二零一五年及二零一六年十二月三十一日止年度的綜合現金流量表的若干資料：

經營活動所得現金流量淨額

本集團的經營活動所得現金流入淨額由二零一五年約人民幣100,800,000元，增至二零一六年約人民幣963,100,000元。經營活動所得現金流入淨額主要由於綜合以下影響所致：(i) 稅前虧損；(ii) 存貨、貿易應收賬款、預付款項及其他應收款項、已抵押銀行存款及貿易應付賬款減少；及(iii) 其他應付款項及政府補貼增加。

投資活動所用現金流量淨額

本集團的投資活動所用現金流量淨額由二零一五年約人民幣401,200,000元，增加至二零一六年約人民幣428,200,000元。年內現金流出淨額主要由於中國連雲港及珠海生產基地的資本開支。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

NET CASH FLOWS USED IN FINANCING ACTIVITIES

The Group's net cash used in financing activities of approximately RMB124.4 million in 2015 increased to approximately RMB459.4 million in 2016. The net cash outflows were mainly resulted from the combined effect of (i) the borrowing of new interest-bearing loans and other borrowings of approximately RMB4,614.9 million and (ii) the repayment of bank loans, government loans, short term note and finance lease rental payment and its associated interest and payment of interest of approximately RMB5,083.7 million.

EXCHANGE RISK EXPOSURE

The Group mainly operates in the PRC and most of its operating transactions are settled in Renminbi except for export sales and overseas borrowings which are mostly denominated in US dollar. Most of its assets and liabilities are denominated in Renminbi. Although the Group may be exposed to foreign currency exchange risks, the Board does not expect that future currency fluctuations would materially impact the Group's operations. The Group did not adopt formal hedging policies nor instruments of foreign currency for managing the exchange risk exposure during the year ended 31 December 2016.

CAPITAL EXPENDITURE

For the year ended 31 December 2016, the Group invested approximately RMB343.3 million for the purchase of property, plant and equipment and land. These capital expenditures were fully financed by internal resources and bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group guaranteed RMB136.6 million (2015: nil) to certain purchasers of the Group's properties for mortgage facilities.

As at 31 December 2016, the Group guaranteed RMB231.8 million (2015: RMB215.9 million) to joint venture for banking facilities in Saudi Arabia of which RMB185.4 million (2015: RMB172.7 million) was utilized by the joint venture.

融資活動所用現金流量淨額

本集團的融資活動所用現金流出淨額由二零一五年約人民幣124,400,000元，增加至二零一六年約人民幣459,400,000元。現金流出淨額主要綜合以下影響產生：(i) 新借計息貸款及其他借貸約人民幣4,614,900,000元；及(ii) 償還銀行貸款、政府貸款、短期融資券及融資租賃租金付款及其相關利息及償還利息約人民幣5,083,700,000元。

外匯風險

本集團主要於中國經營，其大部分營運交易乃以人民幣結算，惟出口銷售及海外借貸大部分以美元計值，而其大部分資產及負債乃以人民幣計值。儘管本集團可能面對外匯風險，董事會預料日後匯率波動不會對本集團營運構成重大影響。截至二零一六年十二月三十一日止年度，本集團並無就管理外匯風險採用正式對沖政策或外幣工具。

資本開支

於截至二零一六年十二月三十一日止年度，本集團投資約人民幣343,300,000元購置物業、廠房及設備及土地。該等資本開支全部以內部資源及銀行借貸支付。

或然負債

於二零一六年十二月三十一日，本集團就按揭融資向本集團物業之若干買家作出為數人民幣136,600,000元（二零一五年：無）之擔保。

於二零一六年十二月三十一日，本集團就沙特阿拉伯之銀行融資向合營公司作出為數人民幣231,800,000元（二零一五年：人民幣215,900,000元）之擔保，合營公司已使用當中人民幣185,400,000元（二零一五年：人民幣172,700,000元）。

PLEDGE OF ASSETS

The Group pledged certain property, plant and equipment, land use rights, time deposits and certain properties under development with an aggregate net book value of approximately RMB1,512.5 million (2015: RMB582.8 million), RMB1,061.8 million (2015: RMB650.2 million), RMB410.2 million (2015: RMB491.2 million) and RMB442.7 million (2015: nil) respectively as at 31 December 2016 to secure bank loans granted to the Group.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group's gearing ratio is calculated based on the sum of bank loans, other borrowings and short term notes divided by total assets. The gearing ratio of the Group as at 31 December 2016 and 2015 were approximately 58.0% and 52.3%, respectively.

In December 2016, the Group entered into a loan agreement with the Industrial and Commercial Bank of China ("ICBC") in respect of a 8-year loan (the "ICBC Loan") of RMB1.5 billion at the interest rate of 5.39% per annum, which represents a 10% premium over the prevailing RMB commercial base lending rate of 4.9% per annum published by the People's Bank of China. As security for the ICBC Loan, PCKSP, one of the Company's wholly-owned subsidiaries, has pledged its shareholding in 廣東珠鋼投資管理有限公司 (Guangdong Pearl Steel Investment Management Co. Ltd.*) ("Guangdong Pearl Steel") and provided a corporate guarantee, and Guangdong Pearl Steel has pledged its land and properties under development in favour of ICBC.

資產抵押

於二零一六年十二月三十一日，本集團以總賬面淨值分別約為人民幣1,512,500,000元（二零一五年：人民幣582,800,000元）、人民幣1,061,800,000元（二零一五年：人民幣650,200,000元）、人民幣410,200,000元（二零一五年：人民幣491,200,000元及人民幣442,700,000元（二零一五年：無）的若干物業、廠房及設備、土地使用權、定期存款及若干發展中物業作為本集團獲授的銀行貸款的抵押。

資本架構、流動資金及財務資源

本集團的資產負債比率乃按銀行貸款、其他借貸及短期融資券的總和除以資產總值計算。本集團於二零一六年及二零一五年十二月三十一日的資產負債比率分別約為58.0%及52.3%。

於二零一六年十二月，本集團與中國工商銀行（「工商銀行」）訂立總額為人民幣15億元貸款（「工商銀行貸款」）之貸款協議，為期8年，年利率為5.39%，較現時中國人民銀行所發佈之當前人民幣商業貸款年利率4.9%上浮10%。本公司一間全資附屬公司番禺珠江鋼管就工商銀行貸款將會向工商銀行抵押其於廣東珠鋼投資管理有限公司（「廣東珠投」）之股權和提供公司擔保，廣東珠投也將會抵押其土地及發展中物業予工商銀行作為貸款擔保。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

As at 31 December 2016, the Group's total borrowings amounted to approximately RMB6,349.4 million, of which approximately 30% (2015: 55%) were long term borrowings and approximately 70% (2015: 45%) were short term borrowings. Approximately 60% of total borrowings of the Group were for financing working capital of the Group, and approximately 40% of total borrowings of the Group were financing capital expenditure of the Group. The Group had to finance its working capital by short term borrowings as around 90% of the cost of sales was incurred on the procurement of steel plates and steel coils. Once the Group received sales proceeds from its customers, it would then repay the short term borrowings. Taking into account the Group's cash in hand and the available banking facilities of RMB1,945 million, the Group had sufficient liquidity and was in strong financial position to repay its short term borrowings.

As at 31 December 2016, the current liabilities of the Group exceeded its current assets by approximately RMB2,724.1 million. Phase I of GDC has been pre-sold and it is planned that phase II of GDC will be pre-sold in late 2017 in order to increase the cashflow to the Group. In addition, the ICBC Loan can reduce the short term borrowings of the Group. The Group has sufficient cashflow to meet its short term obligations.

As at 31 December 2016, approximately 43% (2015: 37%) of the total borrowings were denominated in Renminbi, which carried interest rates linked to the benchmark lending rate published by the People's Bank of China; approximately 15% (2015: 16%) of the total borrowings were denominated in Renminbi which carried fixed interest rate; approximately 9% (2015: 15%) of the total borrowings were denominated in US dollar and HK dollar with interest rates linked to the London interbank offered rates for US dollar loans and Hong Kong interbank offered rates for HK dollar loans, and approximately 33% (2015: 32%) of the total borrowings were denominated in US dollar which carried fixed interest rate.

於二零一六年十二月三十一日，本集團的借貸總額約為人民幣6,349,400,000元，當中約30%（二零一五年：55%）為長期借貸及約70%（二零一五年：45%）為短期借貸。本集團的借貸總額約60%為本集團營運資金撥資，及本集團的借貸總額約40%為本集團資本開支撥資。由於銷售成本約90%乃產生自採購鋼板及鋼卷，因此本集團須以短期借貸作營運資金。本集團一旦收到客戶的銷售所得款項，將償還短期借貸。經計及本集團之手頭現金，以及可動用的銀行融資人民幣1,945,000,000元，本集團有充足流動資金及強健的財務狀況，償還短期借貸。

於二零一六年十二月三十一日，本集團之流動負債超出其流動資產約人民幣2,724,100,000元。金龍城第一期已開始預售，且金龍城第二期將計劃於二零一七年底預售，以增加本集團之現金流量。此外，工商銀行貸款可減少本集團之短期借貸。本集團擁有充足現金流量，可履行其短期責任。

於二零一六年十二月三十一日，借貸總額約43%（二零一五年：37%）以人民幣計值，按中國人民銀行公佈的基準貸款利率計息，借貸總額約15%（二零一五年：16%）以人民幣計值，按固定利率計息，借貸總額約9%（二零一五年：15%）以美元及港元計值，美元貸款的利率以美元倫敦銀行同業拆息為基準，而港元貸款則以香港銀行同業拆息為基準計息及借貸總額約33%（二零一五年：32%）以美元計值，按固定利率計息。

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES ASSOCIATES AND JOINT VENTURES

In November 2016, the Group entered into a subscription agreement with Fang Yang Commerce Trade Company Limited (中國方洋商貿有限公司) (“Fangyang”), pursuant to which the Group would inject its existing Land and Equipment at the market value of RMB982 million and Fangyang would inject RMB500 million by cash to the registered capital of the Lianyungang Zhujiang Metal Composite Materials Co., Ltd.* (連雲港珠江金屬複合材料有限公司) (the “JV Company”). Upon completion of the capital injection, Fangyang held 33.33% of the enlarged registered capital of the JV Company and the Group's equity interest in the JV Company reduced from 100% to 66.67%. The Group also entered into a non-legally binding memorandum of understanding with Fangyang, pursuant to which Fangyang would further inject RMB200 million by cash to the registered capital of the JV Company. If this further capital injection materializes, Fangyang would hold 41.2% of the further enlarged registered capital of the JV Company and the Group's equity interest in the JV Company would further reduce to 58.8%. The JV Company also entered into construction agreements for the purchase of bimetal composite plate processing equipment and construction of the processing plant for an aggregate consideration of not more than RMB2.5 billion. The Company has obtained a written approval of the capital injection from Mr. Chen Chang and Bournam Profits Limited. The construction agreements for the purchase of bimetal composite plate processing equipment and construction of the processing plant was duly passed by the shareholders of the Company at the extraordinary general meeting on 25 January 2017. The principal business of the JV Company is the manufacturing and sales of bimetal composite plates. The construction of the processing plant will provide the Group with a stable supply of raw materials located near its production base at costs under its control. The capital injection will provide the start-up capital for the construction plant and the introduction of a reliable partner located in Lianyungang. The JV Company will be consolidated in the Company's financial statements.

Except the above, the Group had no other material acquisitions or disposals during the year.

主要投資、重大收購及出售附屬公司、聯營公司及合營公司

於二零一六年十一月，本集團與中國方洋商貿有限公司（「方洋」）訂立認購協議，據此，本集團將向連雲港珠江金屬複合材料有限公司（「合營公司」）的註冊資本注資其現有土地及設備（市值人民幣982,000,000元）及方洋將向合營公司的註冊資本以現金注資人民幣500,000,000元。於完成注資後，方洋將持有合營公司經擴大註冊資本的33.33%及本集團於合營公司的股權將由100%減少至66.67%。本集團亦與方洋訂立不具法律約束力的諒解備忘錄，據此，方洋將向合營公司的註冊資本進一步以現金注資人民幣200,000,000元。倘進一步注資落實，方洋將持有合營公司進一步經擴大註冊資本之41.2%及本集團於合營公司之股權將進一步減少至58.8%。合營公司亦訂立建設協議，以購買雙金屬複合板加工設備及建設加工廠，總代價不超過人民幣25億元。本公司已自陳昌先生及Bournam Profits Limited取得注資之書面批准。本公司股東已於二零一七年一月二十五日舉行的股東特別大會正式通過購買雙金屬複合板加工設備及建設加工廠之建設協議。合營公司主要從事製造及銷售雙金屬複合板。建設加工廠將令本集團能按其可控成本穩定供應位於其生產基地附近的原材料。注資將為建設加工廠及引進一名位於連雲港的可靠合作夥伴提供啟動資本。合營公司將與本公司的財務報表合併入賬。

除上述者外，年內本集團概無其他重大收購或出售。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LITIGATION

As at 31 December 2016, the Group had four outstanding lawsuits as follows:

(i) Nanjing Rongyu Group Company Limited (南京鎔裕集團有限公司) (“Nanjing Rongyu”) and Nanjing City Qixia Hill Roll Steeling Company Limited (南京市棲霞山軋鋼有限公司) (“Qixia Hill”)

Nanjing Yuanchang Investment Guarantee Development Co., Ltd.* (“Yuanchang Investment”) (南京源昌投資擔保發展有限公司) alleged Nanjing Rongyu and Qixia Hill of breaching and repudiating counter guarantee contract in the amount of RMB5.6 million. The concerned counter guarantee contract was signed by the ex-beneficial owners of Nanjing Rongyu Group (collectively, Nanjing Rongyu, Qixia Hill and Nanjing Rongyu Group Market Management Company Limited* (南京鎔裕集團市場管理有限公司)) prior to the Group’s acquisition of Nanjing Rongyu in May 2013. The Group was not informed of such counter guarantee contract at the time of acquisition. According to the second instance judgement made by the Nanjing Intermediate People’s Court, Nanjing Rongyu and Qixia Hill have to pay compensatory amount of RMB5.6 million and damages to Yuancheng Investment. On 29 May 2015, Nanjing Rongyu and Qixia Hill applied for a retrial to the Jiangsu Province Higher People’s Court in respect of the above judgement. In July 2015, the Group was served with a notice of action from Jiangsu Province Higher People’s Court informing it the case was under file transfer and pre-filing review procedures. As of the date of this report, the court was still undergoing the pre-filing review process on the application for retrial of the case.

訴訟

於二零一六年十二月三十一日，本集團有下列四項尚未了結之訴訟：

(i) 南京鎔裕集團有限公司(「南京鎔裕」)及南京市棲霞山軋鋼有限公司(「棲霞山」)

南京源昌投資擔保發展有限公司(「源昌投資」)聲稱南京鎔裕及棲霞山違反擔保合約及悔約，該反擔保合約價值人民幣5,600,000元，乃由南京鎔裕集團(南京鎔裕、棲霞山及南京鎔裕集團市場管理有限公司之統稱)之前實益擁有人於本集團在二零一三年五月收購南京鎔裕前簽訂。本集團於收購時並不知悉有關反擔保合約的存在。根據南京市中級人民法院就本案作出的二審判決，南京鎔裕及棲霞山應向源昌投資償還代償款人民幣5,600,000元及違約金。南京鎔裕及棲霞山於二零一五年五月二十九日就該判決向江蘇省高級人民法院提起再審申請。本集團於二零一五年七月收到江蘇省高級人民法院發出的受理通知，告知正在調卷和進行立案前審查。於本報告日期，該院還在對該案再審申請進行立案前審查。

(ii) Nanjing Rongyu

Yuancheng Investment alleged Nanjing Rongyu of breaching and repudiating a counter guarantee contract in the amount of RMB7.6 million. The concerned counter guarantee contract was signed by the ex-beneficial owners of Nanjing Rongyu Group prior to the Group's acquisition of Nanjing Rongyu in May 2013. The Group was not informed of such counter guarantee contract at the time of acquisition. According to the second instance judgement made by the Nanjing Intermediate People's Court, Nanjing Rongyu has to pay compensatory amount of RMB7.6 million and damages to Yuancheng Investment. On 29 May 2015, Nanjing Rongyu applied for a retrial to the Jiangsu Higher People's Court against the above judgement. In July 2015, the Group was served with a notice of action from Jiangsu Province Higher People's Court informing it the case was under file transfer and pre-filing review procedures. As of the date of this report, the court was still undergoing the pre-filing review process on the application for retrial of the case.

(iii) Nanjing Rongyu

Yuancheng Investment alleged Nanjing Rongyu of breaching and repudiating a counter guarantee contract in the amount of RMB4.0 million. Such counter guarantee contract was signed by the ex-beneficial owners of Nanjing Rongyu Group prior to the Group's acquisition of Nanjing Rongyu in May 2013. The Group was not informed of such counter guarantee contract at the time of acquisition. According to the second instance judgement made by the Nanjing Intermediate People's Court, Nanjing Rongyu has to pay compensatory amount of RMB4.0 million and damages to Yuancheng Investment. On 29 May 2015, Nanjing Rongyu applied for a retrial to the Jiangsu Higher People's Court against the above judgement. In July 2015, the Group was served with a notice of action from Jiangsu Province Higher People's Court informing it the case was under file transfer and pre-filing review procedures. As of the date of this report, the court was still undergoing the pre-filing review process on the application for retrial of the case.

(ii) 南京鎔裕

源昌投資聲稱南京鎔裕違反反擔保合約及悔約，該反擔保合約價值人民幣7,600,000元，乃由南京鎔裕集團之前實益擁有人於本集團在二零一三年五月收購南京鎔裕前簽訂。本集團於收購時並不知悉有關反擔保合約的存在。根據南京市中級人民法院就本案作出的二審判決，南京鎔裕應向源昌投資償還代償款人民幣7,600,000元及違約金。南京鎔裕於二零一五年五月二十九日就該判決向江蘇高級人民法院提起再審申請。本集團於二零一五年七月收到江蘇省高級人民法院發出的受理通知，告知正在調卷和進行立案前審查。於本報告日期，該院還在對該案再審申請進行立案前審查。

(iii) 南京鎔裕

源昌投資聲稱南京鎔裕違反反擔保合約及悔約，該反擔保合約價值人民幣4,000,000元，乃由南京鎔裕集團之前實益擁有人於本集團在二零一三年五月收購南京鎔裕前簽訂。本集團於收購時並不知悉有關反擔保合約的存在。根據南京市中級人民法院就本案作出的二審判決，南京鎔裕應向源昌投資償還代償款人民幣4,000,000元及違約金。南京鎔裕於二零一五年五月二十九日就該判決向江蘇高級人民法院提起再審申請。本集團於二零一五年七月收到江蘇省高級人民法院發出的受理通知，告知正在調卷和進行立案前審查。於本報告日期，該院還在對該案再審申請進行立案前審查。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

(iv) Nanjing Rongyu and Qixia Hill

Yuancheng Investment alleged Nanjing Rongyu and Qixia Hill of breaching and repudiating a counter guarantee contract in the amount of RMB4.2 million. Such counter guarantee contract was signed by the ex-beneficial owners of Nanjing Rongyu Group prior to the Group's acquisition of Nanjing Rongyu in May 2013. The Group was not informed of such counter guarantee contract at the time of acquisition. According to the second instance judgement made by the Nanjing Intermediate People's Court, Nanjing Rongyu Group has to pay compensatory amount of RMB4.2 million and damages to Yuancheng Investment. On 29 May 2015, Nanjing Rongyu and Qixia Hill applied for a retrial to the Jiangsu Province Higher People's Court against the above judgement.

In July 2015, the Group was served with a notice of action from Jiangsu Province Higher People's Court informing it the case was under file transfer and pre-filing review procedures. As of the date of this report, the court was still undergoing the pre-filing review process on the application for retrial of the case.

As at 31 December 2016, the Group had made full provision for the claimed amounts for the above lawsuits. The Group had paid RMB10 million to Yuancheng Investment in accordance with the court's judgement.

EVENT AFTER THE REPORTING PERIOD

There were no significant events subsequent to 31 December 2016 which would materially affect the Group's operating and financial performance as of the date of this report.

EMPLOYEE AND REMUNERATION POLICY

For the year ended 31 December 2016, staff costs (including Directors' remuneration in the form of salaries and other benefits) were approximately RMB212.2 million (2015: RMB283.5 million).

(iv) 南京鎔裕及棲霞山

源昌投資聲稱南京鎔裕及棲霞山違反反擔保合約及悔約，該反擔保合約價值人民幣4,200,000元，乃由南京鎔裕集團之前實益擁有人於本集團在二零一三年五月收購南京鎔裕前簽訂。本集團於收購時並不知悉有關反擔保合約的存在。根據南京市中級人民法院就本案作出的二審判決，南京鎔裕集團應向源昌投資償還代償款人民幣4,200,000元及違約金。南京鎔裕及棲霞山於二零一五年五月二十九日就該判決向江蘇省高級人民法院提起再審申請。

本集團於二零一五年七月收到江蘇省高級人民法院發出的受理通知，告知正在調卷和進行立案前審查。於本報告日期，該院還在對該案再審申請進行立案前審查。

於二零一六年十二月三十一日，本集團已就上述訴訟之申索金額作出全數撥備。本集團已根據法院判決，支付人民幣10,000,000元予源昌投資。

報告期後事項

二零一六年十二月三十一日後並無發生可對本集團於本報告日期之經營及財務表現構成重大影響的重大事項。

僱員及薪酬政策

截至二零一六年十二月三十一日止年度，員工成本（包括薪金及其他福利形式的董事酬金）約為人民幣212,200,000元（二零一五年：人民幣283,500,000元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group remunerates its employees based on their performance, experience and prevailing industry practice. Competitive remuneration package is offered to retain elite employees. Our package includes salaries, medical insurance, discretionary bonuses, on-job training, other benefits as well as mandatory provident funds schemes for employees in Hong Kong and state-managed retirement benefit schemes for employees in the PRC. Pursuant to the Company's share option scheme and share award scheme, options to subscribe respectively for shares in the Company or share awards of the Company may be granted to eligible employees. No share option or share award was granted under the share option scheme or share award scheme during the year ended 31 December 2016.

As at 31 December 2016, the Group had a total of 2,100 full time employees (2015: 2,775 employees). The following set forth the total number of our staff by functions:

本集團根據員工的表現、經驗及現時市場慣例釐定員工的薪酬，並提供優厚酬金組合吸引優秀員工留效。酬金組合包括薪金、醫療保險、酌情花紅、在職培訓、其他福利以及有關香港員工的強制性公積金計劃及有關中國員工的國營退休福利計劃。根據本公司之購股權計劃及股份獎勵計劃，認購本公司股份之購股權或本公司之股份獎勵可分別授予合資格僱員。於截至二零一六年十二月三十一日止年度，概無分別根據購股權計劃或股份獎勵計劃授出購股權或股份獎勵。

於二零一六年十二月三十一日，本集團共有2,100名全職僱員（二零一五年：2,775名僱員）。下文載列按職能劃分的員工總數：

		2016 二零一六年	2015 二零一五年
Management	管理	205	261
Production and logistics	生產及物流	1,086	1,301
Sales and marketing	銷售及市場推廣	54	63
Finance	財務	42	47
Quality control	質量控制	127	307
R&D	研發	67	209
Procurement	採購	32	29
General administration and others	一般行政及其他	487	558
Total	合計	2,100	2,775

FUTURE PLANS AND PROSPECTS

The National Development and Reform Commission of the PRC has recently announced the “13th Five Year Plan – Oil Development” and “13th Five Year Plan – Natural Gas Development”, giving the green light for mega projects in the oil and gas industry. The plans mentioned clearly that a total of 17,000km of crude and refined oil pipelines and 40,000km of gas pipelines are targeted to be constructed by 2020.

Moreover, the 13th Five-Year Plan of oil and gas pipeline network was launched, in which it is expected that the pipeline would reach 165,000km by 2020, representing an extension of 47%. It would be a golden era for the development of oil and gas pipeline during the 13th Five-Year Plan period. There are 6 crude oil pipelines to be constructed under the plan, including phase II of the Sino-Russian Crude Oil Pipeline, the Yizheng-Changling Dual Pipelines, the Lianyungang-Yizheng, Rizhao-Luoyang, Rizhao-Zhanhua and Dongjiakou-Dongying crude oil pipelines. There are 8 new refined oil pipelines to be constructed under the plan, including the Zhangshu-Zhuzhou, Zhanjiang-Beihai, Luoyang-Linfen, Sanmenxia-Xian, Yongping-Jinzhong and Hubei-Chongqing refined oil pipelines as well as coal-derived oil transportation pipelines in western and eastern Inner Mongolia. Meanwhile, the Qinghai-Tibet refined Oil Pipeline will be extended and upgraded.

The Chinese government is keen to promote its clean energy strategy on the foundation built on its last Five-Year Plan. The constructions relating to transport infrastructure are expected to accelerate as the Chinese government is determined to resolve its pollution problems. Pipelines and auxiliary facilities will be built to support the expected increasing demand of natural gas. According to the “Guidelines on Energy-related works 2017” announced by the National Development and Reform Commission of the PRC, the projects in relation to the Sino-Russian Pipeline East, “New Gas Pipeline” (formerly “Xinjiang-Guangdong-Zhejiang” pipeline) and Shaanxi-Beijing Line 4 will be launched in line with the national policy. There are 14 new gas pipelines to be constructed under the plan, including the Central Asia-China Gas Pipeline Line D, Sino-Russian East pipeline, middle part of the West-East Gas Pipeline (Phase III), Phase IV and Phase V of the West-East Gas Pipeline, Phase IV of the Shanxi-Beijing Pipeline, Sichuan-East Gas Pipeline, coal gas transportation pipeline in Sinkiang, Erdos-Anping-Cangzhou, Qingdao-Nanjing, Chongqing-Guizhou-Guangxi, Qinghai-Tibet, Fujian-Guangdong and Haikou-Xuwen gas pipelines etc. Construction of regional pipeline networks will be accelerated and gas storages,

未來計劃及前景

中國國家發展和改革委員會近期發佈《石油發展「十三•五」規劃》及《天然氣發展「十三•五」規劃》，批准重大油氣項目。規劃明確提出了於二零二零年之前建設總長17,000公里原油及成品油管道及40,000公里天然氣管道的目標。

另外，油氣管網的「十三•五」發展規劃已出台。規劃中指出，到二零二零年，預計將達到16.5萬公里，增長幅度為47%。「十三•五」將是油氣管道發展的黃金時期。原油管道規劃建設六條，包括中俄原油管道二線、儀長複綫、連雲港—儀征、日照—洛陽、日照—沾化、董家口—東營原油管道。成品油管道規劃新建八條，包括新建樟樹—株洲、湛江—北海、洛陽—臨汾、三門峽—西安、永坪—晉中、鄂渝沿江成品油管道，以及蒙西、蒙東煤制油外輸管道。同時還將改擴建青藏成品油管道。

中國政府在上一個五年規劃的基礎上，繼續積極推行清潔能源戰略。預計隨著中國政府決心解決污染問題，運輸相關基建工程方面的建設將加速推進。預期未來天然氣需求與日俱增，需要建設管道及配套設施來作支持。根據中國國家發展和改革委員會發佈的「二零一七年能源工作指導意見」，有關中俄東線天然氣管道、「新氣管道」（前稱「新粵浙」管道）及陝京四線的項目將應國家政策推出。天然氣管道規劃新建十四條，包括中亞D線、中俄東線、西氣東輸三線（中段）、西氣東輸四線、西氣東輸五線、陝京四線、川氣東送二線、新疆煤制氣外輸、鄂爾多斯—安平—滄州、青島—南京、重慶—貴州—廣西、青藏、閩粵、海口—徐聞等天然氣管道，加快建設區域管網，適時建設儲氣庫和煤層氣、

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

transportation pipelines for coalbed methane, shale gas and coal gas will be constructed when necessary. The Chinese government expects gas will account for over 10 percent of the nation's energy consumption by 2020 at the end of the 13th Five-Year Plan. The Directors believe that given our business relationships with major oil and gas companies, the Group shall benefit from these developments of the country.

In regard to the Group's overseas business, the Group has established sales offices in different countries and regions, such as the US, Canada, Saudi Arabia, Dubai, Singapore, and other emerging markets. These offices help the Group to maintain close relationships with our business partners and promote our PCK brand. Two of the Group's production bases in Zhuhai and Lianyungang are close to the wharf which provides the Group with a competitive advantage during negotiating overseas projects. Following the commencement of operations of the Group's Saudi Arabian production plant, the Group has further enhanced its international competitiveness and will continue to pursue its aspiration to be a multinational corporation in the market.

The Group grasped the opportunity of asset appreciation to convert the land use of the Panyu production plant in 2013 from industrial use to commercial use. The property project, namely GDC, is a large scale integrated commercial complex with a total permitted construction area (including underground construction area) of approximately 550,000m². The first phase of the development has a permitted construction area (including the underground construction area) of approximately 135,000m² and was launched last year and its residential units have been sold out. In the meantime, the construction of the second phase has kicked off. The pre-sale will be launched in late 2017. It will have a permitted construction area (including the underground construction area) of approximately 191,000m². We believe GDC will become one of our stable income sources and a solid financial support to our steel pipe business in the long run. It will also help improving our financial position with its sufficient cash flow.

葉岩氣、煤制氣外輸管道。中國政府預計，至二零二零年第十三個五年規劃完成之時，天然氣將佔全國能源消耗量逾10%。董事相信，憑藉與大型油氣公司的業務關係，本集團定能受惠於國家的相關發展。

本集團海外業務方面，本集團已在美國、加拿大、沙特阿拉伯、杜拜、新加坡等多個國家及地區以至其他新興市場設立銷售辦事處。該等辦事處有助於本集團與我們的業務夥伴維持緊密關係及推廣「PCK」品牌。本集團兩個生產基地—即珠海及連雲港基地，鄰近港口碼頭，為本集團磋商海外項目提供競爭優勢。本集團沙特阿拉伯生產廠房開始營運後，本集團在國際上競爭力將會更加提升，並致力實現成為市場上一家跨國鋼管公司的抱負。

本集團及時把握資產升值的良機，於二零一三年將番禺生產廠房的土地用途由工業用地改為商業用地。物業項目「金龍城」為大型綜合商業體，番禺用地的總許可建築面積（包括地下建築面積）約為550,000平方米。該發展項目第一期的許可建築面積（包括地下建築面積）約為135,000平方米，去年推出且其公寓單位已售罄。同時，第二期已開始施工，預期將於二零一七年年尾預售，許可建築面積（包括地下建築面積）約為191,000平方米。我們相信，金龍城長遠而言將成為我們的穩定收入來源之一，為鋼管業務提供紮實財政支持，及提供穩定現金流，並有助改善財務狀況。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group will push forward the relocation project of moving its production facilities from Panyu to Lianyungang and Zhuhai on a flexible arrangement tailored for its order and production schedule. When the relocation is completed, the Group will carefully consider all available options relating to the vacated land in Panyu with a view to maximising its economic return to the Company and its shareholders.

The Lianyungang production plant is located in the strategic area of China's "One Belt One Road" policy, and projects are expected to be initiated in the neighbourhood and overseas. The demand for pipes for used in infrastructure projects and oil and gas pipeline installations is expected to increase substantially. As a world class pipe manufacturer, the Group poised to capture the precious opportunities created by the implementation of the "One Belt One Road" policy, as well as those governments' energy plans in the long run.

本集團將配合訂單及生產時間表，靈活安排落實遷址項目，積極加快將番禺生產設施遷至連雲港及珠海。遷址完成後，本集團將仔細研究與番禺空置土地有關的所有可行方案，務求為本公司及其股東提供最大經濟回報。

連雲港生產廠房位於中國「一帶一路」政策的戰略地帶，預期相關項目將會在鄰近及海外地區分別開展。基建項目所用的管道及油氣管安裝需求預料會大幅增長。作為全球知名鋼管製造商，本集團定能捕捉「一帶一路」政策以及政府長遠能源計劃所締造的機遇。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr Chen Chang (陳昌)

Mr CHEN Chang (陳昌), aged 71, is the chief executive officer and the chairman of the Company and also a member of the Nomination Committee and Remuneration Committee of the Company. Mr Chen is the father of Ms Chen Zhao Nian and Ms Chen Zhao Hua (both being the executive Directors). Being the founder of the Group, Mr Chen is primarily responsible for the overall management and strategic planning and business development of the Group. Mr Chen has over 50 years of experience in areas related to woodwork, machine tool equipment and lift/escalator equipment and has accumulated abundant experience and knowledge in the mechanical and electrical industry. Mr Chen graduated from the graduate school of 中山大學 (Sun Yat-Sen University*) in Guangdong Province in October 1995 majoring in decision management.

Mr Chen has been appointed by several steel pipe related associations and organisations for various positions, including:

- 中國金屬學會軋鋼分會第四屆焊接鋼管學術委員會 (Member of the Fourth Session of Welded Steel Pipe Academic Committee of the Steel Rolling Branch Association of the Chinese Society for Metals*) (2001)
- 中國鄉鎮企業協會副會長 (Vice president of the China Township Enterprises Association*) (2004, 2008)
- 中國鋼結構協會鋼管分會第四屆理事會及第五屆理事會副理事長 (Vice chairman of the 4th and 5th sessions of the board of directors of the China Steel Construction Society and the Steel Pipe Branch Association*) (2004, 2008)
- 中國鋼結構協會冷彎型鋼分會第四、五、六屆理事會副理事長 (Vice chairman of the 4th, 5th and 6th consecutive council of the Cold-formed Steel Sub-committee of the China Steel Structure Association*) (2004, 2005 and 2010)
- 中華全國工商業聯合會冶金商會副會長 (Vice president of the Metallurgical Chamber of Commerce of the All-China Federation of Industry & Commerce*) (2006)

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執行董事

陳昌先生

陳昌先生，71歲，為本公司的行政總裁兼主席，並為本公司提名委員會及薪酬委員會的成員。陳先生為陳兆年女士及陳兆華女士（均為執行董事）的父親。陳先生作為本集團創辦人，主要負責本集團的整體管理、策略規劃及業務發展。陳先生從事與木製品、機床設備及升降機／電梯設備有關領域的工作逾五十年，積累了有關機電行業的豐富經驗及知識。於一九九五年十月，陳先生自廣東省中山大學研究生院畢業，主修決策管理。

陳先生獲若干鋼管相關聯會及組織委任多個職務，包括：

- 中國金屬學會軋鋼分會第四屆焊接鋼管學術委員會會員（二零零一年）
- 中國鄉鎮企業協會副會長（二零零四年、二零零八年）
- 中國鋼結構協會鋼管分會第四屆理事會及第五屆理事會副理事長（二零零四年、二零零八年）
- 中國鋼結構協會冷彎型鋼分會第四、五、六屆理事會副理事長（二零零四年、二零零五年及二零一零年）
- 中華全國工商業聯合會冶金商會副會長（二零零六年）

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr Chen has received various awards, honours qualifications, including:

- Honoured by the Ministry of Commerce, Industry and Energy of the Republic of Korea for his contributions to Korean economic development through trade revitalisation (2004)
- 中華全國工商業聯合會評為中國優秀民營科技企業家 (Excellent Entrepreneur in Chinese Private Technology Enterprises awarded by the All-China Federation of Industry & Commerce*) (2004)
- 廣州市人民政府評為科學技術獎一等獎得主 (Awarded the First Prize of Science and Technology Awards by the Guangzhou Municipality People's Government*) (2007)
- 中國國際權威專家協會評為焊管行業權威專家 (Awarded as authority expert of welded pipe industry by the Chinese International Authority Expert's Association*) (2007)
- 發明三輓成型工藝及設備並在第六屆國際發明展覽會上榮獲金獎及獲廣東省人事廳及廣東省知識產權局評為優秀獎 (The invention of "three-roller forming technology and equipment" was awarded the gold prize in the Sixth Session of International Exhibition of Inventions and outstanding award by the Guangdong Provincial Bureau of Personnel and the Guangdong Province Intellectual Property Department*) (2008)
- 廣州市抗震救災先進個人 (Outstanding Individual in Earthquake Relief in Guangzhou *) (2008)
- 中國鋼鐵協會第四屆“發明創業獎” (The Fourth Invention and Entrepreneur Award by the China Steel Association*) (2009)
- 廣州市勞動模範 (Guangzhou Model Labour*) (2009)
- First Prize of Science and Technology Award in Guangdong Province (廣東省科學技術獎一等獎) for the research and development of LSAW manufacturing process and technology and its series of products.
- 廣州市優秀企業家 (Guangzhou Outstanding Entrepreneur*) (2011)
- 通過貿易振興為韓國經濟發展做出貢獻，故獲大韓民國工商及能源部表彰 (二零零四年)
- 中華全國工商業聯合會評為中國優秀民營科技企業家 (二零零四年)
- 廣州市人民政府評為科學技術獎一等獎得主 (二零零七年)
- 中國國際權威專家協會評為焊管行業權威專家 (二零零七年)
- 發明三輓成型工藝及設備並在第六屆國際發明展覽會上榮獲金獎及獲廣東省人事廳及廣東省知識產權局評為優秀獎 (二零零八年)
- 廣州市抗震救災先進個人 (二零零八年)
- 中國鋼鐵協會第四屆「發明創業獎」 (二零零九年)
- 廣州市勞動模範 (二零零九年)
- 直縫埋弧焊管工藝技術及系列產品研究開發獲得廣東省科學技術獎一等獎
- 廣州市優秀企業家 (二零一一年)

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

- 全國優秀企業家 (Nationwide Outstanding Entrepreneur*) (2012)
- 廣州市科學技術突出貢獻獎 (Guangzhou Outstanding Contribution Award for Science and Technology*) (2012)
- 中國鋼鐵工業優秀科技工業者 (Outstanding Industrial Province of Science and Technology in the PRC's iron and steel industry*) (2012)
- 羊城光彩人物 (Guangzhou Figure of Focus*) (2012)
- 2012 年度廣東省十項工程勞動競賽模範企業家 (The Outstanding Entrepreneur for the Competition of the Top 10 Guangzhou Construction Project in 2012*) (2013)
- 廣州科技創新聯盟突出貢獻獎 (Outstanding Contribution Award for Innovation in Guangzhou*) (2013)
- 2013年廣東十大經濟風雲人物 (Top 10 Guangdong Economic Influential Individuals in 2013*)
- 全國五一勞動獎章 (Nationwide "May 1st" Labour Award*) (2014)
- 第八屆國際發明會金獎 (Gold Prize of the 8th International Invention Exhibition*) (2014)
- 第十四屆世界傑出華人獎 (14th World Outstanding Chinese Award*) (2015)
- 全國勞動模範 (National Model Worker*) (2015)
- 第十九屆國際發明會金獎 (Gold Prize of the 19th International Invention Exhibition*) (2016)
- 禺山卓越貢獻獎 (Yu Shan Outstanding Contribution Award*) (2016)
- 全國優秀企業家 (二零一二年)
- 廣州市科學技術突出貢獻獎 (二零一二年)
- 中國鋼鐵工業優秀科技工業者 (二零一二年)
- 羊城光彩人物 (二零一二年)
- 2012年度廣東省十項工程勞動競賽模範企業家 (二零一三年)
- 廣州科技創新聯盟突出貢獻獎 (二零一三年)
- 2013年廣東十大經濟風雲人物
- 全國五一勞動獎章 (二零一四年)
- 第八屆國際發明展會金獎 (二零一四年)
- 第十四屆世界傑出華人獎 (二零一五年)
- 全國勞動模範 (二零一五年)
- 第十九屆國際發明金獎 (二零一六年)
- 禺山卓越貢獻獎 (二零一六年)

As at the date of this annual report, Mr Chen is the sole director and sole shareholder of Bournam Profits Limited, which is interested in 701,911,000 shares of the Company. Together with Mr Chen's personal interest of 2,868,000 shares of the Company, Mr Chen has a total interest of 704,779,000 shares of the Company.

於本年報日期，陳先生為 Bournam Profits Limited 的唯一董事及唯一股東，而 Bournam 於本公司 701,911,000 股股份中擁有權益。連同陳先生於本公司 2,868,000 股股份中擁有個人權益，陳先生於本公司合共 704,779,000 股股份中擁有權益。

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Ms Chen Zhao Nian (陳兆年)

Ms CHEN Zhao Nian (陳兆年), aged 40, is an executive director. She is the daughter of Mr Chen Chang (being chairman of the Company and an executive Director) and also the sister of Ms Chen Zhao Hua (being executive Director). Ms Chen is primarily responsible for the daily management and operations of the Group. Ms Chen joined the Group in October 2002 as vice general manager after her graduation. Ms Chen obtained her bachelor's degree in arts from the University of Central Lancashire in the United Kingdom in June 2000 and her master's degree in accounting from Leeds Metropolitan University in United Kingdom in October 2002. Ms. Chen has taken up the following public duties and has received the following awards:

public duties:

- 廣州市番禺區第十六屆人大常委 (Member of the Standing Committee of 16th Session of NPC in Panyu, Guangzhou*) (2011)
- 廣州市光彩事業促進會理事 (Executive member of the Guangzhou Glory Society*) (2012)
- 廣州市番禺區工商業聯合會的副主席 (Vice chairwoman of the Federation of Industry & Commerce in Panyu District of Guangzhou*) (2012)
- 番禺區禺商創業青年協會會長 (President of the Youth Association of Panyu Merchants and Entrepreneurs in Panyu District*) (2012)
- 廣州市婦女第十二屆執行委員會委員 (Member of the 12th Executive Committee for Guangzhou Women*) (2012)
- 廣州市女企業家協會會長 (Chairlady of the Guangzhou Association of Women Entrepreneurs*) (2013)
- 中華全國婦女聯合會第十一屆會議廣州代表 (Representative of Guangzhou in the 11th All-China Women Federation Conference*) (2013)
- 中國人民政治協商會議第十二屆廣州市委員會委員 (Committee member of the Guangzhou Committee of the 12th Chinese People's Political Consultative Conference*) (2014)

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陳兆年女士

陳兆年女士，40歲，為執行董事，為陳昌先生（本公司主席及執行董事）的女兒及陳兆華女士（執行董事）的姐姐。陳女士主要負責本集團日常管理及營運。陳女士畢業後，於二零零二年十月加入本集團擔任副總經理。陳女士於二零零零年六月獲英國中央蘭開夏大學文學士學位及於二零零二年十月獲英國裡茲都市大學會計專業碩士學位。陳女士擔當下列公職，並獲頒以下獎項：

公職：

- 廣州市番禺區第十六屆人大常委（二零一一年）
- 廣州市光彩事業促進會理事（二零一二年）
- 廣州市番禺區工商業聯合會的副主席（二零一二年）
- 番禺區禺商創業青年協會會長（二零一二年）
- 廣州市婦女第十二屆執行委員會委員（二零一二年）
- 廣州市女企業家協會會長（二零一三年）
- 中華全國婦女聯合會第十一屆會議廣州代表（二零一三年）
- 中國人民政治協商會議第十二屆廣州市委員會委員（二零一四年）

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

- 廣州市工商聯青年企業家委員會常務副主任 (Guangzhou Deputy Director of the Federation of Young Entrepreneurs Committee*) (2014)
- 廣東省婦聯第十二屆執委會常務委員 (Committee member of the 12th Guangdong Provincial Women's Federation, the Executive Committee*) (2014)
- 廣東省民營企業投資發展促進會副會長 (Vice President of Guangdong Province Private Enterprises Investment Development Association*) (2015)
- 廣東省女企業家協會副會長 (Vice President of Guangdong Province Association of Women Entrepreneurs*) (2015)
- 廣東省致福公益促進會常務副會長 (Executive Vice President of Guangdong Province Association of Public Affairs*) (2015)
- 廣州市納稅人協會副會長 (Vice President of Guangzhou Taxpayers Association*) (2015)
- 廣州市第十五屆人民代表大會代表 (Representative of the 15th People's Congress of Guangzhou City*) (2016)
- 廣州市工商聯青年企業家委員會常務副主任 (二零一四年)
- 廣東省婦聯第十二屆執委會常務委員 (二零一四年)
- 廣東省民營企業投資發展促進會副會長 (二零一五年)
- 廣東省女企業家協會副會長 (二零一五年)
- 廣東省致福公益促進會常務副會長 (二零一五年)
- 廣州市納稅人協會副會長 (二零一五年)
- 廣州市第十五屆人民代表大會代表 (二零一六年)

awards:

- 中華全國婦女聯合會第八屆五好文明家庭 (the 8th Civilised Family with Five Distinctive Merits by the All-China Women's Federation*) (2012)
- 全國巾幗建功標兵 (Female Pace Setter with Great Contribution (National Level)*) (2013)
- 感動廣州60年最具魅力女性 (Most Charismatic Woman in 60 years of Guangzhou Loving Hearts*) (2013)
- 廣州市優秀企業家 (Guangzhou Outstanding Entrepreneur Honors*) (2013)
- 廣東省“優秀女企業家” (Guangdong Outstanding Women Entrepreneur Honours*) (2013)
- 廣州市“三八紅旗手” (March 8th Flag Bearer” of Guangzhou*) (2010-2013)
- 中華全國婦女聯合會第八屆五好文明家庭 (二零一二年)
- 全國巾幗建功標兵 (二零一三年)
- 感動廣州60年最具魅力女性 (二零一三年)
- 廣州市優秀企業家 (二零一三年)
- 廣東省「優秀女企業家」 (二零一三年)
- 廣州市「三八紅旗手」 (二零一零年至二零一三年)

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

- 廣東省“三八紅旗手” (“March 8th Flag Bearer” of Guangdong Province*) (2013)
- 全國“三八紅旗手” (“March 8th Flag Bearer” of China*) (2014)
- 傑出創業女性 (Outstanding Women Entrepreneur*) (2014)
- 廣東省“十大優秀書香之家” (Guangdong Province Top Ten Outstanding Scholarly Home*) (2014)
- 十佳優秀青年企業家 (Ten Outstanding Young Entrepreneur*) (2015)
- 廣東十佳“慈善奉獻獎” (Guangdong Top Ten “Charity Contribution Award”*) (2015)
- 2015廣東商界十大新銳人物 (Top 10 Guangdong Business New Individuals in 2015*) (2016)
- 2016年度慈善人物鑽石獎 (Diamond Award of Charity Figures*) (2016)
- 廣州新生代優秀企業家 (Guangzhou New Generation Outstanding Entrepreneur*) (2016)
- 2016年度傑出CEO (Outstanding CEO) (2016)
- 第一屆全國文明家庭 (the 1st National Civilized Family*) (2016)
- 廣東省「三八紅旗手」(二零一三年)
- 全國「三八紅旗手」(二零一四年)
- 傑出創業女性(二零一四年)
- 廣東省「十大優秀書香之家」(二零一四年)
- 十佳優秀青年企業家(二零一五年)
- 廣東十佳「慈善奉獻獎」(二零一五年)
- 2015廣東商界十大新銳人物(二零一六年)
- 2016年度慈善人物鑽石獎(二零一六年)
- 廣州新生代優秀企業家(二零一六年)
- 2016年度傑出CEO(二零一六年)
- 第一屆全國文明家庭(二零一六年)

Ms Chen Zhao Hua (陳兆華)

Ms CHEN Zhao Hua (陳兆華), aged 38, is an executive Director. She is the daughter of Mr Chen Chang (being the Chairman of the Company and executive Director) and also the sister of Ms Chen Zhao Nian (being executive Director). Ms Chen is primarily responsible for handling domestic and overseas marketing activities, sales and business relationships with customers as well as sales agents. Ms Chen joined the Group in December 2002 after her graduation. Ms Chen obtained a bachelor's degree in International Business from the University of Lancashire, the United Kingdom in June 2001, a master's degree in International Business Law from the University of Nottingham, the United Kingdom in December 2002 and a master's degree in Business Administration of Senior Management from University of Tsinghua, Beijing in June 2016. Ms Chen is the executive vice president of the Guangdong International Overseas Chinese Chamber of Commerce and the vice president of the Chamber of Commerce, Panyu District, Guangzhou of the China Chamber of International Commerce.

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陳兆華女士

陳兆華女士，38歲，執行董事，為陳昌先生（本公司主席及執行董事）的女兒及陳兆年女士（執行董事）的妹妹。陳女士主要負責國內和海外市場銷售活動、處理與客戶及銷售代理的業務關係。陳女士畢業後，於二零零二年十二月加入本集團。陳女士於二零零一年六月獲英國蘭開夏大學國際貿易學士學位、於二零零二年十二月自英國諾丁漢大學獲得國際商法碩士學位及於二零一六年六月獲北京清華大學經管院高級管理人員工商管理碩士學位。陳女士為廣東國際華商會常務副會長及中國國際商會廣州市番禺區商會副會長。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Chen Ping (陳平)

Mr CHEN Ping (陳平), aged 51, was appointed as an independent non-executive Director on 23 January 2010. Mr Chen is also the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Mr Chen graduated from the Jinan University, China in 1984 majoring in finance and later obtained a doctoral degree in finance in Nankai University, China in December 1990. Mr Chen has lectured at the Lingnan College, Sun Yat-Sen University in Guangdong Province, China, teaching international finance for more than 21 years. He is currently the head of 海洋經濟研究中心 (Marine Economic Research Centre) of Sun Yat-Sen University. Mr Chen also assumed various posts in societies and clubs concerning economics and finance, such as a council member at 中國國際金融學會 (International Finance Society of China*) and 中國世界經濟學會 (China Society of World Economics*). Mr Chen is also engaged in academic researches with focuses on finance theories and policies, global economics and so forth, and has published a number of essays and publications. As an experienced professor, Mr Chen has won various awards for the lecture materials used and also for the essays published. In 1997, Mr Chen's teaching materials entitled 《國際金融》 (International finance*) was awarded 國家教學成果二等獎 (National Educational Achievement Award – Second Class*) by the Committee of Education of the PRC. In May 2002, Mr Chen's paper entitled 《上市公司兼併與收購的財富效應研究》 (Study on the effect of merger and acquisition of listed companies on wealth*) was selected for the Best Paper Award of the 9th Global Finance Association Annual Conference by the 9th GFA Annual Conference Program Committee. In 2005, Mr Chen's teaching and research achievements entitled 《教學國際化的探索與實踐》 (Exploration and practice of educational internationalisation*) was awarded 廣東省教學成果一等獎 (Guangdong Province Educational Achievement Award – First Class*). In 2006, Mr Chen was selected as talented person for 教育部新世紀優秀人才支持計劃 (Ministry of Education New Century Outstanding Person Support Scheme*). In 2007, Mr Chen received 寶鋼花旗優秀教師獎 (Bao Steel Outstanding Teacher Award*). Mr Chen was an independent director of 廣州珠江啤酒股份有限公司 (Guangzhou Zhujiang Brewery Group Co., Ltd.*), a company listed on the Shenzhen Stock Exchange with effect from 10 October 2016. Mr Chen was an independent director of 廣晟有色金屬股份有限公司 (Rising Nonferrous Metals Share Co., Ltd.*), a company listed on the Shanghai Stock Exchange, and resigned from such post with effect from 13 April 2015. Mr Chen was an independent director of 廣東湯臣倍健生物科技股份有限公司 (Guangdong By-health Biotechnology Co., Ltd*), a company listed on the Shenzhen Stock Exchange, and resigned from such post with effect from 25 September 2014.

獨立非執行董事

陳平先生

陳平先生，51歲，於二零一零年一月二十三日獲委任為獨立非執行董事。陳先生亦為本公司提名委員會主席，以及審核委員會及薪酬委員會的成員。陳先生於一九八四年畢業於中國暨南大學金融系，之後於一九九零年十二月獲得中國南開大學金融學博士學位。陳先生於中國廣東省中山大學嶺南學院從事教學和科研工作逾二十一年。現為中山大學海洋經濟研究中心主任。陳先生亦於相關經濟及金融協會及會社擔任多種職務，如擔任中國國際金融學會及中國世界經濟學會理事。陳先生亦致力於金融理論及政策，全球經濟等學術研究，並出版若干論文及刊物。作為一位經驗豐富的教授，陳先生獲得多種與授課材料及論文有關的獎項。於一九九七年陳先生所編製的教材《國際金融》獲中國教育部授予國家教學成果二等獎。二零零二年五月，陳先生的論文《上市公司兼併與收購的財富效應研究》獲全球金融學會第九屆年會論文評選委員會評為全球金融學會第九屆年會優秀論文獎。二零零五年，陳先生編製的教研成果《教學國際化的探索與實踐》榮獲廣東省教學成果一等獎。二零零六年，陳先生入選教育部新世紀優秀人才支持計劃。二零零七年，陳先生榮獲寶鋼花旗優秀教師獎。陳先生為廣州珠江啤酒股份有限公司（一間於二零一六年十月十日起於深圳證券交易所上市的公司）的獨立董事。陳先生為廣晟有色金屬股份有限公司（一間於上海證券交易所上市的公司）的獨立董事，並於二零一五年四月十三日起辭去有關職務。陳先生為廣東湯臣倍健生物科技股份有限公司（一間於深圳證券交易所上市的公司）的獨立董事，並於二零一四年九月二十五日起辭去有關職務。

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr See Tak Wah (施德華)

Mr SEE Tak Wah (施德華), aged 53, was appointed as an independent non-executive Director on 23 January 2010. Mr See is also the chairman of the Audit Committee of the Company. Mr See graduated from the Management School of Waikato University in New Zealand with first class honours in Bachelor of Management Studies. He is a member of the Institute of Chartered Accountants of Australia and New Zealand, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Hong Kong Institute of Directors. Mr See has over 31 years of experience in financial and general management as he previously worked as the regional business controller of Nokia Mobile Phones Asia Pacific, the managing director of Nokia Mobile Phones Hong Kong, the chief operating officer of First Mobile Group Holdings Limited and held key management positions in the North Asia offices of Philips and Siemens. Mr See currently runs his own strategic consultancy business. He is currently an independent non-executive director of Tesson Holdings Limited, which is listed on the Main Board of the Stock Exchange (Stock Code: 1201). In addition, he was an independent non-executive director of Sun East Technology (Holdings) Limited, which is listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 0365), and resigned from such post with effect from 27 September 2016.

Mr Tian Xiao Ren (田曉韜)

Mr TIAN Xiao Ren (田曉韜), aged 63, was appointed as an independent non-executive Director on 1 August 2014. Mr Tian is also the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr Tian was graduated from Zhejiang Radio and Television University in China in 1985 and studied the Master of Business Administration Degree at Hangzhou University in China from 1995 to 1998. He was appointed as vice chairman of Bank of China Group Investment Company Limited from 2006 to 2013. Prior to 2006, Mr Tian was the president of Bank of China of Guangdong Province and Jiangxi Province, China and the Vice-President of Bank of China of Zhejiang Province, China for 26 years. He has over 30 years of experience in the banking and financial field. Mr Tian is now a Senior Economist in China and is entitled to the special subsidy awarded by the State Council of the People's Republic of China in recognition of his contribution to the economy of China.

施德華先生

施德華先生，53歲，於二零一零年一月二十三日獲委任為獨立非執行董事。施先生亦為本公司審核委員會的主席。施先生以一級榮譽取得新西蘭懷卡托河大學管理學院管理學學士學位，現為澳大利亞及新西蘭特許會計師公會會員、香港會計師公會會員及香港董事學會資深會員。施先生累積逾三十一年之財務及綜合管理經驗，曾擔任諾基亞流動電話亞太區之地區營業總監、諾基亞流動電話香港區董事總經理、第一電訊集團有限公司營運總監，並曾于飛利浦及西門子北亞區辦事處擔任管理要職。施先生現時經營其個人策略顧問業務。彼現為天臣控股有限公司（於聯交所主板上市）（股份代號：1201）的獨立非執行董事。此外，施先生現為日東科技（控股）有限公司（於香港聯合交易所有限公司主板上市）（股份代號：0365）的獨立非執行董事，並於二零一六年九月二十七日起辭去有關職務。

田曉韜先生

田曉韜先生，63歲，於二零一四年八月一日獲委任為獨立非執行董事。田先生亦為本公司薪酬委員會之主席，以及審核委員會及提名委員會之成員。田先生於一九八五年畢業於中國浙江廣播電視大學，於一九九五年至一九九八年間於中國杭州大學修讀工商管理研究院課程。他於二零零六年至二零一三年曾任中銀集團投資有限公司副董事長。田先生於二零零六年前，曾任中國銀行廣東省分行及江西省分行行長及浙江省分行副行長共二十六年。他擁有逾三十年以上的銀行及金融業經驗。田先生現為中國高級經濟師及享有中華人民共和國國務院特殊津貼，為獎勵彼對中國經濟的貢獻。

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PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr Li Yu Heng (李宇恒)

Mr Li Yu Heng (李宇恒), aged 35, joined PCKSP in 2007 as a technician, secretary of the chairman and other duties. Mr Li has built up profound experience in business management. Mr Li rejoined PCKSP in August 2016 as Chief Operation Officer of PCKSP. Mr Li is responsible for the operation and management of the diversified business and the performance appraisal of the Group. Mr. Li graduated from the undergraduate course in 2004, majoring in material molding and control. Mr Li obtained a master's degree in material processing engineering in 2007. Prior to joining the Company, he had served as assistant president in a listed company for 5 years, responsible for daily business management.

Mr Li Junqiang (李軍強)

Mr Li Junqiang (李軍強), aged 43, joined PCKSP in July 1995 as a technician and thereafter acted as a research engineer and a manager of general planning. He is now the vice general manager of PCKSP in charge of procurement, logistic and integrated planning and control management. In 1995, he graduated from 北京科技大學 (University of Science and Technology Beijing*), China majoring in ferrous metallurgy and was recognised as a mechanical engineer by 廣州市人事局 (Guangzhou Municipality Bureau of Personnel*) in 2005. In 2007, Mr Li was elected as the winner of 科學技術獎一等獎 (First Prize of Science and Technology Awards*) by 廣州市人民政府 (Guangzhou Municipality People's Government*). Mr Li has over 20 years of experience in the ferrous metallurgy industry.

Ms Wong Pui Shan (王珮珊)

Ms WONG Pui Shan (王珮珊), aged 40, joined the Group in April 2011 as the chief financial officer and company secretary of the Company. She is responsible for corporate finance management and company secretariat work of the Group. Ms Wong received her Master of Science in Finance from the Chinese University of Hong Kong and Bachelor of Arts Degree (Hons) in Accountancy from the Hong Kong Polytechnic University. She is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Prior to joining the Company, she had served international audit firms for four years and listed companies as financial controller and company secretary for more than 14 years.

高級管理層

李宇恒先生

李宇恒先生，35歲，於二零零七年加入番禺珠江鋼管有限公司，先後擔任技術員、董事長秘書等職務，在企業經營管理方面積累了豐富的工作經驗。李先生於二零一六年八月再加入番禺珠江鋼管有限公司任珠江鋼管集團運營總監職務，籌建戰略與運營管理部，主要負責集團多元化業務的具體經營管控和組織績效考核工作。李先生於二零零四年本科畢業，主修材料成型及控制專業，二零零七年獲得材料加工工程專業碩士學位。加盟本公司前，李先生曾於上市公司任總裁助理職務五年，負責日常經營管理。

李軍強先生

李軍強先生，43歲，於一九九五年七月加入番禺珠江鋼管任技師，其後擔任研發工程師及總體規劃經理。彼現為番禺珠江鋼管副總經理，負責採購、物流及綜合規劃及監控管理。彼於一九九五年畢業於中國北京科技大學，主修鋼鐵冶金，並於二零零五年獲廣州市人事局評定為機械工程師。李先生於二零零七年獲廣州市人民政府評為科學技術獎一等獎得主。李先生於鋼鐵冶金行業擁有逾二十年經驗。

王珮珊女士

王珮珊女士，40歲，於二零一一年四月加入本集團，擔任本公司財務總監及公司秘書。彼負責本集團的企業財務管理及公司秘書職務。王女士於香港中文大學取得財務學碩士及香港理工大學取得會計學(榮譽)文學士學位。彼為英國特許公認會計師公會資深會員、香港會計師公會、香港特許秘書公會及特許秘書及行政人員公會會員。於加盟本公司前，彼曾於國際核數公司工作四年及上市公司擔任財務總監及公司秘書工作逾十四年。

* Unofficial transliteration from Chinese name for identification purposes only

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Ms Liu Yonghe (劉詠荷)

Ms LIU Yonghe (劉詠荷), aged 48, joined PCKSP in June 1994 and had worked as accounting staff and financial manager. Ms Liu has built up profound experience in financial management, accounting and auditing during her employment with PCKSP for over 21 years. Ms Liu is now the vice general manager and a director of PCKSP responsible for cash flow and working capital control. She completed her professional accounting education at Lanzhou University of Finance and Economics, China in 1990 with a bachelor's degree in Economics and obtained the professional qualification as assistant accountant in 1991. Ms Liu has over 24 years of experience in the accounting and finance industry. She was awarded the "March 8th Flag Bearer" in 1999 and 2002, and the post she held was awarded as the Women's Exemplary Post by the Guangzhou Women's Union in March 2005. In October 2009, Ms Liu obtained a master's degree in the Executive Master of Business Administration (EMBA) programme at the Asia International Open University (Macau).

Mr Xu Qilin (徐啟林)

Mr XU Qilin (徐啟林), aged 59, joined PCKSP in January 2001 and had worked as mechanical engineer and vice production manager. Prior to joining PCKSP, Mr Xu worked at 荊州機床廠 (Jingzhou Machine Tool Factory*) for about 18 years during which he took up several posts, including vice department head of the craftsmanship department, department head of the technical department and branch factory director. With his experience in machinery construction, Mr Xu received awards for his performance. With PCKSP, Mr Xu has participated in the refinement project of the UOE production line, and also led the construction project of PCKSP in connection with the JCOE production line in Zhangjiagang, Jiangsu Province, the PRC in 2006 and 2007 as well as the construction project of the JCOE production line in Jiangyin, Jiangsu Province, the PRC in 2008 and 2009. From 2011 to 2012, Mr Xu was responsible for the construction of production lines in Lianyungang and Zhuhai. Mr Xu is now the vice general manager of PCKSP, responsible for production management. He completed his bachelor's degree in machinery manufacturing at Wuhan Polytechnic University, China in 1982 and became a senior engineer in March 1995. Mr Xu has over 34 years of experience in machinery manufacturing. He was awarded as Excellent Non-local Worker in Panyu, Guangzhou in October 2006.

COMPANY SECRETARY

Ms Wong Pui Shan (王珮珊)

Ms WONG is the company secretary of the Company. Ms Wong is working for the Company on a full time basis. Details of her biography are set out above in this section.

劉詠荷女士

劉詠荷女士，48歲，於一九九四年六月加入番禺珠江鋼管，擔任會計人員及財務經理。劉女士於番禺珠江鋼管任職逾二十一年，在財務管理、會計及核數方面積累了豐富的經驗。劉女士現任番禺珠江鋼管副總經理兼董事，負責現金流量及營運資金控制。彼於一九九零年於中國蘭州商學院完成會計學專業教育，取得經濟學學士學位，並於一九九一年取得助理會計師專業資格。劉女士於會計及財務領域擁有逾二十四年經驗。彼於一九九九年和二零零二年被評為「三八紅旗手」。於二零零五年三月，其工作崗位被廣州市婦女聯合會評為巾幗文明崗。於二零零九年十月，劉女士畢業於亞洲（澳門）國際公開大學，獲得高級工商管理碩士學位。

徐啟林先生

徐啟林先生，59歲，於二零零一年一月加入番禺珠江鋼管，擔任機械工程師及副生產經理。於加入番禺珠江鋼管前，徐先生在荊州機床廠工作約18年，期間他曾擔任多個職務，包括工藝部副部長、技術部部長及分廠廠長。憑藉在機械製造方面的經驗，徐先生因表現卓越而數度獲獎。加入番禺珠江鋼管後，徐先生曾參與UOE生產線的改進項目，彼亦於二零零六年及二零零七年領導了番禺珠江鋼管在中國江蘇省張家港興建JCOE生產線的建設項目，並於二零零八年及二零零九年領導了在中國江蘇省江陰興建JCOE生產線的建設項目。二零一一年至二零一二年主持參加了連雲港及珠海多個生產線項目的建設。徐先生現任番禺珠江鋼管副總經理，負責生產管理。彼於一九八二年於中國武漢理工大學完成機械製造學士學位，並於一九九五年三月成為高級工程師。徐先生於機械製造行業擁有逾三十四年經驗。彼於二零零六年十月被廣州市番禺區評為優秀外來工。

公司秘書

王珮珊女士

王女士為本公司的公司秘書。王女士於本公司全職工作。其履歷載列於本節上文。

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REPORT OF DIRECTORS

董事會報告書

The Directors hereby present their report and the audited financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries include manufacture and sales of welded steel pipes. The Group also engaged in the property development and investment.

Details of the company's principal subsidiaries as at 31 December 2016 are set out in note 1 to the financial statements.

RESULTS AND DIVIDEND

The Group's profit for the year ended 31 December 2016 and the state of affairs of the Group at that date are set out in the financial statements on pages 102 to 226.

The Directors did not recommend payment of dividend for the year ended 31 December 2016.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 227 to 228. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 12 to the financial statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in note 32 to the financial statements.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

At 31 December 2016, the Company's reserves available for distribution to the shareholders in accordance with the Articles of Association were nil.

董事會謹此提呈其報告書以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財務報表。

主要業務

本公司主要業務為投資控股。其附屬公司的主要業務包括製造及銷售焊接鋼管。本集團亦從事物業發展及投資。

本公司主要附屬公司於二零一六年十二月三十一日的詳情載於財務報表附註1。

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利潤及本集團於當日的狀況載於財務報表第102至226頁。

董事會不建議就截至二零一六年十二月三十一日止年度派付股息。

財務資料概要

摘錄自經審核財務報表的於過往五個財政年度的本集團已公佈業績、資產及負債概要載於第227至228頁。本概要不構成經審核財務報表的一部分。

物業、廠房及設備

本集團於年內的物業、廠房及設備的變動詳情載於財務報表附註12。

股本

本公司於年內的股本變動詳情載於財務報表附註32。

可分配儲備

本集團於年內的儲備變動詳情載於綜合權益變動表。

於二零一六年十二月三十一日，根據組織章程細則，本公司沒有可供分派予股東的儲備。

REPORT OF DIRECTORS

董事會報告書

The reserves of the Group available for distribution depend on the dividend distributable by the Company's subsidiaries. For dividend purpose, the amount which the Company's subsidiaries in the PRC can legally distribute by way of dividend is determined by reference to their distributable profits as reflected in the PRC statutory financial statements which are prepared in accordance with accounting principles generally accepted in the PRC. These distributable profits differ from those that are reflected in the Group's financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs").

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's shares.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, sales to the Group's five largest customers accounted for 42.4% of the total revenue of the Group, and sales to the largest customer included therein amounted to 15.9%. Purchases from the Group's five largest suppliers accounted for 45.0% of the total cost of sales of the Group, and purchases from the largest supplier included therein amounted to 17.7%. None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of the Company's issued shares) had any beneficial interest in the Group's five largest customers and five largest suppliers.

DIRECTORS

The Directors during the year and up to the date of this annual report are as follows:

Executive Directors:

Mr. Chen Chang (*Chairman*)
Ms. Chen Zhao Nian
Ms. Chen Zhao Hua

Independent Non-executive Directors:

Mr. Chen Ping
Mr. See Tak Wah
Mr. Tian Xiao Ren

The Company has received annual confirmations of independence pursuant to Rule 3.13 of the Listing Rules from Messrs. Chen Ping, See Tak Wah and Tian Xiao Ren, and as at the date of this report, the Company considers them to be independent.

本集團的可供分派儲備視乎本公司附屬公司的可分配股息而定。就股息而言，本公司在中國境內的附屬公司可合法地分派股息，其金額乃經參考根據中國公認會計原則編製的中國法定財務報表所顯示的可供分派溢利後釐定。該等可供分派溢利與本集團根據國際財務報告準則（「國際財務報告準則」）編製的財務報表所顯示者有所不同。

稅務減免

本公司並不知悉有股東因持有本公司股份而獲減免任何稅項。

主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團對五大客戶的銷售額佔本集團總收入的42.4%，其中向最大客戶的銷售額佔15.9%。本集團五大供應商的採購額佔本集團總銷售成本45.0%，當中包括來自最大供應商之採購額佔17.7%。董事、任何彼等的聯繫人士或任何股東（就董事所深知，擁有本公司已發行股份數目5%以上者）概無在本集團五大客戶及五大供應商中擁有任何實益權益。

董事

以下為年內及截至本年報日期的董事：

執行董事：

陳昌先生（主席）
陳兆年女士
陳兆華女士

獨立非執行董事：

陳平先生
施德華先生
田曉韜先生

根據上市規則第3.13條，本公司已收到陳平先生、施德華先生及田曉韜先生的年度獨立確認書，及於本報告日期，本公司認為彼等乃屬獨立人士。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out in the section headed "Profile of Directors and Senior Management" on pages 54 to 63 of this annual report.

In accordance with article 105(A) of the Articles of Association, Ms. Chen Zhao Hua and Mr. See Tak Wah will retire and, being eligible, will offer themselves for re-election at the forthcoming AGM of the Company.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has renewed the service contract with the Company for a term of three years on 1 February 2016. Each of our independent non-executive Directors (except Mr. Tian Xiao Ren ("Mr. Tian")) has renewed the letter of appointment with the Company for a term of two years commencing from 1 February 2016 and is subject to termination by either party giving not less than one month's written notice. Mr. Tian has renewed the letter of appointment with the Company for a term of two years commencing from 1 August 2016 and is subject to termination by either party giving not less than one month's written notice. The Nomination Committee and the Remuneration Committee have reviewed the terms of service contracts and letters of appointment of all Directors.

None of the Directors proposed for re-election at the forthcoming AGM 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.

DIRECTORS' REMUNERATION

The remuneration of the Directors is determined with reference to the Directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration of the Directors are set out in note 8 to the financial statements.

董事及高級管理層履歷

董事及高級管理層履歷詳情載於本年報第54至63頁的「董事及高級管理層履歷」一節。

根據組織章程細則第105(A)條，陳兆華女士及施德華先生將於本公司應屆股東週年大會上告退並合資格及願意膺選連任。

董事服務合約

本公司各執行董事已於二零一六年二月一日與本公司重續服務合約，為期三年。本公司各獨立非執行董事（田曉韜先生（「田先生」）除外）已與本公司重續委任函，由二零一六年二月一日起計為期兩年，各方可發出不少於一個月的書面通知終止合約。田先生已與本公司重續委任函，由二零一六年八月一日起計為期兩年，惟各方可發出不少於一個月的書面通知終止合約。提名委員會及薪酬委員會已審閱全體董事之服務合約及委任函條款。

於應屆股東週年大會上獲提名重選的董事，概無與本公司訂立本公司不可於一年內終止而毋須作出賠償（法定賠償除外）的服務合約。

董事酬金

董事酬金按董事職務、職責及表現以及本集團業績釐定。

董事酬金的詳情載於財務報表附註8。

REPORT OF DIRECTORS

董事會報告書

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, the interests or short positions of the Directors and chief executive of the Company in the shares or underlying shares or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance (Chapter 571) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors (the "Model Code") of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Shares of the Company

Name of Director	Capacity	Position	Number of shares held	Percentage of shareholding in the Company 於本公司的 持股量百分比
董事姓名	身份	持倉	持有股份數目	
Chen Chang 陳昌	Interest of controlled corporation (note 1) 一間受控制公司之權益 (附註1)	Long 好倉	701,911,000 (note 2) (附註2)	69.42%
	Personal interest 個人權益	Long 好倉	2,868,000	0.28%

Note:

1. These shares are held by Bournam Profits Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Chen Chang. By virtue of the SFO, Mr. Chen Chang is deemed to be interested in the 701,911,000 shares held by Bournam Profits Limited.
2. Bournam has pledged 480,000,000 shares of the Company, representing 47.47% of total number of issued shares of the Company, in favour of independent parties.

董事於股份及相關股份及債券的權益及淡倉

於二零一六年十二月三十一日，本公司董事及高級行政人員於本公司或其相聯法團（定義見證券及期貨條例（第571章）（「證券及期貨條例」）所賦予之涵義）之股份或相關股份或（視乎情況而定）股本權益及債券之百分比中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例之該等條文被當作或被視為擁有之權益及淡倉），或根據證券及期貨條例第352條須記錄於本公司根據該條例存置之登記冊或根據上市規則所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉如下：

本公司股份

Position	Number of shares held	Percentage of shareholding in the Company 於本公司的 持股量百分比
持倉	持有股份數目	
Long 好倉	701,911,000 (note 2) (附註2)	69.42%
Long 好倉	2,868,000	0.28%

附註：

1. 該等股份由 Bournam Profits Limited 持有，其全部已發行股本由陳昌先生全數及實益擁有。根據證券及期貨條例，陳昌先生被視作於 Bournam Profits Limited 持有的 701,911,000 股股份中擁有權益。
2. Bournam 已以獨立人士為受益人抵押 480,000,000 股本公司股份，佔本公司已發行股份總數的 47.47%。

Shares of Associated Corporation

Mr. Chen Chang beneficially owns the entire issued share capital of Bournam Profits Limited, which is the beneficial owner of about 69.42% of the issued shares of the Company.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No transactions, arrangement or contracts of significance, to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party and in which a Director or an entity connected with a Director is or was materially interested, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2016.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or any of their respective close associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

SHARE OPTION SCHEME

On 23 January 2010, pursuant to resolutions in writing passed by the then sole shareholder of the Company, the Company adopted its share option scheme (the "Share Option Scheme" or the "Scheme"). The details of the Scheme are disclosed below pursuant to the requirements under Chapter 17 of the Listing Rules:

1. Purpose of the Share Option Scheme: the purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

相聯法團股份

陳昌先生實益擁有 Bournam Profits Limited 之全部已發行股本，該公司為本公司約 69.42% 已發行股份之實益擁有人。

董事於重大合約的權益

本公司或其任何控股公司、附屬公司及同系附屬公司概無訂立於截至二零一六年十二月三十一日止年度年終或年內任何時間有效，而董事或與董事關連之實體於其中直接或間接擁有或曾擁有重大權益的重大交易、安排及合約。

董事於競爭業務的權益

董事或彼等各自的任何緊密聯繫人士概無從事與本集團業務構成或可能構成競爭的任何業務或與本集團有任何其他利益衝突。

管理合約

年內概無訂立或存在任何有關本集團全部或絕大部分業務管理與行政的合約。

購股權計劃

於二零一零年一月二十三日，根據本公司當時唯一股東通過的書面決議案，本公司採納其購股權計劃（「購股權計劃」或「計劃」），有關計劃的詳情已根據上市規則第 17 章的規定披露如下：

1. 購股權計劃目的：計劃旨在使本集團可向經挑選的參與者授出購股權，以獎勵或回報彼等對本集團的貢獻。

REPORT OF DIRECTORS

董事會報告書

2. Participants of the Share Option Scheme include:
- (a) any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company or any of its subsidiaries or any equity entity (“Invested Entity”) in which any members of the Group holds an equity interest;
 - (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
 - (c) any supplier of goods or services to any member of the Group or any Invested Entity;
 - (d) any customer of the Group or any Invested Entity;
 - (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
 - (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
 - (g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
 - (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group.
3. Total number of shares available for issue under the Share Option Scheme: the total number of shares of the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option scheme of the Group (if any) must not in aggregate exceed 10% of the shares in issue on the day on which trading of the shares commence on the Main Board (i.e. not exceeding 100,000,000 shares). Up to the date of this annual report, no options have been granted under the Share Option Scheme and thus the total number of shares available for issue under the Share Option Scheme remained 100,000,000 shares, representing about 9.89% of the issued share capital of the Company as at the date of the annual report.
2. 購股權計劃的參與者包括：
- (a) 本公司、其任何附屬公司或本集團任何成員公司持有股本權益的任何權益實體（「受投資實體」）的任何僱員（不論屬全職或兼職，包括任何執行董事，惟不包括任何非執行董事）；
 - (b) 本公司、其任何附屬公司或任何受投資實體的任何非執行董事（包括獨立非執行董事）；
 - (c) 向本集團任何成員公司或任何受投資實體提供產品或服務的任何供應商；
 - (d) 本集團或任何受投資實體的任何客戶；
 - (e) 任何向本集團或受投資實體提供研究、開發或其他技術支援的人士或實體；
 - (f) 本集團任何成員公司或任何受投資實體的任何股東，或本集團任何成員公司或任何受投資實體發行的任何證券的任何持有人；
 - (g) 本集團或任何受投資實體的任何業務或業務發展範疇的任何顧問（專業或其他方面）或專家顧問；及
 - (h) 透過合營公司、業務聯盟或其他業務安排而對或可能對本集團成長作出貢獻的任何其他組別或類別參與者。
3. 根據購股權計劃可予以發行的股份總數：因行使根據購股權計劃及本集團其他購股權計劃（如有）所授出的全部購股權而可發行的本公司股份總數合共不得超過股份開始在主板買賣當日已發行股份的10%（即不超過100,000,000股股份）。截至本年報日期，概無根據購股權計劃授出任何購股權，因此，根據購股權計劃可予發行的股份總數仍為100,000,000股，佔本年報日期的本公司已發行股本約9.89%。

REPORT OF DIRECTORS

董事會報告書

4. Maximum entitlement of each participant under the Share Option Scheme: for any 12-month period, shall not exceed 1% of the issued share capital of the Company for the time being.
 5. Period within which the securities must be taken up under an option: an option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.
 6. The minimum period for which an option must be held before it can be exercised: unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no such minimum period.
 7. The amount payable on application or acceptance of the option: a nominal consideration of HK\$1 is payable on acceptance of the grant of an option.
 8. Basis for determining the exercise price: such price will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share.
 9. The remaining life of the Share Option Scheme: the Scheme will remain in force for a period of 10 years commencing on 23 January 2010, being the date on which the Share Option Scheme was adopted.
4. 購股權計劃下每名參與者的最高配額：於任何十二個月期間內，不得超過本公司當時已發行股本的1%。
 5. 根據購股權認購證券的限期：參與者可於獲要約授出購股權之日起計二十一日內接受購股權。購股權可根據購股權計劃的條款在董事決定及知會各承授人的期間內隨時行使。此期間可自要約授出購股權當日的翌日開始，但於任何情況下不得遲於授出購股權當日起計十年結束，惟須遵守提前終止該等購股權的規定。
 6. 在行使前所需持有購股權的最短期限：除非董事另行決定及在向承授人提呈授出購股權要約時訂明，否則計劃並無規定最短期限。
 7. 申請或接納購股權應付款項：於接納授出購股權時須支付1港元的象徵式代價。
 8. 釐定行使價的基準：該價格將由董事釐定，但不得少於(i) 股份於授出購股權當日在聯交所每日報價表上所列報的收市價；(ii) 股份於緊接提呈授出購股權要約日期前五個交易日在聯交所每日報價表所列報的平均收市價；及(iii) 股份面值（以較高者為準）。
 9. 購股權計劃的餘下年期：計劃將自二零一零年一月二十三日（即購股權計劃獲採納之日）起計十年內有效。

From the date of adoption of the Share Option Scheme and up to 31 December 2016, no share option has been granted or agreed to be granted to any person under the Share Option Scheme.

由採納購股權計劃當日起直至二零一六年十二月三十一日，本公司並無根據購股權計劃向任何人士授出或同意授出任何購股權。

SHARE AWARD SCHEME

On 22 March 2012, the Board approved the adoption of the share award scheme (the “Share Award Scheme”).

1. Purpose of the Share Award Scheme: the purpose of the Share Award Scheme is to recognise the contributions by certain eligible persons and to give incentives thereto in order to retain them for the continuing operation, growth and development of the Group and to attract suitable personnel for further development of the Group.
2. Operation of the Share Award Scheme: the Share Award Scheme shall be administered by the Board in accordance with the rules of the Share Award Scheme. The trustee shall hold the shares and the income derived therefrom in accordance with the terms of the trust deed.

The Board may select any grantee for participation in the Share Award Scheme as a selected grantee (the “Selected Grantee”) and determine the number of awarded shares and inform the trustee and the Selected Grantee(s) accordingly.

The Board shall either before or after identification of the Selected Grantee(s) (i) cause the Company to directly instruct a licensed securities dealer to purchase the awarded shares and settle payment for the awarded shares and deliver the awarded shares to the trustee subsequently; or (ii) cause to be paid to the trustee (either by way of contribution or loan from the Company's funds) (a) the sum of purchasing the shares and the related purchase expenses or (b) the nominal or such other amount required for the subscription of the awarded shares by the trustee as soon as practicable to purchase the awarded shares required (the “Reference Amount”).

Within 30 business days on which the trading of the shares has not been suspended (or such longer period as the Trustee and the Board may agree from time to time) after receiving the reference amount, the Board shall instruct the trustee to apply the same towards the subscription of shares at the benchmarked price as stipulated in the Listing Rules from time to time or the purchase of the awarded shares from the market during a specific period and at a specific price range as instructed by the Company.

股份獎勵計劃

於二零一二年三月二十二日，董事會批准採納股份獎勵計劃（「股份獎勵計劃」）。

1. 股份獎勵計劃之目的：股份獎勵計劃之目的，是表揚若干合資格人士作出之貢獻並對彼等給予獎勵，務求挽留彼等繼續為本集團之持續營運、增長及發展效力，並吸引合適人才加入以進一步推動本集團發展。
2. 股份獎勵計劃之運作：股份獎勵計劃將由董事會根據股份獎勵計劃之規則管理。受託人將根據信託契據條款持有股份及據此產生之收入。

董事會可挑選任何承授人以經選定承授人（「經選定承授人」）身份參與股份獎勵計劃，及決定獎勵股份數目，並就此知會受託人及經選定承授人。

董事會於物色經選定承授人之前或之後，應(i)促使本公司直接指示持牌證券交易商購入獎勵股份，並就獎勵股份結清付款，其後將獎勵股份交付受託人；或(ii)促使在可行情況下儘快以自本公司資本撥款注資或貸款之方式，向受託人支付(a)購入股份及相關購買開支之總和或(b)受託人認購獎勵股份所需之面值或其他金額，以便購入所需獎勵股份（「參考金額」）。

於收取參考金額後股份並無暫停買賣之三十個營業日或受託人與董事會可能不時協定之較長期間內，董事會應指示受託人動用該參考金額，以按上市規則不時訂明之基準價格認購股份，或於特定期間內按本公司指示之特定價格範圍，從市場購入獎勵股份。

Awarded shares and related income held by the trustee upon the trust and which are referable to a Selected Grantee shall vest to that Selected Grantee on the vesting date. The Board may also, in its absolute discretion, determine the performance, operating and financial targets and other criteria, if any, to be satisfied by the Selected Grantee before the awarded shares can vest.

The trustee shall not be obliged to exercise any voting rights and powers in respect of any shares held under the trust (including but not limited to the awarded shares, the returned shares, any bonus shares and scrip shares) until such shares have been transferred to the relevant Selected Grantee.

3. Participants of the Share Award Scheme: any employee or director (including, without limitation, any executive, non-executive or independent non-executive directors) of any member of the Group (the "Eligible Persons").
4. Share Award Scheme limit: the Board shall not make any further award of awarded shares which will result in the number of shares awarded by the Board under the Share Award Scheme representing in excess of ten per cent. of the issued share capital of the Company as at the first date of each financial year during the term of the Share Award Scheme.
5. Maximum entitlement of each participant under the Share Award Scheme: the maximum number of shares which may be awarded to an award or awards to a Selected Grantee who is an independent non-executive Director of the Company at any one time shall not in aggregate exceed 0.1% of the issued share capital of the Company as at the first date of the relevant financial year of the Company and the aggregate value of which shall not exceed HK\$5,000,000 (based on the closing price of the shares on the business day immediately preceding the vesting date) as at the vesting date.

The maximum number of shares which may be subject to an award or awards to any Selected Grantee at any one time shall not in aggregate exceed 1% of the issued share capital of the Company as at the first date of the relevant financial year of the Company.

受託人以信託形式持有且可託付予經選定承授人之獎勵股份及相關收入，將於歸屬日期歸經選定承授人所有。董事會亦可全權酌情決定經選定承授人於獎勵股份可歸屬前須達致之表現、營運與財務目標以及其他條件（如有）。

受託人概無責任就信託持有之任何股份（包括但不限於獎勵股份、退回股份、任何紅股及代息股份）行使任何投票權利及權力，直至該等股份已轉讓予相關經選定承授人。

3. 股份獎勵計劃參與人士：本集團任何成員公司之任何僱員或董事（包括但不限於任何執行、非執行或獨立非執行董事）（「合資格人士」）。
4. 股份獎勵計劃限額：倘於股份獎勵計劃年期內進一步授出獎勵股份將致使董事會根據股份獎勵計劃授出之股份數目超過本公司於各財政年度首日已發行股本的10%，則董事會不會進一步授出任何獎勵股份。
5. 各參與人士根據股份獎勵計劃最高可獲股份數目：於任何一次向身為本公司獨立非執行董事之經選定承授人授出一份或多份獎勵可能涉及之股份最高數目，合共不得超過本公司於本公司相關財政年度首日已發行股本0.1%，而其於歸屬日期之總值亦不得超過5,000,000港元（根據股份於緊接歸屬日期前營業日之收市價計算）。

於任何一次向任何經選定承授人授出一份或多份獎勵可能涉及之股份最高數目，合共不得超過本公司於本公司相關財政年度首日已發行股本1%。

REPORT OF DIRECTORS

董事會報告書

6. The duration of the Share Award Scheme: subject to any early termination of the Share Award Scheme as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on 22 March 2012.

From the date of adoption of the Share Award Scheme and up to 31 December 2016, no share has been awarded or granted to any person under the Share Award Scheme.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme and Share Award Scheme, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, so far as the Directors are aware, the following persons or corporations (not being a Director or a chief executive of the Company) have an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company:

Shares of the Company

Name	Capacity	Position	Numbers of shares held	Percentage of shareholding in the Company 佔本公司 股權百分比
姓名／名稱	身份	狀況	持有股份數目	
Ms. Su Xing Fang 蘇杏芳女士	Interest of spouse (note 1) 配偶權益(附註1)	Long 好倉	704,779,000	69.70%
Bournam Profits Limited	Beneficial owner (note 2) 實益擁有人(附註2)	Long 好倉	701,911,000 (note 3) (附註3)	69.42%

6. 股份獎勵計劃年期：股份獎勵計劃於二零一二年三月二十二日起計十年期間內有效且生效，惟董事會可能決定提前終止該計劃。

自股份獎勵計劃採納日期起直至二零一六年十二月三十一日，概無根據股份獎勵計劃，向任何人士獎勵或授出股份。

收購股份或債券的安排

除購股權計劃及股份獎勵計劃外，本公司或其任何附屬公司於年內任何時間概無訂立任何安排，致使董事藉購入本公司或任何其他法人團體的股份或債券而獲益。

主要股東於股份及相關股份的權益及淡倉

於二零一六年十二月三十一日，據董事所知，下列人士或公司（並非董事或本公司行政總裁）於本公司股份及相關股份擁有已記入根據證券及期貨條例第336條須予存置的登記冊的或須另行知會本公司的權益或淡倉：

本公司股份

Note:

1. Ms. Su Xing Fang is the spouse of Mr. Chen Chang. By virtue of the SFO, Ms. Su Xing Fang is deemed to be interested in the same number of shares in which Mr. Chen Chang is deemed to be interested.
2. The entire share capital of Bournam is solely and beneficially owned by Mr. Chen Chang. Mr. Chen is deemed under the SFO to be interested in the 701,911,000 shares held by Bournam.
3. Bournam has pledged 480,000,000 shares of the Company, representing 47.47% of total number of issued shares of the Company, in favour of independent parties.

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

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

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 78 to 94.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following a specific enquiry, all the Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2016.

附註:

1. 蘇杏芳女士為陳昌先生之配偶。根據證券及期貨條例，蘇杏芳女士被視為於陳昌先生被視為擁有權益之相同數目股份中擁有權益。
2. Bournam 之全部股本由陳昌先生唯一及實益擁有。根據證券及期貨條例，陳先生被視作為 Bournam 持有的 701,911,000 股股份中擁有權益。
3. Bournam 已以獨立人士為受益人抵押 480,000,000 股本公司股份，佔本公司已發行股份總數的 47.47%。

購買、出售或贖回本公司上市證券

於截至二零一六年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司的上市證券。

企業管治

本公司所採納的主要企業管治常規載於第 78 至 94 頁的企業管治報告內。

優先購買權

本公司組織章程細則或開曼群島法例概無優先購買權條文。

遵守證券交易標準守則

本公司採納上市規則附錄 10 所載上市公司董事進行證券交易的標準守則（「標準守則」）。經具體查詢後，全體董事確認彼等於截至二零一六年十二月三十一日止年度均已遵守標準守則。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Purchase of Spare Parts from 廣州市珠江機床廠有限公司 (Guangzhou City Pearl River Machine Tool Works Co., Ltd*)

On 4 December 2012, the Group entered into the spare parts purchase agreement with 廣州市珠江機床廠有限公司 (Guangzhou City Pearl River Machine Tool Works Co., Ltd.*) (“GZMT”) for a term of three years commenced on 1 January 2013 and ended on 31 December 2015. On 4 December 2015, the parties entered into a new spare parts purchase agreement to renew the terms of the original spare parts purchase agreement for a further three years. Pursuant to the spare parts purchase agreements, the Group agreed to purchase spare parts of the machines used for the manufacture and processing of steel pipes from GZMT, with the annual cap for each of the three years ended 31 December 2015 being RMB28 million, RMB30 million and RMB32 million, and the annual cap for each of the three years ending 31 December 2018 being RMB30 million, RMB32 million and RMB34 million respectively (the “Proposed Annual Caps”). During the year ended 31 December 2016, the Group purchased spare parts from GZMT of a total amount of approximately RMB8.12 million, which was within the annual cap. Such spare parts purchase transactions were conducted in the ordinary and usual course of business of the Group and on normal commercial terms or on terms no less favourable to the Group than those available to independent third parties and in accordance with the purchase Agreement. Details of the above transactions are set out in note 37 to the financial statements.

GZMT is a limited liability company incorporated in the PRC and is principally engaged in the manufacture and sales of machine tools. GZMT is ultimately, wholly and beneficially owned by Mr. Chen Chang, the controlling shareholder and chairman of the Company, and is therefore an associate of Mr. Chen Chang and a connected person (as defined in the Listing Rules) of the Company.

關連交易及持續關連交易

向廣州市珠江機床廠有限公司購買零部件

於二零一二年十二月四日，本集團與廣州市珠江機床廠有限公司（「廣州機床」）訂立零部件採購協議，自二零一三年一月一日開始及於二零一五年十二月三十一日截止，為期三年。於二零一五年十二月四日，訂約方訂立一份新零部件採購協議，藉以更新原零部件採購協議的條款，以再續三年。根據零部件採購協議，本集團同意向廣州機床購買機械零部件，用作製造及加工鋼管，截至二零一五年十二月三十一日止三個年度各年的年度上限分別為人民幣28,000,000元、人民幣30,000,000元及人民幣32,000,000元，而截至二零一八年十二月三十一日止三個年度各年的年度上限分別為人民幣30,000,000元、人民幣32,000,000元及人民幣34,000,000元（「建議年度上限」）。於截至二零一六年十二月三十一日止年度，本集團向廣州機床購買合共約人民幣8,120,000元之零部件，金額實屬年度上限之內。有關零部件採購交易乃於本集團一般及日常業務過程中進行，並按一般商業條款或不遜於獨立第三方給予本集團的條款釐定，符合採購協議。上述交易詳情載於財務報表附註37。

廣州機床為一間於中國註冊成立的有限公司，主要從事製造及銷售機床。廣州機床由本公司控股股東兼主席陳昌先生最終全資實益擁有，故此為陳昌先生的聯繫人士及本公司的關連方（定義見上市規則）。

* Unofficial transliteration from Chinese name for identification purposes only.

As the Group is involved in the manufacture and sales of welded steel pipes and the provision of related manufacturing services, it purchases spare parts of the machines used for the manufacture and processing of steel pipes. Such spare parts were and will be used by the Group as components for (i) the repair and maintenance of its machines and production lines; and (ii) the installation of new production lines and new production facilities. Some of the spare parts are general accessory items and some of them are required to be tailor-made, thus ancillary processing work on the spare parts is required. The design of the spare parts is provided by the Group. During the considerably long period of purchasing spare parts from GZMT, GZMT have been a reliable source of supply, in terms of being capable of providing spare parts with the required technical and quality standards that suit the Group's needs and for keeping confidentiality of the design for the spare parts provided by the Group.

The purchases of spare parts set out above constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. In accordance with Rule 14A.34 of the Listing Rules, as one or more of the applicable percentage ratios for the above transactions are more than 0.1% but all are less than 5%, the spare parts purchase transactions are only subject to the reporting and announcement requirements set out in Rules 14A.71 to 14A.72 of the Listing Rules but are exempted from the independent shareholders' approval requirements and are subject to the annual review requirement under Rules 14A.55 to 14A.56 of the Listing Rules. Announcements were published on 4 December 2012 and 4 December 2015 regarding the above transactions in accordance with the Listing Rules. The Company confirms that it has complied with the relevant requirements under Chapter 14A of the Listing Rules in so far as they are applicable.

The independent non-executive Directors have reviewed the continuing connected transactions set out in note 37 to the financial statements and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

由於本集團從事生產及銷售直縫焊管及提供相關製造服務，因此會採購鋼管製造及加工所用的機械零部件。本集團一直及將會採用該等零部件，作為下列工序的元件：(i) 機械及生產線維修及保養；及(ii) 安裝新生產線及新生產設施。部分零部件屬一般零件，而部分零部件則須訂製，因而需進行零部件輔助加工工作。本集團負責提供零部件的設計。在廣州機床向本集團供應零部件的很長一段時間內，廣州機床是可靠的供應來源，同時該間公司不但能提供符合本集團所需技術及質量標準的零部件，亦能為本集團提供的零部件設計保密。

根據上市規則第14A章，上述零部件採購構成本公司的持續關連交易。根據上市規則第14A.34條，由於上述交易一個或多個可應用百分比率多於0.1%但全部少於5%，零部件採購交易僅須遵守上市規則第14A.71條至第14A.72條所載有關申報及公佈的規定，但豁免獨立股東批准的規定，並須遵守上市規則第14A.55條至第14A.56條的年度審核規定。本公司已根據上市規則，就上述交易於二零一二年十二月四日及二零一五年十二月四日刊發公佈。本公司確認其已遵守上市規則第14A章之有關規定（如適用）。

誠如財務報表附註37所載，獨立非執行董事已對該等持續關連交易進行檢討，並確認該等持續關連交易乃(i) 於本集團一般及日常業務過程中訂立；(ii) 按一般商業條款或不遜於獨立第三方給予本集團的條款訂立；及(iii) 根據規管該等交易的相關協議訂立，而協議的條款實屬公平合理並符合本公司股東的整體利益。

REPORT OF DIRECTORS

董事會報告書

The Directors had received a letter from Ernst & Young, the auditors of the Company, confirming that the continuing connected transactions (i) had received the approval of the Board; (ii) were in accordance with the pricing policies of the Company; (iii) had been entered into in accordance with the relevant agreements governing the transactions; and (iv) had not exceeded the cap amount for the financial year ended 31 December 2016 as set out in the Company's announcement dated 4 December 2015.

The net amount due from a related party of approximately RMB86.8 million as at 31 December 2016 represented an advance payment to GZMT for purchase of spare parts of the machines. Such spare parts purchases will be made pursuant to the purchase agreement.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained the prescribed public float under the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2016 which would materially affect the Group's operating and financial performance as of the date of consolidated financial statements.

AUDITORS

The Company has appointed Ernst & Young as auditors of the Company for the year ended 31 December 2016. A resolution will be proposed for approval by shareholders at the forthcoming AGM to re-appoint Ernst & Young as auditors of the Company.

ON BEHALF OF THE BOARD

Chen Chang

Chairman

Hong Kong

31 March 2017

董事會已接獲本公司核數師安永會計師事務所發出的函件，當中確認持續關連交易：(i) 已獲董事會批准；(ii) 乃根據本公司的定價策略進行；(iii) 根據規管該等交易的相關協議訂立；及(iv) 並無超出截至二零一六年十二月三十一日止財政年度的上限金額（載於本公司日期為二零一五年十二月四日之公佈內）。

於二零一六年十二月三十一日應收關聯方款項淨額約人民幣86,800,000元為就購買機器零件向廣州機床支付之預付款項。有關零件將根據購買協議購買。

公眾持股量充足性

根據本公司現有的公開資料及就董事所知，本公司於刊發本報告前的最後可行日期一直維持上市規則所述的公眾持股量。

報告期後事項

本集團於二零一六年十二月三十一日後並無重大事項致使於綜合財務報表日期本集團的經營及財務表現受到重大影響。

核數師

本公司已委任安永會計師事務所出任本公司截至二零一六年十二月三十一日止年度的核數師。有關重新委任安永會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈以取得股東批准。

代表董事會

陳昌

主席

香港

二零一七年三月三十一日

The Board is committed to maintaining a good standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and maximising shareholders' returns.

The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The Board considers that up to the date of this annual report, in the opinion of the Board, saved as deviation from code provision A.2.1 (see section "Chairman and Chief Executive" below), the Company has complied with the CG Code. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the evolving regulatory requirements and to meet the rising expectations of the shareholders and other stakeholders.

The following summarises the Company's corporate governance practices.

CORPORATE GOVERNANCE PRACTICES

(A) Board of Directors

Responsibilities and Delegation

The Board is responsible for the leadership and control of the Company, overseeing the Group's businesses, strategic decisions, internal control, risk management systems, monitoring the performance of senior management and determining the policy for corporate governance. The management is responsible for daily operations of the Group under the leadership of the Chairman. The Directors have the responsibility to act objectively in the interests of the Company.

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

The Board has delegated various responsibilities to the Board committees including the Audit Committee, the Nomination Committee and the Remuneration Committee. Further details of these Committees are set out below in section B of this corporate governance report.

The Company had arranged Directors and Officers Liability Insurance for the Directors and Officers of the Company.

董事會致力於維持高水準的企業管治常規及商業道德，並深信其是維持及提升投資者信心以及為股東帶來最高回報的根本。

本公司已採納上市規則附錄14所載企業管治守則（「企業管治守則」）所載的守則條文，作為其自身企業管治守則。董事會認為，直至本年報日期，除與守則條文第A.2.1條（見下文「主席及行政總裁」一節）有所偏差外，本公司已遵守企業管治守則。本公司將繼續加強適用於其業務運作及發展之企業管治常規，並不時檢討其企業管治常規，以確保其遵守日益嚴格之監管要求，及滿足股東及其他利益相關者不斷提高的期望。

本公司企業管治常規概述如下。

企業管治常規

(A) 董事會

職責及授權

董事會負責領導及控制本公司、監管本集團的業務、戰略決策、內部監控、風險管理系統、監察高級管理層的表現及制定企業管治政策。管理層負責在主席的領導下開展本集團的日常營運工作。董事有責任以本公司利益為前提按客觀標準行事。

全體董事於所有時間均已竭誠履行彼等之職責，遵守了適用法律及法規，符合本公司及其股東之利益。

董事會已授權董事委員會（包括審核委員會、提名委員會及薪酬委員會）多項職責。有關該等委員會的進一步詳情載於本企業管治報告下文B節。

本公司已為其董事及高級職員安排董事及高級職員責任保險。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Composition

The Board members during the year ended 31 December 2016 and up to the date of this report are as follows:

Executive Directors:

Mr. Chen Chang Chairman of the Board and Chief Executive Officer, Member of the Remuneration Committee and Nomination Committee

Ms. Chen Zhao Nian

Ms. Chen Zhao Hua

Independent Non-Executive Directors:

Mr. Chen Ping Chairman of the Nomination Committee and Member of the Audit Committee and Remuneration Committee

Mr. See Tak Wah Chairman of the Audit Committee

Mr. Tian Xiao Ren Chairman of the Remuneration Committee, Member of the Audit Committee and Nomination Committee

The Board currently comprises three executive Directors and three independent non-executive Directors from different business and professional fields. Mr. Chen Chang, Ms. Chen Zhao Nian and Ms. Chen Zhao Hua are members of the same family. Mr. Chen Chang is the father of both Ms. Chen Zhao Nian and Ms. Chen Zhao Hua.

Save as disclosed, there is no other relationship among members of the Board. The profiles of each Director and the relationships among the Directors are set out in the "Profile of Directors and Senior Management" section in this annual report.

The Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. The number of independent non-executive Directors constitutes more than one-third of the Board. A list containing the names of the Directors and their roles and functions is published on the websites of the Stock Exchange and the Company at www.pck.com.cn.

董事會組成

截至二零一六年十二月三十一日止年度及直至該報告日期止董事會成員載列如下：

執行董事：

陳昌先生 董事會主席及
行政總裁，薪酬委員會
及提名委員會成員

陳兆年女士

陳兆華女士

獨立非執行董事：

陳平先生 提名委員會主席、
審核委員會及
薪酬委員會成員

施德華先生 審核委員會主席

田曉韜先生 薪酬委員會主席、
審核委員會及
提名委員會成員

董事會目前由三名執行董事及三名獨立非執行董事組成，彼等來自不同的業務及專業領域。陳昌先生、陳兆年女士及陳兆華女士乃同一家族成員。陳昌先生為陳兆年女士及陳兆華女士的父親。

除上述披露者外，董事會成員之間並無其他關係。各位董事的履歷及董事之間的關係載於本年報「董事及高級管理層履歷」一節。

董事（包括獨立非執行董事）為董事會帶來了廣泛而有價值的業務經驗、知識及專業精神，以便董事會確實有效發揮職能。獨立非執行董事人數組成董事會人數的三分之一以上。一份載有董事姓名及彼等職務及職能之名單於聯交所網站及本公司網站 www.pck.com.cn 發佈。

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

Upon reviewing the directorships and major commitments of each Director, and the attendance rate of each Director at the meetings of the Board and its committees, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during 2016.

Board Meetings and Board Practices

The Company has adopted the practice of holding Board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as financial performance of the Group. Notice of Board meeting is sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notice will be given to the Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communication.

Agenda and Board papers together with all appropriate, complete and reliable information will be provided to all the Directors at least 3 days before meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings. The company secretary of the Company is responsible for keeping the minutes of Board meetings and meetings of Board committees. All minutes are open for inspection by any Director at reasonable time on reasonable notice.

For the financial year ended 31 December 2016, four Board meetings were held.

本公司已按照上市規則第3.13條自各獨立非執行董事接納有關各自獨立性的年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

經審閱各董事之董事職位及主要承諾，以及各董事於董事會及其委員會會議之出席率後，董事會對所有董事於二零一六年均使用足夠時間履行彼等之職責表示滿意。

董事會會議及董事會常規

本公司已按常規每年最少定期舉行四次董事會會議，大約每季舉行一次。需要時亦會召開臨時會議，商討整體策略以及本集團的財務表現。全體董事於舉行定期董事會會議前最少十四天獲發董事會會議通告，而臨時董事會會議通告則於合理時間內事先派發予董事。董事可親身或以電子通訊方式參加會議。

全體董事將於會前最少三天獲發董事會會議議程及相關文件以及所有適當、完備及可靠資料。所有董事均將獲提供充足資源以便履行各自職責，且在合理要求時，董事將可在適當情況下尋求獨立專業意見，費用由本公司承擔。所有董事均有機會在董事會會議議程中加插事項。本公司的公司秘書負責保存董事會會議及董事委員會會議記錄。所有會議記錄均可供任何董事於合理時間發出合理通知時公開查閱。

截至二零一六年十二月三十一日止財政年度，已舉行四次董事會會議。

The Company's Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest. According to current Board practices, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting.

Chairman and Chief Executive

The Company is aware of the requirement under paragraph A.2.1 of the CG Code that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company does not separately have any officer with the title of "chief executive". Mr. Chen Chang, the Chairman and founder of the Group, is also responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the role of the chairman and chief executive. The Board is of the view that this structure provides the Group with strong and consistent leadership, facilitates effective and efficient planning and implementation of business decisions and strategies, and ensures the generation of shareholders' benefits.

The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstance arise.

本公司組織章程細則載有條文，要求批准董事或其任何聯繫人士有重大權益之交易時，該董事須放棄投票及不計入大會法定人數。根據董事會現有做法，牽涉主要股東或董事之利益衝突之任何重大交易，將由董事會於正式召開之董事會會議上考慮及處理。

主席及行政總裁

本公司知悉，企業管治守則第A.2.1條規定主席及行政總裁的職務應予分離，而不應由同一人擔任。本公司並未獨立設「行政總裁」一職。本集團主席及創辦人陳昌先生同時負責董事會的領導工作及實際運作，確保所有重大事宜均由董事會以可行方式決定。董事會將定期舉行會議考慮影響本集團營運的重大事項。董事會認為此架構不會損害董事會及本公司管理層之間權力及權限的平衡。各位負責不同職能的執行董事及高級管理層會互補主席及行政總裁的職務。董事會認為此架構可向本集團提供強大一致的領導，有助於切實及有效地規劃及執行其商業決策及策略及確保提高股東利益。

儘管如此，董事會仍將不時檢討此架構，以確保因應條件變化適時對其作出適當變動。

Appointments, Re-election and Removal of Directors

The Board is responsible for selection and approval of candidates for appointment as Directors. The Company has established a Nomination Committee on 22 March 2012. The Nomination Committee is responsible for reviewing Board composition including the board diversity policy, evaluating the balance of skills, knowledge and experience of the Board and making recommendations on the appointment of Directors.

Each of the executive Directors has renewed his/her service contract with the Company for a period of three years commencing from 1 February 2016. All of their appointments are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

Each of the independent non-executive Directors (except Mr Tian) has been re-appointed for a term of two years commencing from 1 February 2016, and are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Mr Tian Xiao Ren has been re-appointed as independent non-executive Director for a term of two years commencing from 1 August 2016, and are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

The Nomination Committee has reviewed the re-appointments/appointment of both executive Directors and independent non-executive Directors and recommended to the Board of Directors for decision.

In accordance with the Company's Articles of Association, all Directors shall be subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment. In accordance with the Articles of Association, Ms Chen Zhao Hua and Mr See Tak Wah will retire and, being eligible, will offer themselves for re-election at the forthcoming AGM of the Company.

委任、重選及罷免董事

董事會負責遴選及批准獲委任為董事的候選人。本公司於二零一二年三月二十二日成立提名委員會。提名委員會負責檢討董事會架構（包括董事會多元化政策）、評估董事會技術、知識及經驗之間的平衡，並就委任董事作出建議。

各執行董事均已與本公司重續彼等的服務合約，由二零一六年二月一日起計為期三年。彼等的委任均須根據本公司組織章程細則輪席告退並重選連任。

各獨立非執行董事（田先生除外）已獲重新委任，由二零一六年二月一日起計為期兩年，並須根據本公司組織章程細則輪席告退及重選連任。田曉韜先生獲重新委任為獨立非執行董事，由二零一六年八月一日起計為期兩年，並須根據本公司組織章程細則輪席告退及重選連任。

提名委員會已檢討執行董事及獨立非執行董事的續聘／委任，並已就董事決策向董事會提供推薦建議。

根據本公司組織章程細則，所有董事均須每三年至少輪席告退一次，且獲委任以填補臨時空缺之任何新董事須於獲委任後首個股東大會上供股東重選連任。根據組織章程細則，陳兆華女士及施德華先生將於本公司應屆股東週年大會上退任，並符合資格膺選連任。

Training Induction and Continuing Development of Directors

The Directors have endeavoured to keep abreast of the changes in their responsibilities as a Director and of the business activities and development of the Company.

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Directors have provided to the Company their records of continuous professional development during the year ended 31 December 2016.

During the year ended 31 December 2016, all Directors attended seminars and training courses in relation to corporate governance, Listing Rules update or financial markets update arranged by professional firms/institutions. Records of continuing professional development have been maintained by the company secretary. Besides, the company secretary also conducted briefings on corporate governance, directors' duties and responsibilities and provided materials for Listing Rules amendments to all Directors for their reference.

Model Code for Securities Transactions

The Company has adopted the Model Code by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following a specific enquiry, all the Directors has confirmed that they have complied with the Model Code throughout the year ended 31 December 2016.

When the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors in advance.

董事的培訓指引及持續發展

董事熟知作為董事之責任變動及本公司的業務活動及發展。

每名新委任的董事在首次接受委任時會獲本公司發出一份正式、全面及特為彼而設的指引，以確保彼對本公司的業務及營運有合適的認識，並且對上市規則及相關法定規定董事之責任及義務有充分的認識。

董事經常獲得有關法定及監管制度及營商環境之最新資料，以助彼等履行職責。董事已於截至二零一六年十二月三十一日止年度，向本公司提供彼等持續專業發展之記錄。

截至二零一六年十二月三十一日止年度，所有董事均已參加由專業公司／機構籌辦有關企業管治、上市規則更新或金融市場資料更新的研討會及培訓課程。持續專業發展之記錄一直由公司秘書存置。此外，公司秘書亦就企業管治、董事之職務及職責進行簡介，並提供有關上市規則修訂之材料，供所有董事參考。

證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人董事之標準守則（「標準守則」）。經作出具體查詢後，全體董事確認彼等在截至二零一六年十二月三十一日止年度均已遵守標準守則。

當本公司知悉任何本公司證券交易之受限期間時，將提前通知其董事。

Non-Competition Undertakings

The independent non-executive Directors have also reviewed the confirmation given by Mr Chen Chang and Bournam, being controlling shareholders of the Company, in respect of each of their compliance with the non-competition undertakings as disclosed in the prospectus of the Company dated 28 January 2010.

(B) Board Committees

The Board has established three committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the websites of the Company and the Stock Exchange.

The majority of the members of each Board committee are independent non-executive Directors.

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

Audit Committee

The audit committee of the Board (the "Audit Committee") consists of three independent non-executive Directors, namely Mr Chen Ping, Mr See Tak Wah and Mr Tian Xiao Ren. Mr See Tak Wah is the Chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting process and the internal control and risk management procedures and systems of our Group. The Audit Committee has reviewed the Company's audited consolidated financial statements for the year ended 31 December 2016 and the condensed unaudited consolidated interim financial statements for the six months ended 30 June 2016, including the accounting principles and practices adopted by the Company and the Group.

不競爭承諾

獨立非執行董事亦已審閱本公司控股股東陳昌先生及Bournam就彼等各自己遵守本公司日期為二零一零年一月二十八日之招股章程所披露的不競爭承諾而發出的確認書。

(B) 董事委員會

董事會成立了三個委員會，即審核委員會、提名委員會及薪酬委員會，以監察本公司各方面事務。本公司全體董事委員會已設立書面職權範圍。董事委員會之職權範圍刊載於本公司及聯交所網站。

各董事委員會主要成員均為獨立非執行董事。

董事委員會有足夠資源履行其職責及在合理要求下於適當情況尋求獨立專業意見，費用由本公司承擔。

審核委員會

董事會審核委員會（「審核委員會」）由三名獨立非執行董事（即陳平先生、施德華先生及田曉韜先生）組成。施德華先生為審核委員會主席。審核委員會的主要職責是審查及監督本集團的財務申報程序及內部監控及風險管理程序及制度。審核委員會已審閱截至二零一六年十二月三十一日止年度的本公司經審核綜合財務報表及截至二零一六年六月三十日止六個月的簡明未經審核綜合中期財務報表，包括本公司及本集團所採納的會計原則及慣例。

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the internal auditor or external auditors before submission to the Board;
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors; and
- To review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures.

The Audit Committee held four meetings during the year ended 31 December 2016, of which two meetings with external auditors' presence, and all members of the Audit Committee attended all meetings. At the meetings, it reviewed the financial reporting and compliance procedures, the report of the internal auditor on the Company's internal control and risk management systems and processes, and the re-appointment of the external auditors. No major issue on the internal control system of the Group has been identified.

The Company had established a whistleblowing policy and system for employees to raise concerns of possible improprieties where all concerns are addressed to the Audit Committee.

The Company's annual results for the year ended 31 December 2016 and interim results for the six months ended 30 June 2016 have been reviewed by the Audit Committee.

審核委員會之主要職責包括以下各項：

- 向董事會提交財務報表及報告前審閱有關資料，並考慮內部核數師或外聘核數師所提出之任何重大或特殊項目；
- 參照外聘核數師之工作、費用及委聘條款以檢討與核數師之關係，並就委任、續聘及辭退外聘核數師向董事會提出建議；及
- 檢討本公司財務報告制度、風險管理及內部監控制度以及相關程序是否足夠及有效。

審核委員會於截至二零一六年十二月三十一日止年度舉行四次會議，其中兩次會議有外部核數師列席，審核委員會所有成員均有出席全部會議。於會議上，委員會審閱財務報告及規章遵守程序、有關本公司內部監控及風險管理制度及過程之內部核數師報告，以及外聘核數師之續聘。並無發現本集團內部監控制度有任何重大問題。

本公司已設立舉報政策及制度，供僱員提出可能不當情況的關注意見，而所有關注意見均於審核委員會上處理。

本公司截至二零一六年十二月三十一日止年度之年度業績及截至二零一六年六月三十日止六個月之中期業績已由審核委員會審閱。

Nomination Committee

The Company recognises the benefits of a board that compose of a balance of skills, experience, expertise and diversity of perspectives appropriate to the business development of the Company. The Board has adopted a board diversity policy in 2013. The Board has reviewed its composition and considered a number of aspects, including gender, age, educational background, professional experience, skills, knowledge and length of service in accordance with its board diversity policy. The Board consider that the existing board composition is well diversified and appropriate to the business development of the Company.

The Company established the Nomination Committee on 22 March 2012 in compliance with Appendix 14 to the Listing Rules. The Nomination Committee consists of three members, namely Mr Chen Ping, Mr Tian Xiao Ren and Mr Chen Chang. Mr Chen Ping is the chairman of the Nomination Committee. The majority of them are independent non-executive Directors.

The primary functions of the Nomination Committee are to review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board to complement the Company's corporate strategy and make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors, assess the independence of independent non-executive Directors, and review the board diversity policy and review the measurable objectives that the Board has set for implementing the board diversity policy, and the progress on achieving the objectives.

During the year and up to the date of the annual report, the Nomination Committee has reviewed the composition of the Board and made recommendations to the Board for the re-appointment of Directors and succession planning for the chairman, assessed the independence of independent non-executive Directors and reviewed the board diversity policy determined the policy for nomination of directors, nomination procedure process and criteria to select and recommend candidates.

The Nomination Committee held one meeting during the year ended 31 December 2016 and all members of the Committee attended the meeting.

提名委員會

本公司認識到董事會成員組成達到技術、經驗、專業知識及範疇多元化的平衡大有裨益，適合本公司業務的發展。董事會已於二零一三年採納董事會多元化政策。董事會已檢討其成員組成，並根據董事會多元化政策考慮了多個方面包括性別、年齡、教育背景、專業經驗、技能、知識及服務期限。董事會認為現有董事會成員組成充分體現了多元化政策，且適合本公司業務發展。

本公司遵照上市規則附錄十四的規定，於二零一二年三月二十二日成立提名委員會。提名委員會由三位成員組成，即陳平先生、田曉韜先生及陳昌先生。陳平先生為提名委員會之主席。大部分成員為獨立非執行董事。

提名委員會之主要職能是檢討及監督董事會之架構、規模及成員（包括技能、知識及經驗），以輔助本公司之企業策略及就委任或再委任董事及董事之繼任計劃相關之事宜，向董事會提供意見，評估獨立非執行董事之獨立性，並檢討董事會多元化政策，及檢討董事會為執行董事會多元化政策而設立之可衡量目標，以及達到目標之進程。

於年內及截至本年報日期，提名委員會已審閱董事會之組成，並就再委任董事及主席之繼任計劃向董事會作出推薦建議，其已評估獨立非執行董事的獨立性，及檢討董事會多元化政策，並制訂董事提名政策、提名程序及甄選及推薦候選董事的標準。

於截至二零一六年十二月三十一日止年度，提名委員會已舉行一次會議，而委員會所有成員均有出席該會議。

Remuneration Committee

The Remuneration Committee consists of three members, namely Mr Chen Ping, Mr Tian Xiao Ren and Mr Chen Chang. Mr Tian Xiao Ren is the chairman of the Remuneration Committee. The majority of them are independent non-executive Directors.

The primary functions of the Remuneration Committee are to make recommendations to the Board on the remuneration of our Directors and senior management and determine on behalf of the Board specific remuneration packages and conditions of employment for our Directors and senior management. Remuneration will be determined by reference to the duties and level of responsibilities as well as market practice and conditions. None of the Directors themselves approve their own remuneration.

During the year and up to the date of the annual report, the Remuneration Committee has reviewed the Group's remuneration policy, assessed the performance of executive Directors and reviewed the remuneration package of the executive Directors and senior management and recommended to the Board on the remuneration packages of the executive Directors and senior management.

For the year ended 31 December 2016, one meeting of the Remuneration Committee was held and all members attended the meeting.

Corporate Governance Function

The Board is responsible for performing the corporate governance duties of the Company. Terms of reference adopted by the Board include the duties of the Board on corporate governance functions to develop and review the Group's policies and practices on corporate governance, to review and monitor the training and continuous professional development of the Directors and the senior management and to review the Group's compliance with the CG Code and disclosure in this Corporate Governance Report.

薪酬委員會

薪酬委員會由三名成員（即陳平先生、田曉韜先生及陳昌先生）組成。田曉韜先生為薪酬委員會主席。大部分成員為獨立非執行董事。

薪酬委員會的主要職能是就本公司董事及高級管理層的薪酬向董事會提供建議及代表董事會釐定董事及高級管理層的具體薪酬待遇及聘用條件。有關薪酬將參考其職責及職權範圍，以及市場慣例及市況釐定。概無董事批准本身之薪酬。

於年內及直至年報刊發日期，薪酬委員會已審閱本集團的薪酬政策、評估執行董事的表現及審閱執行董事和高級管理層的薪酬待遇以及就執行董事及高級管理層之薪酬待遇向董事會提出推薦意見。

於截至二零一六年十二月三十一日止年度，薪酬委員會舉行了一次會議，而所有成員均有出席該會議。

企業管治職能

董事會負責執行本公司之企業管治職能。董事會採納之職權範圍包括董事會對企業管治職能之責任，以發展及審視本集團關於企業管治之政策及常規，審視及監督董事及高級管理層之培訓及持續專業發展，以及審視本集團遵守企業管治守則及於企業管治報告作出披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

The attendance of individual members of the Board and other Board Committees meetings for the financial year ended 31 December 2016 is set out in the table below:

截至二零一六年十二月三十一日止財政年度，董事會及其他董事委員會成員出席會議情況載列如下：

	AGM 股東週年 大會	Meeting attended/held 出席/舉行會議				
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	
Executive Directors Mr Chen Chang (Chairman of the Board)	執行董事 陳昌先生(董事會主席)	1/1	4/4	N/A 不適用	1/1	1/1
Ms Chen Zhao Nian	陳兆年女士	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Ms Chen Zhao Hua	陳兆華女士	1/1	3/4	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors	獨立非執行董事					
Mr Chen Ping	陳平先生	1/1	4/4	4/4	1/1	1/1
Mr See Tak Wah	施德華先生	1/1	4/4	4/4	N/A 不適用	N/A 不適用
Mr Tian Xiao Ren	田曉韜先生	1/1	4/4	4/4	1/1	1/1

Chairman of the Board had a meeting with the independent non-executive Directors without the presence of other Executive Directors (save as the chairman himself) during the year ended 31 December 2016.

董事會主席於截至二零一六年十二月三十一日止年度與獨立非執行董事舉行過一次會議(除主席本身外，沒有其他執行董事在場)。

(C) Accountability and Audit

Financial Reporting

The Board, supported by the chief financial officer and the finance department of the Group, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, IFRSs have been adopted and the appropriate accounting policies and statutory requirements have been consistently complied with. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner.

(C) 問責及核數

財務匯報

董事會負責在本集團財務總監及財務部的協助下編製本公司及本集團的財務報表。於編製財務報表過程中，已採納國際財務報告準則並貫徹遵守適當會計政策及法律規定。董事會旨在於年度及中期報告中向股東呈列對本集團業績的清晰及平衡評估，並及時作出適當披露及公佈。

Directors' Responsibility on the Financial Statements

The Directors are responsible for overseeing the preparation of financial statements for the year ended 31 December 2016 with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Company's accounts are prepared in accordance with all relevant statutory requirements and suitable accounting standards.

The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable; and the financial statements are prepared on a going concern basis.

Management had provided monthly updates to Directors for giving a balanced and understandable assessment of the Company's performance, position and projects to enable the Directors to discharge their duties.

Independent Auditors

During the year ended 31 December 2016, the remuneration paid or payable to the independent auditors, Ernst & Young, for services rendered is broken down below:

		2016 二零一六年 RMB'000 人民幣千元
Audit services	核數服務	4,000
Non-audit services (note)	非核數服務(附註)	520
Total	合計	4,520

Note: Non-audit service was related to the issue of comfort letter for the circular – issued on 9 January 2017 in respect of very substantial acquisition.

The Audit Committee will recommend the re-appointment of Ernst & Young for audit service, and consider the engagement of the non-audit services to ensure the independence and objectivity of audit service.

董事對財務報表的責任

董事負責監督截至二零一六年十二月三十一日止年度財務報表的編製，以確保該財務報表真實、公平反映本集團的事務狀況以及該期間的業績及現金流量。本公司的賬目乃根據所有相關法律規定及適用會計準則編製。

董事負責確保選擇及一致應用適當會計政策；作出審慎及合理的判斷及評估；以及根據持續經營基準編製財務報表。

管理層已向董事提供每月最新資訊，為本公司之表現、狀況及前景提供均衡而清晰的評估，以便董事履行職務。

獨立核數師

於截至二零一六年十二月三十一日止年度，就所提供服務已付或應付獨立核數師安永會計師事務所的酬金明細如下：

附註：非核數服務是指就二零一七年一月九日刊發之非常重大收購事項的通函所發出之安慰函。

審核委員會將建議續聘安永會計師事務所提供核數服務，並考慮聘用非核數服務以確保核數服務的獨立性及客觀性。

(D) Internal Controls

The Board has overall responsibilities for maintaining a sound and effective internal control system of the Group. The Company has an internal audit department to ensure effective internal control system of the Group. The Group's system of internal control includes a defined management structure with limits of authority, and is designed to help the Group achieve its business objectives, safeguard its assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

The Board has reviewed the internal audit report on quarterly basis and assessed the effectiveness (according to its magnitude and significance) of the Group's internal control system which covered all material controls, including financial, operational and compliance controls as well as risk management functions during the year ended 31 December 2016. No major issue was raised which may affect shareholders.

The Company has internal procedures on reporting and disseminating inside information and maintaining confidentiality.

(E) Company Secretary

The Board appoints its Company Secretary in accordance with the Company's Articles of Association and in compliance with the requirements of the Listing Rules. Biographical details of the current Company Secretary is set out in the section headed "Directors and senior management" on page 54 to 63 of this annual report. The Company Secretary has complied with the professional training requirement as set out in the Rule 3.29 of the Listing Rules during the year ended 31 December 2016.

(D) 內部監控

董事會全權負責維持本集團健全和有效之內部監控系統，本公司已成立內部審核部門從而確保有效的本集團內部監控系統。本集團內部監控系統，包括界定管理架構及其相關之權限，以協助本集團達致其業務目標、保管資產以防未經授權之使用或處理、確保適當之會計紀錄得以保存並可提供可靠之財務資料供內部使用或對外發放，並確保符合相關法例與規則。該系統旨在提供合理（而非絕對）保證不會出現嚴重誤報或損失的情況，並管理（而非消除）本集團經營系統失誤及未能達到本集團業務目標的風險。

董事會已每季審閱內部審核報告及評估本集團內部監控系統之效能（根據幅度及重要性）。該系統涵蓋截至二零一六年十二月三十一日止年度所有重大監控，包括財務、營運及合規監控以及風險管理職能。目前並無發現可能影響股東之重大事項。

本公司就申報及發佈內部資料及維持機密性設有內部程序。

(E) 公司秘書

董事會根據本公司組織章程細則及遵守上市規則之要求委任公司秘書。現任公司秘書的簡歷詳情載於本年報第54頁至63頁的「董事及高級管理層履歷」一節。截至二零一六年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條有關持續專業培訓的規定。

(F) Shareholders' Rights

The Board welcomes shareholders to present their views and shareholders may at any time submit their questions and concerns about the Group. Enquiries may be put to the Board by contacting the Company Secretary through our shareholders' email at ir@zhujiang.com.hk. Shareholder(s) holding not less than one-tenth of Company's paid-up capital may request the Board to convene an extraordinary general meeting. The objects of the meeting must be stated in the related requisition deposited at the Company's registered office and addressing to the Company Secretary at the Company's principal place of business in Hong Kong. The extraordinary general meeting will be held within 2 months after the deposition of such requisition.

Procedures for a shareholder to propose a person for election as a Director

Subject to the laws and the provisions of the Company's Articles of Association, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. A shareholder may propose a person for election as a Director by lodging the following documents to the Board or Company Secretary at our Hong Kong office at Room 1, 15/F., Tower 3, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong: 1) a notice in writing of the intention to propose that person (with full name and biographical details as required by Rule 13.51(2) of the Listing Rules) for election as a Director; and 2) a notice in writing by that person of his willingness to be elected as a Director. Such notices shall be lodged at least 7 clear days before the date of the general meeting and the period for lodgement of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and shall be at least 7 clear days in length.

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantial separate issue at shareholder meetings, including the election of individual Directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

(F) 股東權利

董事會樂意聆聽股東的意見，並歡迎股東於任何時間對本集團提出質詢。股東可透過股東電郵 ir@zhujiang.com.hk 聯絡公司秘書，將查詢提呈至董事會。持有本公司繳足股本不少於十分之一的股東，可要求董事會召開股東特別大會。相關提請必須列明召開會議的目的，並送交本公司註冊辦事處，抬頭人為公司秘書，並送交本公司於香港之主要營業地址。股東特別大會將於呈交相關提請後兩個月內舉行。

股東提名人選參選董事的程序

本公司可不時在股東大會通過普通決議案選舉任何人士作為董事以填補臨時空缺或作為新增董事，惟受制於法例及本公司組織章程細則條款。股東可交存以下文件至董事會或公司秘書，請送交香港辦事處（地址為香港九龍尖沙咀廣東道33號中港城3座15樓1室），提名人士參選董事：1) 書面通知，表明提名該人士（全名及上市規則第13.51(2)條規定的履歷詳情）參選董事的意向；及2) 該人士的書面通知，表明其有意參選董事。該等通知必須於相關股東大會日期前不少於7天（不包括收到通知當天及股東大會當天）交存，該等通知的交存期由不早於選舉董事的相關股東大會的通知發出後一日開始，為期不得少於7天。

為保障股東的利益及權利，本公司會於股東大會上就每項獨立重大事項，包括選舉個別董事，提出獨立決議案。

於股東大會上提呈之所有決議案將根據上市規則按股數投票表決，投票結果將於每個股東大會結束後於本公司及聯交所網頁刊登。

(G) Investor Relations and Communication With Shareholders

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

To promote effective communication, the Company maintains a website at <http://www.pck.com.cn> or <http://www.pck.todayir.com>, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted. A shareholder communication policy is in place to ensure that shareholders are provided with ready, equal and timely access to information of the Company. The policy is available on the Company's website.

The Company endeavours to maintain an on-going dialogue with its shareholders and in particular, through AGMs or other general meetings to communicate with the shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf. The chairman of the Board as well as the chairman of the Audit Committee, Nomination Committee and Remuneration Committee will make themselves available at the AGM to meet with the shareholders.

The forthcoming AGM of the Company will be held on 23 June 2017. The notice of AGM will be sent to shareholders at least 20 clear business days before the AGM.

The Company attended conferences, roadshows and media interviews to keep shareholders and potential investors informed of the latest development of the Group. The head of investor relation will be the primary contact point for communications with investors and analysts.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirements.

(G) 投資者關係及與股東的溝通

本公司認為，與股東之有效溝通對加強投資者關係及投資者對本集團業務表現及策略之理解非常重要。本公司亦確認透明度及適時披露公司資料之重要性，其使股東及投資者可作出最佳投資決定。

為促進有效溝通，本公司之網站為 <http://www.pck.com.cn> 或 <http://www.pck.todayir.com>，可於網站取得本公司業務經營及發展、財務資料、企業管治常規及其他之最新資料。本公司已制訂股東通訊政策，確保股東可適時獲得全面及相等於本公司的資料。上述政策刊載於本公司網頁。

本公司努力維持與其股東的持續交流，特別是透過股東週年大會或其他股東會議與股東進行溝通。本公司鼓勵股東參與股東大會，或委任受委代表代其出席股東大會及投票。董事會主席、審核委員會主席、提名委員會主席及薪酬委員會主席將出席股東週年大會與股東會面。

本公司即將於二零一七年六月二十三日召開股東週年大會。股東週年大會通告將最少於股東週年大會前20個完整營業日前寄發予股東。

本公司多次參與會議、路演及媒體採訪，以讓股東或潛在投資者瞭解本集團的最新發展狀況。投資者關係部總監將擔任主要聯絡人士，負責與投資者及分析員溝通。

本公司將繼續維持開放、有效的投資者溝通政策，並及時向投資者提供有關本集團業務的最新資料，惟須遵守相關監管規定。

Memorandum and Articles of Association

There was no change in the constitutional documents of the Company during the year. The latest version of the Memorandum and Articles of Association of the Company is posted on the Company's website.

2016 Annual General Meeting

The Board is committed to the constructive use of the AGM as a forum to meet shareholders. The chairman and the chairman of the Audit Committee, Remuneration Committee and Nomination Committee and the external auditors attended the 2016 AGM.

At the 2016 AGM, the Company proposed separate resolutions on the issues considered. Resolutions passed at the 2016 AGM were as follows: (i) received the audited consolidated financial statements for the year ended 31 December 2015 together with the reports of the Directors and auditors of the Company; (ii) re-elected of Mr Chen Chang as executive Director and Mr Chen Ping as independent non-executive Director and authorised the Board to fix the Directors' remuneration; (iii) reappointed Ernst & Young as auditors of the Company and authorised the Directors to fix its remuneration; (iv) approved a general mandate for the Directors to allot and issue of new shares of an amount not exceeding 20 per cent of the issued share capital of the Company as at the date of the 2016 AGM; (v) approved a general mandate for the Directors to repurchase shares of an amount not exceeding 10 per cent of the aggregate nominal amount of the Company's issued share capital as at the date of the 2016 AGM; (vi) extension of the general mandate granted to the Directors of the Company to allot, issue, and deal with additional shares in the share capital of the Company by an amount not exceeding the amount of the shares repurchased by the Company. All resolutions were passed by way of a poll conducted by the Company's registrar. The poll voting results of the 2016 AGM were available on the Company's website.

章程大綱及組織章程細則

年內本公司之憲章文件並無變動。本公司最新版本之章程大綱及組織章程細則均已上載至本公司網站。

二零一六年股東週年大會

董事會致力將股東週年大會發揮建設性用途，作為會見股東之場合。主席及審核委員會、薪酬委員會及提名委員會之主席及外部核數師均有出席二零一六年股東週年大會。

於二零一六年股東週年大會上，本公司就考慮事項提呈獨立決議案。於二零一六年股東週年大會通過之決議案如下：(i) 省覽本公司截至二零一五年十二月三十一日止年度之經審核綜合財務報表及董事會報告與核數師報告；(ii) 重選陳昌先生為執行董事及陳平先生為獨立非執行董事及授權董事會釐定董事酬金；(iii) 續聘安永會計師事務所為本公司核數師，並授權董事會釐定其酬金；(iv) 授予董事一般授權，以配發及發行不超過本公司於二零一六年股東週年大會日期已發行股本20%的新股份；(v) 授予董事一般授權，以購回不超過本公司於二零一六年股東週年大會日期已發行股本面值總額10%的股份；(vi) 擴大授予本公司董事的一般授權，以配發、發行及處理本公司股本中的額外股份，惟數目不得超過本公司所購回的股份數目。在本公司股份過戶登記處主持下，所有決議案均以投票表決方式通過。二零一六年股東週年大會之投票表決結果可於本公司網站覽閱。

2017 Annual General Meeting

The annual general meeting (“AGM”) of the Company will be held at 7th Floor, W Hong Kong Hotel, 1 Austin Road West, Kowloon Station, Kowloon on Friday, 23 June 2017 at 11:00 a.m.

All shareholders are encouraged to attend the 2017 AGM and exercise their rights to vote. Shareholders are invited to ask questions relating to the business of the meeting. Details of the resolutions to be considered in the 2017 AGM will be set out in a circular to be sent out to shareholders together with the 2016 annual report.

(H) Others

Share Interests of Senior Management

As confirmed with the senior management of the Company, they did not hold shares of the Company as at 31 December 2016.

Sufficiency of Public Float

The Company has maintained the prescribed public float under the Listing Rules as at 31 December 2016.

二零一七年股東週年大會

本公司將於二零一七年六月二十三日(星期五)上午十一時正假座九龍九龍站柯士甸道西1號香港W酒店7樓舉行股東週年大會(「股東週年大會」)。

全體股東均獲鼓勵出席二零一七年股東週年大會及行使投票權，也歡迎股東在大會上提出關於業務之問題。於二零一七年股東週年大會考慮之決議案詳情將載入通函，以及將連同二零一六年年報寄送予股東。

(H) 其他事項

高級管理層之股份權益

經向本公司管理層確認後，彼等於二零一六年十二月三十一日並無持有本公司股份。

充足公眾持股量

本公司於二零一六年十二月三十一日已維持上市規則規定之公眾持股量。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group cares about the community and adheres to an ingrained culture of fulfilling its social responsibilities by giving a much-needed boost to the environment in Guangdong Province, China and other regions in which it operates.

I. WORKING ENVIRONMENT

The Group has complied with the laws and regulations and adopted the Health Safety and Environmental (“HSE”) management policy, in an effort to prevent pollution, to ensure people’s health and safety, and to promote sustainable development. Our target is to achieve zero accidents, zero injuries and zero losses in order to meet the international HSE management standard.

As at 31 December 2016, the Group had 2,100 employees.

The Group’s employees reside in the neighbourhood areas. Within our plant zone, there are gardening landscape, fish ponds and recreational facilities, which offer a comfortable environment and a sports ground for our employees.

Occupational Safety

We have adopted the HSE risk identification, risk assessment and control procedures to manage our occupational safety risk. The Group’s management is responsible for organising periodic risk identification and evaluation exercises, and is responsible for sorting, aggregation and distribution of relevant information, which includes the identification of risk factors for occupational safety and health, risk assessment on operating conditions, possibility of accidents, the formulation of operational control procedures, contingency plans, safety level standards, as well as training and education issues.

The Group has kept records and documents relating to risk management, including the “Control procedures of the new, rebuilding and extension projects”, “Risk sources identification and risk evaluation form” and “List of major risks” for staff reference.

The Group always finds great importance to occupational safety and regularly provides training for staff. In 2016, the Group hosted trainings and rehearsals in productions bases for fire alert, so as to enhance safety awareness and emergency response, and held hazards identification programs and assemblies of risk management activities.

本集團一直秉承回饋社會的理念，一直致力提升在中國廣東及各其他業務營運地區的社會責任水準。

I. 工作環境

本集團一直遵守法律法規及採納健康、安全及環境（「HSE」）管理政策，防止污染，確保健康安全，促進持續發展。目標追求零事故、零傷害、零損失，以達到國際HSE的管理水準。

於二零一六年十二月三十一日，本集團共有員工2,100位。

本集團的員工均在鄰近地區居住，廠區內設置園藝、魚池及康樂設施供員工觀賞及運動。

職業安全

公司使用HSE的危險辨識、風險評估控制程式管理職業安全風險。本集團的管理部定期負責組織危險源的辨識和評價活動，並負責相關的資料的整理、匯總和分發。當中內容包括：職業安全健康危險因素的辨認；作業條件危險評價法；發生事故的可能性；制定運行控制程式；應變方法；危險等級標準；培訓及教育等事項。

本集團備有風險管理的相關檔案記錄，包括《新改擴建項目控制程式》、《危險源辨識和風險評價表》及《重大風險清單》，作各項參考指標。

本集團一直十分重視職業安全並定時為員工提供培訓，在二零一六年，本集團在各基地進行消防培訓及演練，加強安全意識及應對突發事件；亦舉辦崗位危害因素辨識與風險管控活動的彙報大會。

Staff Development and Training

Through meetings, trainings and notifications on notice board, the Group promotes its safety philosophy and amiable working environment among various departments and teams. We offer our employees access to learning and understanding about the Group, so that each employee and contractors of the Group or visitors can recognize their responsibilities and obligations in the aspect of improving the environment and enhancing occupational health and safety performance. We make great efforts on improving the environment and occupational safety.

Our adherence to the HSE management policy is a testimony of the greatest commitment of the Group towards the environment and occupational health and safety. This policy is available for review by employees at any time. In the year, the Group further improved site management level, achieved the goal of dedicated management, and further promoted the 6S management model in the company. Project meetings were kicked off in the production site of Panyu, Zhuhai, Jiangyin, and Lianyungang.

The Group endeavours to enhance the skills of each employee in various aspects by providing staff trainings, which include the “Weekly Star” and “Weekly Talk”. A wide array of training courses are provided for employees to strengthen their work-related knowledge and skills. Also, the Group hosted an “advanced employee’s election”, whereby each of the employees obtaining a certificate of honorary was offered an outdoor training opportunity. To enable excellent employees to take up management positions and to bolster our team’s management capabilities, the Company also organised the “team leader for production and management training” courses during the year.

The Group engaged with the labour union to further promote spiritual positive energy with various social activities.

員工發展及培訓

本集團通過會議、培訓、板報宣傳等方式，將本集團的安全理念、良好工作環境的訊息傳達到各部門、各自班組，組織員工學習、理解，使本集團的每個員工及承包商人員或參觀者等均認識到自己在改善環境和職業健康安全業績方面的職責和應盡的義務，努力為改善環境和職業安全努力。

本集團以HSE管理方針，對環境及職業健康安全作出最高的承諾，是公開性質，任何員工均可隨時閱讀。在年內，本集團進一步提高現場管理水準，達到精細化管理的目標，加強企業6S管理模式的應用推廣，啟動專案大會亦在番禺、珠海、江陰及連雲港基地舉行。

本集團致力推行員工培訓，提升各員工不同方面之技能，其中包括「每週一星」及「每週一講」。本集團為員工提供不同的培訓課程，加強彼等工作相關知識及技能；本集團亦主辦「先進員工選舉」，並為獲得榮譽證書之員工提供戶外拓展訓練活動的資格；為培養優秀員工擔任管理崗位及培養團隊管理能力，公司在年內亦組織「班組長生產管理培訓」課程。

本集團設有工會，鼓勵員工積極參與各項社區活動，傳遞精神文化正能量。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

To reinforce the employees' sense of belongings to the Group, a wide range of sport events are provided by the Group for its employees every year, including basketball and table tennis contests, etc. In addition, we have provided activities that are of educational significance and served to enhance the work performance of our employees, including the "Business Oral English", "Training and Assembly for Fire", "Sales Training", "Joint Training and Team Building Program for Financial Department", and "Annual Sales Meeting", etc.

We encourage our employees to take an active part in local community activities, including the "Green Enterprise Cup" Table Tennis and Badminton Tournament of Panyu District Youth Entrepreneur Association and the private enterprises working concern group activities.

Staff Code

The staff code of the Group is prepared and based on the PRC labour law and is in line with the national standards of the PRC. The Group has also been providing its staff with guidance in accordance with the national legislation.

II. ENVIRONMENTAL PROTECTION

Emission reduction mechanism

The Group remains focused on environmental protection. Our production bases are featured with high-end sewage treatment equipment. Sewage will be treated before recycling and discharge. All of the Group's production bases are equipped with complete ventilation facilities. We also installed built-in fan to reduce the air pollution caused during the process of our production.

Use of materials

We endeavour to calculate the amount of materials needed for our production based on the principle of minimizing surplus materials. In addition, the Group puts in place a scrap metal recycling mechanism to sell the wasted steel produced in our process of production to recycling companies.

為提高各員工對本集團的歸屬感，本集團每年會為員工組織各類運動賽事，包括籃球比賽、乒乓球賽等；另有其他具教育意義及提升員工工作表現的相關活動，包括「商務英語口語培訓課程」、「消防培訓及演練」、「銷售系統培訓」、「集團財務部聯合會議」，及「銷售年會」等。

公司亦鼓勵員工參加當地社區活動，包括：番禺區青年企業家協會首屆「青企杯」乒乓球人及羽毛球聯誼賽及建立民營企業建立關工小組。

員工守則

本集團的員工守則乃根據國內勞動法制定，符合國家標準要求。本集團亦一直根據國家法例，為員工提供指引。

II. 環境保護

減排機制

本集團一直致力為環境保護作出努力。各生產基地內設有高端污水處理設備，利用水壓機將污水處理再作循環使用及排放污水。本集團的各生產基地的通風設備完善，公司亦安裝內置風扇，以減少生產過程中涉及的空氣污染的問題。

材料運用

公司在訂購材料前會預先計算生產時所需材料的需求，盡量以減少剩餘材料為原則定購材料。另外，本集團設有廢鐵回收機制，如在生產過程中產生剩餘的鋼材，公司亦會售予回收商。

III. WORKING OPERATION

Supply chain management

The Group has maintained proven track records of high production efficiency and timely delivery. We have established deep and cordial relationships with our suppliers. The Group keeps a list of qualified suppliers, whose appraisal is based on their track record of compliance with international standards and the Group's past cooperation relationship with them. To improve logistics efficiency, the Company has established a self-operated wharf in the Zhuhai production base and formed a joint venture company to construct and operate a port in Lianyungang production base for the delivery of steel products and the receipt of raw materials.

Product quality

With its state-of-art technology, equipment, management and well-established reputation, the Group is dedicated to the provision of high-quality products and services that satisfy customers' needs. Our product quality has met a number of international standards. We are also the only domestic welded steel pipe manufacturer being granted five national honors, namely the "Superior Quality Award for Actual Quality of Metallurgical Products", "Gold Cup Prize for Actual Quality of Metallurgical Products", "High and New Technology Enterprise", "National Recognized Enterprise Technology Center", and National Key New Products and hosts a "Academician Workstation". We are the main drafter of the national standard for longitudinal welded steel pipes in China. Meanwhile, with the setting up of the "Post-doctoral Research Station" and "Academician Workstation", the Company strives to further enhance its product quality and extends the application of its products.

III. 營運操作

供應鏈管理

本集團一直保持高生產效能及時付運的往績，與各供應商保持良好合作關係，本集團內部亦備有一份合資格供應商的名單。考核過程以該供應商符合國際標準的往績及本集團與其過往合作關係作參考。公司為減少產品之付運時間及強化效益，公司亦在珠海基地設置自營碼頭及在連雲港基地成立合營公司以興建及營運港口，作鋼管產品付運及接收原材料之用。

產品質素

本集團以先進技術、設備、管理和良好的信譽保證提供高品質的產品和服務，深受客戶滿意。產品品質一直滿足不同的國際標準，亦是中國目前唯一一家同時擁有《中國冶金產品實物質量特優獎》、《中國冶金產品實物品質金杯獎》、《國家火炬計劃重點高新技術企業》、《國家認定企業技術中心》和《國家重點新產品》五項國家級榮譽於一身的焊管製造商，設有《院士工作站》，是國家直縫焊接輸送鋼管標準的主要起草單位。同時，珠江鋼管設有《博士後科研工作站》和《院士工作站》，不斷提升產品的品質和拓展產品的適用領域。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group strictly upholds the ISO9001 quality management system. With the use of advanced testing equipment, and the conduct of on-line and off-line testing as well as mechanical and chemical properties testing, we inspect the products at each production process stage in accordance with the best product quality requirements through a myriad of tests, such as steel ultrasonic testing, ultrasonic welding detection, weld X-ray inspection system, hydrostatic testing and flattening test. Upon obtaining post-test data, we will make a rigorous analysis on product quality, so as to ensure that each product meets customer requirements. We have built a testing center in compliance with the national standards, and the center has been recognised by China National Accreditation Service for Conformity Assessment (CNAS). The Group's testing center is equipped with a wide variety of laboratory equipment, including universal materials testing machine, low temperature impact material testing machine, drop weight tear test (DWTT) machine, hydrogen induced cracking (HIC) testing, sulfide stress corrosion cracking (SSC), crack tip opening displacement (CTOD) test, computer-controlled chemical composition vacuum direct reading spectrometer and microscope. Achieving six standards, our measuring chamber has passed through the ISO10012:2003 AAA measurement management system certification. This proves that our measuring instruments are of high qualification and effectiveness. The Group's testing centre has passed the "National safety quality standardisation" and obtained the "TUV SUD Metal Materials Laboratory Accreditation Certificate". Our products, an unfailing symbol of quality, are blessed with unparalleled reputation in the international market under the "PCK" brand.

Anti-corruption

The operation of various departments of the Group is in conformity with legal regulations and legislations. We have established a whistle blowing policy, which enables our employees to express their views to the management anonymously.

本集團嚴格執行ISO9001品質管理體系，採用先進檢測設備，通過線上和離線檢測以及機械和化學性能測試等手段，嚴格按最優產品品質要求檢驗每個生產過程的產品品質，通過鋼板超聲波檢測、焊縫超聲波檢測、焊縫X光檢測系統、水壓試驗和壓扁試驗等檢測。在取得檢測資料後，還會對產品品質作嚴格的分析，確保每件產品均符合客戶的要求。擁有達到國家標準的檢測中心，獲中國合格評定國家認可委員會CNAS認可。本集團檢測中心配備包括萬能材料試驗機、低溫衝擊材料試驗機、落錘撕裂試驗(DWTT)機、氫致開裂(HIC)檢測、硫化物應力腐蝕開裂(SSC)檢測、裂紋尖端張開位移(CTOD)試驗、電腦控制化學成份真空直讀光譜儀和金相顯微鏡等實驗設備。公司計量室通過ISO10012:2003測量管理體系AAA認證，具備六項建標，可保證計量器具合格有效。本集團的檢測中心已通過《國家級安全標準化企業達標評審》並取得《TUV南德頒金屬材料實驗室認可證書》。產品質素極具保證，以「PCK」品牌在國際市場上享有極高的知名度。

反貪腐

本集團一直以法治法規管理公司各部門之運作，並設有舉報機制及《投訴管理機制》，員工可以不記名方式將意見向管理層反映。

IV. CONTRIBUTION TO THE COMMUNITY

The Group has been playing an active role in charitable activities in Panyu, Guangdong Province, China and other regions in which we operate. During the year, with the organisation of a couple of educational, sports, cultural and charitable activities, we promoted the exuberance of Guangzhou City, thus enhancing foreign interest in Guangzhou and fostering urban development. These activities included:

- Panyu District “PCK Cup” 1st, 2nd, 3rd and 4th Table Tennis Contest
- Zhujiang “PCK Cup” 1st and 2nd World Go Team Championships
- “Golden Dragon City Cup” 1st, 2nd and 3rd Dragon Boats Championships

In addition, the Group also participated in the assessment by the government and other organisations. During the year, we participated in:

- “Panyu District Mayor Quality Award Assessment Management Approach” granted with the Quality Award by the provincial government
- “Guangdong Enterprise with integrity” (obtained the award 21 years continually)

The Group has also encouraged its employees to actively participate in community activities in Guangdong Province, including:

- Participating the seventh “Guangzhou's Mayor Cup” for table tennis tournament sponsored by Chu Kong Steel Pipe Group
- Joining the photographic contest arranged by the district
- Participating the “Charity Hiking” activity arranged by the City of Guangzhou

IV. 回饋社會

本集團一直積極參與中國廣東省番禺及其他業務區內的慈善活動。年內，公司舉辦不同的教育、體育、文藝及慈善活動，宣傳廣州市的特色，加強外界對廣州的瞭解，促進城市發展。活動包括：

- 番禺區「珠鋼杯」第一、二、三、四乒乓球賽
- 「珠鋼杯」第一、二屆世界圍棋團體錦標賽
- 「金龍城杯」第一、二、三屆龍舟賽

另外，本集團亦參與政府及省內其他機構舉辦的評審。年內，我們已參與：

- 《番禺區區長質量獎評審管理辦法》獲省政府質量獎
- 《廣東省守合同重信用企業》榮譽稱號（連續獲獎21年）

本集團亦一直鼓勵員工並積極參與廣東省內組織的社區活動，包括：

- 珠江鋼管廣州市第七屆「市長杯」乒乓球百姓系列和諧賽
- 參與區內舉辦的攝影徵文比賽
- 廣州市致公黨舉辦的「為愛攀登」慈善登山活動

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- Arranging a “Paternity Day” on the Nation’s Day
- Arranging the “Mid-Autumn Celebration” activity
- Joining the “International Dragon Boat” competition arranged by the City of Guangzhou
- Participating in the Charity Projects of Guangzhou Association of Women Entrepreneurs
- 「珠鋼伴你·與子同行」—珠江鋼管國慶親子活動日
- 「歡慶中秋」遊園中秋活動
- 廣州「國際龍舟」邀請賽
- 廣州市女企業家協會公益項目

Charity Fund

In April 2013, the Group established a charitable fund, named as the “Chu Kong Steel Pipe Group Co., Ltd. – Blessing Charity Fund”, aiming to improve the living environment of single mothers and orphans and assisting single mothers for seeking job.

慈善基金

於二零一三年四月，本集團已設立慈善基金名為「珠江鋼管集團有限公司—幸福基金」，旨在協助單親媽媽及孤兒改善生活環境，或協助單親媽媽求職。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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To the shareholders of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 111 to 226, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致珠江石油天然氣鋼管控股有限公司全體股東

(於開曼群島註冊成立的有限公司)

意見

吾等已審核載於第111至226頁的珠江石油天然氣鋼管控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表。此等財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

吾等認為，綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見之基礎

吾等乃按照香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核工作。吾等於該等準則項下之責任在本報告中核數師就審核綜合財務報表須承擔的責任一節進一步詳述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，吾等乃獨立於 貴集團，並已按照守則履行其他道德責任。吾等相信，吾等所取得的審核憑證屬充分及恰當，可為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 in the consolidated financial statements, which indicates that the Group incurred a net loss of RMB1,498,998,000 during the year ended 31 December 2016 and, as of that date, the Group's current liabilities exceeded its current assets by RMB2,724,055,000. As stated in note 2.1, these events or conditions, along with other matters as set forth in note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

與持續經營有關之重大不明朗因素

吾等提請關注綜合財務報表附註2.1，其指明截至二零一六年十二月三十一日止年度，貴集團產生虧損淨額人民幣1,498,998,000元以及於該日，貴集團之流動負債超過其流動資產人民幣2,724,055,000元。誠如附註2.1所述，該等事項或情況以及附註2.1所載之其他事宜表明存在可能會致使貴集團持續經營能力嚴重成疑之重大不明朗因素。吾等之意見並無就該事項作出修訂。

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核本期綜合財務報表中最重要的事項。該等事項均在吾等審核整體綜合財務報表及出具意見時進行處理，而吾等不會就該等事項單獨發表意見。除與持續經營有關之重大不明朗因素一節所述之事項外，吾等釐定下文提述之事項將為吾等於報告內作出討論之關鍵審核事項。

吾等已履行本報告中核數師就審核綜合財務報表須承擔的責任一節所述的責任，包括有關該等事項的責任。因此，吾等的審核包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。吾等審核程序（包括處理以下事項的程序）的結果，為吾等就隨附的綜合財務報表出具的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Estimation of fair value of investment property

投資物業之公平值估計

The Group has one commercial property in Mainland China. Such investment property is measured at fair value and its carrying amount was RMB1,138,221,000 as at 31 December 2016.

貴集團於中國內地有一項商用物業。於二零一六年十二月三十一日，該投資物業以公平值計量且上述投資物業的賬面總值為人民幣1,138,221,000元。

Significant estimation and judgement are required by management to determine the fair value of the investment property. To support management's determination of the fair value, the Group engaged an external valuer to perform valuations on the investment property at the end of the reporting period.

管理層須就釐定投資物業的公平值作出重要估計及判斷。為幫助管理層確定公平值，貴集團聘請外部估值師於報告期末對投資物業進行估值。

The accounting policies and disclosures for the estimation of fair value of investment property are included in notes 2.4 and 14 to the consolidated financial statements.

就投資物業之公平值估計的會計政策及披露載於綜合財務報表附註2.4及14。

How our audit addressed the key audit matter

吾等的審核如何處理關鍵審核事項

- Evaluated the objectivity, independence and competency of the valuer;
- 評估估值師的客觀性、獨立性及資質；
- Involved our internal valuation specialists to assist us to assess the methodologies and assumptions adopted in the valuation for estimating the fair value of the investment property and performed benchmarking of the market value of investment property held by the Group to other comparable properties; and
- 邀請內部估值專家，協助我們評估估算投資物業公平值時所採用的方法及假設，並將貴集團持有的投資物業市場價值與其他可資比較物業進行基準比較；及
- Assessed the sufficiency of disclosures about investment property.
- 評估相關投資物業披露的充足性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Impairment of long term assets

長期資產之減值

As at 31 December 2016, the market capitalisation of the Group accounted for 44% of the carrying amount of its net assets before the impairment of long term assets. The decline in the revenue and operating losses in the Group's steel pipes segment in the past few years is the factor which heightens the risk of impairment associated with the Group's long term assets, including property, plant and equipment, prepaid land lease payments, goodwill, and an investment in a joint venture. Management measured the recoverable amounts of the long term assets which are the higher of the respective cash-generating units' ("CGU") fair value less costs of disposal and their value in use. Recoverability of the CGU is dependent on macroeconomic assumptions about future demands of steel pipe products, discount rate and exchange rates as well as internal assumptions related to future production levels and operating costs. These estimates are particularly significant due to the uncertain economic outlook, product price volatility, forecasted future production and market demand. The outcome of impairment assessment can vary significantly when different assumptions are applied.

於二零一六年十二月三十一日，貴集團市值佔其淨資產（扣除長期資產減值前）賬面值之44%。過去數年，貴集團鋼管分部之收益下降及產生之經營虧損乃為增加有關貴集團長期資產（包括物業、廠房及設備、預付土地租金、商譽以及於一間合營公司之投資）減值風險之因素。管理層以有關現金產生單位（「現金產生單位」）之公平值減出售成本以及其使用價值兩者中之較高者計量可回收金額。該現金產生單位之可回收性乃視乎鋼管產品未來需求、貼現率及匯率以及與未來生產水平及經營成本有關之內部假設等宏觀經濟假設而定。由於經濟前景、產品價格波動、預測未來生產及市場需求不確定，該等評估尤為重要。減值評估之結果可能會因應用不同假設而造成顯著差異。

The accounting policies and disclosures for the impairment of long term assets are included in notes 2.4, 12 and 17 to the consolidated financial statements.

有關長期資產減值的會計政策及披露載於綜合財務報表附註2.4、12及17。

How our audit addressed the key audit matter

吾等的審核如何處理關鍵審核事項

- Reviewed management's impairment assessment of the CGU by comparing the carrying values of the long term assets, the fair value less costs of disposal and their value in use, assessed the assumptions and methodologies (long term growth rate, budgeted prices based on market trend and budgeted sales quantity based on the existing production capacity) adopted by management, involved our valuation specialists to assist us in evaluating the discount rate;
- 透過比較長期資產之賬面值、公平值減出售成本及其使用價值審閱管理層對該現金產生單位之減值評估，評估管理層採用之假設及方法（長期增長率、基於市場趨勢釐定之預算價格及基於現有產能釐定之預計銷量），聘用估值專家協助吾等評估貼現率；
- Paid specific attention to the forecasts used with respect to future revenues and operating results by comparing the forecasts with the historic performance of the respective CGUs and the business development plan; and
- 透過將預測與有關現金產生單位之過往表現及業務發展計劃進行比較，特別注意就未來收益及營運業績所用之預測；及
- Assessed the adequacy of disclosures about impairment in the consolidated financial statements.
- 評估綜合財務報表內之相關減值披露的充足性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Impairment provisions for trade receivables

貿易應收賬款之減值撥備

As at 31 December 2016, the Group had trade receivables of RMB595,779,000, of which a balance of RMB228,385,000 was aged over one year, accounting for 38% of the total balance of the trade receivables.

於二零一六年十二月三十一日，貴集團有貿易應收賬款人民幣595,779,000元，其中結餘人民幣228,385,000元的賬齡超過一年，佔貿易應收賬款總結餘的38%。

The determination as to whether a trade receivable is impaired involves significant management's judgement. Specific factors which management would consider include the age of the balances, existence of disputes, past collection history and other available information concerning the creditworthiness of counterparties. Management uses such information to determine whether any objective evidence of impairment exists for trade receivables and whether a provision for impairment is required.

確定貿易應收賬款是否發生減值涉及管理層作出重大判斷。管理層考慮的具體因素包括結餘賬齡、是否存在糾紛、過往催收記錄以及獲得的其他有關對手方信用的資料。管理層利用上述資料確定貿易應收賬款是否存在減值的客觀證據，以及是否需要計提減值撥備。

The accounting policies and disclosures for the impairment provision for trade receivables are included in notes 2.4 and 22 to the consolidated financial statements.

有關貿易應收賬款之減值撥備之會計政策及披露載於綜合財務報表附註2.4及22。

How our audit addressed the key audit matter

吾等的審核如何處理關鍵審核事項

- Tested the Group's controls over the receivables collection processes;
- 測試 貴集團對收款流程的控制；
- Reviewed the Group's assessment of the impairment provision at the end of the reporting period by checking the correctness of the ageing of the trade receivables, the repayment history of the debtors and the future repayment plan for the overdue receivables;
- 透過檢查貿易應收賬款的賬齡是否正確、債務人的還款紀錄以及逾期應收賬款的未來還款計劃，檢討 貴集團於報告期末對減值撥備所作的評估；
- Obtained direct external confirmations for samples of trade receivable balances; and
- 就貿易應收賬款結餘樣本取得直接外部確認；及
- Checked bank receipts for the settlements of trade receivables made subsequent to the year end.
- 檢查年結日以後貿易應收賬款結算的銀行收據。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises 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 THE DIRECTORS 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 IFRS issued by the IASB 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料（綜合財務報表及吾等就此發出的核數師報告除外）。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所瞭解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則委員會頒佈的國際財務報告準則和香港公司條例的披露要求編製綜合財務報表，以令綜合財務報表作出真實而公平的反映及落實董事認為必要的內部控制，以確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司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。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 judgement 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表須承擔的責任

吾等的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等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，但不能保證按香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期而錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，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核的過程中，吾等運用了職業判斷，保持了職業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的合適性及作出會計估計及相關披露資料的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則吾等須出具非無保留意見的核數師報告。吾等的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易及事項。
- 就貴集團實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等對審核意見承擔全部負責。

We communicate with the Audit Committee 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 the Audit Committee 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.

吾等與審核委員會溝通計劃審核範圍、時間安排、重大審核發現等事項，包括吾等於審核期間識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與彼等溝通所有合理地被認為會影響吾等獨立性的關係及其他事項，以及（倘適用）相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

From the matters communicated with the Audit Committee, 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 Hui Kin Fai, Stephen.

Ernst & Young

Certified Public Accountants

Hong Kong

31 March 2017

就與審核委員會溝通的事項而言，吾等釐定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。吾等於核數師報告中描述該等事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期於吾等報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審核項目合夥人為許建輝。

安永會計師事務所

執業會計師

香港

二零一七年三月三十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
REVENUE	收入	5	1,443,487	2,539,178
Cost of sales	銷售成本		(1,361,900)	(2,131,965)
Gross profit	毛利		81,587	407,213
Other income and gains	其他收入及收益	5	37,564	29,221
Selling and distribution expenses	銷售及分銷開支		(144,423)	(171,695)
Administrative expenses	行政費用		(470,977)	(439,991)
Exchange loss, net	匯兌虧損·淨額		(86,417)	(53,558)
Finance costs	融資成本	7	(237,142)	(237,111)
Impairment of property, plant and equipment and goodwill	物業、廠房及設備以及商譽之減值		(516,250)	–
Other expenses	其他費用		(105,283)	(17,469)
Fair value gains on investment property	投資物業公平值收益	14	–	627,882
Share of a loss of a joint venture	應佔一間合營公司虧損	18	(1,460)	(582)
(LOSS)/PROFIT BEFORE TAX	除稅前(虧損)／溢利	6	(1,442,801)	143,910
Income tax expense	所得稅支出	10	(56,197)	(118,399)
(LOSS)/PROFIT FOR THE YEAR	本年度(虧損)／溢利		(1,498,998)	25,511
Attributable to:	以下人士應佔:			
Owners of the parent	母公司擁有人		(1,495,804)	18,794
Non-controlling interests	非控股權益		(3,194)	6,717
			(1,498,998)	25,511
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股本擁有人應佔每股(虧損)／盈利			
Basic and diluted	基本及攤薄	11	RMB 人民幣 (1.48) 元	RMB 人民幣 0.02 元

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入表

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(LOSS)/PROFIT FOR THE YEAR	本年度(虧損)/溢利	(1,498,998)	25,511
OTHER COMPREHENSIVE LOSS	其他全面虧損		
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>	於後續期間重新分類至損益的		
	其他全面虧損:		
Exchange differences on translation of foreign operations	折算外幣業務產生的匯兌差額	(133,018)	(94,725)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	於後續期間重新分類至損益的 其他全面虧損淨額	(133,018)	(94,725)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	年內扣除稅項後其他全面虧損	(133,018)	(94,725)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	年內全面虧損總額	(1,632,016)	(69,214)
Attributable to:	以下人士應佔:		
Owners of the parent	母公司擁有人	(1,628,822)	(75,931)
Non-controlling interests	非控股權益	(3,194)	6,717
		(1,632,016)	(69,214)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2016 於二零一六年十二月三十一日

			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
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	3,315,315	3,721,360
Properties under development	發展中物業	13	1,196,775	–
Investment property	投資物業	14	1,138,221	2,306,804
Long term prepayments and deposits	長期預付款項及按金	15	144,582	204,937
Prepaid land lease payments	預付土地租金	16	1,211,764	1,083,448
Goodwill	商譽	17	–	4,075
Investment in a joint venture	於一間合營公司之投資	18	37,335	38,790
Available-for-sale investment	可供出售投資	19	800	800
Deferred tax assets	遞延稅項資產	20	–	80,497
Pledged deposits	已抵押按金	24	95,570	431,924
Total non-current assets	非流動資產總值		7,140,362	7,872,635
CURRENT ASSETS	流動資產			
Properties under development	發展中物業	13	1,036,362	808,127
Inventories	存貨	21	411,001	816,115
Trade and bills receivables	貿易應收賬款及應收票據	22	618,421	921,143
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	657,497	950,785
Pledged and restricted bank balances	已抵押及受限制銀行結餘	24	562,390	418,425
Cash and bank balances	現金及銀行結餘	24	439,067	286,135
Due from a related party	應收關聯方款項	37	90,726	–
Total current assets	流動資產總值		3,815,464	4,200,730
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付賬款及應付票據	25	790,348	1,062,085
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	4,374,936	2,853,246
Other payables and accruals	其他應付款項及應計費用	28	1,185,524	590,609
Provision	撥備	29	29,268	24,348
Fixed rate bonds	定息債券	30	87,911	–
Due to a director	應付董事款項	37	5,563	–
Due to a related party	應付關聯方款項	37	3,927	–
Tax payable	應付稅項		62,042	64,198
Total current liabilities	流動負債總額		6,539,519	4,594,486

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2016 於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NET CURRENT LIABILITIES	流動負債淨值		(2,724,055)	(393,756)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		4,416,307	7,478,879
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	20	592,201	616,970
Interest-bearing bank and other borrowings	計息銀行及其他借貸	26	1,389,904	2,914,481
Fixed rate bonds	定息債券	30	496,609	541,651
Government grants	政府補貼	31	369,707	205,875
Total non-current liabilities	非流動負債總額		2,848,421	4,278,977
Net assets	資產淨值		1,567,886	3,199,902
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	32	88,856	88,856
Reserves	儲備	33	1,464,024	3,092,846
			1,552,880	3,181,702
Non-controlling interests	非控股權益		15,006	18,200
Total equity	權益總額		1,567,886	3,199,902

CHEN CHANG

陳昌

Director

董事

CHEN ZHAO NIAN

陳兆年

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital	Share premium	Asset revaluation reserve [#]	Contributed surplus	Capital reserve	Statutory reserve fund	Retained profits	Exchange fluctuation reserve	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價	重估儲備 [#]	實繳盈餘	資本儲備	法定公積金	留存溢利	波動儲備	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 32)					(note (a))					
		(附註32)					(附註(a))					
At 1 January 2015	於二零一五年一月一日	88,856	767,097	1,154,425	224,589	57,607	133,745	816,274	15,040	3,257,633	11,483	3,269,116
Profit for the year	本年度溢利	-	-	-	-	-	-	18,794	-	18,794	6,717	25,511
Other comprehensive loss for the year:	本年度其他全面虧損:											
Release of property revaluation upon disposal of an investment property, net of tax	出售投資物業時解除物業重估, 扣除稅項	-	-	(710)	-	-	-	710	-	-	-	-
Exchange differences related to foreign operations	與外幣業務有關的匯兌差額	-	-	-	-	-	-	-	(94,725)	(94,725)	-	(94,725)
Total comprehensive income/(loss) for the year	本年度全面收入/(虧損)總額	-	-	(710)	-	-	-	19,504	(94,725)	(75,931)	6,717	(69,214)
Transfer from retained profits	轉來自留存溢利	-	-	-	-	-	31,531	(31,531)	-	-	-	-
At 31 December 2015	於二零一五年十二月三十一日	88,856	767,097	1,153,715	224,589	57,607	165,276	804,247	(79,685)	3,181,702	18,200	3,199,902
At 1 January 2016	於二零一六年一月一日	88,856	767,097	1,153,715	224,589	57,607	165,276	804,247	(79,685)	3,181,702	18,200	3,199,902
Loss for the year	本年度虧損	-	-	-	-	-	-	(1,495,804)	-	(1,495,804)	(3,194)	(1,498,998)
Other comprehensive loss for the year:	本年度其他全面虧損:											
Exchange differences related to foreign operations	與外幣業務有關的匯兌差額	-	-	-	-	-	-	-	(133,018)	(133,018)	-	(133,018)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	-	(1,495,804)	(133,018)	(1,628,822)	(3,194)	(1,632,016)
At 31 December 2016	於二零一六年十二月三十一日	88,856	767,097*	1,153,715*	224,589*	57,607*	165,276*	(691,557)*	(212,703)*	(1,552,880)	15,006	(1,567,886)

The asset revaluation reserve arose from a change in use from owner-occupied property to investment property carried at fair value.

自用物業因用途變更轉為按公平值列賬的投資物業而產生資產重估儲備。

* These reserve accounts comprise the consolidated reserves of RMB1,464,024,000 (2015: RMB3,092,846,000) in the consolidated statement of financial position.

* 該等儲備賬目包括綜合財務狀況表中為數人民幣1,464,024,000元(二零一五年:人民幣3,092,846,000元)的綜合儲備。

Note:

附註:

(a) In accordance with the Company Law of the People's Republic of China (the "PRC"), the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory net profit after tax (after offsetting any prior years' losses) to the statutory reserve fund. When the balance of an entity's reserve fund reaches 50% of its registered capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior years' losses or to increase the registered capital. However, such balance of the statutory reserve fund must be maintained at a minimum of 25% of the registered capital after such usage.

(a) 根據中華人民共和國(「中國」)公司法,本公司於中國註冊的附屬公司,須將除稅後年度法定淨溢利(抵銷過往年度的虧損後)的10%撥入法定公積金。當公積金的結餘達一個實體註冊資本的50%時,可選擇是否繼續撥入法定公積金。法定公積金可用於抵銷過往年度虧損,或增加註冊資本。然而,將法定公積金用於上述用途後所剩的餘額,最低限度須保持註冊資本的25%。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(1,442,801)	143,910
Adjustments for:			
Finance costs	7	237,142	237,111
Share of a loss of a joint venture	18	1,460	582
Bank interest income	5	(16,116)	(17,433)
Gain on disposal of an investment property		–	(80)
Depreciation	12	176,661	144,250
Amortisation of prepaid land lease payments	16	26,031	23,124
Changes in fair value of investment property	14	–	(627,882)
Impairment/(reversal of impairment) of trade receivables	22	1,614	(17,865)
Impairment of deposits and other receivables	23	70,510	2,413
Provision against slow-moving and obsolete inventories	21	27,131	10,779
Impairment of items of property, plant and equipment	12	512,175	–
Impairment of goodwill	17	4,075	–
		(402,118)	(101,091)
Decrease in an amount due from a joint venture		–	140,050
Decrease in inventories		377,984	94,632
Increase in properties under development		(228,235)	(14,931)
Decrease in trade and bills receivables		303,479	449,889
(Increase)/decrease in prepayments, deposits and other receivables		225,811	(303,438)
(Increase)/decrease in pledged and restricted bank balances		192,389	(371,844)
Increase/(decrease) in trade and bills payables		(271,737)	139,534
Increase/(decrease) in other payables and accruals		583,318	(35,761)
Increase/(decrease) in a provision		4,920	(5,612)
Increase in government grants		163,832	93,147
Cash generated from operations		949,643	84,575
Interest received	5	16,116	17,433
Corporate income tax paid		(2,641)	(1,163)
Net cash flows from operating activities		963,118	100,845

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量			
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(157,720)	(232,596)
Addition to investment property	添置投資物業	14	(28,192)	(145,118)
Addition to prepaid land lease payments	增加預付土地租金	16	(157,380)	(56,363)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項		5,774	990
Purchases of available-for-sale investment	購買可供出售投資		–	(800)
Increase in an amount due from a related party	新增應收關聯方款項		(90,726)	–
Payment for investment deposits	支付投資存款		–	(421,300)
Collection of investment deposits	收取投資存款		–	447,300
Disposal of an investment property	出售投資物業		–	6,707
Net cash flows used in investing activities	投資活動所用現金流量淨額		(428,244)	(401,180)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量			
New bank and other borrowings	新增銀行及其他借貸		4,614,870	4,563,141
Repayment of bank and other borrowings	償還銀行及其他借貸		(4,727,002)	(4,177,921)
Repayment of short term notes	償還短期融資券		–	(300,000)
Interest paid	已付利息		(271,524)	(296,849)
Increase in an amount due to a director	新增應付董事款項		5,563	–
Increase in an amount due to a related party	新增應付關聯方款項		3,927	–
Proceeds from sales and leaseback arrangements	售後租回安排所得款項		–	172,000
Capital element of finance lease rental payments	融資租賃租金付款之資本部分		(72,631)	(72,256)
Interest element of finance lease rental payments	融資租賃租金付款之利息部分		(12,588)	(12,507)
Net cash flows used in financing activities	融資活動所用現金流量淨額		(459,385)	(124,392)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加／(減少)淨額		75,489	(424,727)
Effect of foreign exchange rate changes, net	外匯利率轉變之影響淨值		77,443	73,285
Cash and cash equivalents at beginning of year	年初現金及現金等價物		286,135	637,577
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		439,067	286,135
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析			
Cash and bank balances	現金及銀行結餘	24	439,067	286,135

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Chu Kong Petroleum and Natural Gas Steel Pipe Holdings Limited (the "Company") was incorporated in the Cayman Islands on 9 January 2008 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the "Group") are involved in the following principal activities:

- manufacture and sale of welded steel pipes and the provision of related manufacturing services
- property development and investment

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Bournam Profits Limited ("Bournam"), which was incorporated in the British Virgin Islands.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name 公司名稱	Place of incorporation/ registration and business 註冊／成立及 營業地點	Issued ordinary/ registered share capital 已發行普通股／ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Lessonstart Enterprises Limited 利事達集團有限公司	British Virgin Islands 英屬處女群島	US\$300 300美元	100	–	Investment holding 投資控股
Lucknow Consultants Limited	British Virgin Islands 英屬處女群島	US\$10 10美元	–	100	Investment holding 投資控股

1. 公司及集團資料

珠江石油天然氣鋼管控股有限公司（「本公司」）於二零零八年一月九日根據開曼群島法例第22章公司法（一九六一年第3號法例，經綜合及修訂）在開曼群島註冊成立為獲豁免的有限公司。本公司註冊辦事處之地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司及其附屬公司（統稱「本集團」）主要從事以下業務活動：

- 製造及銷售有縫焊接鋼管及提供相關製造服務
- 物業發展及投資

董事認為，本公司的控股公司及最終控股公司為Bournam Profits Limited（「Bournam」），該公司於英屬處女群島註冊成立。

關於附屬公司之資料

本公司主要附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊／成立及 營業地點	Issued ordinary/ registered share capital 已發行普通股／ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Crown Central Holdings Limited 光中集團有限公司	Hong Kong 香港	HK\$1,000 1,000港元	—	100	Trading of steel pipes 鋼管貿易
Chu Kong Steel Pipe Group Co., Ltd. 珠江鋼管集團有限公司	Hong Kong 香港	HK\$100,000 100,000港元	—	100	Investment holding and trading of steel pipes 投資控股及鋼管貿易
Panyu Chu Kong Steel Pipe Co., Ltd. 番禺珠江鋼管有限公司	The PRC/ Mainland China 中國／中國內地	HK\$1,550,000,000 1,550,000,000港元	—	100	Manufacture and sale of welded steel pipes 製造及銷售有縫焊接鋼管
Guangzhou Pearl River Petrol-Fittings Co., Ltd. 廣州珍珠河石化管件有限公司	The PRC/ Mainland China 中國／中國內地	HK\$5,000,000 5,000,000港元	—	100	Manufacture and sale of petro fittings 製造及銷售石化管件
Guangzhou Pearl River OCTG Co., Ltd. 廣州珍珠河石油套管有限公司	The PRC/ Mainland China 中國／中國內地	HK\$21,000,000 21,000,000港元	—	100	Manufacture and sale of oil country tubular goods 製造及銷售石油管材

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊／成立及 營業地點	Issued ordinary/ registered share capital 已發行普通股／ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Guangzhou Pearl River Petroleum Steel Pipe Coating Co., Ltd. 廣州珍珠河石油鋼管防腐 有限公司	The PRC/ Mainland China 中國／中國內地	HK\$10,000,000 10,000,000港元	—	100	Steel pipe casing and lining services 鋼管防護及 內壁塗層服務
Guangzhou Pearl River Petroleum Steel Pipe Co., Ltd. 廣州珍珠河石油鋼管有限公司	The PRC/ Mainland China 中國／中國內地	HK\$50,000,000 50,000,000港元	—	100	Manufacture and sale of welded steel pipes 製造及銷售有縫 焊接鋼管
Panyu Chu Kong Steel Pipe (Lianyungang) Co., Ltd. ("PCKSP (Lianyungang)") 番禺珠江鋼管(連雲港) 有限公司(「番禺珠江鋼管 (連雲港)」)	The PRC/ Mainland China 中國／中國內地	RMB1,100,000,000 人民幣 1,100,000,000元	—	100	Manufacture and sale of welded steel pipes 製造及銷售有縫 焊接鋼管
Guangzhou Panyu Chu Kong Hualong Petroleum Steel Pipe Anti-Corrosion Co., Ltd. ("Hualong Anti-Corrosion") 廣州市番禺珠江華龍石油鋼管 防腐有限公司 (「華龍防腐」)	The PRC/ Mainland China 中國／中國內地	RMB20,600,000 人民幣20,600,000元	—	100	Steel pipe casing and lining services 鋼管防護及內壁 塗層服務

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊／成立及 營業地點	Issued ordinary/ registered share capital 已發行普通股／ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Panyu Chu Kong Steel Pipe (Zhuhai) Co., Ltd. 番禺珠江鋼管(珠海)有限公司	The PRC/ Mainland China 中國／中國內地	HK\$686,760,000 686,760,000港元	—	100	Manufacture and sale of welded steel pipes 製造及銷售有縫 焊接鋼管
Lianyungang Kaidi Heavy Equipment Technology Co., Ltd. ("Kaidi") 連雲港凱帝重工科技有限公司 (「凱帝」)	The PRC/ Mainland China 中國／中國內地	RMB470,000,000 人民幣 470,000,000元	—	100	Manufacture and sale of steel pipe equipment and metallurgy equipment 製造及銷售鋼管 設備及冶金設備
Lianyungang Pearl River Petrol-Fittings Co., Ltd. 連雲港珍珠河石化管件 有限公司	The PRC/ Mainland China 中國／中國內地	HK\$303,000,000 303,000,000港元	—	100	Manufacture and sale of petro fittings 製造及銷售石化管件
Lianyungang Aike New Construction Materials Co., Ltd. ("Aike") 連雲港艾可新型建材有限公司 (「艾可」)	The PRC/ Mainland China 中國／中國內地	RMB100,000,000 人民幣 100,000,000元	—	100	Manufacture and sale of tubular piles 製造及銷售管材

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊／成立及 營業地點	Issued ordinary/ registered share capital 已發行普通股／ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Guangdong Pearl Steel Investment Management Co., Ltd. ("Pearl Steel Investment") 廣東珠鋼投資管理有限公司 (「珠鋼投資」)	The PRC/ Mainland China 中國／中國內地	RMB50,000,000 人民幣50,000,000元	—	100	Property development and investment 物業開發及投資
Nanjing Rongyu Group Co., Ltd ("Nanjing Rongyu Group") 南京鎔裕集團有限公司 (「南京鎔裕集團」)	The PRC/ Mainland China 中國／中國內地	RMB75,000,000 人民幣75,000,000元	—	100	Market management of steel products 鋼材產品之市場管理
Nanjing City Qixia Hill Roll Steeling Co., Ltd. ("Nanjing City Qixia Hill") 南京市棲霞山軋鋼有限公司 (「南京市棲霞山」)	The PRC/Mainland China 中國／中國內地	RMB20,316,500 人民幣20,316,500元	—	100	Manufacture and sale of screw-thread steels 製造及銷售螺紋鋼材
Chu Kong Steel Pipe (Nanjing) Co., Ltd. 珠江鋼管(南京)有限公司	The PRC/ Mainland China 中國／中國內地	HK\$230,000,000 230,000,000港元	—	100	Manufacture and sale of welded steel pipes 製造及銷售有縫焊接鋼管
PCK Steel Middle East FZE	Dubai 杜拜	AED1,000,000 1,000,000迪拉姆	—	100	Trading of steel products 買賣鋼材產品

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name 公司名稱	Place of incorporation/ registration and business 註冊／成立及 營業地點	Issued ordinary/ registered share capital 已發行普通股／ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
View Sharp International Limited 景鋒國際有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100	Investment holding 投資控股
Ningbo Sanhe Steel Pipe Co., Ltd. ("Ningbo Sanhe") 寧波三合鋼管有限公司 (「寧波三合」)	The PRC/ Mainland China 中國／中國內地	RMB20,000,000 人民幣20,000,000元	—	51	Manufacture and sale of welded steel pipes 製造及銷售有縫焊接鋼管
Guangzhou Zhu Gang Property Management Co., Ltd. ("Zhu Gang Property Management") 廣州珠鋼物業管理有限公司 (「珠鋼物業管理」)	The PRC/ Mainland China 中國／中國內地	RMB5,000,000 人民幣5,000,000元	—	100	Property management 物業管理
Pabo Detection Technology Service Co., Ltd. ("Pabo Detection") 帕博檢測技術服務有限公司 (「帕博檢測」)	The PRC/ Mainland China 中國／中國內地	RMB60,000,000 人民幣60,000,000元	—	100	Detection technology service 檢測技術服務

1. 公司及集團資料(續)

關於附屬公司之資料(續)

本公司主要附屬公司之詳情如下:(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRSs issued by the IASB, International Accounting Standards and Standing Interpretations Committee Interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment property which has been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準

該等財務報表乃根據由國際會計準則理事會頒佈的國際財務報告準則、國際會計準則理事會批准並維持有效之國際會計準則及常務詮釋委員會詮釋及香港公司條例之披露規定編製。其乃以歷史成本慣例編製，惟投資物業按公平值計量。該等財務報表以人民幣（「人民幣」）呈列，除另有列明者外，所有數值已湊整至最接近千元。

綜合基準

綜合財務報表包括本集團截至二零一六年十二月三十一日止年度之財務報表。附屬公司指本公司直接或間接控制之實體（包括結構性實體）。當本集團能透過其參與承擔或享有投資對象可變回報之風險或權利，並能夠向投資對象使用其權力影響回報金額（即現有權利可使本集團能於當時指揮投資對象之相關活動），即代表本集團擁有投資對象之控制權。

當本公司直接或間接擁有少於投資對象大多數投票權或類似權利時，於評估本集團對該投資對象是否擁有權力時，本集團考慮所有相關事實及情況，包括：

- (a) 與該投資對象之其他投票權擁有人之合約安排；
- (b) 其他合約安排產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司財務報表的涵蓋期間與本公司相同，並採用一致的會計政策編製。附屬公司的業績由本集團取得控制權之日起綜合計算，直至不再擁有上述控制權之日為止。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

綜合基準 (續)

損益及其他全面收益的各組成部分歸屬於本集團母公司擁有人及非控股權益，即使此舉引致非控股權益有虧絀結餘。所有有關本集團各成員公司間之交易之集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合計算時全數抵銷。

倘事實及情況顯示如上文所述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制投資對象。並無失去控制權之附屬公司擁有權益變動以股本交易入賬。

倘本集團失去對附屬公司之控制權，則終止確認 (i) 該附屬公司之資產 (包括商譽) 及負債，(ii) 任何非控股權益之賬面值及 (iii) 於權益內記錄之累計匯兌差額；及確認 (i) 已收代價之公平值，(ii) 所保留任何投資之公平值及 (iii) 損益中任何因此產生之盈餘或虧損。先前已於其他全面收入內確認之本集團應佔部分重新分類至損益或留存溢利 (如適用)，基準與本集團直接出售相關資產或負債所需使用之基準相同。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis

The Group recorded a consolidated loss of RMB1,498,998,000 (2015: profit of RMB25,511,000) for the year ended 31 December 2016. Excluding the impairment of RMB615,505,000, the Group recorded a consolidated net loss of RMB883,493,000 for the year, which included (i) provision for impairment of trade and other receivables amounting to RMB72,124,000 (2015: write-back of RMB15,452,000); (ii) provision for inventories in respect of the write-down to net realisable value amounting to RMB27,131,000 (2015: RMB10,779,000); and (iii) impairment of property, plant and equipment and goodwill amounting to RMB516,250,000 (2015: nil). These non-cash items had not affected the Group's operating cash flows. The Group had net cash inflows in operating activities of approximately RMB963,118,000 (2015: RMB100,845,000).

As at 31 December 2016, the Group recorded net current liabilities of RMB2,724,055,000 (2015: RMB393,756,000), included therein was the bank and other borrowings of RMB4,374,936,000 (2015: RMB2,853,246,000) which were due for repayment or renewal within the next twelve months after 31 December 2016.

In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group implemented or is in the process of implementing the following measures:

2.1 編製基準 (續)

持續經營基準

於截至二零一六年十二月三十一日止年度，本集團錄得綜合虧損人民幣1,498,998,000元（二零一五年：溢利人民幣25,511,000元）。倘不計及減值人民幣615,505,000元，本集團年內錄得綜合虧損淨額人民幣883,493,000元，其中包括(i)貿易及其他應收款項減值撥備人民幣72,124,000元（二零一五年：撥回人民幣15,452,000元）；(ii)有關撇減可變現淨值之存貨撥備人民幣27,131,000元（二零一五年：人民幣10,779,000元）；及(iii)物業、廠房及設備以及商譽減值人民幣516,250,000元（二零一五年：無）。該等非現金項目並無影響本集團之經營現金流量。本集團有經營活動現金流入淨額約人民幣963,118,000元（二零一五年：人民幣100,845,000元）。

於二零一六年十二月三十一日，本集團錄得流動負債淨額人民幣2,724,055,000元（二零一五年：人民幣393,756,000元），其中包括銀行及其他借貸人民幣4,374,936,000元（二零一五年：人民幣2,853,246,000元），其須到期償還或於二零一六年十二月三十一日後未來十二個月內重續。

鑒於該等情況，本公司董事已考慮本集團之未來流動資金及表現以及其可用融資來源，以評估本集團是否將具備持續經營之充足財務資源。

為改善本集團之流動資金及現金流量以維持本集團持續經營，本集團已實施或正在實施以下措施：

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

(1) *Active negotiations with banks to obtain adequate bank borrowings to finance the Group's operations*

Subsequent to 31 December 2016 and up to the date of this report, the Group repaid bank loans of RMB10,000,000, obtained new short term bank loans of RMB840,977,000 and renewed the existing loans with the banks which amounted to RMB270,327,000.

The Group will continue to actively negotiate with the banks for the renewal of the Group's borrowings when they fall due or obtain additional source of finance to meet the Group's working capital and financial requirements in the near future. The directors of the Company have evaluated all the relevant facts available to them and are of the opinion that they have a good track record or relationship with the banks which will enhance the Group's ability to renew the Group's loans upon expiry.

(2) *Active negotiations with debtors on outstanding receivables*

Management is actively following up with its debtors on outstanding receivables with an aim of agreeing a repayment schedule with each of them.

(3) *Exploring alternative source of capital*

Management is considering co-operation with business partners to further develop and promote derived products or services which have high gross margins and thus generate stronger positive cash flows.

2.1 編製基準 (續)

持續經營基準 (續)

(1) *積極與銀行磋商以取得足夠的銀行借貸為本集團經營撥資*

於二零一六年十二月三十一日後直至本報告日期，本集團償還銀行貸款人民幣10,000,000元，取得新短期銀行貸款人民幣840,977,000元並與銀行重續現有貸款人民幣270,327,000元。

本集團將繼續積極與銀行磋商，以當本集團之借貸到期時對其進行重續或取得額外資金來源以滿足本集團於不遠將來之營運資金及財務需求。本公司董事已對其所知之所有有關事實進行評估，並認為彼等擁有良好的往績記錄及與銀行關係良好，而於本集團貸款到期時，此將可提高本集團重續該等貸款之能力。

(2) *就未償還應收款項積極與債務人磋商*

管理層正在就未償還應收款項積極與債務人進行接洽，以與彼等各自協定還款時間。

(3) *探索替代資本來源*

管理層正考慮與業務夥伴進行合作，以進一步開發及推廣毛利率可觀之衍生產品及服務，從而產生強勁之正向現金流。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

(4) *Improvement of the Group's operating cash flows*

The Group is taking measures to tighten cost control over various production costs and expenses with the aim to attain profitable and positive cash flow operations.

The directors of the Company have prepared a cash flow forecast for the Group which covers a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned plans and measures, coupled with the rebound of the market demand of the Group's major products since the second half of 2016 and up to the date of this report and the pre-sale of the second phase of Golden Dragon City Fortune Plaza ("GDC") which is expected to commence in late 2017, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the consolidated financial statements of the Group have been prepared on a going concern basis.

The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the successful and favourable outcomes of the steps being taken by the directors as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at the amounts other than which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2.1 編製基準 (續)

持續經營基準 (續)

(4) *改善本集團經營現金流量*

本集團正在採取措施，加強對各項生產成本及開支的成本控制，以繼續獲利及維持正向現金流。

本公司董事已編製本集團涵蓋由報告期末起計十二個月期間的本集團現金流量預測。考慮到上述計劃及措施以及自二零一六年下半年起及直至本報告日期本集團主要產品之市場需求反彈及金龍城財富廣場（「金龍城」）第二期預期將於二零一七年年底開始預售，董事認為本集團將具備足夠的營運資金以撥付其營運所需，並能履行其到期財務責任。因此，本集團已按持續經營基準編製綜合財務報表。

編製綜合財務報表所依據之持續經營假設之有效性乃取決於上述各項董事所採取步驟之成功及利好結果。

倘持續經營的假設並不恰當，則可能需要作出調整以反映資產可能須按並非目前於綜合財務狀況表入賬的金額變現的情況。此外，本集團可能須就任何可能產生之進一步負債作出撥備，及分別將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整之影響並無於綜合財務報表內反映。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to IFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
IFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to IAS 1	<i>Disclosure Initiative</i>
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	<i>Amendments to a number of IFRSs</i>

The application of these new and revised standards in the current year has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2.2 會計政策變動及披露

本集團於本年度之綜合財務報表已首次採納下列經修訂準則：

國際財務報告準則第10號修訂本、國際財務報告準則第12號修訂本及國際會計準則第28號修訂本	投資實體：應用綜合入賬之例外情況
國際財務報告準則第11號修訂本	收購合營業務權益之會計法
國際財務報告準則第14號	監管遞延賬戶
國際會計準則第1號修訂本	披露計劃
國際會計準則第16號修訂本及國際會計準則第38號修訂本	澄清折舊及攤銷之可接受方法
國際會計準則第16號修訂本及國際會計準則第41號修訂本	農業：生產性植物
國際會計準則第27號修訂本	獨立財務報表之權益法
二零一二年至二零一四年週期之年度改進	國際財務報告準則之若干修訂

本年度應用該等新訂及經修訂準則對本集團於本期間及過往期間的財務表現及狀況及／或該等綜合財務報表所載的披露資料並無重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 9	<i>Financial Instruments</i> ¹
IFRS 15	<i>Revenue from Contracts with Customers</i> ¹
IFRS 16	<i>Leases</i> ²
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ⁴
Amendments to IAS 7	<i>Disclosure Initiative</i> ⁴
Amendments to IAS 40	<i>Transfers of Investment Property</i> ¹
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ⁵
Amendments to IFRSs	<i>Annual Improvements to IFRSs 2014-2016 Cycle</i> ⁶

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ No mandatory effective date yet determined but available for adoption

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018

⁶ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

2.3 已頒佈但尚未生效之國際財務報告準則

於此等財務報表中，本集團並無應用以下已頒佈但尚未生效之新訂及經修訂國際財務報告準則：

國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第15號	來自客戶合約之收入 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告詮釋委員會詮釋第22號	外幣交易及墊付代價 ¹
國際財務報告準則第2號修訂本	以股份付款交易的分類及計量 ¹
國際財務報告準則第15號修訂本	澄清國際財務報告準則第15號來自客戶合約之收入 ¹
國際財務報告準則第10號及國際會計準則第28號修訂本	投資者與其聯營公司或合營公司之間出售或注入資產 ³
國際會計準則第12號修訂本	就未實現虧損確認遞延稅項資產 ⁴
國際會計準則第7號修訂本	披露計劃 ⁴
國際會計準則第40號修訂本	轉讓投資物業 ¹
國際財務報告準則第4號修訂本	在國際財務報告準則第4號「保險合約」下應用國際財務報告準則第9號「金融工具」 ⁵
國際財務報告準則修訂本	國際財務報告準則二零一四年至二零一六年週期之年度改進 ⁶

¹ 由二零一八年一月一日或之後開始之年度期間生效

² 由二零一九年一月一日或之後開始之年度期間生效

³ 尚未釐定強制生效日期惟可供採納

⁴ 由二零一七年一月一日或之後開始之年度期間生效

⁵ 選擇就合資格金融資產追溯應用疊加方法的實體於其首次應用國際財務報告準則第9號時應用疊加方法。選擇應用遞延方法的實體於二零一八年一月一日或之後開始的年度期間應用遞延方法

⁶ 於二零一七年一月一日或二零一八年一月一日（如適用）或之後開始之年度期間生效

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets.

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. Based on the preliminary analysis, the Group anticipates that the adoption of IFRS 15 in the future is unlikely to have significant impact on the recognition of revenue.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. For lessee accounting, the standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. For lessor accounting, the standard substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS16 upon adoption.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

預計本集團適用的國際財務報告準則的其他資料如下：

於二零一四年七月，國際會計準則委員會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替國際會計準則第39號及全部先前版本的國際財務報告準則第9號。該準則引入分類及計量、減值及對沖會計法的新規定。本集團預期由二零一八年一月一日起採納國際財務報告準則第9號。本集團預期採納國際財務報告準則第9號將對本集團金融資產的分類及計量產生影響。

國際財務報告準則第15號建立一個新的五步模式，將自客戶合約產生的收入入賬。根據國際財務報告準則第15號，收入按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收入總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收入確認的規定。根據初步分析，本集團預期採納國際財務報告準則第15號日後將不會對收入確認產生重大影響。

國際財務報告準則第16號載列有關確認、計量、呈列及披露租賃之原則。對於承租人的會計處理，該準則引入單一承租人的會計模式，並要求承租人確認全部12個月以上年期的租賃的資產和負債，除非該相關資產屬低價值資產。該準則要求承租人確認資產的使用權（即使用該相關租賃資產的權利）及租賃負債（即其支付租金的義務）。對於出租人的會計處理，該準則大體上承接國際會計準則第17號對出租人的會計要求。因此，出租人須繼續將其租賃分類為經營租賃或融資租賃，並為該兩類租賃作出不同會計處理。本集團預期於二零一九年一月一日採納國際財務報告準則第16號且現正評估採納國際財務報告準則第16號之影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's investment in the joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the joint venture is included as part of the Group's investment in a joint venture.

If an investment in a joint venture becomes an investment in an associate or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 主要會計政策概要

於合營公司之投資

合營公司為一項合營安排，據此，擁有安排共同控制權的人士均有權享有合營公司的資產淨值。共同控制為合約協定應佔安排控制權，其僅在相關活動決策必須獲應佔控制權的人士一致同意方存在。

本集團於合營公司之投資乃根據權益會計法計算本集團所佔資產淨值減去任何減值虧損後在綜合財務狀況表上列賬。

本集團所佔合營公司的收購後業績及其他全面收益，分別計入綜合損益表及綜合全面收益表內。此外，倘合營公司權益項內直接確認一項變動，本集團於綜合權益變動表內確認任何有關變動的所佔部分（如適用）。本集團與其合營公司進行交易所產生的未變現盈虧乃按本集團於合營公司投資之相關部分作抵銷，惟未變現虧損證明已轉讓資產出現減值情況則除外。收購合營公司產生之商譽納入作為本集團對合營公司之部分投資。

倘若於合營公司之投資變成於聯營公司之投資（反之亦然），則保留權益不予以重新計量。相反，該投資繼續按權益法計算入賬。在其他所有情況下，於失去對聯營公司的重大影響力或對合營公司共同控制的情況下，本集團按其公平值計量及確認其任何剩餘投資。聯營公司或合營公司於失去重大影響力或共同控制時的賬面值與剩餘投資及出售所得款項的公平值之間的任何差額乃於損益內確認。

倘於合營公司之投資分類為持作銷售，則其根據國際財務報告準則第5號持作銷售之非流動資產及已終止經營業務入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併採用收購法入賬。轉讓之代價乃以收購日期之公平值計算，該公平值為本集團轉讓之資產、本集團向被收購方之前度擁有人承擔之負債，及本集團就換取被收購方控制權所發行股本權益於收購日期之公平值總額。於各業務合併中，本集團選擇是否以公平值或被收購方可識別資產淨值的應佔比例，計算於被收購方的非控股權益（為現時所有權權益並賦予擁有人權利於清盤時按比例分佔實體的淨資產）。非控股權益之一切其他部分乃按公平值計量。收購相關成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之金融資產及負債，以作出適合之分類及指定，其中包括將被收購方主合約中之嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前所持股本權益按其收購日期之公平值重新計量，及任何因此所得盈虧於損益確認。

收購方將予轉讓之任何或然代價將於收購日期按公平值確認。分類為一項資產或負債的或然代價按公平值計量，公平值變動於損益確認。分類為權益的或然代價將不予重新計量及其後結算於權益中入賬。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Business combinations and goodwill (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

商譽初步按成本計算，即已轉讓總代價、已就非控制權益確認的數額及本集團先前持有被收購方股本權益之任何公平值總額，超逾所收購可識別淨資產及所承擔負債之差額。如有關代價及其他項目總額低於所收購淨資產的公平值，於重新評估後其差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。每年對商譽的賬面值有否出現減值進行測試，或如出現任何事件或情況轉變而顯示賬面值可能出現減值，則更頻密地進行測試。本集團於十二月三十一日對商譽進行年度減值測試。就減值測試而言，在業務合併所收購的商譽自收購當日起分配至本集團預期會受惠於合併的協同效益的各個現金產生單位或各組現金產生單位，而不論本集團其他資產或負債有否指定撥往該等單位或單位組別。

減值數額通過評估商譽所屬的現金產生單位（或現金產生單位組別）的可收回金額而釐定。倘若現金產生單位（或現金產生單位組別）的可收回金額低於賬面值，則確認減值虧損。已確認的商譽減值虧損不會於其後期間撥回。

倘若商譽分配至現金產生單位（或現金產生單位組別）及出售單位內業務的一部分，則於釐定出售時的盈虧時，有關所出售業務的商譽將計入業務的賬面值。在此情況下出售的商譽根據所出售業務的相關價值及所保留的現金產生單位部分而計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Fair value measurement

The Group measures its investment properties at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期末按公平值計量旗下投資物業。公平值乃在市場參與者於計量日期進行之有序交易中出售資產所收取或轉移負債所支付之價格。公平值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場或於未有主要市場的情況下，則於資產或負債的最有利市場進行。主要或最有利市場須為本集團能進入的市場。資產或負債的公平值乃基於市場參與者為資產或負債定價所用的假設計量（假設市場參與者依照彼等的最佳經濟利益行事）。

非金融資產之公平值計量已考慮市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。

本集團使用適用於不同情況的估值方法，而其有足夠資料計量公平值，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

公平值於財務報表計量或披露的所有資產及負債基於對公平值計量整體屬重要的最低輸入數據水平按如下所述在公平值層級中分類：

- 第一級 – 根據相同資產或負債於活躍市場中所報未調整價格
- 第二級 – 根據對公平值計量有重大影響之可直接或間接觀察最低輸入數據之估值方法
- 第三級 – 根據對公平值計量有重大影響之不可觀察最低輸入數據之估值方法

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 主要會計政策概要(續)

公平值計量(續)

對於在本財務報表以經常性方式確認之資產及負債，本集團於各報告期末根據對於公平值計量整體有重大影響之最低輸入數據通過重估分類以確定各層級之間是否出現轉移。

非金融資產減值

倘有跡象顯示出現減值或須就資產進行年度減值測試(存貨、金融資產、投資物業及商譽除外)，則會估計資產之可收回金額。資產之可收回金額按資產或現金產生單位之使用價值及其公平值減出售成本(以較高者為準)計算，並就個別資產而釐定，除非有關資產不能在很大程度上獨立於其他資產或資產組別產生現金流入，在此情況下，可收回金額就資產所屬之現金產生單位而釐定。

倘資產之賬面值高於其可收回金額，方會確認減值虧損。在評估使用價值時，估計之未來現金流量乃按稅前折現率折現至其現值，而稅前折現率乃反映現行市場就貨幣時間價值及資產特定風險之評估。減值虧損將自其產生期間於損益表與減值資產相應之開支類別中扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

2.4 主要會計政策概要 (續)

非金融資產減值 (續)

在各報告期末均會評估有否過往已確認之減值虧損可能不再存在或可能減少之跡象。倘出現該等跡象，則會估計可收回金額。僅當用以釐定資產可收回金額之估計出現變動時，方會將以往確認之商譽以外資產減值虧損撥回，但有關價值並不可高於在過往年度並無就該資產確認任何減值虧損的情況下該資產本來釐定之賬面值（扣除任何折舊／攤銷）。該等減值虧損撥回將於產生期間計入損益表中，惟按重估價值列賬之資產除外，在該情況下，減值虧損撥回乃根據該重估資產之有關會計政策入賬。

關連方

在下列情況下，有關人士將視為本集團的關連方：

- (a) 該方為符合下列情況的人士或該名人士的近親
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 該方為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營公司（或屬另一實體的母公司、附屬公司或同系附屬公司的聯營公司或合營公司）；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies: (Continued)

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 主要會計政策概要(續)

關連方(續)

(b) 該方為符合下列任何條件的實體:(續)

(iii) 該實體及本集團均為同一第三方的合營公司;

(iv) 一間實體為第三方實體的合營公司,而另一實體為該第三方實體的聯營公司;

(v) 該實體為離職後福利計劃,該計劃的受益人為本集團或與本集團有關的實體的僱員;

(vi) 該實體由(a)項所述人士控制或共同控制;

(vii) 於(a)(i)項所述人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員;及

(viii) 該實體或其任何集團成員公司提供主要管理人員服務予本集團或本集團之母公司。

物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及任何使資產達致擬定用途運作狀況及地點而直接應計的成本。

物業、廠房及設備項目投入運作後產生的開支,例如維修保養開支,一般於產生期間自損益表中扣除。倘達到確認標準,則重大檢查的開支於該資產的賬面值資本化為重置資產。倘須定期替換大部分物業、廠房及設備,則本集團會將該等部分確認為有特定可使用年期及折舊的個別資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives and residual values used for this purpose are as follows:

Land and buildings

土地及樓宇

Plant and machinery

廠房及機器

Office and other equipment

辦公室及其他設備

Motor vehicles

汽車

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, plant and machinery under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

折舊按各物業、廠房及設備項目的估計可使用年期以直線法計算，以撇銷成本至其剩餘價值。就此而言，估計可使用年期及剩餘價值如下：

Estimated useful lives 估計可使用年期	Residual values 剩餘價值
5~50 years 5~50年	5%~10%
3~16 years 3~16年	1%~10%
3~16 years 3~16年	1%~10%
4~10 years 4~10年	5%~10%

當物業、廠房及設備項目的部分各有不同可使用年期，該項目的成本按合理基準在各部分中分配，而各部分個別折舊。剩餘價值、可使用年期及折舊方法至少在每個財政年度年結日進行檢討和調整(如適用)。

當出售初步確認的物業、廠房及設備項目包括任何重大部分，或預期使用或出售後不能帶來未來經濟利益時，則其將被終止確認。在終止確認該項資產的同一年度於損益表中確認的出售或報廢的任何盈虧，指有關資產出售所得款項淨額與其賬面值的差額。

在建工程指正在建設中的樓宇、廠房及機器，其按成本減任何減值虧損列賬，且不會折舊。成本包括建設期間的直接建設成本及有關借貸資金之資本化借貸成本。在建工程於工程完成後並備用時，將重新歸入適當類別的物業、廠房及設備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2.4 主要會計政策概要(續)

投資物業

投資物業指於土地及樓宇之權益(包括根據經營租賃持有之一項物業之租賃權益,其符合一項投資物業之定義),其持有以賺取租金收入及/或作資本增值,而非用作生產或供應商品或服務或作行政用途或於一般日常業務作銷售。該等物業初步按成本計值,當中包括交易成本。隨初始確認後,於報告期末投資物業會以公平值入賬以反映市場狀況。

投資物業公平值變更所帶來之溢利或虧損於產生年度計入損益表內。

撤回或出售投資物業之任何溢利或虧損於撤回或出售之年度於損益表內確認。

至於當投資物業轉變為擁有物業或存貨,其後入賬方法是以物業於更改用途日之公平值作為其物業成本。如本集團擁有之物業轉變為投資物業,本集團對該物業入賬時須根據於先前「物業、廠房及設備及折舊」所述之政策於更改用途日入賬,而於當日有關該物業之賬面值及公平值之差額作為重估,須根據於先前「物業、廠房及設備及折舊」所述之政策入賬。就存貨轉撥至投資物業而言,物業於該日期之公平值與其先前賬面值之任何差額乃於損益表內確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Properties under development

Properties under development represent properties being developed for sale and are stated at the lower of cost and net realisable value. Cost comprises the prepaid land lease payments or cost of land together with any other direct costs attributable to the development of the properties and other related expenses capitalised during the development period. Net realisable value is determined by the directors based on the prevailing market prices on an individual property basis less estimated costs of completion and costs to be incurred in selling the property.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. Once the development of these properties is completed, these properties are transferred to completed properties for sale.

Revenue is only recognised upon completion of the development. Sales deposits/instalments received and receivable from purchasers in respect of the pre-sale of properties under development prior to the completion of the development are included in current liabilities.

If a property under development is intended to be redeveloped into an owner-managed property, it is transferred to construction in progress at the carrying amount.

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost includes all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Cost is determined by an apportionment of the total costs of land and buildings attributable to unsold properties. Net realisable value is determined by the directors based on the prevailing market prices on an individual property basis less costs to be incurred in selling the property.

If an item of completed property for sale becomes owner-managed, it is transferred to property, plant and equipment at carrying amount.

2.4 主要會計政策概要(續)

發展中物業

發展中物業指為出售而發展之物業，並按成本及可變現淨值兩者之較低者列賬。成本包括預付地租或土地成本連同發展該等物業應佔之任何其他直接成本，以及在發展期間其他撥入資本之相關開支。可變現淨值乃由董事按個別物業之現行市價減完成估計成本及銷售該物業將產生之成本釐定。

發展中物業被分類為流動資產，除非有關物業發展項目於建設期間將超出正常經營週期竣工。該等物業在發展完成後即轉撥至落成待售物業。

收入須待發展完成後方予以確認。於發展項目落成前就預售發展中物業向買家已收及應收的銷售按金／分期付款，計入流動負債。

倘一項發展中物業擬重新開發成業主管理物業，則其將按賬面值轉撥至在建工程。

落成待售物業

落成待售物業按成本值與可變現淨值兩者之較低者列賬。成本包括所有發展開支、適用貸款成本及該等物業應佔之其他直接成本，根據未售出物業應佔土地及樓宇總成本之比例釐定。可變現淨值由董事按個別物業之現行市價減銷售該物業將產生之成本釐定。

倘一項落成待售物業為業主管理，則其將按賬面值轉撥至物業、廠房及設備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Completed properties for sale (Continued)

For a transfer from an item of completed property for sale to investment property that will be carried at fair value as its use has changed as evidenced by the commencement of an operating lease, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in the statement of profit or loss.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

落成待售物業 (續)

倘一項落成待售物業項目因開始經營租賃而用途發生改變，其將轉撥至按公平值入賬之投資物業，該物業於轉撥當日之公平值與其先前賬面值之任何差額於損益表中確認。

租賃

轉讓本集團資產所有權絕大部分回報及風險（不包括合法業權）的租賃視為融資租賃入賬。訂立融資租賃時，租賃資產的成本會按最低租賃付款的現值（不包括利息部分）撥充資本，連同有關責任一併入賬，以反映相關購買及融資。根據撥作資本的融資租賃持有的資產（包括融資租賃之預付土地租賃付款）計入物業、廠房及設備，於租期及資產估計可用年期之較短的期間內折舊。該等租約的融資成本自損益表扣除，以計算租期內固定的定期收費比率。

透過具融資性質之租購合約收購之資產乃列作融資租賃，惟有關資產按其估計可使用年期予以折舊。

資產所有權的絕大部分回報及風險仍歸於出租人的租約作為經營租賃處理。倘本集團是出租人，由本集團以經營租賃出租之資產會包括在非流動資產內，而經營租賃之應收租金按租約年期以直線法列入損益表中。當本集團為承租人，經營租賃的應付租金在扣除出租人提供的任何獎勵後，於租賃期內以直線法自損益表中扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Leases (Continued)

Prepaid land lease payments represent the cost of land use rights paid to the PRC government authorities. Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, and loans and receivables. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

2.4 主要會計政策概要(續)

租賃(續)

預付土地租金指向中國政府機關支付的土地使用權成本。經營租賃預付土地租金初步按成本列賬，隨後於租賃期內以直線法確認。

投資及其他金融資產

首次確認及計量

金融資產於初始確認時可分類為以公平值於損益列賬的金融資產及貸款及應收款項。本集團於首次確認金融資產時釐定其分類。金融資產於首次確認時按公平值加收購金融資產應佔之交易成本計量，惟按公平值計入損益之金融資產除外。

金融資產的所有一般買賣乃於交易日(即本集團承諾買賣該資產的日期)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產的金融資產買賣。

其後計量

金融資產之其後計量根據其分類如下：

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣的金融資產及初始確認後被指定為按公平值計入損益的金融資產之金融資產。金融資產如以短期出賣為目的而購買，則分類為持作買賣資產。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣金融資產，惟獲指定為有效對沖工具則除外(定義見國際會計準則第39號)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented in profit or loss. These net fair value changes do not include any interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

其後計量 (續)

按公平值計入損益的金融資產 (續)

按公平值計入損益的金融資產乃按公平值於財務狀況報表中計算，而其公平值變動正淨值則確認為其他收入及收益，而其公平值變動負淨值則於收益表中呈列。於收益表內確認的公平值盈虧淨額並不包括有關金融資產所產生的任何利息，有關利息乃根據下文「收入確認」所載的政策予以確認。

只有在符合國際會計準則第39號之標準下，指定為於初次確認後按公平值計入損益之金融資產，方會於初次確認日期列明。

倘衍生工具的經濟特徵及風險與主合約所述者並無密切關係，而主合約並非持作買賣用途或指定按公平值計入損益，主合約的內含衍生工具以個別衍生工具入賬並按公平值記錄。此等內含衍生工具按公平值計量而公平值變動於損益表中確認。倘合約條款變動大幅改變現金流量，方會就所需重新評估或將公平值計入損益的金融資產重新分類。

貸款及應收款項

貸款及應收款項為有固定或可釐定付款且在活躍市場上並無報價的非衍生金融資產。於首次確認後，該等資產其後以實際利率法扣除任何減值撥備按已攤銷成本計量。計算已攤銷成本時會考慮收購所產生的任何折讓或溢價，亦包括作為實際利率一部分的費用或成本。實際利率攤銷計入損益表中的其他收入及收益。減值產生的虧損確認為貸款融資成本及應收款項的其他開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

其後計量 (續)

可供出售金融投資

可供出售金融投資指上市及非上市股本投資及債務證券之非衍生金融資產。分類為可供出售之股本投資指並非分類為持作買賣或指定為透過損益反映公平值之投資。此分類項下之債務證券為擬無限期待持有之債務證券，並可能因應流動資金需求或市況變化而出售。

首次確認後，可供出售金融投資其後按公平值計量，有關未變現盈虧則確認為可供出售投資重估儲備之其他全面收益，直至有關投資終止確認（屆時累計盈虧於損益表之其他收益中確認）或直至資產被釐定為出現減值（屆時相關累計盈虧自可供出售投資重估儲備重新分類至損益表之其他收益或虧損）為止。持有可供出售金融投資所賺取之利息及股息分別呈報為利息收入及股息收入，並根據下文就「收入確認」所載之政策於損益表之其他收益中確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Available-for-sale financial investments (Continued)

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

其後計量 (續)

可供出售金融投資 (續)

倘非上市股本投資之公平值因以下原因而不能可靠計量：(a) 該項投資之合理公平值估算範圍存在重大變動或 (b) 在評估公平值時未能合理評估及使用有關範圍內可能出現之多項估計，則該等投資以成本減任何減值虧損列賬。

本集團評估短期內出售可供出售金融資產之能力及意向是否仍然適當。在少數情況下，倘本集團因市場不活躍而無法交易此類金融資產時，當本集團於可預見未來有能力及有意持有該等資產或持有至到期，則可將其重新分類為金融資產。

倘某項金融資產在可供出售金融資產中重新分類，則重新分類日期之公平值賬面值會成為其新攤銷成本，而該資產原先已計入權益之相關盈虧，在投資之剩餘年期按實際利率攤銷至損益。新攤銷之成本與到期金額之任何差額亦應在該資產之剩餘年期按實際利率攤銷。倘該資產其後釐定減值，原計入權益之金額則重新分類至損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產的一部分)主要在下列情況將被終止確認(即自本集團之綜合財務狀況表中剔除):

- 收取該項資產所得現金流量的權利已經屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量的權利,或根據「轉手」安排承擔在沒有嚴重延誤的情況下向第三方悉數付款的責任,且(a)本集團已轉讓該項資產的絕大部分風險及回報;或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報,但已轉讓該項資產的控制權。

倘本集團已轉讓其自資產收取現金流量的權利或訂立「轉手」安排,會評估其有否保留該項資產擁有權的風險及回報,以及保留程度。倘本集團並無轉讓或保留該項資產的絕大部分風險及回報,亦無轉讓該項資產的控制權,則本集團繼續以本集團持續參與程度為限確認轉讓資產。於該情況下,本集團亦確認相關負債。已轉讓資產及相關負債按能反映本集團所保留權利及責任的基準計量。

就已轉讓資產作出擔保之形式的持續參與乃按資產之原賬面值與本集團須償還之代價上限之較低者計量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Impairment of financial assets

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. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor 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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified 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 yet not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要(續)

金融資產減值

本集團於每個報告期末評估金融資產或一組金融資產有否出現任何減值的客觀證據。倘於初步確認一項金融資產後發生一項或多項事件，而該項虧損事件對該項或該組金融資產的估計未來現金流量所造成的影響能夠可靠地估計，則出現減值。減值證據可包括一名或一群債務人正面臨重大財務困難、拖欠或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量減損，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

就按已攤銷成本列賬的金融資產而言，本集團首先會按個別基準就個別重大金融資產或按組合基準就個別非重大金融資產，個別評估是否出現減值。倘本集團認定按個別基準經評估的金融資產（無論具重要性與否）並無客觀證據顯示存在減值，則該項資產會歸入一組具有相似信貸風險特性的金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值且其減值虧損已予確認或繼續確認入賬的資產不會納入集體減值評估之內。

已識別減值虧損金額按該資產賬面值與估計未來現金流量（不包括未來出現的信貸虧損）現值的差額計量。估計未來現金流量的現值以金融資產的原始實際利率（即首次確認時計算的實際利率）貼現。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬的金融資產 (續)

資產賬面值通過使用備抵賬目沖減，而虧損在損益表中確認。利息收入按經沖減的賬面值持續累計，且採用計量減值虧損時用以貼現未來現金流量的利率累計。當未來可收回的實際機會不大且所有抵押品已變現或轉撥至本集團，貸款及應收款項連同任何相關撥備會被撇銷。

倘於以後的期間，估計減值虧損的金額增加或減少，且有關增減乃因減值確認後發生的事項而產生，則先前確認的減值虧損可通過調整準備賬而增減。倘撇銷於其後收回，則收回數額將於損益表中的其他開支入賬。

可供出售金融投資

就可出售金融投資而言，本集團於各報告期末評估有否客觀證據顯示一項或一組投資減值。

倘可供出售資產已減值，則其成本（扣除任何本金付款及攤銷）與現有公平值之差額，扣除任何先前已於損益表確認之減值虧損，將自其他全面收益移除，並於損益表確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Available-for-sale financial investments (Continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and bills payables, other payables, interest-bearing bank and other borrowings, short term notes and fixed rate bonds.

2.4 主要會計政策概要(續)

可供出售金融投資(續)

倘股本投資分類為可供出售，客觀證據應包括投資公平值大幅或長期低於其成本。「大幅」乃與該項投資之原成本比較後評估，而「長期」則按公平值低於其原成本期間而評估。倘有證據顯示出現減值，按收購成本與現有公平值之差額計量之累計虧損（減過往就該項投資於損益表確認之減值虧損）於其他全面收益中移除，並於損益表中確認。分類為可供出售股本工具之減值虧損不會透過損益表回撥。減值後公平值之增幅乃直接於其他全面收益中確認。

釐定「大幅」或「長期」時須作出判斷。於作出判斷時，本集團會評估（其中包括）一項投資之公平值少於其成本之持續時間或程度。

金融負債

首次確認及計量

金融負債於初始確認時可分類為以公平值於損益表列賬的金融負債、貸款及借貸，或分類為指定作實際對沖的對沖工具的衍生工具（視情況而定）。

所有金融負債於首次確認時以公平值計算，而貸款及借貸則另加直接應佔交易成本。

本集團的金融負債包括貿易應付賬款及應付票據、其他應付款項、計息銀行以及其他借貸、短期融資券及定息債券。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings and short term notes are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要 (續)

金融負債 (續)

其後計量

金融負債的其後計量視乎以下分類：

以公平值於損益表列賬的金融負債

以公平值於損益表列賬的金融負債包括持作買賣金融負債及於首次確認時指定為以公平值於損益表列賬的金融負債。

金融負債如以短期購回為目的而購買，則分類為持作買賣金融負債。此分類包括按國際會計準則第39號定義，並非指定為對沖關係中對沖工具，並由本集團所訂立的衍生金融工具。除非個別嵌入式衍生工具被指定為實際對沖工具，否則亦會分類為持作買賣金融負債。持作買賣負債的盈虧於損益表中確認。於損益表中確認的公平值盈虧淨額並不包括就該等金融負債應付的任何利息。

於初始確認時指定於損益按公平值列賬之金融負債於初始確認當日及符合國際會計準則第39號的條件。

貸款及借貸

於首次確認後，計息貸款及借貸及短期融資券其後以實際利率法按攤銷成本計量，除非貼現的影響微不足道，在此情況下則按成本列賬。終止確認負債及透過實際利率攤銷過程中產生的盈虧於損益表中確認。

計算攤銷成本時會考慮收購所產生的任何折讓或溢價，亦包括作為實際利率一部分的費用或成本。實際利率攤銷計入損益表中的融資成本。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 主要會計政策概要(續)

金融負債(續)

其後計量(續)

財務擔保合約

本集團發行之財務擔保合約乃規定於特定債務人未能按照債務工具條款於到期時支付款項時須支付款項以補償持有人所蒙受損失。財務擔保合約初步以公平值確認為負債，並按與發出擔保有直接關係的交易成本予以調整。在初步確認之後，本集團對財務擔保合約的計量以下列兩者之較高者計算：(i) 於報告期末履行現有責任之最佳估計開支金額；及(ii) 初步確認金額減(如適用)累計攤銷。

終止確認金融負債

當負債項下的責任被解除或取消或屆滿，將終止確認金融負債。

當現有金融負債被同一貸款人以與原有負債條款有重大差別的金融負債取代，或現有負債條款經重大修訂，則上述取代或修訂將視為終止確認原有負債，並確認新負債，而有關賬面值的差額在損益表中確認入賬。

抵銷金融工具

倘現時存在可依法強制執行的權利抵銷已確認金額，且有意以淨額結算或同時變現資產及清償債務，則金融資產及金融負債互相抵銷，並將淨金額列入財務狀況報表內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

2.4 主要會計政策概要(續)

衍生金融工具

首次確認及其後計量

本集團使用遠期貨幣合約及利率掉期等衍生金融工具分別對沖外幣風險及利率風險。該等衍生金融工具首次於訂立衍生合約當日，按公平值確認，隨後按公平值重新計量。當其公平值為正數時，該衍生工具確認為資產；當其公平值為負數時，該衍生工具為負債。

衍生工具之公平值變動所產生之收益或虧損直接於損益表入賬。

流動對非流動分類

並非指定為實際對沖工具的衍生工具被分類為流動或非流動或根據事實及情況之評估，列入流動及非流動部分（即相關已訂約現金流量）。

- 倘本集團預期持有衍生工具作為經濟對沖（而非應用對沖會計）至超過報告期後十二個月之期間，衍生工具會分類為非流動（或分開為流動及非流動部分），以與相關項目的分類一致。
- 與主合約並非密切聯繫的嵌入式衍生工具乃與主合約的現金流量一致分類。
- 定為及為有效對沖工具的衍生工具乃與相關對沖項目的分類一致分類。衍生工具僅於可作出可靠分配時分開為流動部分及非流動部分。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials	Purchase cost on the weighted average basis
Work in progress and finished goods	Cost of direct materials, direct labour and an appropriate proportion of overheads

Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 主要會計政策概要(續)

存貨

存貨按成本值與可變現淨值兩者中的較低者列賬。將各項產品達致當前位置和狀況所產生的成本按以下方式列賬：

原材料	以加權平均基準計算的採購成本
在製品及製成品	直接物料、直接勞工成本及按適當比例的間接費用

可變現淨值乃根據估計售價減任何完成及出售時所產生的估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物指手頭現金及活期存款，以及可隨時轉換為已知金額的現金，所涉及的價值變動風險不屬重大且一般於購入後三個月內到期的短期高流通量投資減須按要求償還之銀行透支，該等項目為本集團現金管理不可分割的部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及定期存款等銀行存款以及與現金性質類似而並無限制其用途的資產。

撥備

倘因過往事件須承擔現時責任(法定或推定)，而履行該責任可能導致未來資源外流，且該責任所涉金額能夠可靠估計，則確認撥備。

倘貼現影響屬重大，則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。貼現價值隨時間而增加之金額計入損益表中的融資成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Income tax

Income tax comprises current and deferred income tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (b) in respect of taxable temporary differences associated with investments in subsidiaries and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

2.4 主要會計政策概要(續)

所得稅

所得稅包括本期及遞延所得稅。與於損益以外確認的項目有關的所得稅於損益以外確認，即於其他全面收益或直接於權益確認。

即期稅項資產及負債乃根據於報告期末已經頒佈或實質上已頒佈的稅率(及稅法)，並考慮本集團營運所在國家通行的詮釋及慣例，按預期可自稅務當局收回或向其支付的金額計算。

遞延稅項按負債法根據於報告期末資產與負債的稅基及其就財務報告而言的賬面值的所有暫時性差異撥備。

所有應課稅暫時性差異均會確認遞延稅負債，惟下列情況除外：

- (a) 倘遞延稅項負債乃在交易中初步確認商譽或資產或負債時產生，而該交易並非業務合併，且於交易時並不影響會計溢利或應課稅溢利或虧損；及
- (b) 就與於附屬公司及合營公司之投資有關的應課稅暫時性差異而言，如暫時性差異的轉回時間可以控制，及暫時性差異於可見將來可能不會被轉回的情況。

所有可扣減暫時性差異及未動用稅項抵免與任何未動用稅務虧損的結轉均被確認為遞延稅資產，已確認遞延稅項資產的條件為可利用應課稅溢利抵扣可扣減暫時性差異、可動用未動用稅項抵免及未動用稅務虧損的結轉，惟下列情況除外：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Income tax (Continued)

- (a) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (b) in respect of deductible temporary differences associated with investments in subsidiaries and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 主要會計政策概要(續)

所得稅(續)

- (a) 倘有關可扣減暫時差額的遞延稅項資產乃在交易中初步確認資產或負債時產生，而該交易並非業務合併，且於交易時並不影響會計溢利或應課稅溢利或虧損；及
- (b) 就與於附屬公司及合營公司之投資有關的可扣減暫時性差異而言，只有在暫時差額有可能在可見將來撥回，而且日後有可能出現應課稅溢利以抵扣該等暫時性差異時，方會確認遞延稅項資產。

遞延稅項資產的賬面值於每個報告期末作出審核，並扣減至當不再可能有足夠應課稅溢利令所有或部分遞延稅項資產被動用為止。未確認的遞延稅項資產於每個報告期末被重估，如有足夠的應課稅溢利可供動用所有或部分遞延稅項資產，則會作出確認。

遞延稅項資產及負債根據於報告期末已經頒佈或實質上已頒佈的稅率（及稅法），以預期適用於相關資產變現或相關負債償還的期間的稅率計算。

倘本集團有法定行使權以即期稅項資產抵銷即期稅項負債，且遞延稅項與同一應課稅實體及稅務機關有關，則遞延稅項資產與遞延稅項負債將予抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to deferred income account and deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of manufacturing services, when underlying services have been rendered;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and

2.4 主要會計政策概要(續)

政府補貼

政府補貼於可合理保證將收到有關補助及將符合所有附帶條文時按其公平值確認。如補貼與開支項目有關，則於所需期間內確認為收入，以按系統基準將補貼與擬補償的成本相配。倘補貼與資產有關，則其公平值會計入遞延收益賬，並自該項資產的賬面值中扣除並透過減少折舊開支方式撥入損益表。

當本集團獲得不含利息或低於市場利率的政府貸款以建設一項合格資產時，如同上述「金融負債」的會計政策的進一步闡明，政府貸款的初始賬面值以實際利率法確認。由不含利息或低於市場利率的政府貸款所獲取利益，即貸款的初始賬面值與實收收益的差異，作為政府補助處理並在相關資產預算可使用年期平均分配計入損益表。

收入確認

如果經濟利益可能會流入本集團，而收入能夠根據下列基準可靠地計算，收入會在綜合收益表確認：

- (a) 銷售貨品，當擁有權的重大風險及回報已轉予買方後確認入賬，惟本集團須不再參與一般與所有權有關的管理及並無維持所售出貨品的實際控制權；
- (b) 製造服務，於提供有關服務時確認；
- (c) 利息收入，按應計基準以實際利率法將金融工具在預計可用年期估計在日後收取的現金正確地貼現至金融資產賬面淨值的利率確認；及

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Revenue recognition (Continued)

- (d) rental income, on a time proportion basis over the lease terms.

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Other benefits

The Group contributes on a monthly basis to defined contribution housing, medical and other benefit plans organised by the PRC government. The PRC government undertakes to assume the benefit obligations of all existing and retired employees under these plans. Contributions to these plans by the Group are expensed as incurred. The Group has no further obligations for benefits for their qualified employees under these plans.

2.4 主要會計政策概要(續)

收入確認(續)

- (d) 租金收入，於租賃年內按時間比例基準計算。

僱員福利

退休金計劃

本集團根據強制性公積金計劃條例為合資格參加定額供款強制性公積金退休福利計劃(「強積金計劃」)的僱員設立強積金計劃。供款乃根據僱員底薪的若干百分比釐定，並於其根據強積金計劃條例成為應付時在損益中扣除。強積金計劃的資產乃與本集團的資產分開，由一家獨立管理的基金持有。本集團的僱主供款於向強積金計劃供款後即全屬僱員所有。

本集團於中國大陸營運的附屬公司的僱員均須參與由當地市政府設立的中央退休福利計劃。該等附屬公司須向中央退休福利計劃作出佔其薪金成本若干比例的供款。供款於根據中央退休福利計劃的規則應付時自損益表中扣除。

其他福利

本集團每月向由中國政府管理的定額供款住房、醫療及其他福利計劃供款。中國政府保證承擔該等計劃下所有現職及退休僱員的福利責任。本集團對該等計劃的供款於產生時支銷。本集團就該等計劃對其合資格僱員並無其他福利方面的責任。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

The Company incorporated in the Cayman Islands uses the Hong Kong dollar as its functional currency. The functional currency of the PRC subsidiaries is RMB. As the Group mainly operates in Mainland China, RMB is used as the presentation currency of the Group. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the end of the reporting period. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

借貸成本

收購、興建或生產合資格資產(即需要大量時間準備以作擬定用途或銷售的資產)應佔的直接借貸成本將會被撥充資本作為該等資產的部分成本。倘資產大致可作預定用途或出售,則該等借貸成本將會停止撥充資本。特定借貸於撥作合資格資產的支出前用作短暫投資所賺取的投資收入,會從撥充資本的借貸成本中扣除。所有其他借貸成本均於產生期間支銷。借貸成本包括利息及實體因借入資金而產生的其他成本。

外幣

本公司於開曼群島註冊成立,港元為本公司的功能貨幣。中國附屬公司之功能貨幣為人民幣。由於本集團主要於中國內地進行業務,故人民幣為本集團呈列貨幣。本集團中實體的外幣交易初步按報告期末適用的功能貨幣匯率入賬。以外幣計值的貨幣性資產及負債乃按報告期末當日的功能貨幣匯率重新換算。因貨幣項目結算或匯兌產生的所有差異於損益表中確認。

根據外幣歷史成本計算的非貨幣項目按首次交易日期的匯率換算。按公平值入賬且以外幣計值的非貨幣性項目,按計量公平值當日的匯率換算。重新換算按公平值計量的非貨幣項目而產生的收益或虧損,按與確認該項目的公平值變動收益或虧損一致的方法處理(即公平值收益或虧損已於其他全面收益或損益確認的項目,其換算差額亦分別於其他全面收益或損益確認)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING

POLICIES (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries and a joint venture are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Group at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司及一間合營公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債已按報告期末適用的匯率換算為本集團的呈列貨幣，其損益表已按年內加權平均匯率換算為人民幣。

由此產生的匯兌差額於其他全面收入確認及於外匯波動儲備累計。出售外國業務時，與該項特定外國業務有關的其他全面收入部分於損益表中確認。

任何由收購外國業務所產生的商譽與對由收購產生的資產及負債的賬面值做出的公平值調整視為外國業務的資產與負債，並以收盤匯率換算。

就編製綜合現金流量表而言，海外附屬公司的現金流量按現金流量產生當日的匯率換算為人民幣。海外附屬公司年內產生的經常性現金流量按年內的加權平均匯率換算為人民幣。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from subsidiaries in Mainland China according to the relevant tax jurisdictions is subject to judgement on the timing and amount of the payment of the dividend. Withholding taxes are only provided for the profits of the subsidiaries in Mainland China which the Group considers that it is probable to be distributed in the foreseeable future.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重要會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，此等判斷、估計及假設會影響收入、支出、資產及負債及其附帶披露的報告款項以及或然負債的披露。該等假設及估計的不確定性可能導致須對未來受影響的資產或負債賬面值作出重大調整。

判斷

於採用本集團的會計政策時，除牽涉估計外，管理層亦作出了以下對財務報表確認金額有最重大影響的判斷：

分派股息所產生之預扣稅

本集團在決定是否應根據有關稅務管轄權就中國內地附屬公司所分派的股息計提預扣稅，乃按支付股息時間及金額而作出判斷。本集團認為，倘若於可預見將來中國內地附屬公司的溢利不獲分派，則毋須計提預扣稅。

投資物業和自用物業的劃分

本集團判斷物業是否符合投資物業的條件，並已制定出此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。憑此，本集團考慮一項物業產生的現金流是否大部分獨立於本集團持有的其他資產。有些物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或提供商品或服務或行政用途而持有。如果這些部分可以分開出售（或按融資租賃分開出租），則本集團對這些部分分開進行會計處理。如果這些部分不能分開出售，則只有在為用於生產或提供商品或服務或行政用途而持有的部分不重大的情況下，該物業才是投資物業。判斷是對各單項物業作出，以確定配套服務是否如此重要而使物業不符合投資物業。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 17.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

3. 重要會計判斷及估計 (續)

估計的不確定因素

涉及日後的主要假設及於報告期末估計不確定因素的其他主要來源(該等假設及不確定因素均存在導致下個財政年度的資產及負債的賬面值出現大幅調整的重大風險)闡述如下。

商譽減值

本集團最少每年一次決定商譽有否減值，此須估計獲分配商譽之帶來現金單元之使用價值。本集團估計使用價值，須要估計帶來現金單元之預期未來現金流量，以及需要選出合適之貼現率，以計算現金流量之現值。詳情於附註17披露。

投資物業之公平值估計

倘缺乏同類物業於活躍市場之現有價格，則本集團會考慮從多個途徑所蒐集資料，包括：

- (a) 不同性質、狀況或地點之物業於活躍市場之現有價格(經調整以反映各項差異)；
- (b) 活躍程度稍遜之市場所提供同類物業近期價格(經調整以反映自按該等價格進行交易當日以來經濟狀況之任何變動)；及
- (c) 根據未來現金流量所作可靠估計預測之經貼現現金流量，此項預測以任何現有租約及其他合約之條款以及(在可行情況下)外來證據(如地點及狀況相同之類似物業現有市場租賃)為憑證，並採用可反映有關現金流量金額及時間不明朗因素當時市場評估之貼現率。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives and residual values of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

3. 重要會計判斷及估計 (續)

估計的不確定因素 (續)

非金融資產減值 (商譽除外)

本集團於各報告期末評估是否有跡象顯示所有非金融資產減值。非金融資產於有跡象顯示可能無法收回賬面值時進行減值測試。當資產或現金產生單位的賬面值超出其可收回金額 (即其公平值減出售成本及其使用價值之間較高者) 時, 則出現減值。公平值減出售成本乃以同類資產公平交易的約束性銷售交易公開數據或可觀察市場價格減出售該資產的增量成本為基準計算。當進行使用價值計算時, 管理層必須估計資產或現金產生單位的預期未來現金流量及選擇合適的貼現率以計算該等現金流量的現值。

物業、廠房及設備的可使用年期及餘值

於釐定物業、廠房及設備的可使用年期及餘值時, 本集團須考慮各項因素, 包括因生產改變或改進引致技術或商業過時、或因對資產的產品或服務輸出的市場需求改變、資產的預期使用情況、預期物理耗損、資產的維修保養及資產的使用受法律或其他類似限制。資產可使用年期的估計是本集團根據以往對用途相若的類似資產的經驗得出。倘物業、廠房及設備項目的估計可使用年期及/或餘值與以往的估計有差異, 將計提額外折舊。可使用年期及餘值於每個財政年度年結日根據環境轉變作出檢討。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves significant management's judgements regarding the future performance of a particular legal entity or tax group in which the deferred tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portions or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amounts of the deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow the utilisation of the carryforward of tax losses, and that the asset balance will be reduced and charged to profit or loss.

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the estimated net realisable value of inventories. The assessment of the write-down required involves management's judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which such estimate has been changed.

Impairment of trade and other receivables

The Group estimates the provisions for impairment of trade and other receivables by assessing their recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgements. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amount of trade and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the provisions at the end of the reporting period.

3. 重要會計判斷及估計 (續)

估計的不確定因素 (續)

遞延稅項資產

所有未動用稅項虧損可確認為遞延稅項資產，惟以根據所有可得的證據，有足夠未來應課稅溢利可動用未動用稅項虧損為限。遞延稅項資產的確認主要涉及有關法定實體或稅務申報相聯實體的未來表現，由管理層作出重大判斷。其他不同因素亦予以評估，以考慮是否有有力的憑證證明部分或全部遞延稅項資產最終有可能會變現，例如存在應課稅暫時性差異、稅務規劃策略及可動用估計稅項虧損的期間。遞延稅項資產的賬面值及有關財務模式與預算會於報告期末檢討，若無足夠有力的憑證證明在可動用期內有足夠應課稅溢利以扣減結轉稅項虧損，屆時將調低資產餘值，並記入損益中。

撇減存貨至可變現淨值

撇減存貨至可變現淨值乃基於該存貨的估計可變現淨值作出。該撇減的評估須涉及管理層判斷及估計。倘實際結果或未來的預期不同於原定估計，則該等差額將於該估計已變更期間內影響該存貨的賬面值及撇減/撥回存貨。

貿易及其他應收款項之減值

本集團透過根據信貸紀錄及當前市況評估貿易及其他應收款項之可收回金額，以估計減值撥備。此須使用估計及判斷。當有事件發生或情況轉變顯示貿易及其他應收款項的結餘不可收回時，該等款項則計提撥備。當預期值異於原估計值時，該差異會影響估計變化期間的貿易及其他應收款項賬面值及減值虧損。本集團於報告期末重新評估撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the steel pipes segment engages in the manufacture and sale of welded steel pipes and the provision of related manufacturing services; and
- (b) the property development and investment segment engages in development of properties for sale and property investment for its rental income potential.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 營運分部資料

就管理而言，本集團按其產品及服務劃分為多個業務單位，並擁有兩個呈報經營分類，載列如下：

- (a) 鋼管分部從事製造及銷售焊接鋼管及提供相關製造服務；及
- (b) 物業開發及投資分部就物業銷售進行物業開發及就潛在物業租金收入進行物業投資。

管理層獨立監察本集團各營運分部的業績，以就資源分配及表現評估作出決定。分部表現乃根據可報告分部的溢利／虧損進行評估，而此乃經調整稅前溢利／虧損之計量。經調整稅前溢利／虧損乃一貫以本集團的稅前溢利／虧損計量，當中並無計及總部及公司的開支。

分部資產不包括未分配總部及公司資產（因該等資產按集團基準管理）。

分部負債不包括未分配總部及公司負債（因該等負債按集團基準管理）。

分部間之銷售及轉移乃參考用作銷售予第三方的售價，按當時市價進行交易。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2016

4. 營運分部資料(續)

截至二零一六年十二月三十一日止年度

		Steel pipes 鋼管 RMB'000 人民幣千元	Property development and investment 物業開發 與投資 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue:	分部收入:			
Sales to external customers	向外部客戶銷售	1,443,487	–	1,443,487
Segment results :	分部業績:	(1,234,235)	(162,772)	(1,397,007)
<i>Reconciliation:</i>	<i>對賬:</i>			
Corporate and other unallocated expenses	公司及其他未分配開支			(10,773)
Finance costs	融資成本			(35,021)
Loss before tax	除稅前虧損			(1,442,801)
Segment assets:	分部資產:	5,044,720	3,913,325	8,958,045
<i>Reconciliation:</i>	<i>對賬:</i>			
Elimination of intersegment receivables	抵銷分部間應收款項			(145,114)
Corporate and other unallocated assets	公司及其他未分配資產			2,142,895
Total assets	總資產			10,955,826
Segment liabilities:	分部負債:	7,197,724	1,745,315	8,943,039
<i>Reconciliation:</i>	<i>對賬:</i>			
Elimination of intersegment payables	抵銷分部間應付款項			(145,114)
Corporate and other unallocated liabilities	公司及其他未分配負債			590,015
Total liabilities	總負債			9,387,940
Other segment information:	其他分部資料:			
Share of a loss of a joint venture	應佔一間合營公司虧損	(1,460)	–	(1,460)
Impairment losses recognised in the statement of profit or loss	於損益表確認之減值虧損	(547,126)	(70,510)	(617,636)
Impairment losses reversed in the statement of profit or loss	於損益表撥回之減值虧損	2,131	–	2,131
Depreciation and amortisation	折舊及攤銷	(202,268)	(424)	(202,692)
Investment in a joint venture	於一間合營公司之投資	37,335	–	37,335
Capital expenditure*	資本開支*	442,893	28,833	471,726

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Year ended 31 December 2015

4. 營運分部資料(續)

截至二零一五年十二月三十一日止年度

		Steel pipes 鋼管 RMB'000 人民幣千元	Property development and investment 物業開發 與投資 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue:	分部收入:			
Sales to external customers	向外部客戶銷售	2,539,178	–	2,539,178
Segment results :	分部業績:	(391,571)	577,887	186,316
<i>Reconciliation:</i>	<i>對賬:</i>			
Interest income	利息收入			1
Corporate and other unallocated expenses	公司及其他未分配開支			(9,422)
Finance costs	融資成本			(32,985)
Profit before tax	除稅前利潤			143,910
Segment assets:	分部資產:	6,070,396	3,404,023	9,474,419
<i>Reconciliation:</i>	<i>對賬:</i>			
Elimination of intersegment receivables	抵銷分部間應收款項			(361,502)
Corporate and other unallocated assets	公司及其他未分配資產			2,960,448
Total assets	總資產			12,073,365
Segment liabilities:	分部負債:	7,590,450	1,097,743	8,688,193
<i>Reconciliation:</i>	<i>對賬:</i>			
Elimination of intersegment payables	抵銷分部間應付款項			(361,502)
Corporate and other unallocated liabilities	公司及其他未分配負債			546,772
Total liabilities	總負債			8,873,463
Other segment information:	其他分部資料:			
Share of a loss of a joint venture	應佔一間合營公司虧損	(582)	–	(582)
Impairment losses recognised in the statement of profit or loss	於損益表確認之減值虧損	(14,358)	–	(14,358)
Impairment losses reversed in the statement of profit or loss	於損益表撥回之減值虧損	19,031	–	19,031
Depreciation and amortisation	折舊及攤銷	(167,155)	(219)	(167,374)
Investment in a joint venture	於一間合營公司之投資	38,790	–	38,790
Capital expenditure*	資本開支*	374,105	145,270	519,375

* Capital expenditure consists of additions to property, plant and equipment, investment properties and intangible assets.

* 資本開支包括添置物業、廠房及設備、投資物業及無形資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Information about steel pipe products and services

The revenue from the major products and services is analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Manufacture and sale of steel pipes:	製造及銷售鋼管：		
LSAW steel pipes	直縫埋弧焊管	949,426	1,455,874
SSAW steel pipes	螺旋焊管	108,259	361,869
ERW steel pipes	電阻焊管	148,376	176,615
Steel pipe manufacturing services:	鋼管製造服務：		
LSAW steel pipes	直縫埋弧焊管	43,149	64,399
SSAW steel pipes	螺旋焊管	13,170	47,393
ERW steel pipes	電阻焊管	2,306	2,565
Others*	其他*	178,801	430,463
		1,443,487	2,539,178

* Others mainly include the manufacture and sale of steel fittings, screw-thread steels and scrap materials, and the trading of equipment and steel plates.

Geographical information

(a) The revenue information based on the locations of the customers is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales to external customers:	向外部客戶銷售：		
Mainland China	中國內地	622,453	1,193,051
America	美洲	327,045	871,025
Middle East	中東	274,307	268,511
Other Asian countries	其他亞洲國家	100,484	120,551
Oceania	大洋洲	105,133	44,561
Africa	非洲	-	37,939
European Union	歐洲聯盟	14,065	3,383
Others	其他	-	157
		1,443,487	2,539,178

(b) Over 90% of the Group's assets and capital expenditure are located in Mainland China.

4. 營運分部資料(續)

鋼管產品及服務資料

主要產品及服務的收入分析如下：

		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
Manufacture and sale of steel pipes:	製造及銷售鋼管：		
LSAW steel pipes	直縫埋弧焊管	949,426	1,455,874
SSAW steel pipes	螺旋焊管	108,259	361,869
ERW steel pipes	電阻焊管	148,376	176,615
Steel pipe manufacturing services:	鋼管製造服務：		
LSAW steel pipes	直縫埋弧焊管	43,149	64,399
SSAW steel pipes	螺旋焊管	13,170	47,393
ERW steel pipes	電阻焊管	2,306	2,565
Others*	其他*	178,801	430,463
		1,443,487	2,539,178

* 其他主要包括製造及銷售鋼質管件、螺紋鋼材及廢料，以及買賣設備和鋼板。

地區資料

(a) 收入資料按客戶所在地區劃分如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales to external customers:	向外部客戶銷售：		
Mainland China	中國內地	622,453	1,193,051
America	美洲	327,045	871,025
Middle East	中東	274,307	268,511
Other Asian countries	其他亞洲國家	100,484	120,551
Oceania	大洋洲	105,133	44,561
Africa	非洲	-	37,939
European Union	歐洲聯盟	14,065	3,383
Others	其他	-	157
		1,443,487	2,539,178

(b) 本集團的資產及資本開支逾90%位於中國內地。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(Continued)

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year is set out below:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Customer A	客戶 A	235,670	694,694
Customer B	客戶 B	169,750	*

* Less than 10%

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the invoiced value of goods sold, net of value-added tax ("VAT") and other sales taxes, after allowances for returns and discounts; and the value of services rendered, net of business taxes and surcharges during the year.

An analysis of the Group's revenue, other income and gains is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入		
Manufacture and sale of welded steel pipes and the provision of related manufacturing services	製造及銷售焊接鋼管及提供相關製造服務	1,443,487	2,539,178
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	16,116	17,433
Subsidy income from the PRC government (note 31)	中國政府的補貼收入(附註31)	20,691	11,323
Compensation	補償	332	57
Rental income	租金收入	-	15
Others	其他	425	393
		37,564	29,221

The subsidy income represents subsidies granted by the local finance bureaus to Panyu Chu Kong Steel Pipe (Lianyungang) Co., Ltd. Panyu Chu Kong Steel Pipe Co., Ltd. and Panyu Chu Kong Steel Pipe (Zhuhai) Co., Ltd. as awards for their products and support for technology advancement. There are no unfulfilled conditions or contingencies relating to such subsidies.

4. 營運分部資料(續)

主要客戶資料

佔本集團年內收益10%或以上之各主要客戶之收益載列如下:

	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
客戶 A	235,670	694,694
客戶 B	169,750	*

* 少於10%

5. 收入、其他收入及收益

收入，指已售貨品的發票價值，扣除增值稅（「增值稅」）及其他銷售稅，並已計入退貨及折扣撥備；而所提供服務的價值，扣除年內營業稅及附加稅。

本集團的收入、其他收入及收益分析如下：

	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
收入		
製造及銷售焊接鋼管及提供相關製造服務	1,443,487	2,539,178
其他收入及收益		
銀行利息收入	16,116	17,433
中國政府的補貼收入(附註31)	20,691	11,323
補償	332	57
租金收入	-	15
其他	425	393
	37,564	29,221

補貼收入乃地方財政局授予番禺珠江鋼管(連雲港)有限公司、番禺珠江鋼管有限公司及番禺珠江鋼管(珠海)有限公司的補貼，用以鼓勵製造優質產品及支持科技進步。該等補貼沒有未達成的條件或任何有關連的或然事項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

6. 除稅前(虧損)/溢利

本集團的除稅前(虧損)/溢利乃經扣除/(計入):

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本		1,096,000	1,865,000
Depreciation	折舊	12	176,661	144,250
Share of a loss of a joint venture	應佔一間合營公司虧損		1,460	582
Amortisation of prepaid land lease payments	預付土地租金攤銷	16	26,031	23,124
Minimum lease payments under operating leases	經營租賃最低租金付款		7,278	9,503
Auditor's remuneration	核數師酬金		3,420	2,667
Exchange (gain)/loss, net:	匯兌(收益)/虧損, 淨額:			
Realised	已變現		19,839	(6,851)
Unrealised	未變現		66,578	60,409
			86,417	53,558
Finance costs	融資成本	7	237,142	237,111
Employee benefit expenses (including directors' remuneration (note 8)):	僱員福利開支(包括董事薪酬(附註8)):			
Wages and salaries	工資及薪金		188,996	242,999
Retirement benefit scheme contributions	退休福利計劃供款		23,160	40,548
Impairment/(reversal of impairment) of trade receivables	貿易應收賬款減值/(撥回減值)		1,614	(17,865)
Impairment of deposits and other receivables*	按金及其他應收款項減值*	23	70,510	2,413
Write-down of inventories to net realisable value*	撇減存貨至可變現淨值*	21	27,131	10,779
Impairment of property, plant and equipment	物業、廠房及設備減值	12	512,175	–
Impairment of goodwill	商譽減值	17	4,075	–
Changes in fair value of investment property	投資物業公平值變動	14	–	(627,882)
Bank interest income	銀行利息收入	5	(16,116)	(17,433)
Research and development costs	研發成本		84,717	102,485

* Included in "Other expenses" in the consolidated statement of profit or loss.

* 計入綜合損益表內「其他費用」。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

7. FINANCE COSTS

An analysis of finance costs is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest on bank and other borrowings (including bonds and short term notes)	銀行及其他借貸利息 (包括債券及短期融資券)	271,891	285,913
Interest on finance leases	融資租賃利息	14,959	22,887
Interest on discounted bills	已貼現票據利息	1,918	2,001
Total interest expense on financial liabilities not at fair value through profit or loss	並非按公平值計入損益之金融負債 所涉及利息開支總額	288,768	310,801
Less: Interest capitalised	減: 資本化利息	(51,626)	(73,690)
		237,142	237,111

7. 融資成本

融資成本分析如下:

8. DIRECTORS' REMUNERATION

Details of directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a),(b),(c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fees	袍金	584	580
Other emoluments:	其他酬金:		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	3,598	5,102
Retirement benefit scheme contributions	退休福利計劃供款	68	68
		3,666	5,170
		4,250	5,750

8. 董事薪酬

年內，董事薪酬之詳情根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露如下:

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

8. DIRECTORS' REMUNERATION (Continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Mr. Chen Ping	陳平先生	198	198
Mr. See Tak Wah	施德華先生	188	184
Mr. Tian Xiao Ren	田曉韜先生	198	198
		584	580

There were no other emoluments payable to the independent non-executive directors during the year (2015: nil).

於年內，概無應付予獨立非執行董事的其他酬金（二零一五年：無）。

(b) Executive directors

(b) 執行董事

		Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contributions	Total remuneration
		袍金 RMB'000 人民幣千元	薪金、津貼及 實物福利 RMB'000 人民幣千元	退休福利計劃 供款 RMB'000 人民幣千元	薪酬總計 RMB'000 人民幣千元
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度				
Executive directors:	執行董事：				
Mr. Chen Chang	陳昌先生	-	1,799	-	1,799
Ms. Chen Zhao Nian	陳兆年女士	-	899	34	933
Ms. Chen Zhao Hua	陳兆華女士	-	900	34	934
		-	3,598	68	3,666
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度				
Executive directors:	執行董事：				
Mr. Chen Chang	陳昌先生	-	2,650	-	2,650
Ms. Chen Zhao Nian	陳兆年女士	-	1,226	34	1,260
Ms. Chen Zhao Hua	陳兆華女士	-	1,226	34	1,260
		-	5,102	68	5,170

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

於年內並無任何董事放棄或同意放棄任何薪酬的安排。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year are analysed as follows:

		Number of employees 僱員數目	
		2016 二零一六年	2015 二零一五年
Directors	董事	3	3
Non-director highest paid employees	非董事最高薪僱員	2	2
		5	5

Details of the remuneration of the above directors are set out in note 8 above. Details of the remuneration of the above non-director highest paid employees during the year are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,118	2,714
Retirement benefit scheme contributions	退休福利計劃供款	33	30
		1,151	2,744

The number of these non-director highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	2	1
HK\$1,600,001 to HK\$2,100,000	1,600,001港元至 2,100,000港元	–	1
		2	2

During the year, no remuneration was paid by the Group to the directors or any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 五名最高薪僱員

本集團於年內的五名最高薪僱員乃分析如下：

		Number of employees 僱員數目	
		2016 二零一六年	2015 二零一五年
Directors	董事	3	3
Non-director highest paid employees	非董事最高薪僱員	2	2
		5	5

上述董事之薪酬詳情載列於上文附註8。上述非董事最高薪僱員於年內的薪酬詳情如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,118	2,714
Retirement benefit scheme contributions	退休福利計劃供款	33	30
		1,151	2,744

下列薪酬範圍的非董事最高薪僱員人數如下：

		Number of employees 僱員數目	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	2	1
HK\$1,600,001 to HK\$2,100,000	1,600,001港元至 2,100,000港元	–	1
		2	2

於年內，本集團概無向該等董事或五名最高薪僱員任何一名支付任何酬金作為吸引加入本集團或加入本集團的獎勵或離職的補償。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES (Continued)

Other than the directors and the five highest paid employees, the number of member of senior management whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2016 二零一六年	2015 二零一五年
HK\$200,001 to HK\$300,000	200,001港元至300,000港元	2	2
HK\$300,001 to HK\$400,000	300,001港元至400,000港元	1	2
HK\$400,001 to HK\$600,000	400,001港元至600,000港元	–	1
		3	5

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company, which was incorporated in the Cayman Islands, is not subject to income tax.

Lessonstart Enterprises Limited (“Lessonstart”) and Lucknow Consultants Limited (“Lucknow”), which were incorporated in the British Virgin Islands, are not subject to income tax.

Crown Central Holdings Limited (“Crown Central”), Chu Kong Steel Pipe Group Co., Limited (“CKSPG”) and View Sharp International Limited (“View Sharp”), which were incorporated in Hong Kong, were subject to profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

9. 五名最高薪僱員 (續)

除董事及五名最高薪僱員外，屬下列薪酬範圍的高級管理層成員人數如下：

10. 所得稅

本集團須就本集團成員公司所處及經營的司法權區所產生或賺取的溢利，按實體基準繳納所得稅。

本公司於開曼群島註冊成立，毋須繳納所得稅。

利事達集團有限公司（「利事達」）及 Lucknow Consultants Limited（「Lucknow」）於英屬處女群島註冊成立，毋須繳納所得稅。

光中集團有限公司（「光中」）、珠江鋼管集團有限公司（「珠江鋼管集團」）及景鋒國際有限公司（「景鋒」）（均在香港註冊成立）於年內在香港產生的估計應課稅溢利須按16.5%的稅率繳納利得稅。

由於本集團於年內並無在香港產生或賺取任何應課稅溢利，故此並無作出香港利得稅撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

10. INCOME TAX (Continued)

PCK Steel Middle East FZE (“PCK(UAE)”), which was incorporated in Dubai, the United Arab Emirates on 20 May 2013, is exempted from corporate income tax for the years from 2013 to 2028 according to the preferential corporate tax policy in Jebel Ali Free Zone in the United Arab Emirates.

Panyu Chu Kong Steel Pipe Co., Ltd. (“PCKSP”), as a High and New Technology Enterprise (“HNTE”) qualified on 16 December 2008 and renewed in 2011 and 2014, was entitled to a reduced tax rate of 15% from 1 January 2014 to 31 December 2016. PCKSP (Lianyungang), as an HNTE qualified on 30 June 2014, is entitled to a reduced tax rate of 15% from 1 January 2014 to 31 December 2016. Panyu Chu Kong Steel Pipe (Zhuhai) Co., Ltd. (“PCKSP(Zhuhai)”), as an HNTE qualified on 30 September 2015, is entitled to a reduced tax rate of 15% from 1 January 2015 to 31 December 2017.

Pursuant to the PRC Income Tax Law and the respective regulations, except for certain preferential tax treatments available to PCKSP, PCKSP (Lianyungang) and PCKSP(Zhuhai), the companies of the Group which operate in Mainland China are subject to Corporate Income Tax (“CIT”) at a rate of 25% on their respective taxable income for the year ended 31 December 2016.

Taxes on profits assessable in Mainland China have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

10. 所得稅 (續)

PCK Steel Middle East FZE (「PCK(UAE)」) 於二零一三年五月二十日於阿拉伯聯合酋長國杜拜註冊成立，根據阿拉伯聯合酋長國杰貝阿里自由貿易區 (Jebel Ali Free Zone) 之優惠企業稅率政策，PCK(UAE) 於二零一三年至二零二八年獲豁免繳納企業所得稅。

番禺珠江鋼管有限公司 (「番禺珠江鋼管」) 於二零零八年十二月十六日獲評為高新技術企業 (「高新技術企業」)，並於二零一一年及二零一四年獲延續有關資格，由二零一四年一月一日至二零一六年十二月三十一日有權享有15%的減免稅率。番禺珠江鋼管 (連雲港) 於二零一四年六月三十日獲評為高新技術企業，由二零一四年一月一日至二零一六年十二月三十一日有權享有15%的減免稅率。番禺珠江鋼管 (珠海) 有限公司 (「番禺珠江鋼管 (珠海)」) 於二零一五年九月三十日獲評為高新技術企業，由二零一五年一月一日至二零一七年十二月三十一日有權享有15%的減免稅率。

根據中國所得稅法及相關法規，除番禺珠江鋼管、番禺珠江鋼管 (連雲港) 及番禺珠江鋼管 (珠海) 獲授若干優惠稅務待遇外，本集團旗下於中國內地經營之公司須按25%的稅率就其各自截至二零一六年十二月三十一日止年度之應課稅收入繳交企業所得稅 (「企業所得稅」)。

根據有關該等稅項的現行法律、詮釋及慣例，中國內地的應課稅溢利的稅項按現行稅率計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

10. INCOME TAX (Continued)

The major components of the income tax expense for the year are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current – Mainland China	即期－中國內地		
Charged for the year	年內支出	469	3,754
Overprovision in prior years	過往年度超額撥備	–	(7,243)
Deferred (note 20)	遞延(附註20)	55,728	121,888
Total tax charge for the year	年內稅項支出總額	56,197	118,399

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory tax rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the Group's effective tax rates, and a reconciliation of the applicable rates to the effective tax rates, are as follows:

Year ended 31 December 2016

		Mainland China		Hong Kong and others		Total	
		中國內地	%	香港及其他地區	%	總計	%
		RMB'000 人民幣千元		RMB'000 人民幣千元		RMB'000 人民幣千元	
Loss before tax	除稅前虧損	(1,225,521)		(217,280)		(1,442,801)	
Tax at the statutory tax rate	按法定稅率計算的稅項	(306,380)	25.0	(26,951)	12.4	(333,331)	23.1
Tax effect of:	稅務影響:						
Lower tax rate for HNTEs	高新技術企業的較低稅率	41,713	(3.4)	–	–	41,713	(2.9)
Expenses not deductible for tax	不可扣稅開支	3,301	(0.3)	–	–	3,301	(0.2)
Adjustment in respect of current tax of previous periods	對過往期間即期稅項之調整	469	(0.0)	–	–	469	(0.0)
Provision for impairment of deferred tax assets	遞延稅項資產之減值撥備	80,497	(6.6)	–	–	80,497	(5.6)
Super-deduction of research and development costs	研發成本超額扣減	(1,538)	0.1	–	–	(1,538)	0.1
Loss attributable to a joint venture	一間合營公司應佔虧損	219	(0.0)	–	–	219	(0.0)
Tax losses not recognised	未確認的稅項虧損	237,916	(19.4)	26,951	(12.4)	264,867	(18.4)
Tax expense at the Group's effective tax rate	按本集團實際稅率的稅項開支	56,197	(4.6)	–	–	56,197	(3.9)

10. 所得稅(續)

年內所得稅開支的主要組成部分如下:

適用於計算除稅前(虧損)/溢利的稅項開支(利用本公司及其大部分附屬公司所在的國家的法定稅率計算)與本集團按實際稅率計算的稅項開支的對賬及適用稅率與實際稅率的對賬如下:

截至二零一六年十二月三十一日止年度

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

10. INCOME TAX (Continued) Year ended 31 December 2015

		Mainland China		Hong Kong and others		Total	
		中國內地		香港及其他地區		總計	
		RMB'000	%	RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元		人民幣千元	
Profit/(loss) before tax	除稅前溢利/(虧損)	286,620		(142,710)		143,910	
Tax at the statutory tax rate	按法定稅率計算的稅項	71,655	25.0	(16,774)	11.8	54,881	38.1
Tax effect of:	稅務影響:						
Lower tax rate for HNTEs	高新技術企業的較低稅率	21,006	7.3	-	-	21,006	14.6
Expenses not deductible for tax	不可扣稅開支	3,665	1.3	-	-	3,665	2.5
Adjustments in respect of current tax of previous periods	對過往期間即期稅項之調整	(7,243)	(2.5)	-	-	(7,243)	(5.0)
Super-deduction of research and development costs	研發成本超額扣減	(2,575)	(0.9)	-	-	(2,575)	(1.8)
Loss attributable to a joint venture	一間合營公司應佔虧損	87	-	-	-	87	0.1
Tax losses not recognised	未確認的稅項虧損	32,612	11.4	15,966	(11.2)	48,578	33.8
Tax expense/(credit) at the Group's effective tax rate	按本集團實際稅率的稅項開支/(抵免)	119,207	41.6	(808)	0.6	118,399	82.3

11. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,011,142,000 (2015: 1,011,142,000) in issue during the year.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the years ended 31 December 2016 and 2015 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2016 and 2015.

10. 所得稅 (續) 截至二零一五年十二月三十一日止年度

11. 母公司普通股本擁有人應佔每股 (虧損) / 盈利

每股基本 (虧損) / 盈利乃根據母公司普通股本擁有人應佔年度 (虧損) / 溢利及年內已發行普通股加權平均數 1,011,142,000 股 (二零一五年: 1,011,142,000 股) 計算。

本集團於截至二零一六年及二零一五年十二月三十一日止年度內並無存在具潛在攤薄效應的已發行普通股，故毋須就攤薄對截至二零一六年及二零一五年十二月三十一日止年度所呈列的每股基本 (虧損) / 盈利金額作出調整。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備

		Land and buildings	Plant and machinery	Office and other equipment	Motor vehicles	Construction in progress	Total
		土地及樓宇	廠房及機器	辦公室及其他設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2016	二零一六年十二月三十一日						
At 31 December 2015 and 1 January 2016:	於二零一五年十二月三十一日及 二零一六年一月一日:						
Cost	成本	664,990	2,554,314	49,804	59,079	1,146,197	4,474,384
Accumulated depreciation and impairment	累積折舊及減值	(75,661)	(622,775)	(36,191)	(18,397)	-	(753,024)
Net carrying amount	賬面淨值	589,329	1,931,539	13,613	40,682	1,146,197	3,721,360
At 1 January 2016, net of accumulated depreciation and impairment	於二零一六年一月一日·扣除累積折舊及減值	589,329	1,931,539	13,613	40,682	1,146,197	3,721,360
Additions	添置	25	4,842	739	1,067	279,481	286,154
Disposals	出售	-	(2,506)	(90)	(3,178)	-	(5,774)
Depreciation provided during the year	年內撥備的折舊	(29,224)	(137,767)	(4,437)	(5,233)	-	(176,661)
Impairment	減值	-	(512,175)	-	-	-	(512,175)
Transfers	轉入	157,391	250,076	-	-	(407,467)	-
Exchange realignment	匯兌調整	-	202	33	131	2,045	2,411
At 31 December 2016, net of accumulated depreciation and impairment	於二零一六年十二月三十一日· 扣除累積折舊及減值	717,521	1,534,211	9,858	33,469	1,020,256	3,315,315
At 31 December 2016:	於二零一六年十二月三十一日:						
Cost	成本	822,406	2,806,251	49,738	55,232	1,020,256	4,753,883
Accumulated depreciation and impairment	累積折舊及減值	(104,885)	(1,272,040)	(39,880)	(21,763)	-	(1,438,568)
Net carrying amount	賬面淨值	717,521	1,534,211	9,858	33,469	1,020,256	3,315,315

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

12. 物業、廠房及設備 (續)

		Land and buildings	Plant and machinery	Office and other equipment 辦公室及 其他設備	Motor vehicles	Construction in progress	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2015	二零一五年十二月三十一日						
At 31 December 2014 and 1 January 2015:	於二零一四年十二月三十一日及 二零一五年一月一日:						
Cost	成本	1,224,617	1,428,456	46,970	58,552	1,413,765	4,172,360
Accumulated depreciation and impairment	累積折舊及減值	(105,503)	(469,377)	(29,528)	(20,245)	-	(624,653)
Net carrying amount	賬面淨值	1,119,114	959,079	17,442	38,307	1,413,765	3,547,707
At 1 January 2015, net of accumulated depreciation and impairment	於二零一五年一月一日， 扣除累積折舊及減值	1,119,114	959,079	17,442	38,307	1,413,765	3,547,707
Additions	添置	1,100	6,504	2,856	4,587	302,847	317,894
Disposals	出售	-	(928)	-	(62)	-	(990)
Depreciation provided during the year	年內撥備的折舊	(51,123)	(84,174)	(6,682)	(2,271)	-	(144,250)
Transfers	轉入	79,453	491,709	-	-	(571,162)	-
Reclassification	重新分類	(559,215)	559,215	-	-	-	-
Exchange realignment	匯兌調整	-	134	(3)	121	747	999
At 31 December 2015, net of accumulated depreciation and impairment	於二零一五年十二月三十一日， 扣除累積折舊及減值	589,329	1,931,539	13,613	40,682	1,146,197	3,721,360
At 31 December 2015:	於二零一五年十二月三十一日:						
Cost	成本	664,990	2,554,314	49,804	59,079	1,146,197	4,474,384
Accumulated depreciation and impairment	累積折舊及減值	(75,661)	(622,775)	(36,191)	(18,397)	-	(753,024)
Net carrying amount	賬面淨值	589,329	1,931,539	13,613	40,682	1,146,197	3,721,360

12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Impairment tests for property, plant and equipment

When any indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each CGU. The CGU is an individual plant or entity. The carrying values of these individual plants or entities were compared to the recoverable amounts of the CGUs, which were based predominantly on value-in-use. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the same cash flow projections of the fifth year. Other key assumptions applied in the impairment tests include the expected product price, demand for the products, product cost and related expenses. Management determined that these key assumptions were based on past performance and their expectations on market development. Further, the Group adopts a pre-tax rate of 15%, that reflects specific risks related to CGUs as discount rate. The assumptions above are used in analysing the recoverable amounts of CGUs within operating segments.

As a result of the impairment assessment, management recognised an impairment loss of RMB512,175,000 against the property, plant and equipment in the steel pipes segment. The impairment charge is recognised in the consolidated statement of profit or loss for the year ended 31 December 2016.

The Group's land and buildings are held under medium term leases and are situated in Mainland China.

Included in the carrying amount of the property, plant and equipment was capitalised interest of RMB308,097,000 (2015: RMB256,471,000) as at 31 December 2016.

Included in the total costs of plant and machinery are certain assets acquired in prior years for which government grants of RMB5,950,000 (2015: RMB5,950,000) were received and deducted from their costs in arriving at their carrying amounts. The original costs of those assets before the deduction of the grants amounted to RMB117,183,000 (2015: RMB117,183,000) as at 31 December 2016.

Details of the Group's property, plant and machinery pledged to secure the Group's bank loans are set out in note 26.

12. 物業、廠房及設備 (續)

物業、廠房及設備之減值測試

倘有出現任何減值跡象，則將根據各現金產生單位對物業、廠房及設備作減值評估。現金產生單位為單個廠房或實體。該等單個廠房或實體的賬面值與現金產生單位的可收回金額作比較，而現金產生單位之可收回金額乃主要根據使用價值計算。使用價值乃根據管理層已批准之五年財政預算採用稅前現金流量預測計算。超出五年期之現金流量乃採用第五年現金流量預測進行推測。減值測試所應用之其他關鍵假設包括預期產品價格、產品需求、產品成本及相關開支。管理層認為該等關鍵假設乃以過往表現及其對市場發展之預期為依據。此外，本集團採用能夠反映相關現金產生單位特定風險之稅前利率15%作為貼現率。上述假設乃用於分析經營分部內現金產生單位之可收回金額。

根據減值評估之結果，管理層確認鋼管分部之物業、廠房及設備之減值虧損為人民幣512,175,000元。減值費用於截至二零一六年十二月三十一日止年度之綜合損益表內確認。

本集團的土地及樓宇位於中國內地，乃根據中期租約持有。

於二零一六年十二月三十一日，物業、廠房及設備之賬面值包括資本化利息為人民幣308,097,000元（二零一五年：人民幣256,471,000元）。

於以往年度收購的若干資產已計入廠房及機器的總成本內，於達致賬面值時，本集團已於其成本中扣除就該等資產獲取的政府補助人民幣5,950,000元（二零一五年：人民幣5,950,000元）。於二零一六年十二月三十一日，該等資產未扣除補助的原成本達至人民幣117,183,000元（二零一五年：人民幣117,183,000元）。

本集團抵押其物業、廠房及機器以擔保本集團銀行貸款的詳情載於附註26。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Certificates of ownership in respect of certain buildings of the Group located in Guangzhou, Zhuhai, Lianyungang and Ningbo with a total net carrying amount of approximately RMB205,455,000 (2015: RMB296,114,000) as at 31 December 2016 have not yet been issued by the relevant PRC authorities. As at the end of the reporting period, the directors were still in the process of obtaining these certificates.

The net carrying amounts of the Group's fixed assets held under finance leases included in the total amounts of plant and machinery at 31 December 2016 were RMB207,544,000 (2015: RMB216,035,000).

13. PROPERTIES UNDER DEVELOPMENT

Carrying amount as at 1 January	於一月一日之賬面值	808,127	–
Transfer from investment property (note 14)	轉撥自投資物業(附註14)	1,196,775	793,196
Additions	添置	228,235	14,931
<hr/>		<hr/>	
Carrying amount as at 31 December	於十二月三十一日之賬面值	2,233,137	808,127
Amount classified as current assets	分類為流動資產之金額	(1,036,362)	(808,127)
<hr/>		<hr/>	
Non-current portion	非流動部分	1,196,775	–

No impairment/reversal of impairment was recognised in the statement of profit or loss and statement of comprehensive income for the year ended 31 December 2016 (2015: nil).

At 31 December 2016, certain of the Group's properties under development with an aggregate carrying amount of RMB442,742,000 (2015: nil) were pledged to secure certain bank and other borrowings granted to the Group (note 26)

All properties under development are situated in Mainland China and were held under long term leases as at 31 December 2016 and 2015.

12. 物業、廠房及設備(續)

於二零一六年十二月三十一日，本集團位於廣州、珠海、連雲港及寧波的若干樓宇尚未獲相關中國政府部門頒發所有權證，該等樓宇的賬面淨值合計約為人民幣205,455,000元(二零一五年：人民幣296,114,000元)。於報告期末，董事正辦理該等證書的申請手續。

於二零一六年十二月三十一日，本集團根據融資租賃持有之固定資產之賬面淨值，已計入涉及廠房及機器之款項總額內，金額為人民幣207,544,000元(二零一五年：人民幣216,035,000元)。

13. 發展中物業

	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
Carrying amount as at 1 January	808,127	–
Transfer from investment property (note 14)	1,196,775	793,196
Additions	228,235	14,931
<hr/>		<hr/>
Carrying amount as at 31 December	2,233,137	808,127
Amount classified as current assets	(1,036,362)	(808,127)
<hr/>		<hr/>
Non-current portion	1,196,775	–

截至二零一六年十二月三十一日止年度，概無於損益表及全面收益表內確認減值/減值撥回(二零一五年：無)。

於二零一六年十二月三十一日，本集團若干賬面總值為人民幣442,742,000元(二零一五年：無)之發展中物業已用作抵押，以取得授予本集團之若干銀行及其他借貸(附註26)。

於二零一六年及二零一五年十二月三十一日，所有發展中物業均位於中國內地，並根據長期租約持有。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

14. INVESTMENT PROPERTY

14. 投資物業

		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
Building in Hong Kong	香港之樓宇		
Carrying amount at 1 January	於一月一日之賬面值	–	6,627
Disposals	出售	–	(6,627)
Carrying amount at 31 December		–	–
Commercial property in Mainland China	中國內地之商用物業		
Carrying amount at 1 January	於一月一日之賬面值	2,306,804	2,327,000
Additions	添置	28,192	145,118
Net gain from a fair value adjustment	公平值調整之收益淨額	–	627,882
Transfer to properties under development (note 13)	轉撥至發展中物業(附註13)	(1,196,775)	(793,196)
Carrying amount at 31 December		1,138,221	2,306,804
		1,138,221	2,306,804

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

14. INVESTMENT PROPERTY (Continued)

The Group's investment property consist of one commercial property in Mainland China, which is held under medium term leases. The directors of the Company have determined that the investment property is commercial asset, based on the nature, characteristics and risks of each property.

Based on the valuation by RHL Appraisal Limited, an independent professionally qualified valuer, at 31 December 2015, the fair value of investment property was RMB2,306,804,000. At 31 December 2016, the fair value of investment property was RMB1,138,221,000 after transferring the second phase of investment property to property under development with effect from 30 December 2016. Each year, the Group's property manager and the chief financial officer decide, after approval from the audit committee, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's property manager and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

14. 投資物業 (續)

本集團的投資物業包括一塊位於中國內地的商用物業，按中期租約持有。基於各項物業的性質特徵及所承受的風險，本公司董事將投資物業釐定為商用資產。

根據獨立專業合資格估值師永利行評值顧問有限公司於二零一五年十二月三十一日之估值，投資物業之公平值為人民幣2,306,804,000元。由二零一六年十二月三十日起第二期投資物業轉至發展中物業後，投資物業於二零一六年十二月三十一日之公平值為人民幣1,138,221,000元。本集團的物業經理及財務總監每年決定外聘估值師之人選，經獲得審核委員會批准後，委任其負責本集團物業之外部估值。甄選條件包括市場知識、聲譽、獨立性及能否維持專業水準。本集團的物業經理及財務總監每年於中期及年度財務報告兩次估值時，與估值師就估值假設及估值結果進行商討。

公平值等級

下表展示本集團投資物業之公平值計量層級：

Fair value measurement as at 31 December 2016 using 於二零一六年十二月三十一日使用以下輸入值計量之公平值					
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total		
於活躍市場 所報價格 (第一級)	重大可 觀察輸入值 (第二級)	重大不可 觀察輸入值 (第三級)	總計		
RMB'000	RMB'000	RMB'000	RMB'000		
人民幣千元	人民幣千元	人民幣千元	人民幣千元		
Recurring fair value measurement for: Commercial property	經常性公平值計量： 商用物業	-	-	1,138,221	1,138,221

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

14. INVESTMENT PROPERTY (Continued) Fair value hierarchy (Continued)

14. 投資物業(續) 公平值等級(續)

Fair value measurement as at 31 December 2015 using
於二零一五年十二月三十一日使用以下輸入值計量之公平值

	Quoted prices in active markets (Level 1) 於活躍市場 所報價格 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可 觀察輸入值 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可 觀察輸入值 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Recurring fair value measurement for: Commercial property	經常性公平值計量： 商用物業	-	-	2,306,804 2,306,804

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2015: nil).

於本年度，第一級與第二級之間並無公平值計量之轉撥，亦無自第三級轉入或轉出(二零一五年：無)。

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

公平值等級第三級內之公平值計量對賬：

		Commercial property 商用物業 RMB'000 人民幣千元
Carrying amount at 1 January 2015	於二零一五年一月一日之賬面值	2,333,627
Additions	添置	145,118
Disposals	出售	(6,627)
Net gain from a fair value adjustment recognised in other income and gains in profit or loss	於損益之其他收入及收益確認之公平值調整之收益淨額	627,882
Transfer to properties under development	轉撥至發展中物業	(793,196)
Carrying amount at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日之賬面值	2,306,804
Additions	添置	28,192
Transfer to properties under development	轉撥至發展中物業	(1,196,775)
Carrying amount at 31 December 2016	於二零一六年十二月三十一日之賬面值	1,138,221

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

14. INVESTMENT PROPERTY (Continued)

Fair value hierarchy (Continued)

The valuations of investment property were arrived at using the direct comparison method by making reference to the comparable sale prices in the relevant locality.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property:

	Valuation techniques 估值技術	Significant unobservable inputs 重大不可觀察輸入值	Range or weighted average 範圍或加權平均	
			2016 二零一六年	2015 二零一五年
Retail	Direct comparison method	Market unit sale rate (RMB/s.q.m.)	6,506~7,836	5,038~10,000
零售	直接比較法	市場單位售價 (每平方米人民幣)		

14. 投資物業(續)

公平值等級(續)

投資物業的估值乃採用直接比較法並參照有關地區可比較的銷售價格而達致。

對投資物業估值而言的估值技術及主要輸入值的概要載列如下：

15. LONG TERM PREPAYMENTS AND DEPOSITS

		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
Prepayments for property, plant and equipment	物業、廠房及設備之預付款項	101,863	166,937
Deposits paid	已付按金	42,719	38,000
		144,582	204,937

15. 長期預付款項及按金

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

16. PREPAID LAND LEASE PAYMENTS

16. 預付土地租金

		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
Carrying amount at 1 January	於一月一日之賬面值	1,107,630	1,074,391
Additions	添置	157,380	56,363
Amortisation provided during the year	年內攤銷撥備	(26,031)	(23,124)
Carrying amount at 31 December	於十二月三十一日之賬面值	1,238,979	1,107,630
Current portion included in prepayments, deposits and other receivables (note 23)	計入預付款項、按金及其他應收款項之即期部分(附註23)	(27,215)	(24,182)
Non-current portion	非即期部分	1,211,764	1,083,448

Details of the Group's leasehold lands that are pledged to secure the Group's bank loans are set out in note 26.

本集團抵押其租賃土地以擔保本集團銀行貸款的詳情載於附註26。

17. GOODWILL

17. 商譽

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost and net carrying amount at 1 January	於一月一日之成本及賬面淨值	4,075	4,075
Impairment during the year	年內減值	(4,075)	-
Net carrying amount at 31 December	於十二月三十一日之賬面淨值	-	4,075

17. GOODWILL (Continued)

Impairment testing of goodwill

Goodwill acquired through a business combination is allocated to the cash-generating unit (the "CGU") of the anti-corrosion business of Hualong Anti-Corrosion for impairment testing.

The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. Based on management's assessment, the carrying amount of Hualong Anti-Corrosion exceeded its recoverable amount as at 31 December 2016. Therefore, an impairment loss of RMB4,075,000 on goodwill was recognised in the consolidated statement of profit or loss for the year ended 31 December 2016.

Assumptions were used in the value in use calculation of the CGU as at 31 December 2016. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – Management has determined the budgeted gross margins based on past performance and its expectations for market development.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the CGU.

Purchase price inflation – Management has considered the possibility of increases in purchase price inflation at rates ranging from 2.0% to 2.5%.

17. 商譽 (續)

商譽減值測試

通過業務合併獲得的商譽分配至華龍防腐的防腐業務現金產生單位(「現金產生單位」)以進行減值測試。

現金產生單位之可回收金額按使用價值計算法釐定。使用價值乃根據管理層批准的五年期財政預算採用現金流量預測計算。根據管理層之評估，華龍防腐之賬面值超過其於二零一六年十二月三十一日之可回收金額。因此，商譽減值虧損人民幣4,075,000元已於截至二零一六年十二月三十一日止年度之綜合損益表內確認。

計算於二零一六年十二月三十一日現金產生單位使用價值採用了假設。以下載列管理層於進行有關商譽減值測試的現金流量預測所依據的各項主要假設：

預算毛利—管理層根據過往表現及預測市場發展釐定預算毛利。

貼現率—所用的貼現率未扣除稅項，並反映有關現金產生單位的特定風險。

採購價通脹—管理層已考慮採購價通脹率上漲2.0%至2.5%的可能性。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

18. INVESTMENT IN A JOINT VENTURE

18. 於一間合營公司之投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	47,541	42,789
Exchange realignment	匯兌調整	(10,206)	(3,999)
		37,335	38,790

Particulars of the Group's joint venture are as follows:

本集團合營公司之詳情列載如下：

Name 名稱	Particulars of issued shares held 所持已發行 股份詳情	Place of registration and business 註冊及 營運地點	Percentage of 百分比			Principal activities 主要業務
			Ownership interest 擁有權益	Voting power 投票權	Profit sharing 應佔溢利	
Al-Qahtani PCK Pipe Company	Registered capital of SR50 million each	Kingdom of Saudi Arabia	50	50	50	Manufacture and sale of welded steel pipes
Al-Qahtani PCK Pipe Company	註冊資本各 50,000,000 沙特里亞爾	沙特 阿拉伯王國				製造及銷售焊接鋼管

The above investment in a joint venture is indirectly held by the Company.

上述於合營公司之投資由本公司間接持有。

Al-Qahtani PCK Pipe Company, which is considered a material joint venture of the Group, acts as the Group's producer and distributor of steel pipes in the Kingdom of Saudi Arabia and is accounted for using the equity method.

Al-Qahtani PCK Pipe Company 被視為本集團之重大合營公司，其代表本集團於沙特阿拉伯王國生產及分銷鋼管，並以權益法入賬。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

18. INVESTMENT IN A JOINT VENTURE (Continued)

The following table illustrates the summarised financial information of Al-Qahtani PCK Pipe Company adjusted for any differences in accounting policies, and reconciled to the carrying amount in the financial statements:

		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
Other receivables	其他應收款項	7,722	2,237
Cash and bank balances	現金及銀行結餘	15,693	77,634
Total current assets	流動資產總值	23,415	79,871
Property, plant and equipment	物業、廠房及設備	565,824	463,328
Total non-current assets	非流動資產總值	565,824	463,328
Amount due to PCKSP	應付番禺珠江鋼管款項	1,191	–
Other payables	其他應付款項	29,842	22,885
Trade payables	貿易應付賬款	7,564	5,182
Current portion of long term loan	長期貸款流動部分	18,544	–
Total current liabilities	流動負債總額	57,141	28,067
Non-current financial liabilities, excluding trade and other payables and provisions	非流動金融負債，不包括貿易應付賬款及其他應付款項及撥備	353,133	345,663
Non-current liabilities	非流動負債	353,133	345,663
Net assets	資產淨值	178,965	169,469

18. 於一間合營公司之投資(續)

下表列示 Al-Qahtani PCK Pipe Company 之財務資料概要，當中已就會計政策任何差異作出調整，並與財務報表所列賬面值對賬：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

18. INVESTMENT IN A JOINT VENTURE (Continued)

18. 於一間合營公司之投資(續)

		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
Reconciliation to the Group's interest in the joint venture:	與本集團於合營公司之權益對賬：		
The profit from contribution of non-monetary assets	非貨幣資產之溢利貢獻	(83,883)	(83,892)
Net assets after reconciliation	對賬後資產淨值	95,082	85,577
Proportion of the Group's ownership	本集團之擁有權比例	50%	50%
Group's share of net assets of the joint venture	本集團應佔合營公司資產淨值	47,541	42,789
Carrying amount of the investment	投資賬面值	47,541	42,789
Administrative expenses	行政費用	(2,920)	(1,164)
Loss and total comprehensive loss for the year	本年度虧損及全面虧損總額	(2,920)	(1,164)

19. AVAILABLE-FOR-SALE INVESTMENT

19. 可供出售投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Unlisted equity investment, at cost less impairment	非上市股本投資，按成本扣除減值	800	800

The unlisted equity investment with a carrying amount of RMB800,000 (2015: RMB800,000) is stated at cost less impairment as the investment does not have quoted a market price in an active market, and the range of reasonable fair value estimates of such investment is so wide that the directors are of the opinion that its fair value cannot be measured reliably. The Group does not intend to dispose of the investment in the near future.

賬面值人民幣800,000元(二零一五年:人民幣800,000元)之非上市股本投資按成本值減減值列賬,因為投資在活躍市場上並無市價報價,而該投資之合理公平值估計之範圍太大,董事認為其公平值未能可靠地計算。本集團並不預期於短期內出售該投資。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

20. DEFERRED TAX Deferred tax assets

20. 遞延稅項 遞延稅項資產

		Impairment of trade and other receivables 貿易及 其他應收款項 減值 RMB'000 人民幣千元	Losses available for offsetting against future taxable profits 可供抵銷 未來應課 稅溢利之虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	1,810	78,687	80,497
Deferred tax charged to the consolidated statement of profit or loss during the year	年內於綜合損益表 扣除的遞延稅項	(1,810)	(78,687)	(80,497)
At 31 December 2016	於二零一六年十二月三十一日	–	–	–

		Impairment of trade and other receivables 貿易及其他應 收款項減值 RMB'000 人民幣千元	Losses available for offsetting against future taxable profits 可供抵銷未來 應課稅溢利之 虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	4,784	57,203	61,987
Deferred tax (charged)/credited to the consolidated statement of profit or loss during the year	年內於綜合損益表(扣除) / 計入 的遞延稅項	(2,974)	21,484	18,510
At 31 December 2015	於二零一五年十二月三十一日	1,810	78,687	80,497

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

20. DEFERRED TAX (Continued)

As at 31 December 2016, the Group had tax losses arising in Hong Kong of RMB372,090,000 (2015: RMB212,652,000), which are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of RMB1,143,459,000 (2015: RMB409,026,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax liabilities

20. 遞延稅項 (續)

於二零一六年十二月三十一日，本集團於香港擁有稅項虧損人民幣372,090,000元（二零一五年：人民幣212,652,000元），該等稅項虧損可無限期用作抵銷出現虧損的公司的未來應課稅溢利。本集團亦於中國內地擁有稅項虧損人民幣1,143,459,000元（二零一五年：人民幣409,026,000元），將於一至五年內到期，以抵銷未來應課稅溢利。由於產生該等虧損的附屬公司已虧損一段時間，且不大可能產生應課稅溢利以抵銷可動用稅項虧損，故並未就該等虧損確認遞延稅項資產。

遞延稅項負債

		Changes in fair value of investment property	Appreciation of property, plant and equipment and lands	Withholding tax	Total
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	602,239	12,466	2,265	616,970
Deferred tax charged to the consolidated statement of profit or loss during the year	年內於綜合損益表扣除的遞延稅項	(24,503)	(266)	–	(24,769)
Gross deferred tax liabilities recognised in the consolidated statement of financial position at 31 December 2016	於二零一六年十二月三十一日 在綜合財務狀況表確認之 遞延稅項負債總額	577,736	12,200	2,265	592,201

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

20. DEFERRED TAX (Continued)

20. 遞延稅項 (續)

		Changes in fair value of investment property	Appreciation of property, plant and equipment and lands 物業、廠房及 設備及 土地升值	Withholding tax 預扣稅	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	461,561	12,733	2,265	476,559
Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year	年內於綜合損益表扣除/ (計入)的遞延稅項	140,665	(267)	–	140,398
Exchange differences	匯兌調整	13	–	–	13
<hr/>					
Gross deferred tax liabilities recognised in the consolidated statement of financial position at 31 December 2015	於二零一五年十二月三十一日 在綜合財務狀況表確認之 遞延稅項負債總額	602,239	12,466	2,265	616,970

Pursuant to the PRC Corporate Income Tax Law, a 10% (or a lower rate if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Since year 2011, no deferred tax has been recognised by the Group for withholding taxes that would be payable on the unremitted earnings of those subsidiaries that are subject to withholding taxes as management considered it is not probable that those subsidiaries will distribute such earnings in the foreseeable future.

根據中國企業所得稅法，倘於中國大陸成立的外資企業向海外投資者宣派股息，須繳納10%（或倘中國內地與外國投資者所屬司法權區的稅務條約規定較低稅率）預扣稅。此規定於二零零八年一月一日生效，並適用於二零零七年十二月三十一日後賺取的盈利。因此，本集團須就中國內地成立之該等附屬公司就二零零八年一月一日起產生之盈利分派的股息繳納預扣稅。

自二零一一年起，本集團概無就須繳付預扣稅之該等附屬公司之未匯出盈利之應付繳納預扣稅確認遞延稅項，因為管理層認為該等附屬公司不大可能在可見將來分派該等盈利。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

21. INVENTORIES

21. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	121,858	254,521
Work in progress	在製品	120,216	230,325
Finished goods	製成品	196,058	342,048
		438,132	826,894
Less: Provision against slow-moving and obsolete inventories	減：滯銷及陳舊存貨撥備	(27,131)	(10,779)
		411,001	816,115

22. TRADE AND BILLS RECEIVABLES

22. 貿易應收賬款及應收票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收賬款	608,491	912,410
Impairment	減值	(12,712)	(11,098)
Trade receivables, net	貿易應收賬款淨值	595,779	901,312
Bills receivables*	應收票據*	22,642	19,831
		618,421	921,143

* As at 31 December 2016, the Group's bills receivables of RMB1,000,000 (2015: nil) were pledged to secure the Group's banking facilities.

* 於二零一六年十二月三十一日，本集團之應收票據為人民幣1,000,000元（二零一五年：無），已用作抵押，以取得本集團之銀行信貸。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

22. TRADE AND BILLS RECEIVABLES (Continued)

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

Within 60 days	60日內
61 to 90 days	61日至90日
91 to 180 days	91日至180日
181 to 365 days	181日至365日
1 to 2 years	1至2年
2 to 3 years	2至3年
Over 3 years	超過3年

22. 貿易應收賬款及應收票據(續)

本集團與其客戶的貿易條款主要為信貸，惟新客戶一般需要預付貨款除外。信貸期一般為期30日至90日。每名客戶有最高信貸限額。本集團擬繼續嚴格監控其未償還應收款額，務求將信貸風險減至最低。逾期欠款由高級管理人員定期審閱。基於上述情況及事實上本集團之貿易應收賬款與大量分散客戶有關，故並無重大信貸集中風險。本集團在其貿易應收賬款結餘方面並無持有任何抵押品或其他提升信用的保障。貿易應收賬款為不計息。

於報告期末，按發票日期為基準及已扣除撥備的貿易應收賬款賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 60 days	60日內	206,449	351,437
61 to 90 days	61日至90日	20,122	43,034
91 to 180 days	91日至180日	88,491	85,475
181 to 365 days	181日至365日	52,332	203,946
1 to 2 years	1至2年	135,429	162,347
2 to 3 years	2至3年	78,347	33,893
Over 3 years	超過3年	14,609	21,180
		595,779	901,312

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

22. TRADE AND BILLS RECEIVABLES (Continued)

The movements in the provision for impairment of trade receivables are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	11,098	28,963
Impairment losses recognised	已確認減值虧損	3,745	1,166
Impairment losses reversed	已撥回減值虧損	(2,131)	(19,031)
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At 31 December	於十二月三十一日	12,712	11,098

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB12,712,000 (2015: RMB11,098,000) with a carrying amount before provision of RMB12,712,000 (2015: RMB11,098,000).

An aged analysis of trade receivables that are not considered to be impaired is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期及未減值	428,396	602,919
Past due but not impaired	逾期但未減值		
1 to 180 days	1日至180日	75,895	149,953
181 to 365 days	181日至365日	25,634	100,767
Over 365 days	逾期365日以上	65,854	47,673
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		595,779	901,312

The Group's neither past due nor impaired trade receivables mainly represent sales made to recognised and creditworthy customers for whom there was no recent history of default. These customers who trade on credit terms are subject to credit verification procedures.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

22. 貿易應收賬款及應收票據 (續)

貿易應收賬款減值撥備變動如下:

	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
At 1 January	11,098	28,963
Impairment losses recognised	3,745	1,166
Impairment losses reversed	(2,131)	(19,031)
<hr/>		
At 31 December	12,712	11,098

計入上述貿易應收賬款的減值撥備為個別已減值之貿易應收賬款人民幣12,712,000元(二零一五年:人民幣11,098,000元)之撥備,撥備前的賬面值為人民幣12,712,000元(二零一五年:人民幣11,098,000元)。

被認為不會減值的貿易應收賬款賬齡分析如下:

	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
Neither past due nor impaired	428,396	602,919
Past due but not impaired		
1 to 180 days	75,895	149,953
181 to 365 days	25,634	100,767
Over 365 days	65,854	47,673
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	595,779	901,312

本集團未逾期且未出現減值的貿易應收賬款主要指對獲認可及信譽可靠且近期無違約歷史的客戶進行的銷售。該等按照信貸條款進行交易的客戶均須經過信貸認證程序審核。

逾期但未出現減值的應收款項與多名與本集團保持良好往績紀錄的獨立客戶有關。根據過往經驗,董事認為,就該等結餘而言,由於信貸質素並未發生重大變動,且該等結餘仍被視為可悉數收回,故毋須就此作出任何減值撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、按金及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Prepayments	預付款項	428,039	552,601
Deposits and other receivables	按金及其他應收款項	127,712	203,331
Tax recoverable	可收回稅項	168,793	194,423
Current portion of land lease payments (note 16)	土地租金的流動部分(附註16)	27,215	24,182
		751,759	974,537
Less: Impairment of deposits and other receivables	減：按金及其他應收款項減值	(94,262)	(23,752)
		657,497	950,785

The movements in the provision for impairment of deposits and other receivables are as follows:

按金及其他應收款項減值撥備變動如下：

		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
At 1 January	於一月一日	23,752	21,339
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	70,510	2,413
At 31 December	於十二月三十一日	94,262	23,752

As at 31 December 2016, the net balance of deposits and other receivables was neither past due nor impaired. Financial assets included in the above balance relate to receivables for which there was no recent history of default.

於二零一六年十二月三十一日，按金及其他應收款項結餘淨值未逾期且未出現減值。金融資產已計入上述與近期並無拖欠記錄的應收款項有關的結餘。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

24. CASH AND BANK BALANCES AND PLEDGED AND RESTRICTED BANK BALANCES

24. 現金及銀行結餘及已抵押及受限制銀行結餘

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘		439,067	286,135
Pledged and restricted bank balances	已抵押及受限制銀行結餘		657,960	850,349
			1,097,027	1,136,484
Less:	減：			
Pledged and restricted bank balances	已抵押及受限制銀行結餘			
– Pledged for long-term bank loans	– 就長期銀行貸款作抵押	26(c)	(410,160)	(491,150)
– Pledged for bank acceptance notes	– 就銀行承兌票據作抵押		(197,158)	(256,486)
– Pledged for letters of guarantee	– 就保證書作抵押		(29,902)	(102,713)
– Restricted cash	– 受限制現金	(a)	(20,740)	–
Cash and cash equivalents	現金及現金等價物	(b)	439,067	286,135

Notes:

- (a) Pursuant to the relevant regulations in the PRC, certain property development companies of the Group are required to place at designated bank accounts certain amounts of pre-sales proceeds of properties as guarantee deposits for the construction of the related properties. The deposits can only be used for purchases of construction materials and payments of construction fees for the relevant property projects. As at 31 December 2016, such guarantee deposits amounted to RMB18,419,000 (2015: nil).

As at 31 December 2016, two subsidiaries of the Group are defendants in a dispute brought by a supplier. Pursuant to the property preservation, the Group's bank account of RMB2,321,000 was frozen.

- (b) As at 31 December 2016, the Group's cash and cash equivalents denominated in RMB amounted to RMB371,632,000 (2015: RMB246,391,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

附註：

- (a) 根據中國相關規例，本集團若干物業發展公司須於指定銀行賬戶存入若干金額的預售物業所得款項作為建設相關物業的保證金。該存款僅用於就有關物業項目購置建設材料及支付建設費用。於二零一六年十二月三十一日，該保證金為人民幣18,419,000元（二零一五年：無）。

於二零一六年十二月三十一日，本集團之兩間附屬公司為供應商發起之訴訟當中之被告人。根據財產保全，本集團存有人民幣2,321,000元之銀行賬戶已被凍結。

- (b) 於二零一六年十二月三十一日，本集團以人民幣計值的現金及現金等價物為人民幣371,632,000元（二零一五年：人民幣246,391,000元）。人民幣不可自由兌換為其他貨幣，但根據中國內地的外匯管制條例及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按銀行存款利率為基準的浮動利率賺取利息。銀行結餘及已抵押存款乃存置於信譽卓著且近期並無拖欠記錄的銀行。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

25. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	貿易應付賬款		
Within 90 days	90日內	309,447	353,210
91 to 180 days	91日至180日	52,683	60,472
181 to 365 days	181日至365日	149,595	92,767
1 to 2 years	1至2年	88,756	33,059
2 to 3 years	2至3年	20,748	16,041
Over 3 years	超過3年	17,562	9,676
		638,791	565,225
Bills payables	應付票據	151,557	496,860
		790,348	1,062,085

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

All the bills payables have maturity dates within 180 days.

25. 貿易應付賬款及應付票據

於報告期末，根據發票日期計算的貿易應付賬款及應付票據賬齡分析如下：

貿易應付賬款為不計息，且一般須於60日內支付。

所有應付票據均於180日內到期。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

26. 計息銀行及其他借貸

		2016 二零一六年			2015 二零一五年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current	流動						
Finance lease payables (note 27)	應付融資租賃款項(附註27)	4.61-8.43	2017	96,076	4.61-8.43	2016	72,631
Bank loans	銀行貸款						
- secured	-有抵押	1.00-6.16	2017	707,682	2.07-7.59	2016	393,060
- unsecured	-無抵押	2.85-6.09	2017	1,023,033	2.30-7.59	2016	1,232,162
Other borrowing	其他借貸						
- unsecured	-無抵押	2.94-18.00	2017	368,578	-	-	-
Government loans	政府貸款						
- secured	-有抵押	4.90	2017	17,600	-	-	-
- unsecured	-無抵押	3.15-5.50	2017	200,000	4.20-6.33	2016	99,500
Current portion of long term loans	長期貸款流動部分						
- secured	-有抵押	2.30-5.96	2017	1,818,847	2.34-7.04	2016	674,839
- unsecured	-無抵押	2.50	2017	143,120	6.15-7.04	2016	381,054
				4,374,936			2,853,246
Non-current	非流動						
Finance lease payables (note 27)	應付融資租賃款項(附註27)	4.61-8.43	2018-2020	149,998	4.61-8.43	2017-2020	235,541
Bank loans	銀行貸款						
- secured	-有抵押	2.30-5.96	2018-2028	718,006	2.07-6.40	2017-2028	566,767
- unsecured	-無抵押	-	-	-	1.85-6.15	2017-2020	1,502,173
Government loans	政府貸款						
- secured	-有抵押	4.75-4.90	2018-2023	521,900	4.90-5.40	2023	410,000
- unsecured	-無抵押	-	-	-	5.50	2017	200,000
				1,389,904			2,914,481
				5,764,840			5,767,727

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

26. 計息銀行及其他借貸(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Analysed into:	按以下分析為：		
Bank loans repayable:	須於以下期限償還的銀行貸款：		
Within one year	一年內	3,692,682	2,681,115
In the second year	第二年	140,556	1,354,970
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	439,450	565,970
Beyond five years	超過五年	138,000	148,000
		4,410,688	4,750,055
Government loans repayable:	須於以下期限償還的政府貸款：		
Within one year	一年內	217,600	99,500
In the second year	第二年	143,500	200,000
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	246,400	-
Beyond five years	超過五年	132,000	410,000
		739,500	709,500
Other borrowings repayable:	須於以下期限償還的 其他借貸：		
Within one year	一年內	464,654	72,631
In the second year	第二年	97,319	89,948
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	52,679	145,593
		614,652	308,172
		5,764,840	5,767,727

Certain of the Group's bank loans are secured by:

本集團若干銀行貸款由下列各項作為抵押：

- (a) The pledge of certain property, plant and equipment of the Group with a net carrying amount of approximately RMB1,512,480,000 (2015: RMB582,846,000) as at the end of the reporting period;

- (a) 抵押本集團於報告期末賬面淨值約為人民幣1,512,480,000元(二零一五年:人民幣582,846,000元)的若干物業、廠房及設備；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

- (b) The pledge of certain leasehold lands of the Group with a net carrying amount of approximately RMB1,061,802,000 (2015: RMB650,234,000) as at the end of the reporting period;
- (c) The pledge of certain of the Group's deposits amounting to RMB410,160,000 (2015: RMB491,150,000) as at the end of the reporting period; and
- (d) The pledge of certain of the Group's properties under development amounting to RMB442,742,000 (2015: nil) as at the end of the reporting period.

Except for the bank loans of RMB161,566,000 (2015: RMB236,803,000) and RMB1,986,000,000 (2015: RMB2,194,929,000) as at 31 December 2016, which are denominated in Hong Kong dollars and United States dollars, respectively, all borrowings are in RMB.

The Group had the following undrawn banking facilities:

Floating rate	浮動利率
– expiring within one year*	– 一年內到期*

* Pursuant to the relevant contract, certain of the Group's undrawn banking facilities of RMB1,200,000,000 (2015: nil) can only be used for property development projects and are repayable based on the progress of such properties' pre-sale.

26. 計息銀行及其他借貸(續)

- (b) 抵押本集團於報告期末賬面淨值約為人民幣1,061,802,000元(二零一五年:人民幣650,234,000元)的若干租賃土地;
- (c) 抵押本集團於報告期末金額為人民幣410,160,000元(二零一五年:人民幣491,150,000元)的若干存款;及
- (d) 抵押本集團於報告期末金額為人民幣442,742,000元(二零一五年:無)的若干發展中物業。

於二零一六年十二月三十一日,除銀行貸款人民幣161,566,000元(二零一五年:人民幣236,803,000元)及人民幣1,986,000,000元(二零一五年:人民幣2,194,929,000元)分別以港元及美元列值外,全部借貸均以人民幣列值。

本集團有下列尚未提取銀行信貸:

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
1,944,563	1,365,867

* 根據有關合約,本集團金額為人民幣1,200,000,000元(二零一五年:無)之若干未提取銀行信貸僅可用於物業發展項目,並按有關物業之預售進度償還。

27. FINANCE LEASE PAYABLES

The Group leases certain of its plant and machinery for its steel pipe manufacturing business. These leases are classified as finance leases and have remaining lease terms ranging from 22 to 47 months.

On 21 April 2014, PCKSP entered into an equipment transfer contract and a finance lease contract (collectively the “2014 finance lease arrangement”) with CDB Leasing Co., Ltd. (“國銀金融租賃有限公司”) (the “Lessor”). Pursuant to the 2014 finance lease arrangement, PCKSP sold the equipment to the Lessor, and the Lessor leased back the equipment to PCKSP for a period of 60 months. The aggregate consideration was RMB200 million, and PCKSP paid a guarantee deposit of RMB26 million and a service charge of RMB10 million to the Lessor. According to the 2014 finance lease arrangement, if no default occurs during the lease term, the ownership of the equipment shall be automatically transferred to the Group at a price of RMB100 upon expiration of the lease term.

On 23 November 2015, PCKSP (Zhuhai) entered into an equipment transfer contract and a finance lease contract (collectively the “Zhuhai finance lease arrangement”) with Hengqin Jintou Financial Leasing Co., Ltd. (“橫琴金投國際融資租賃有限公司”) (the “Lessor”). Pursuant to the Zhuhai finance lease arrangement, PCKSP (Zhuhai) sold the equipment to the Lessor, and the Lessor leased back the equipment to PCKSP (Zhuhai) for a period of 36 months. The aggregate consideration was RMB100 million, and PCKSP (Zhuhai) paid a guarantee deposit of RMB6 million and a service charge of RMB5.4 million to the Lessor. According to the Zhuhai finance lease arrangement, if no default occurs during the lease term, the ownership of the equipment shall be automatically transferred to the Group at a price of RMB100 upon expiration of the lease term.

27. 應付融資租賃款項

本集團租賃若干廠房及機器，以進行鋼管製造業務。有關租賃分類為融資租賃，而餘下租期介乎22至47個月。

於二零一四年四月二十一日，番禺珠江鋼管與國銀金融租賃有限公司（「出租人」）訂立一份《設備出讓合同》及一份《融資租賃合同》（統稱「二零一四年融資租賃安排」）。根據二零一四年融資租賃安排，番禺珠江鋼管將設備售予出租人，而出租人將設備租回予番禺珠江鋼管，為期60個月。總代價為人民幣200,000,000元，而番禺珠江鋼管已支付保證金人民幣26,000,000元及服務費人民幣10,000,000元予出租人。根據二零一四年融資租賃安排，倘於租期內並無發生違約，則該設備的擁有權於租期屆滿後將自動轉移至本集團，作價為人民幣100元。

於二零一五年十一月二十三日，番禺珠江鋼管（珠海）與橫琴金投國際融資租賃有限公司（「出租人」）訂立一份《設備出讓合同》及一份《融資租賃合同》（統稱「珠海融資租賃安排」）。根據珠海融資租賃安排，番禺珠江鋼管（珠海）向出租人出售設備，而出租人將設備租回予番禺珠江鋼管（珠海），為期36個月。總代價為人民幣100,000,000元，而番禺珠江鋼管（珠海）已向出租人支付擔保按金人民幣6,000,000元及服務費人民幣5,400,000元。根據珠海融資租賃安排，倘於租期內並無發生違約，則該設備的擁有權於租期屆滿後將自動轉移至本集團，作價為人民幣100元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

27. FINANCE LEASE PAYABLES (Continued)

On 21 December 2015, PCKSP entered into an equipment transfer contract and a finance lease contract (collectively the “2015 finance lease arrangement”) with KW Leasing Co., Ltd. (“金沃國際融資租賃有限公司”) (the “Lessor”). Pursuant to the 2015 finance lease arrangement, PCKSP sold the equipment to the Lessor, and the Lessor leased back the equipment to PCKSP for a period of 60 months. The aggregate consideration was RMB60 million, and PCKSP paid a guarantee deposit of RMB6 million and a service charge of RMB3.5 million to the Lessor. According to the 2015 finance lease arrangement, if no default occurs during the lease term, the ownership of the equipment shall be automatically transferred to the Group at a price of RMB100 upon expiration of the lease term.

On 1 January 2016, PCKSP (Lianyungang) entered into an equipment purchase contract and a finance lease contract (collectively the “Lianyungang finance lease arrangement”) with Yayin (Zhuhai) Financial Leasing Co., Ltd. (“亞銀(珠海)融資租賃有限公司”) (the “Lessor”). Pursuant to the Lianyungang finance lease arrangement, PCKSP (Lianyungang) leased the equipment from the Lessor for a period of 36 months. The aggregate consideration was RMB16,453,000, and PCKSP (Lianyungang) paid a service charge of RMB113,000 to the Lessor. According to the Lianyungang finance lease arrangement, if no default occurs during the lease term, the ownership of the equipment shall be automatically transferred to the Group at a price of RMB100 upon expiration of the lease term.

Rent is calculated on the leasing cost and the lease rate which was decided based on the interest rate for a one-to-five-year loan designated in RMB quoted by the People's Bank of China (“PBOC”).

27. 應付融資租賃款項(續)

於二零一五年十二月二十一日，番禺珠江鋼管與金沃國際融資租賃有限公司(「出租人」)訂立一份《設備出讓合同》及一份《融資租賃合同》(統稱「二零一五年融資租賃安排」)。根據二零一五年融資租賃安排，番禺珠江鋼管向出租人出售設備，而出租人將設備租回予番禺珠江鋼管，為期60個月。總代價為人民幣60,000,000元，而番禺珠江鋼管已向出租人支付擔保按金人民幣6,000,000元及服務費人民幣3,500,000元。根據二零一五年融資租賃安排，倘於租期內並無發生違約，則該設備的擁有權於租期屆滿後將自動轉移至本集團，作價為人民幣100元。

於二零一六年一月一日，番禺珠江鋼管(連雲港)與亞銀(珠海)融資租賃有限公司(「出租人」)訂立設備採購合約及融資收購合約(統稱「連雲港融資租賃安排」)。根據連雲港融資租賃安排，番禺珠江鋼管(連雲港)已自出租人租賃設備，為期36個月。總代價為人民幣16,453,000元，番禺珠江鋼管(連雲港)已支付服務費人民幣113,000元予出租人。根據連雲港融資租賃安排，倘租期內無發生任何違約，則該設備的擁有權於租期屆滿後自動轉移至本集團，作價為人民幣100元。

租金按租賃成本及租賃率(根據中國人民銀行(「中國人民銀行」)所報之人民幣一至五年期貸款利率而釐定)計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

27. FINANCE LEASE PAYABLES (Continued)

At 31 December 2016, the total future minimum lease payments under finance leases and their present values were as follows:

		Minimum lease payments 最低租賃款項 2016 二零一六年 RMB'000 人民幣千元	Minimum lease payments 最低租賃款項 2015 二零一五年 RMB'000 人民幣千元	Present value of minimum lease payments 最低租賃款項之現值 2016 二零一六年 RMB'000 人民幣千元	Present value of minimum lease payments 最低租賃款項之現值 2015 二零一五年 RMB'000 人民幣千元
Amounts payable:	應付金額：				
Within one year	一年內	107,303	90,868	96,076	72,631
In the second year	第二年	103,764	103,129	97,319	89,948
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	55,623	154,941	52,679	145,593
Total minimum finance lease payments	最低融資租賃款項總額	266,690	348,938	246,074	308,172
Future finance charges	未來財務費用	(20,616)	(40,766)		
Total net finance lease payables	應付融資租賃款項總淨額	246,074	308,172		
Portion classified as current liabilities (note 26)	分類為流動負債之部分 (附註26)	(96,076)	(72,631)		
Non-current portion (note 26)	非流動部分(附註26)	149,998	235,541		

27. 應付融資租賃款項(續)

於二零一六年十二月三十一日，根據融資租約日後應付之最低租賃款項總額及其現值載列如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付款項及應計費用

		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
Deposits received	已收按金	323,648	211,288
Receipts in advance*	預收款項*	525,314	83,515
Other payables**	其他應付款項**	264,344	237,154
Payroll payables	應付薪酬	28,892	26,241
Accruals and other liabilities	應計費用及其他負債	19,629	20,333
Other tax payables	其他應付稅項	23,697	12,078
		1,185,524	590,609

* Receipts in advance represent sales proceeds received from buyers in connection with the Group's pre-sales of properties.

* 預收款項為本集團預售房地產所收之銷售款項。

** Other payables are non-interest-bearing and have an average term of two to three months.

** 其他應付款項為不計利息及平均期限為兩至三個月。

29. PROVISION

29. 撥備

		Legal proceedings 法律程序 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	29,960
Additional provision	額外撥備	4,470
Utilised during the year	年內已動用	(10,082)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	24,348
Additional provision	額外撥備	4,920
At 31 December 2016	於二零一六年十二月三十一日	29,268

Two subsidiaries of the Group are currently defendants in lawsuits brought by a third party alleging that the subsidiaries breached and repudiated certain counter guarantee contracts. The claim is subject to the legal arbitration and is only expected to be finalised in late 2017. As at the reporting date, the provision was re-assessed to be RMB29,268,000 (including related interest).

本集團兩間附屬公司目前為一名第三方提出的訴訟之被告，該第三方聲稱該等附屬公司違反及不履行若干反擔保合約。該申索須待司法仲裁後方可決定，預期將於二零一七年底審定。於報告日期，該撥備重新評估為人民幣29,268,000元（包括相關利息）。

30. FIXED RATE BONDS

US\$72,000,000 5.6% bonds due 2018

On 30 April 2013, the Group issued bonds with a principal amount of US\$72,000,000 and the bonds will be repayable in full by 30 April 2018 (the "2013 Bonds"). The bonds may be redeemed at the option of the Group in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the holders of the bonds, at their principal amount, together with the interest accrued to the date fixed for redemption. The bonds bear interest at a fixed coupon interest rate of 5.6% per annum for five years payable semi-annually, commencing on 30 October 2013. The bonds are unsecured.

The bonds were issued for refinancing the existing debts and were for general corporate purposes. The net proceeds from the bonds after deducting the issue expenses amounted to approximately RMB438,381,000.

HK\$100,000,000 5% bonds due 2017

On 2 May 2014, the Group issued bonds with a principal amount of HK\$100,000,000, which were subscribed at a price equal to HK\$86,500,000 and the bonds will be repayable in full by 2 May 2017 (the "2014 Bonds"). The bonds may be redeemed at the option of the Group in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the holders of the bonds, at their principal amount, together with the interest accrued to the date fixed for redemption. The bonds bear interest at a fixed coupon interest rate of 5% per annum for three years payable semi-annually, commencing on 2 November 2014. The bonds are unsecured.

The bonds were issued for refinancing the existing debt and were for general corporate purposes. The net proceeds from the bonds after deducting issue expenses amounted to approximately RMB68,597,000.

30. 定息債券

二零一八年到期72,000,000美元5.6%債券

於二零一三年四月三十日，本集團發行本金額72,000,000美元之債券，而債券將須於二零一八年四月三十日前悉數償還（「二零一三年債券」）。債券可按本集團之選擇，向債券持有人發出不少於三十日且不超過六十日之通知，隨時按本金額連同截至已釐定之贖回日期止之累計利息，全數贖回（而非部分）。債券於由二零一三年十月三十日開始五年間按每年5.6%之固定息率計息，須每半年支付。該等債券為無抵押。

發行債券旨在償還現有債務及作一般企業用途。經扣除發行開支後，債券之所得款項淨額約為人民幣438,381,000元。

二零一七年到期100,000,000港元5%債券

於二零一四年五月二日，本集團發行本金額100,000,000港元之債券（按相等於86,500,000港元之價格認購），而債券將須於二零一七年五月二日前悉數償還（「二零一四年債券」）。債券可按本集團之選擇，向債券持有人發出不少於三十日且不超過六十日之通知，隨時按本金額連同截至已釐定之贖回日期止之累計利息，全數贖回（而非部分）。債券於由二零一四年十一月二日開始三年間按每年5%之固定息率計息，須每半年支付。該等債券為無抵押。

發行債券旨在償還現有債務及作一般企業用途。經扣除發行開支後，債券之所得款項淨額約為人民幣68,597,000元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

30. FIXED RATE BONDS (Continued) 2013 Bonds

		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
Carrying amount as at 1 January	於一月一日之賬面值	462,965	434,632
Amortisation	攤銷	2,184	1,915
Exchange realignment	匯兌調整	31,460	26,418
Carrying amount as at 31 December	於十二月三十一日之賬面值	496,609	462,965

The effective interest rate of the bonds is 6.05% per annum.

債券之實際年利率為6.05%。

2014 Bonds

二零一四年債券

		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
Carrying amount as at 1 January	於一月一日之賬面值	78,686	70,542
Amortisation	攤銷	3,858	3,613
Exchange realignment	匯兌調整	5,367	4,531
Carrying amount as at 31 December	於十二月三十一日之賬面值	87,911	78,686
Less: Current portion	減：流動部分	(87,911)	-
Carrying amount as at 31 December	於十二月三十一日之賬面值	-	78,686

The effective interest rate of the bonds is 10.62% per annum.

債券之實際年利率為10.62%。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

31. GOVERNMENT GRANTS

31. 政府補貼

		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
At 1 January	於一月一日	205,875	112,728
Grants received during the year	年內獲發補貼	184,523	104,470
Recognised as income during the year (note 5)	年內確認為收入(附註5)	(20,691)	(11,323)
At 31 December	於十二月三十一日	369,707	205,875

Government grants have been received as encouragement for technological innovation and improvements, the construction of production plants and awards for investment encouragement. There are no unfulfilled conditions or contingencies attached to these grants. Related assets associated with the above grants have not yet been completed.

本集團已獲發政府補貼，以鼓勵技術創新及提升、興建生產廠房及作為投資的獎勵。該等補貼概無附帶未達成條件或或然事項。與上述補貼有關之相關資產尚未竣工。

32. ISSUED CAPITAL

32. 已發行股本

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Authorised:	法定：		
10,000,000,000 (2015: 10,000,000,000) ordinary shares of HK\$0.10 each	10,000,000,000股(二零一五年： 10,000,000,000股) 每股面值0.10港元之普通股	878,335	878,335
Issued and fully paid:	已發行及繳足：		
1,011,142,000 (2015: 1,011,142,000) ordinary shares of HK\$0.10 each	1,011,142,000股(二零一五年： 1,011,142,000股) 每股面值0.10港元之普通股	88,856	88,856

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

34. CONTINGENT LIABILITIES

(a) At the end of the reporting period, financial guarantees not provided for in the financial statements were as follows:

Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	就按揭融資為本集團物業的若干買方提供的擔保
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As at 31 December 2016, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any auction proceeds as described below.

Pursuant to the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, in the event of default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction. The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

33. 儲備

本集團於本年度及以往年度的儲備金額及變動呈列於財務報表之綜合權益變動表內。

34. 或然負債

(a) 於報告期末，財務報表中未撥備之財務擔保如下：

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
136,630	—

於二零一六年十二月三十一日，本集團就若干銀行就本集團物業若干買方提供按揭貸款而授予的按揭融資提供擔保。根據擔保的條款，於擔保期屆滿之前，倘買方於按揭還款上違約，本集團負責向銀行償還違約買方結欠的未償還按揭本金連同應計利息及罰款（扣除下文所述的任何拍賣收益）。

根據上述安排，相關物業已作為按揭貸款的抵押物抵押予銀行，倘上述買方於按揭還款上違約，銀行有權取得合法業權，並通過公開拍賣變現抵押物業。若拍賣物業所得的收益不足以償還未償還的按揭本金連同應計利息及罰款，則本集團負責向銀行償還款項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

34. CONTINGENT LIABILITIES (Continued)

(a) (Continued)

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the directors of the Company consider that in the event of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalties and therefore no provision has been made in the financial statements for the guarantees.

- (b) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

Guarantees given to banks in connection with facilities granted to:	就授予下方之融資向銀行提供擔保：
a joint venture	一間合營公司

As at 31 December 2016, the banking facilities guaranteed by the Group to a joint venture were utilised to the extent of approximately RMB185,440,000 (2015: RMB172,710,000).

35. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its factory and office premises under operating lease arrangements. Leases for properties are negotiated for terms of one to thirty years with an option for renewal after that date, at which time all terms will be renegotiated.

34. 或然負債 (續)

(a) (續)

本集團的擔保期於授予相關按揭貸款之日起計至買方獲發房地產所有權證書(通常於買方持有有關物業後一至兩年內可以獲得)時止。

擔保的公平值並不重大，且本公司董事認為，於還款違約的情況下，有關物業的可變現淨值足以償還未償還的按揭本金連同應計利息及罰款，因此，財務報表中並無就擔保作出撥備。

- (b) 於報告期末，財務報表中未撥備之或然負債如下：

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
231,800	215,888

於二零一六年十二月三十一日，本集團向一間合營公司擔保之銀行融資已動用約人民幣185,440,000元(二零一五年：人民幣172,710,000元)。

35. 經營租賃安排

作為承租人

本集團根據經營租賃安排租賃其若干工廠及辦公室物業。經磋商物業租賃期限為一至三十年，可於屆滿時選擇續期，惟所有條款將予重新磋商。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

35. OPERATING LEASE ARRANGEMENTS

(Continued)

As lessee (Continued)

As at 31 December 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	3,697	3,071
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	6,613	6,723
After five years	五年後	6,175	5,255
		16,485	15,049

36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35 above, the Group had the following capital commitments:

		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
Contracted, but not provided for:	已訂約但未撥備:		
Land and buildings	土地及樓宇	343,643	167,129
Plant and machinery	廠房及機器	95,349	60,770
Construction and development cost	建設及開發成本	143,833	-
		582,825	227,899
Contracted, but not provided for:	已訂約但未撥備:		
Capital contributions payable for establishment of a joint venture	應付一間合營公司之成立之注資	140,495	106,486
Authorised, but not contracted for:	法定但未訂約:		
Plant and machinery	廠房及機器	2,500,000	-
		3,223,320	334,385

At the end of the reporting period, the Company did not have any significant commitments.

35. 經營租賃安排 (續)

作為承租人 (續)

於二零一六年十二月三十一日，本集團不可撤銷經營租賃的未來最低租金付款總額及屆滿期限如下：

36. 承擔

除上文附註35所述的經營租賃承擔外，本集團擁有如下資本承擔：

於報告期末，本公司並無任何重大承擔。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

37. RELATED PARTY TRANSACTIONS

The directors are of the view that the following companies are related parties which entered into material transactions with the Group during the year:

Name of party 各方名稱	Relationship 關係
Guangzhou City Pearl River Machine Tool Works Co., Ltd. ("GZMT") 廣州市珠江機床廠有限公司(「廣州機床」)	GZMT is a company of which Mr. Chen Chang is the ultimate equity owner. 廣州機床乃由陳昌先生為最終股權擁有人之公司。
Al-Qahtani PCK Pipe Company	Al-Qahtani PCK Pipe Company is a joint venture of the Group. Al-Qahtani PCK Pipe Company 為本集團之合營公司。

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

37. 關聯方交易

董事認為下列公司乃於年內與本集團訂立重大交易的關聯方：

(a) 除本財務報表其他部分所披露的交易外，年內，本集團與關聯方訂立以下交易：

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Purchases of spare parts from a related party GZMT	向一名關聯方購買零件 廣州機床	(i)	8,120	7,675
Sales of machines to a related party Al-Qahtani PCK Pipe Company	向一名關聯方銷售機器 Al-Qahtani PCK Pipe Company	(ii)	88	2,048

Notes:

- (i) The purchases were made at prices based on agreements signed between the parties.
- (ii) This transaction was carried out after negotiations between the Group and the related party in the ordinary course of business and on the basis of estimated market value as determined by the directors.

附註：

- (i) 該等買賣按有關方簽署的該等協議釐定的價格進行。
- (ii) 該交易乃經本集團與關聯方磋商後在日常業務過程中進行，並基於董事所釐定的估計市值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

37. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with a related party and a director:

Due from a related party GZMT	應收關聯方款項 廣州機床	(i)
Due to a related party GZMT	應付關聯方款項 廣州機床	(ii)
Due to a director Mr. Chen Chang	應付一名董事款項 陳昌先生	(ii)

(i) The outstanding balance was prepayment made to GZMT for purchase of spare parts.

(ii) The outstanding balances with related parties were unsecured, interest-free and have no fixed terms of repayment.

(c) Compensation of key management personnel of the Group:

37. 關聯方交易 (續)

(b) 與關聯方及董事之未支付結餘:

Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(i)	90,726	—
(ii)	3,927	—
(ii)	5,563	—

(i) 未支付結餘乃向廣州機床購買零部件預付款項。

(ii) 關聯方的未支付結餘乃無抵押、免息且並無固定還款期。

(c) 本集團主要管理人員的薪酬:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、補貼及實物利益	5,505	9,510
Retirement benefit scheme contributions	退休福利計劃供款	141	190
Total compensation paid to key management personnel	支付主要管理人員薪酬總額	5,646	9,700

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transactions in respect of purchases of spare parts above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

董事酬金的進一步詳情載於本財務報表之附註8。

關於購買上述零部件的關聯方交易亦構成上市規則第14A章的關連交易或持續關連交易。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

2016

二零一六年

Available-for-sale investments

Financial assets included in long term prepayments and deposits (note 15)

Trade and bills receivables (note 22)

Financial assets included in prepayments, deposits and other receivables (note 23)

Pledged and restricted bank balances (note 24)

Cash and bank balances (note 24)

可供出售投資

計入長期預付款項及按金的金融資產 (附註15)

貿易應收賬款及應收票據 (附註22)

計入預付款項、按金及其他應收款項的金融資產 (附註23)

已抵押及受限制銀行結餘 (附註24)

現金及銀行結餘 (附註24)

38. 金融工具的分類

於報告期末，各類別金融工具的賬面值如下：

金融資產

Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
–	800	800
42,719	–	42,719
618,421	–	618,421
127,712	–	127,712
657,960	–	657,960
439,067	–	439,067
1,885,879	800	1,886,679

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

38. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

Financial assets

2015

二零一五年

Available-for-sale investments
Financial assets included in long term
prepayments and deposits (note 15)
Trade and bills receivables (note 22)
Financial assets included in prepayments,
deposits and other receivables (note 23)
Pledged deposits (note 24)
Cash and bank balances (note 24)

可供出售投資
計入長期預付款項及
按金的金融資產
(附註15)
貿易應收賬款及
應收票據(附註22)
計入預付款項、按金及
其他應收款項的
金融資產(附註23)
已抵押存款(附註24)
現金及銀行結餘
(附註24)

38. 金融工具的分類(續)

金融資產

Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Available- for-sale financial assets 可供出售 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
–	800	800
38,000	–	38,000
921,143	–	921,143
203,331	–	203,331
850,349	–	850,349
286,135	–	286,135
2,298,958	800	2,299,758

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

38. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

Financial liabilities

		Financial liabilities at amortised cost 按攤銷成本入賬的金融負債	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills payables (note 25)	貿易應付賬款及應付票據 (附註25)	790,348	1,062,085
Financial liabilities included in other payables and accruals (note 28)	計入其他應付款項及 應計費用的金融負債(附註28)	264,344	237,154
Interest-bearing bank and other borrowings (note 26)	計息銀行及其他借貸(附註26)	5,764,840	5,767,727
Fixed rate bonds (note 30)	定息債券(附註30)	584,520	541,651
		7,404,052	7,608,617

38. 金融工具的分類(續)

金融負債

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, investment deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, short term notes and amounts due from/to subsidiaries approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

39. 金融工具之公平值及公平值等級

管理層已評估現金及現金等價物、已抵押存款之即期部分、投資存款、貿易應收賬款及應收票據、貿易應付賬款及應付票據、計入預付款項、按金及其他應收款項之金融資產、計入其他應付款項及應計費用之金融負債、短期融資券及應收/付附屬公司款項之公平值，其與賬面值相若，主要因為該等工具於短期內到期。

金融資產及負債之公平值以自願交易方(強迫或清盤出售除外)當前交易中該工具之可交易金額入賬。下列方法及假設用於估計公平值：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the financial assets and liabilities included in long term prepayments and deposits, the non-current portion of pledged deposits, available-for-sale investments, interest-bearing bank and other borrowings and fixed rate bonds have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for finance lease payables, interest-bearing bank and other borrowings, and fixed rate bonds as at 31 December 2016 was assessed to be insignificant. The carrying amounts of these financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2016 and 31 December 2015.

Fair value hierarchy

The Group did not have any financial asset or financial liability measured at fair value as at 31 December 2016 (2015: nil).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2015: nil).

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings, fixed rate bonds, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

39. 金融工具之公平值及公平值等級 (續)

計入長期預付款項及按金之金融資產和負債、已抵押存款之非即期部分、可供出售投資、計息銀行及其他借貸及定息債券之公平值，乃以條款、信貸風險及餘下期限類似之工具現時可取得折現率，折讓預期未來現金流計算。於二零一六年十二月三十一日，本集團就應付融資租賃款項、計息銀行及其他借貸及定息債券之自有不履行風險評估為不重大。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，該等按攤銷成本入賬之金融工具之賬面值與其公平值並無重大差異。

公平值等級

於二零一六年十二月三十一日，本集團並無任何按公平值計量之金融資產或金融負債（二零一五年：無）。

年內，第一級及第二級之間概無有關金融資產及金融負債之公平值計量轉移，亦無轉入第三級或自第三級轉出（二零一五年：無）。

40. 財務風險管理目標及政策

本集團主要的金融工具包括銀行及其他借貸、定息債券、現金及短期存款。該等金融工具的主要目的是為本集團的經營融資。本集團有各種其他金融資產及負債，如貿易應收賬款及貿易應付賬款等，直接由其經營產生。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not have any written risk management policies and guidelines. Generally, the Group introduces prudent strategies on its risk management. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans and government loans with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Interest-bearing loans, cash and short term deposits are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the statement of profit or loss as earned/incurred.

Management does not anticipate any significant impact resulting from the changes in interest rates because most of the Group's loans as at the end of the reporting period were at fixed interest rates which have no significant impact on cash flow interest rate risk.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by one percentage point, with all other variables held constant, the consolidated operating results would decrease/increase by approximately RMB13.9 million (2015: RMB14.2 million), and there would be no impact on other components of the consolidated equity, except for retained profits, of the Group.

40. 財務風險管理目標及政策 (續)

由本集團的金融工具產生的主要風險有利率風險、外幣風險、信貸風險及流動資金風險。本集團無任何書面風險管理政策及指引。一般而言，本集團在其風險管理中引入審慎的策略。董事會審閱並協定管理這些風險各自的政策，概述如下：

(a) 利率風險

本集團承受的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款及政府貸款有關。

本集團定期審查並監察固定及浮動利率混合借貸，以管理其利率風險。計息貸款、現金及短期存款按攤銷成本列值，而不定期重估。浮動利率利息收入及開支按賺取／產生時在損益表計入／扣除。

管理層預期，利率變動不會產生任何重大影響，因為本集團於報告期末的大部分貸款是按固定利率計息，不會對現金流量利率風險有重大影響。

若按浮動利率計算的銀行及其他借貸整體加息／減息一個百分點，而所有其他變量不變，則綜合經營業績將減少／增加約人民幣13,900,000元（二零一五年：人民幣14,200,000元），對本集團綜合權益的其他成分並無影響（惟留存溢利除外）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Foreign currency risk

The Group has transactional currency exposures. These exposures arise from sales by operating units in currencies other than the units' functional currencies. Approximately 56% (2015: 53%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale.

The following table demonstrates the sensitivity as at the end of the reporting period to a reasonably possible change in the United States ("US") dollar exchange rate, with all other variables held constant, of the Group's profit/(loss) before tax.

Effect on profit/(loss) before tax

Increase in the US dollar rate of 3%	美元匯率增加3%
Decrease in the US dollar rate of 3%	美元匯率減少3%

(c) Credit risk

The Group has no concentration of credit risk. The Group's cash and cash equivalents are mainly deposited with state-owned banks in Mainland China.

The carrying amounts of trade and other receivables and cash and cash equivalents included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group has no other financial assets which carry significant exposure to credit risk.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. There are no significant concentrations of credit risk within the Group as the Group's trade receivables are widely dispersed among different customers.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22.

40. 財務風險管理目標及政策(續)

(b) 外幣風險

本集團面臨交易貨幣風險。該等風險來自經營單位以單位的功能貨幣以外的貨幣進行的銷售。本集團銷售中約56% (二零一五年: 53%) 以進行銷售的經營單位的功能貨幣以外的貨幣計值。

下表顯示於報告期末本集團除稅前溢利/(虧損)在所有其他變量保持不變情況下對於美元匯率的合理可能變動的敏感度。

對除稅前溢利/(虧損)的影響

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Increase in the US dollar rate of 3%	(77,709)	(83,140)
Decrease in the US dollar rate of 3%	77,709	83,140

(c) 信貸風險

本集團無集中信貸風險。本集團現金及現金等價物主要存放於中國大陸國有銀行。

列入綜合財務狀況表的貿易及其他應收款項和現金及現金等價物的賬面值為本集團有關金融資產的最大信貸風險。本集團無其他面臨重大信貸風險的金融資產。

鑒於本集團僅與獲認可及信譽良好的第三方進行交易，故毋須作出抵押。由於本集團貿易應收賬款廣泛分佈於不同客戶，故本集團並無重大集中信貸風險。

有關本集團就貿易應收賬款所承受信貸風險的其他量化數據已於附註22披露。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, the Group has already obtained banking facilities with several banks of up to an amount of RMB3,982 million as at 31 December 2016, of which an amount of approximately RMB2,037 million has been utilised.

40. 財務風險管理目標及政策 (續)

(d) 流動資金風險

本集團的目標是，利用債務到期日各有不同的各種銀行及其他借貸，確保持續獲得足夠融資及具備靈活性，從而確保本集團尚未償還的借貸債務在任何一年不會承受過多的償還風險。由於本集團業務的資本密集性，本集團確保維持足夠現金及信用限額以滿足其流動資金要求。

本集團的流動資金主要依賴其業務維持足夠現金流入以應付到期應付負債，以及取得外來資金撥付其日後承擔的資本開支的能力。鑒於本公司日後資本承擔和其他融資需要，截至二零一六年十二月三十一日，本集團已取得多家銀行提供達人民幣3,982,000,000元的授信額度，其中已動用約人民幣2,037,000,000元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

40. 財務風險管理目標及政策 (續)

(d) 流動資金風險 (續)

於報告期末，本集團基於已訂約未折現付款的金融負債的到期情況如下：

		31 December 2016 二零一六年十二月三十一日			
		On demand	Less than 1 year	Over 1 year	Total
		按要求	少於一年	一年以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and bills payables	貿易應付賬款及應付票據	–	790,348	–	790,348
Other payables	其他應付款項	–	264,344	–	264,344
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	4,462,638	1,812,130	6,274,768
Fixed rate bonds	定息債券	–	87,911	496,609	584,520
		–	5,605,241	2,308,739	7,913,980

		31 December 2015 二零一五年十二月三十一日			
		On demand	Less than 1 year	Over 1 year	Total
		按要求	少於一年	一年以上	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and bills payables	貿易應付賬款及應付票據	–	1,062,085	–	1,062,085
Other payables	其他應付款項	–	237,154	–	237,154
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	3,060,282	3,418,228	6,478,510
Fixed rate bonds	定息債券	–	–	541,651	541,651
		–	4,359,521	3,959,879	8,319,400

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group monitors capital using a gearing ratio, which is total debts, which are defined to include payables incurred not in the ordinary course of business, divided by total assets. Total debts include interest-bearing bank and other borrowings and fixed rate bonds. The gearing ratios as at the end of the reporting periods are as follows:

40. 財務風險管理目標及政策(續)

(e) 資本管理

本集團資本管理的主要目標是維持本集團持續經營的能力及穩健資本比率，以支持其業務並使股東價值最大化。

本集團利用資產負債比率監控資本，該比率為總債務（定義為包括於非日常業務過程中產生的應付款項）除以總資產。總債務包括計息銀行及其他借貸及定息債券。於報告期末的資產負債比率如下：

		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
Interest-bearing bank and other borrowings (note 26)	計息銀行及其他借貸 (附註26)	5,764,840	5,767,727
Fixed rate bonds (note 30)	定息債券(附註30)	584,520	541,651
Total debts	總債務	6,349,360	6,309,378
Total assets	總資產	10,955,826	12,073,365
Gearing ratio	資產負債比率	58.0%	52.3%

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

41. 本公司之財務狀況表

本公司於報告期末之財務狀況表資料如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	922,759	1,778,636
Total non-current assets	非流動資產總值	922,759	1,778,636
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	119	832
Due from subsidiaries	應收附屬公司款項	1,219,967	1,180,893
Cash and bank balances	現金及銀行結餘	50	87
Total current assets	流動資產總值	1,220,136	1,181,812
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	5,495	5,121
Fixed rate bonds	定息債券	87,911	-
Total current liabilities	流動負債總額	93,406	5,121
NET CURRENT ASSETS	流動資產淨值	1,126,730	1,176,691
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	2,049,489	2,955,327
NON-CURRENT LIABILITIES	非流動負債		
Fixed rate bonds	定息債券	496,609	541,651
Total non-current liabilities	非流動負債總額	496,609	541,651
Net assets	資產淨值	1,552,880	2,413,676
EQUITY	權益		
Issued capital	已發行股本	88,856	88,856
Reserves (note)	儲備(附註)	1,464,024	2,324,820
Total equity	權益總額	1,552,880	2,413,676

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Exchange fluctuation reserve 匯率波動儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	824,219	1,712,731	(117,555)	(91,334)	2,328,061
Total comprehensive income/(loss) for the year	本年度全面收入/ (虧損)總額	-	-	(41,027)	37,786	(3,241)
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年一月一日	824,219	1,712,731	(158,582)	(53,548)	2,324,820
Total comprehensive income/(loss) for the year	本年度全面收入/ (虧損)總額	-	-	(901,671)	40,875	(860,796)
At 31 December 2016	於二零一六年 十二月三十一日	824,219	1,712,731	(1,060,253)	(12,673)	1,464,024

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2017.

41. 本公司之財務狀況表(續)

附註:

本公司之儲備概要如下:

42. 批准財務報表

財務報表已於二零一七年三月三十一日獲董事會批准及授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years prepared on the basis set out in the note below is as follows:

Results

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	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 (Restated) (經重列)
Revenue	收入	1,443,487	2,539,178	2,679,188	2,027,057	3,925,995
Cost of sales	銷售成本	(1,361,900)	(2,131,965)	(2,367,575)	(1,714,113)	(3,259,406)
Gross Profit	毛利	81,587	407,213	311,613	312,944	666,589
Other income and gains	其他收入及收益	37,564	29,221	125,840	222,098	102,840
Selling and distribution expenses	銷售及分銷費用	(144,423)	(171,695)	(139,232)	(131,511)	(88,493)
Administrative expenses	行政費用	(470,977)	(439,991)	(453,637)	(337,537)	(217,240)
Other expenses	其他費用	(105,283)	(17,469)	(38,156)	(6,518)	(5,566)
Exchange gain/(loss), net	匯兌收益/(虧損)淨額	(86,417)	(53,558)	1,850	–	–
Finance costs	融資成本	(237,142)	(237,111)	(260,365)	(173,777)	(77,361)
Impairment of property, plant and equipment and goodwill	物業、廠房及設備以及商譽之減值	(516,250)	–	–	–	–
Fair value gains on investment properties	投資物業之公平值收益	–	627,882	99,587	196,501	1,302
Share of a loss of a joint venture	應佔一間合營公司虧損	(1,460)	(582)	(263)	(299)	–
Profit/(loss) before tax	除稅前溢利/(虧損)	(1,442,801)	143,910	(352,763)	81,901	382,071
Income tax expense	所得稅支出	(56,197)	(118,399)	(5,914)	(40,430)	(70,861)
Profit/(loss) for the year	年內溢利/(虧損)	(1,498,998)	25,511	(358,677)	41,471	311,210
Other comprehensive income/(loss) for the year, net of tax	年內其他全面收入/(虧損) (扣除稅項)	(133,018)	(94,725)	(2,189)	1,175,934	(722)
Total comprehensive income/(loss) for the year	年內全面收入/(虧損) 總額	(1,632,016)	(69,214)	(360,866)	1,217,405	310,488
Earnings/(loss) per share (RMB) – basic and diluted	每股盈利/(虧損)(人民幣) – 基本及攤薄	RMB 人民幣 (1.48) 元	RMB 人民幣 0.02元	RMB 人民幣 (0.36) 元	RMB 人民幣 0.04元	RMB 人民幣 0.31元

財務資料概要

本集團按下文附註所載的基準編製過去五個財政年度的已公佈業績及資產與負債概要如下：

業績

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

Assets and Liabilities

資產與負債

31 December

十二月三十一日

		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 (Restated) (經重列)
Non-current assets	非流動資產	7,140,362	7,872,635	7,429,301	6,320,686	2,951,047
Current assets	流動資產	3,815,464	4,200,730	4,032,307	4,653,455	3,834,141
Current liabilities	流動負債	(6,539,519)	(4,594,486)	(4,778,993)	(4,221,202)	(2,586,061)
Non-current liabilities	非流動負債	(2,848,421)	(4,278,977)	(3,413,499)	(3,133,870)	(1,735,152)
Total Equity	權益總額	1,567,886	3,199,902	3,269,116	3,619,069	2,463,975

CHU KONG PETROLEUM AND NATURAL GAS STEEL PIPE HOLDINGS LIMITED
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