



ZMJ

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

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

(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號：00564

ANNUAL REPORT 年報
2017





Corporate Profile 公司簡介

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

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

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

本公司為中國領先的煤炭綜採掘設備製造商，致力於生產及銷售液壓支架，是中國最大的液壓支架製造商。本公司亦透過附屬公司從事汽車零部件的研發、製造、銷售及服務，鋼鐵及其他原料貿易業務。本公司悠久的經營歷史、優質產品、強勁的研發能力、先進的製造流程及龐大的銷售及服務網絡乃是公司達到成功的關鍵，並使公司能夠維持在中國煤炭採掘設備市場的領導地位。

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Corporate Information 公司資料

Directors

Mr. Jiao Chengyao (*Chairman and Executive Director*)
Mr. Jia Hao (*Vice Chairman and Executive Director*)
(appointed on 12 February 2018)
Mr. Xiang Jiayu (*Executive Director*)
Mr. Fu Zugang (*Executive Director*) (appointed on 12 February 2018)
Mr. Wang Xinying (*Executive Director*)
Mr. Wang Bin (*Executive Director*) (appointed on 12 February 2018)
Mr. Guo Haofeng (*Executive Director*) (resignation effective from 12 February 2018)
Mr. Liu Qiang (*Executive Director*) (resignation effective from 12 February 2018)
Ms. Liu Yao (*Independent Non-executive Director*)
Mr. Jiang Hua (*Independent Non-executive Director*)
Mr. Li Xudong (*Independent Non-executive Director*)
Mr. Wu Guangming (*Independent Non-executive Director*)
(resignation effective from 24 July 2017)

Supervisors

Mr. Liu Qiang (appointed on 12 February 2018)
Mr. Wang Yue (appointed on 12 February 2018)
Mr. Cui Leilei (appointed on 12 February 2018)
Mr. Ni Wei (appointed on 12 February 2018)
Mr. Zhou Rong
Mr. Zhang Yichen (appointed on 12 February 2018)
Mr. Yuan Shaochong (appointed on 12 February 2018)
Mr. Li Chongqing (resignation effective from 12 February 2018)
Mr. Zhang Zhiqiang (resignation effective from 12 February 2018)
Mr. Liu Fuying (resignation effective from 12 February 2018)
Mr. Ni Heping (resignation effective from 12 February 2018)
Ms. Xu Mingkai (resignation effective from 12 February 2018)
Mr. Zhang Jun (resignation effective from 12 February 2018)

Auditors

International auditors:

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

Domestic auditors:

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

Principal Place of Business in Hong Kong

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

Registered Office in the PRC

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

Headquarter in the PRC

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

Company's Website

www.zzmj.com

H Share Registrar

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

Zhengzhou Coal Mining Machinery Group Co., Ltd. Annual Report 2017

董事

焦承堯先生(*董事長兼執行董事*)
賈浩先生(*副董事長兼執行董事*)
(於二零一八年二月十二日獲委任)
向家雨先生(*執行董事*)
付祖岡先生(*執行董事*)
(於二零一八年二月十二日獲委任)
王新瑩先生(*執行董事*)
汪濱先生(*執行董事*)(於二零一八年二月十二日獲委任)
郭昊峰先生(*執行董事*)(於二零一八年二月十二日離任)
劉強先生(*執行董事*)(於二零一八年二月十二日離任)
劉堯女士(*獨立非執行董事*)
江華先生(*獨立非執行董事*)
李旭冬先生(*獨立非執行董事*)
吳光明先生(*獨立非執行董事*)
(於二零一七年七月二十四日離任)

監事

劉強先生(於二零一八年二月十二日獲委任)
王躍先生(於二零一八年二月十二日獲委任)
崔蕾蕾先生(於二零一八年二月十二日獲委任)
倪威先生(於二零一八年二月十二日獲委任)
周樂先生
張易辰先生(於二零一八年二月十二日獲委任)
苑少沖先生(於二零一八年二月十二日獲委任)
李重慶先生(於二零一八年二月十二日離任)
張志強先生(於二零一八年二月十二日離任)
劉付營先生(於二零一八年二月十二日離任)
倪和平先生(於二零一八年二月十二日離任)
徐明凱女士(於二零一八年二月十二日離任)
張軍先生(於二零一八年二月十二日離任)

核數師

國際：

德勤•關黃陳方會計師行
香港
金鐘道88號
太古廣場一期35樓

境內：

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

香港主要營業地點

香港
灣仔
皇后大道東28號
金鐘匯中心18樓

中國註冊辦事處

中國
河南省鄭州市
經濟技術開發區
第九大街167號

中國總辦事處

中國
河南省鄭州市
經濟技術開發區
第九大街167號

公司網站

www.zzmj.com

H股股份登記處

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

A Share Registrar

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

Stock Code

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

Principal Banks

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

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

Company Secretary

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

Strategy Committee

Mr. Jiao Chengyao (*Chairman*)
Mr. Jia Hao
Mr. Xiang Jiayu
Mr. Fu Zugang
Mr. Wang Xinying (*resignation effective from 12 February 2018*)
Mr. Guo Haofeng (*resignation effective from 12 February 2018*)
Mr. Wu Guangming (*resignation effective from 24 July 2017*)
Mr. Jiang Hua

Audit Committee

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

Nomination Committee

Mr. Jiang Hua (*Chairman*)
Mr. Fu Zugang
Ms. Liu Yao

Remuneration and Assessment Committee

Mr. Li Xudong (*Chairman*)
Mr. Jia Hao
Ms. Liu Yao

Authorized Representatives

Mr. Jiao Chengyao
Mr. Zhang Haibin

Legal Advisers

As to Hong Kong law:
Clifford Chance

As to PRC law:
Zhong Lun Law Firm

A股股份登記處

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

股份代碼

H股00564
A股601717(上海證券交易所)

主要往來銀行

中國工商銀行
鄭州市建設路支行
中國
河南省
鄭州市建設西路11號

中國銀行
鄭州市隴西支行
中國
河南省
鄭州市淮河路62號

公司秘書

張海斌先生
陳燕華女士(*公司秘書助理*)

戰略委員會

焦承堯先生(*主席*)
賈浩先生
向家雨先生
付祖岡先生
王新瑩先生(*於二零一八年二月十二日離任*)
郭昊峰先生(*於二零一八年二月十二日離任*)
吳光明先生(*於二零一七年七月二十四日離任*)
江華先生

審計委員會

李旭冬先生(*主席*)
劉堯女士
江華先生

提名委員會

江華先生(*主席*)
付祖岡先生
劉堯女士

薪酬與考核委員會

李旭冬先生(*主席*)
賈浩先生
劉堯女士

授權代表

焦承堯先生
張海斌先生

法律顧問

香港法律:
高偉紳律師行

中國法律:
中倫律師事務所

Chairman's Statement 董事長報告書

Dear Shareholders,

I am pleased, on behalf of the board of directors (the "Board") of Zhengzhou Coal Mining Machinery Group Company Limited, to present the annual report of the Group for the period from 1 January 2017 to 31 December 2017 (the "2017 Annual Report").

Jiao Chengyao

Chairman

各位股東：

我謹代表鄭州煤礦機械集團股份有限公司董事會（「董事會」）欣然呈報本集團二零一七年一月一日至二零一七年十二月三十一日的年度報告（「二零一七年度報告」）。

焦承堯
董事長



Dear Shareholders,

In 2017, in line with the annual goal of “intensifying reforms for business model, advancing trial and practice for fostering innovation, solidifying foundation for quality, and stabilizing operation for sustained growth”, the Company reported substantial growth in operational effectiveness, capturing the staged opportunities presented by the rebound of the coal industry and the upward growth of the commercial vehicle market amidst stability. Adding to this is the consolidation of ASIMCO which is engaged in auto parts business, which has helped us in achieving remarkable breakthrough in industrial transformation. We have comprehensively achieved the annual goal for 2017.

尊敬的股東：

2017年，鄭煤機緊緊圍繞「深化改革謀格局，先行先試促創新，夯實基礎抓質量，穩健經營保增長」的年度方針，搶抓煤炭行業回暖、商用車穩中向好的階段性機遇，經營效益大幅增長，亞新科汽車零部件企業合併報表，產業轉型取得實質性突破，全面實現了公司2017年方針目標。



In 2017, the revenue generated by the Company amounted to RMB7.547 billion, representing an increase of 108% year-on-year. Net profit attributable to shareholders of the Company amounted to RMB284.25 million, representing an increase of 358.5% year-on-year.

2017年，本公司實現營業收入人民幣75.47億元，同比增長108%；實現歸屬於本公司股東的淨利潤人民幣2.8425億元，同比增長358.5%。

I. Discussion and analysis of the operation of the Company during the Review Period

- (1) Continually pushed ahead with industrial transformation and commenced external investment and acquisition in a steady pace

In March 2017, the Company completed all closing procedures in respect of the acquisition of 6 auto parts companies under ASIMCO group, having consolidated ASIMCO in its financial statements and achieved its dual-driven business operations. Following completion of the acquisition of ASIMCO, in order to develop a bigger and stronger auto parts segment, the Company captured market opportunity and cooperated with investment partners in the acquisition of the starter motors and generators business of the Germany-based Bosch group. To date, the closing and auditing procedures for the project were in process. Upon completion of this acquisition, ZMJ will not only become a global leader in key core technologies including starter motors and 48V low-voltage hybrid motors, but also possess a global research and development platform featured by core technologies including new-energy motors and electrical control. This is expected to lay solid foundation upon which ZMJ will be able to build its globally first-class auto parts business.

- (2) Reshaped operation structure in the industry and optimized management structure of the enterprise

Fostering our restructuring, we have basically built our main operating segments, namely, coal mining machinery segment, ASIMCO segment and SEG segment. We continually explored an operation model of "small headquarters, large segments", under which the business segments operated in a coordinated manner under centralized management. As the central unit of the Group, the headquarters of the Company fully played its role as the corporate controller, value creator, integrator of global resources and industrial coordinator and performed the centralized functions focusing on strategic planning, human resources development, risk prevention and control as well as financial operation. The listed company will act as a platform for optimizing resources allocation among its business segments.

一、報告期內公司經營情況討論與分析

- (1) 持續推進產業轉型，穩步開展對外投資並購

2017年3月，公司完成亞新科集團旗下6家汽車零部件公司所有交割手續，亞新科實現並表，公司實現雙主業運營。收購亞新科項目完成後，為了做強做大汽車零部件板塊，公司抓住行業機遇，聯合投資機構競標收購德國博世集團下屬起動機與發電機業務，目前本項目正在履行交割審計程序。本項併購完成後，鄭煤機不僅在啟停電機和48伏弱混電機等關鍵核心技術實現了全球領先，同時也具備了切入新能源電機、電控等核心技術的全球研發平台，為鄭煤機打造世界一流的汽車零部件業務奠定了堅實基礎。

- (2) 重塑產業運營架構，優化企業管理結構

推動集團架構重組，煤機板塊、亞新科板塊、SEG板塊三大產業運營主體初步搭建，持續探索完善總部管理下板塊聯動的「小總部，大板塊」運營模式。上市公司總部作為集團的大腦中樞，充分發揮集團管控、價值創造、全球資源整合、產業協同功能，實現高效運營，形成以戰略規劃、人力資源開發、風險防控、財務運營等為核心的總部職能，以上市公司平台對下屬各業務板塊進行資源優化配置。

(3) Captured the opportunities presented by the market rebound and witnessed continual improvement in the operating condition of the coal mining machinery business

1. Regarding market development, we saw growth in both order placements and collection of receivables. In 2017, order placements in the PRC market grew by 99% year-on-year, and collection of receivables grew by 53%, representing record-high level for five years. In the international market, order placements grew by 149%. The Company entered into supply contracts on comprehensive hydraulic roof supports with the U.S.-based Murray Energy, becoming the largest supplier in the United States of America in the provision of shaft mine hydraulic roof supports. It also entered into supply contracts on hydraulic roof supports with Uzbekistan, following which the number of countries to which the Company's hydraulic roof support products are exported increased to seven.
2. Regarding scientific research and development, we continued to expedite in making breakthroughs in the scientific attainments of key projects and commenced bulk production of hydraulic roof supports with a remarkable support height of 8.8 meters and became No. 1 globally in numerous ways. We engaged in the research and production of centralized control system, which has been successfully put to use in 6-meter intelligent comprehensive excavation surfaces, which have a 98%+ repetition rate (回採率) and 10%+ reduction in energy consumption in production process. The Company has been granted the accolades including "Leading Innovative Enterprise in Henan Province" (河南省創新龍頭企業) and "Model Enterprise in Management Innovation in Henan Province" (河南省管理創新示範企業).
3. Regarding production and quality, we discussed the formation of new automated production lines using welding robots, in order to raise welding quality and achieve cost reduction and efficiency enhancement. We further uplifted quality control, execution of craftsmanship discipline, handling of irregularities and so forth, thereby effectively uplifting product quality.

(3) 搶抓市場回暖機遇，煤機業務經營情況持續好轉

1. 市場開發方面，訂貨回款雙增長。2017年國內市場訂貨額同比增長99%，回款額同比增長53%，為近5年最高；國際市場訂貨額同比增長149%，與美國默里能源簽訂成套液壓支架供貨合同，首次成為美國最大井工礦液壓支架供應商；與烏茲別克斯坦簽訂液壓支架供貨合同，使得公司液壓支架實現出口的國家增加至7個。
2. 科技研發方面，持續加快重大項目科研攻關，8.8米超大採高液壓支架批量投產，創造多項「世界第一」。研製集中控制系統並成功應用於6米大採高智能化綜採工作面，目前該工作面回採率達到98%以上，生產能耗降低10%以上。公司先後榮獲河南省創新龍頭企業、河南省管理創新示範企業等榮譽稱號。
3. 生產與質量方面，論證建設新的焊接機器人自動化生產綫，提高焊接質量，實現降本增效。進一步加強質量控制、工藝紀律執行、異常問題處置等，有效提升產品品質。

Chairman's Statement 董事長報告書

- Regarding operation and management, we commenced the first session of Selected Outstanding Craftsmen in Coal Mining Machinery, under which 27 skilled workers from 10 disciplines were finally selected as outstanding craftsmen in this first session of the event. Streamlined management continued to fortify, with the "Improvement Special Month in Four Disciplines" activity being organized, under which the number of improvement items for the full year exceeded 10,000 for the first time, and the rate of participation for improvement was 65.9%. Efforts on informatization continued solidly, via which we achieved management delicacy in payment processes. Further, we developed proposals for mobile approval business, under which 66 items of business approval and 27 items of enquiry were processed through mobile devices.

(4) Completed closing procedures in respect of the ASIMCO segment, and thus realized steady growth in operation indicators

In view of the steady increase in the production and sales volume of automobiles in 2017 and the continual enhancement in the management of ASIMCO, the indicators of the ASIMCO segment outperformed the overall growth pace of the industry in the same period of time.

- We streamlined the strategies for the future development of ASIMCO and identified long-term goals. Based on the long and medium-term macroeconomic policies of the PRC and the general situation of the automobile industry, as well as our clear goals for corporate development in the near term, medium term and long term, we have devised a five-year plan for the development of ASIMCO. With a bird-view outline of the development roadmap of ASIMCO, we seek to grow ASIMCO segment in terms size and strength, with the collective efforts of our team. The ASIMCO segment has been restructured so that the equity interests in the five PRC entities under ASIMCO held by the Company have been transferred to ASIMCO Beijing, and in turn the shareholding relationship and management structure can become more unified.

- 經營管理方面，開展第一屆煤機優秀工匠評選，最終評選10個工種27名第一屆優秀工匠。精益管理不斷提升，開展「四大改善專題月」活動，全年改善提案數量首次突破1萬件，改善參與率65.9%。信息化建設扎實推進，實現資金支付流程的精細化管理。制定實施移動審批業務方案，實現移動端66項業務審批及27項查詢。

(4) 亞新科板塊交割完成，經營指標穩步增長

受益於2017年度汽車產銷量的穩步增長和亞新科管理的持續提升，亞新科板塊各項指標均超過同期行業整體增速。

- 梳理亞新科未來發展戰略，明確長遠目標。根據國家中長期宏觀經濟政策和汽車行業情況，明確企業發展的近期、中期、遠期目標，制定亞新科五年發展規劃，高起點繪就亞新科發展藍圖，群策群力，做強做大亞新科板塊。重組亞新科板塊，公司將所持亞新科境內5家企業股權劃轉至亞新科北京公司持有，實現了股權關係和管理架構的統一。

2. We continued to improve our operations culture and uplift the brand image and value of the ASIMCO brand. We sought to improve on an ongoing basis the ASIMCO operating system with an international standard, and continued to foster the ASIMCO operations culture, achieved smooth transition, and got the wide recognition of our staff members and customers at home and abroad. A sound platform for learning operation-related matters has been built and the third phase of trainings for highly-potential talents has been provided, thereby cultivating a batch of talents for operation and management at various hierarchical levels. We strove to engage, on a rolling basis, in evaluation of differences based on the operation manual of ASIMCO, with a view to continually uplifting our management level. On-site information center samples have been established to maintain a common language system and ensure an atmosphere for joint development.
3. We continued to foster the research and development of new products and technologies, for sustainability in corporate development. Centered at customers' requirements in technical sense and the increasingly stringent regulatory requirements on emission, we continually explored new customers and launched new products while at the same time seeking to consolidate the importance of existing key products from the perspectives of key customers in their new product development process, as well as market penetration. Funds have been invested for the research and development of new materials, new craftsmanship and new products, and for improving our engineering capability in terms of product development processes and the updating and maintenance of the database for product design.
4. We embarked upon the "ASIMCO Technology Day" event and sought to enhance our relationship with major customers on full scale. We organized the "ASIMCO Technology Day" event and intensified our strategic cooperation with major customers such as Cummins. On a forward-looking basis, we probed the requirements of major customers for forefront technologies and sought to grasp the trend of technological development, with a view of preparing for our transformation and upgrading. We also spent intensive efforts on the existing international customers of ASIMCO, widened our international exposure, and proactively explored major markets including the United States, Europe and Japan.
2. 持續完善運營文化，提升亞新科品牌形象和價值。不斷完善具有國際水平的亞新科運營系統，持續推行亞新科的運營文化，實現了平穩過渡，得到了公司員工和國內外客戶的廣泛認可。搭建完善的運營學習培訓平台，實施第三期高潛人才培訓項目，培養了一批各層級運營管理人才。堅持循環開展以亞新科運營手冊為基礎的差距評估工作，促使管理水平不斷提升。建立現場信息中心樣板，維持共同語言體系，確保共同發展的氛圍。
3. 持續推進新產品新技術研發，促進企業可持續發展。圍繞客戶技術要求及排放法規升級要求，鞏固原有重點產品在重點客戶新產品開發中的核心地位和市場滲透率，並不斷開拓新客戶，推出新產品。投入資金用於新材料、新工藝、新產品的研發，促進產品開發流程的改善、產品設計數據庫的更新維護等相關工程能力的建設。
4. 實施「亞新科技術日」活動，全面加強大客戶關係。舉辦「亞新科技術日」活動，與康明斯等大客戶深化戰略合作。前瞻性研究大客戶前沿技術需求，把握技術發展趨勢，積極做好轉型升級的儲備。深耕亞新科現有國際客戶，不斷擴大國際知名度，積極開拓美、歐、日等主要市場。

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

(1) Industry layout and trends

1. The coal industry is expected to remain stable in general, and the industry layout shall improve amidst adjustment

Under supply-side structural reform initiatives, year 2017 witnessed continual improvement in supply and demand in the coal industry, positive trend in the economic performance of the industry, remarkable decrease in loss-making enterprises, and sharp increase in total profit. Firstly, volume of coal production rose steadily. According to the National Bureau of Statistics of The PRC, in 2017, raw coal production in The PRC totaled 3.52 billion tons, representing an increase of 3.3% year on year and the first positive growth since year 2014, which was attributable to the revival growth of raw coal production under the rebound of demand for coal and expedited release of high-quality production capacity against the backdrop of positive performance in national economy amidst stability. Secondly, the characteristics of industrial concentration in terms of number and regional distribution became apparent. According to China National Coal Association, the number of coal mines in the PRC decreased from 10,800 in 2015 to approximately 7,000 by the end of 2017. According to the National Bureau of Statistics of the PRC, in 2017, the volume of production of raw coal in eight regions namely Inner Mongolia, Shanxi, Shaanxi, Xinjiang, Guizhou, Shandong, Henan and Anhui exceeded 100 million tons and accounted for 86.8% of the aggregate production volume in the PRC, which increased by 3.0 percentage points from year 2015, which was before the “destocking” policy was implemented. Thirdly, the supply-side structural reform in the coal industry reaped successful fruits, with remarkable rebound of efficiency in the coal industry while the 20:80 profit allocation of coal enterprises continued to widen. Fourthly, mergers and acquisitions among coal enterprises sped up, especially the expedited integration of coal assets at the level of central enterprises, with China Coal and China Shenhua as the focus.

二、關於公司未來發展的討論與分析

(1) 行業格局和趨勢

1. 煤炭行業整體運行基本平穩，產業布局調整中優化

受益於供給側結構性改革，2017年煤炭行業供需形勢繼續好轉，行業經濟運行趨於良性，虧損企業明顯減少，利潤總額明顯增加。一是煤炭產量穩步增長。據國家統計局數據，2017年，隨著國民經濟穩中向好，煤炭需求回暖，優質產能加速釋放，原煤生產恢復性增長，全年原煤產量35.2億噸，比上年增長3.3%，是自2014年以來首次正增長。二是行業數量集中、區位集中特徵明顯。中國煤炭工業協會數據顯示，全國煤礦數量從2015年的1.08萬處減少到2017年底的7,000處左右；根據國家統計局數據，2017年內蒙古、山西、陝西、新疆、貴州、山東、河南、安徽等8個地區生產原煤均超過1億噸，佔全國產量的86.8%，比「去產能」政策實施前的2015年提高3.0個百分點。三是煤炭供給側結構性改革取得成效，煤炭行業效益明顯回升，煤企盈利的二八現象繼續分化。四是煤企兼並重組速度加快，特別是央企層面以中煤、神華為主體煤炭資產整合加速。

2. New competitive landscape is expected to appear in the coal mining machinery industry

Regarding the coal mining machinery industry in the PRC: Firstly, with the remarkable improvement in market conditions, the staged supply and demand will be tight and the effect of overlapping industrial cycles will become apparent. Secondly, coal equipment manufacturing will see faster integration with the internet. Thirdly, some coal mining machinery enterprises will undergo cross-industry mergers and acquisitions and industrial transformation. Fourthly, highly reliable, intelligent, highly efficient, and large-scale comprehensive products will have the core competence in the coal mining machinery industry. Fifthly, customer demand will become increasingly stringent in the coal mining machinery industry, in terms of wider scope of demand, and higher requirements of product reliability and intelligence as well as service professionalism. For the coal mining machinery industry overseas, with falling scale under severe shrinkage of the industry and in turn a more concentrated industry, coal mining machinery enterprises from the PRC will increasingly step up their efforts of competing in those international markets.

3. Sales volume of the automobile industry in the PRC is expected to sustain growth in the long and medium term

The PRC has the largest automobile market in the world for the eighth consecutive year. At present, automobile ownership in the PRC has exceeded 200 million units and new automobile sale is close to 30 million units per year. The auto parts industry forms the basis of the automobile industry, being followed by the complete vehicle manufacturing industry as a downstream industry. The impact of the automobile consumption market on the complete vehicle manufacturing industry will in turn affect the auto parts industry. According to China Association of Automobile Manufacturers, in 2017, the sale and production volume of automobile in the PRC grew by 3.19% and 3.04% respectively year on year; that of automobile for commercial use grew by 13.81% and 13.95% respectively year on year; while that of new-energy automobile grew by 53.8% and 53.3% respectively year on year, to nearly 0.8 million units. Per-capita automobile ownership in the PRC is merely one fifth of that in developed countries. It is expected that the sale and production volume in the automobile industry in the PRC will maintain steady growth in the long and medium term. Further, worldwide policies on energy conservation and emission reduction, coupled with the trend of intelligent and electrical development of the automobile industry, will bring forth new challenges and opportunities for the auto parts industry.

2. 煤機行業呈現新的競爭格局

國內煤機行業方面，一是市場狀況大幅改善，階段性供需偏緊，行業「三期」疊加效應明顯。二是煤炭裝備製造與互聯網融合發展加快。三是部分煤機企業跨行業併購重組，實施產業轉型。四是高可靠性、智能高效、大型成套成為煤機行業產品的核心競爭力。五是客戶對煤機行業的需求標準在提高，需求內容在擴展，對產品的高可靠性、智能化、專業化服務要求在增強。國外煤機行業方面，行業規模下滑，收縮嚴重，集中度進一步增強，國內煤機企業參與國際市場競爭的力度持續加大。

3. 國內汽車行業銷量有望保持中長期持續增長

中國連續8年穩居全球汽車第一大市場，目前我國汽車保有量超過2億輛、新車年銷售量接近3,000萬輛。汽車零部件行業是汽車行業發展的基礎，其下游行業為整車製造業，汽車消費市場對整車製造業的影響會傳導至汽車零部件行業。根據中國汽車工業協會數據，2017年中國汽車產銷量同比分別增長3.19%和3.04%，商用車產銷量同比分別增長13.81%和13.95%，新能源汽車產銷量均接近80萬輛，同比分別增長53.8%和53.3%。中國人均汽車保有量目前僅為發達國家的1/5，預計中國汽車行業產銷量有望中長期保持穩定增長。同時，世界節能減排政策以及汽車行業智能化、電動化的發展趨勢也給汽車零部件行業帶來新的挑戰和機遇。

(2) The Company's development strategies

The Company's development strategies will be: strategic positioning as an international enterprise; market-oriented corporate governance; diversified industry layout; and globalization of talents

Firstly, strategic positioning as an international enterprise: Economic globalization has become an irreversible trend. By firmly holding onto the strategic opportunities presented by the "Belt and Road" initiative of the PRC, ZMJ shall adopt "outbound development" strategies and optimize its resources allocation on a global basis. It shall proactively integrate itself into the global networks of innovation, manufacturing and market, and push ahead with transformation and upgrade of its industrial structure. It shall also benchmark its own level of operation and management against international standard, continually explore the room for existence and development, and establish itself as an international large-scale conglomerate.

Secondly, market-oriented corporate governance: A sound mechanism is pivotal to the virtuous cycle of development of an enterprise. While being fully exposed to competition in the global market, the Company is, as an "A+H" listed company, required to further intensify with the reforms in systems and mechanisms in line with the policy directions of the government: Leveraging on "developing mixed-ownership economy" to further optimize shareholding structure and uplift the level of corporate governance; Having in place a board of directors which operates in market-oriented approach, so that it becomes the platform for governance, for expression of thoughts and for decision-making; Adopting a system of professional managers for senior management staff, and exploring mechanisms for incentives and restrictions in the long and medium term.

Thirdly, diversified industry layout: An industry layout with multiple supporting points and multiple drives has become imminent needs of an enterprise in its response to the new round of technological revolution and industrial reform. In future, the coal mining machinery segment will move towards the direction of comprehensive, intelligent and international development. We will build up ourselves as a worldwide top-notch supplier and service provider in respect of comprehensive coal mining machinery equipment and foster the green, intelligent, efficient and safe development of comprehensive coal mining technology. Regarding our auto parts business segment, with ASIMCO and SEG as our main operating bodies, we will focus on intelligent, electrical and light-weight elements in our development, so as to build up an auto parts enterprise with global influence and contribute to environmental protection, energy conservation and emission reduction for the PRC as well as the whole world.

(2) 公司發展戰略

公司發展戰略：戰略定位國際化、公司治理市場化、產業布局多元化、人力資源全球化

第一，戰略定位國際化：經濟全球化已成為不可逆轉的潮流，鄭煤機應緊緊把握國家「一帶一路」的戰略機遇，實施「走出去」戰略，在全球範圍內優化資源配置，積極融入全球的創新網絡、製造網絡和市場網絡，推動產業結構轉型升級；以國際化標準提高自身經營管理水平，不斷拓展自身的生存與發展空間，構建國際化大型企業集團。

第二，公司治理市場化：好的機制是保障企業各項工作良性循環的靈魂。公司處於完全競爭的全球市場，作為A+H上市公司，要結合國家政策導向進一步深化體制機制改革：以「發展混合所有制經濟」為契機，進一步優化股權結構，提升公司治理水平；建立市場化運作的董事會，讓董事會成為公司的治理平台、資本意志表達和決策的平台；推行企業高級管理人員的職業經理人制度，探索中長期的激勵約束機制。

第三，產業布局多元化：多點支撐、多元帶動的產業格局是企業應對新一輪科技革命和產業變革的迫切需要。未來煤機板塊以成套化、智能化、國際化為方向，打造世界一流的成套煤機裝備供應商和服務商，推動煤炭綜采技術的綠色、智能、高效、安全發展；汽車零部件業務分別以亞新科、SEG為運營主體，聚焦智能化、電動化、輕量化，打造具有世界影響力的汽車零部件企業，為中國乃至全球環境保護、節能減排做出貢獻。

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

(3) Operation plans

2018 will be an important year in which China will continue with the implementation of the Thirteenth Five-year Plan and migrate to become a moderately prosperous society. It is also a critical period of time in which ZMJ will thoroughly deepen its reform and achieve industrial transformation and upgrade. Taking into account the existing domestic and international conditions, and the guidance under its development strategies, the Company has devised its annual goal for year 2018: structural reshaping to foster transformation, all-rounded synergy to secure growth, innovation-driven approach to fabricate fine products, and scientific management to augment efficiency.

Centering at the annual goal of year 2018, the Company will work strenuously towards the following:

1. In terms of adjustment of management structure

In 2018, centering at its development strategy and by way of business restructuring, the Company will achieve an operation model of "small headquarters, large segments", under which the business segments operate in a coordinated manner under centralized management. Based on the industry layout of the Company with dual principal businesses, the Company will grow its auto part business segments in terms of size and strength, streamline the management structure of its coal mining machinery segment, operate its business according to international rules, and establish systems and cultural atmosphere upon which the Company can operate its businesses on a cross-national basis.

第四，人力資源全球化：人才是企業改革、創新的終極源泉，是公司發展的最大資源。公司堅持以「創新、開放、包容」為理念推行人才與企戰略，用市場化的思維持續優化當前的人力資源結構，打造科學的人才培育開發體系、清晰的人才晉級通道、合理的薪酬體系，以及運用全球化視野、市場化機制，以培育和選聘相結合的人力資源機制吸納各類優秀人才為我所用，奠定百年鄭煤機的關鍵基石。

(3) 經營計劃

2018年是決勝全面建成小康社會、實施「十三五」規劃承上啟下的關鍵一年，也是鄭煤機全面深化改革、產業轉型升級的決勝之年。結合當前內外部形勢，在公司發展戰略的指引下，公司制定了2018年方針目標：架構重塑促轉型、多維協同保增長、創新驅動育精品、科學管理增效益。

圍繞2018年年度方針目標，重點做好以下幾個方面工作：

1. 管理架構調整方面

2018年，圍繞企業發展戰略，通過架構重組，實現總部管理下板塊聯動「小總部、大板塊」的運行模式。按照公司雙主業的產業布局，做強做大汽車零部件產業板塊，梳理搭建煤機板塊管理架構，按國際化規則運營企業，打造跨國經營的制度基礎和文化氛圍。

2. In terms of operation of the respective business segments

Firstly, we will utilize the role of the headquarters in centralized control and coordination. The headquarters of the Group will become the unified platform of control and coordination, on which our business processes and mandate system can be streamlined in the aspects of development strategies, finance, funding and risk control. It is expected to promote mutual learning and improvement as well as coordinated development among business segments.

Secondly, we will step up the formation of our information system which is centrally controlled by the Group. A system of finance and funding control will be built up and act as a starting point to strengthen our management of domestic and overseas subsidiaries in terms of the use of information technology, processes and systems.

Thirdly, we will foster the steady growth of our business segments. While highlighting and augmenting the capability of each of our business segments and subsidiaries of surviving, developing and growing independently, we will foster the stable transition and integration of the SEG segment, and also support the growth of those businesses under our coal mining machinery segment and ASIMCO segment with sound potentials in terms of size and strength.

3. In terms of transformation and upgrade and innovative development

In 2018, we will proactively look to the implementation of government policies including "Made in China 2025" and "Belt and Road" initiative, so that we will grasp such historic development opportunity and support the continual transformation and upgrade of our business segments.

Firstly, we will grasp the opportunity presented by industry rebound of the coal mining machinery segment. By way of intelligent, comprehensive and international development, we will step up our efforts in the research and development of technology, vastly promote the technology of unmanned surface in shaft, continue to achieve comprehensive equipment supply by multiple means, and expedite our "outbound development" by leveraging our entry to high-end markets such as the United States of America.

2. 產業板塊運營方面

一是發揮總部的管控及協同作用。以集團總部為管控和協同的統一平台，從發展戰略、財務、資金、風險控制等方面理順業務流程和授權體系，推動各產業板塊相互學習、相互借鑒，共同進步、協同發展。

二是加強集團管控層面統一的信息化系統建設，搭建財務、資金管控體系並以此為切入點，強化集團對境內、境外子公司管理的信息化、流程化、制度化。

三是推動各產業板塊的穩健增長。突出強化各板塊、各子公司的獨立生存、自我發展和自我成長能力，促進SEG板塊的平穩過渡和整合協同，支持煤機板塊、亞新科板塊有發展潛力的業務做強做大。

3. 轉型升級、創新發展方面

2018年，要積極研究落實「中國製造2025」、「一帶一路」等政策，搶抓歷史性發展機遇，支持各產業板塊持續推動轉型升級。

一是煤機產業板塊搶抓行業回暖機遇，以智能化、成套化、國際化為著力點，加大技術研發的投入力度，大力推廣礦井無人工作面技術，繼續採取多種方式實現成套化設備供應，以進入美國等高端市場為契機加快「走出去」步伐。

Secondly, with the organic and external growth of ASIMCO segment, we will continue to grow our business of key auto parts related to automobile engines in terms of strength and specialization, foster the automation upgrade of our manufacturing technology and craftsmanship, and probe the possibility of transformation in products and technology. We will also support the rapid capacity expansion and worldwide market expansion in respect of our closed-loop shock reduction business.

Thirdly, we look forward to the successful completion of the SEG segment transaction and its sound operation. With German technology + China's speed + global marketing, on the one hand, we will be able to grow our Chinese and North American markets in term of size in a rapid manner, with a view to achieving large-scale localized application and marketing as soon as possible for products and services including starter motors generators and 48V BRM. On the other hand, on the back of the technological accumulation over the years and the strong R&D system of SEG, we will study and explore technologies related to electrical application and in turn achieve transformation and upgrade going forward.

In 2018, the Company will work around its annual goals, continue to uphold its work-hard spirit, intensify reform, take the lead to innovate, and remain its perseverance in fostering the high-quality development of ZMJ, with a view to bringing higher and better investment return to the Shareholders.

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

Jiao Chengyao
Chairman

29 March 2018

二是亞新科板塊以內生和外延增長相結合，繼續做強做精現有汽車發動機相關關鍵零部件業務，促進製造技術工藝的自動化升級，探索技術和產品的轉型；支持密封減震業務的快速提升產能和拓展全球市場。

三是SEG板塊平穩交割和穩健運營，德國技術+中國速度+全球推廣，一方面快速做大中國和北美市場，起停電機和48伏BRM等產品和技術儘快實現大規模本土化應用和推廣；另一方面以SEG歷史悠久的技術積澱和強大的研發體系，調研探索電氣化相關技術，未來實現轉型升級。

2018年，公司將圍繞年度方針，永葆奮鬥精神，深化改革，勇於創新，以永不懈怠的奮鬥姿態推動鄭煤機的高質量發展，力爭為股東帶來更高、更好的投資回報。

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

焦承堯
董事長

二零一八年三月二十九日

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

建支架精品基地，創世界支護名牌，
打造百億鄭煤機。



Management Discussion and Analysis 管理層討論與分析

Overview

The Group is a leading comprehensive coal mining and excavating equipment manufacturer in the PRC. Our established operating history, high quality products, strong in-house research and development capabilities, advanced manufacturing processes and extensive sales and service network are the keys to our success and allow us to maintain our leading position in the PRC coal mining and excavating equipment market. As at 3 March 2017, the Company completed the acquisition and transfer of 6 companies, i.e. 63% interest in ASIMCO Camshaft (Yizheng) Co., Ltd (“ASIMCO Camshaft”), 63% interest in ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd (“ASIMCO Shuanghuan”), 70% interest in ASIMCO Foundry (Yizheng) Co., Ltd. (“ASIMCO Foundry”), 100% interest in ASIMCO International Casting Co., Ltd. (Shanxi) (“ASIMCO Shanxi”), 100% interest in ASIMCO NVH Technologies Co., Ltd (Anhui) (“ASIMCO NVH”) and 100% interest in CACG LTD. I (“CACG I”) (the “Auto Parts Segment Companies”). Upon completion of the above acquisition, the Group has duly entered the auto parts market and is engaged in two principal business of coal mining machinery and auto parts.

概覽

作為中國領先的煤炭綜採掘設備製造商，本集團悠久的經營歷史、優質產品、強勁的研發能力、先進的製造流程及龐大的銷售及服務網絡乃是我們達到成功的關鍵，並使我們能夠維持在中國煤炭採掘設備市場的領導地位。公司於2017年3月3日完成了亞新科凸輪軸(儀征)有限公司(以下簡稱「亞新科凸輪軸」)63%股權、儀征亞新科雙環活塞環有限公司(以下簡稱「亞新科雙環」)63%股權、儀征亞新科鑄造有限公司(以下簡稱「亞新科鑄造」)70%股權、亞新科國際鑄造(山西)有限公司(以下簡稱「亞新科山西」)100%股權、亞新科噪聲與振動技術(安徽)有限公司(以下簡稱「亞新科NVH」)100%股權、CACG LTD. I(以下簡稱「CACG I」)100%股權、六家公司(以下簡稱「汽車零部件板塊公司」)的收購和交割工作。收購完成後，本集團已進入汽車零部件市場，形成煤礦機械和汽車零部件兩項主要業務。



Results of Operations

The following table sets forth a summary, for the year of 2017 indicated, of our consolidated results of operations.

經營業績

下表載列本集團於所示2017年的合併經營業績摘要。

		2017 二零一七年 RMB millions 人民幣百萬元	2016 二零一六年 RMB millions 人民幣百萬元
Revenue	收入	7,546.70	3,628.53
Cost of sales	銷售成本	(5,899.30)	(2,915.42)
Gross profit	毛利	1,647.40	713.11
Other income	其他收入	112.12	101.87
Other gains and losses	其他收益及虧損	53.75	(168.71)
Selling and distribution expenses	銷售及分銷開支	(400.07)	(187.96)
Administrative expenses	行政開支	(709.65)	(300.38)
Research and development expenses	研發費用	(265.43)	(102.47)
Share of profit (loss) of associates	應佔聯營公司溢利(虧損)	18.40	(18.11)
Share of profit of a joint venture	應佔合營企業溢利	6.19	0.04
Finance costs	融資成本	(39.68)	-
Profit before tax	除稅前溢利	423.03	37.39
Income tax expense	所得稅開支	(82.87)	(0.74)
Profit for the year	年內溢利	340.16	36.65



Results of Operations (Continued)

經營業績(續)

		2017 二零一七年 RMB millions 人民幣百萬元	2016 二零一六年 RMB millions 人民幣百萬元
Other comprehensive (expense) income	其他全面(開支)收入		
Items that may be reclassified subsequently to profit or loss:	可能於其後重新分類至損益之項目：		
Exchange differences arising on translation	換算產生之匯兌差額	(5.58)	5.25
Fair value gain on available-for-sale financial assets	可供出售之金融資產公平值收益	13.29	6.54
Share of fair value gain on available-for-sale financial assets of an associate, net of related income tax	除所得稅後應佔一間聯營公司可供出售之金融資產公平值收益	22.73	19.79
Realisation of cash flow hedges	現金流量對沖變現	(71.02)	71.02
Other comprehensive (expense) income for the year, net of income tax	年內其他全面(開支)收入，扣除所得稅	(40.58)	102.60
Total comprehensive income for the year	年內全面收入總額	299.58	139.25
Profit for the year attributable to:	以下人士應佔年內溢利：		
Owners of the Company	本公司股東	284.25	62.00
Non-controlling interests	非控股權益	55.91	(25.35)
		340.16	36.65
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收入總額：		
Owners of the Company	本公司股東	243.67	164.60
Non-controlling interests	非控股權益	55.91	(25.35)
		299.58	139.25
EARNINGS PER SHARE	每股盈利		
– Basic (RMB cents)	– 基本(人民幣分)	16.67	3.82

Management Discussion and Analysis 管理層討論與分析

Revenue

Our revenue increased by 108.0% from RMB3,628.53 million for the year ended 31 December 2016 to RMB7,546.70 million for the year ended 31 December 2017, mainly because of the acquisition of the ASIMCO segment. In addition, revenue from the coal mining machinery segment also recorded a significant increase of 31.1% as compared to that of the last period because of the rebound of demand in domestic coal market in the first half of 2017, which resulted in an increase in domestic market demand for the Group's products and the corresponding increase in the Group's revenue from hydraulic roof supports.

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

收入

本集團收入自截至2016年12月31日止年度的人民幣3,628.53百萬元增加108.0%至截至2017年12月31日止年度的人民幣7,546.70百萬元，主要是收購亞新科板塊所致。此外煤機板塊收入也較上期大幅上升31.1%。系2017年上半年國內煤炭市場需求回暖，令國內市場對集團產品需求有所增加導致集團液壓支架的收入上升所致。

下表載列本集團按產品及業務劃分的收入分析(單位：人民幣百萬元)：

		2017 二零一七年 RMB millions 人民幣百萬元	2016 二零一六年 RMB millions 人民幣百萬元
Sales of hydraulic roof supports	液壓支架之銷售	2,957.15	2,132.78
Sales of auto parts	汽車零部件之銷售	2,712.70	–
Revenue from steel and other materials trading	鋼鐵及其他原料貿易之收入	1,111.03	805.78
Sales of spare parts	配件之銷售	557.61	504.68
Sales of other coal mining equipment	其他採煤設備之銷售	144.14	142.41
Other revenue	其他收入	64.07	42.88
		7,546.70	3,628.53

Cost of Sales

As the Group recorded an increase in our revenue, our cost of sales increased by 102.3% from RMB2,915.42 million for the year ended 31 December 2016 to RMB5,899.30 million for the year ended 31 December 2017.

Gross Profit

Driven by the above factors, our gross profit increased by 131.0% from RMB713.11 million for the year ended 31 December 2016 to RMB1,647.40 million for the year ended 31 December 2017.

The change in gross profit for the year primarily comprised of two parts. The gross profit margin of the coal mining machinery segment remained fairly flat and increased slightly from 19.7% for the year ended 31 December 2016 to 20.0% for the year ended 31 December 2017. As of 31 December 2017, the gross profit margin of the newly acquired auto parts segment of the Group for the year was 24.9%.

Therefore, the overall gross profit margin of the Group increased from 19.7% for the year ended 31 December 2016 to 21.8% for the year ended 31 December 2017.

銷售成本

由於本集團收入有所上升，本集團銷售成本由截至2016年12月31日止年度的人民幣2,915.42百萬元上升102.3%至截至2017年12月31日止年度的人民幣5,899.30百萬元。

毛利

受上述因素推動，本集團毛利由截至2016年12月31日止年度的人民幣713.11百萬元上升131.0%至截至2017年12月31日止年度的人民幣1,647.40百萬元。

本年毛利變動主要分為兩部分：煤機板塊的毛利率由截至2016年12月31日止年度的19.7%略上升至截至2017年12月31日止年度的20.0%，基本維持穩定；而截至2017年12月31日止，本年集團新收購的汽車零部件板塊毛利為24.9%。

故集團整體毛利率由截至2016年12月31日止年度的19.7%上升至截至2017年12月31日止年度的21.8%。

Other Income

Our other income increased by 10.1% from RMB101.87 million for the year ended 31 December 2016 to RMB112.12 million for the year ended 31 December 2017.

Other Gains and Losses

Our other gains and losses turned from losses of RMB168.71 million for the year ended 31 December 2016 to gains of RMB53.75 million for the year ended 31 December 2017, primarily as a result of the reversal of our allowance for doubtful debts.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 112.8% from RMB187.96 million for the year ended 31 December 2016 to RMB400.07 million for the year ended 31 December 2017, mainly due to the consolidation of the ASIMCO segment during the year. In addition, the sales expenses in the coal mining machinery segment also increased significantly by 17.6% as compared to that of the last period, mainly due to the increase in revenue.

Administrative Expenses

Our administrative expenses increased by 136.3% from RMB300.38 million for the year ended 31 December 2016 to RMB709.65 million for the year ended 31 December 2017. In addition to the consolidation of the ASIMCO segment during the year, mainly due to the consultation and audit fees incurred in connection with the acquisition during the year.

Staff Costs and Remuneration Policy

Our staff costs increased by 99.0% from RMB405.54 million for the year ended 31 December 2016 to RMB806.97 million for year ended 31 December 2017, primarily as a result of the completion of the acquisition of the Auto Parts Segment Companies during the year. The staff remuneration of the Group comprises of basic salary and bonus payment, which is determined with reference to the operating results of the Group and results of performance assessment on the employees. The Group adheres to the orientation towards efficiency and results as well as the focus on top-tier staff. It also strives to ensure scientific and reasonable allocation of income.

Research and Development Expenses

Our research and development expenses increased by 159.0% from RMB102.47 million for the year ended 31 December 2016 to RMB265.43 million for the year ended 31 December 2017, mainly because of the consultation of the ASIMCO segment during the year.

其他收入

本集團其他收入自截至2016年12月31日止年度的人民幣101.87百萬元上升10.1%至截至2017年12月31日止年度的人民幣112.12百萬元。

其他收益及虧損

本集團其他收益及虧損自截至2016年12月31日止年度的人民幣168.71百萬元虧損至截至2017年12月31日止年度的人民幣53.75百萬元收益，主要由於呆賬撥備的轉回。

銷售及分銷開支

本集團銷售及分銷開支自截至2016年12月31日止年度的人民幣187.96百萬元增加112.8%至截至2017年12月31日止年度的人民幣400.07百萬元，主要由於本年併入亞新科板塊所致。此外煤機板塊銷售費用也較上期大幅上升17.6%，主要由於收入上升導致。

行政開支

本集團行政開支自截至2016年12月31日止年度的人民幣300.38百萬元增加136.3%至截至2017年12月31日止年度的人民幣709.65百萬元。除本年亞新科板塊併入因素外，主要由於本年收購事項所發生的諮詢審計費。

員工成本及員工薪酬政策

本集團員工成本自截至2016年12月31日止年度的人民幣405.54百萬元上升99.0%至截至2017年12月31日止年度的人民幣806.97百萬元，主要由於本年完成汽車零部件板塊公司收購所致。本集團員工薪酬由基本工資和獎勵工資兩部分組成，獎勵工資依據本集團業績及績效考核情況確定。本集團堅持以效益和業績為導向，堅持向一線員工傾斜，努力確保收入分配科學合理。

研發費用

本集團研發費用自截至2016年12月31日止年度的人民幣102.47百萬元增加159.0%至截至2017年12月31日止年度的人民幣265.43百萬元，主要由於本年併入亞新科板塊所致。

Finance Costs

Our finance costs increased from RMB nil for the year ended 31 December 2016 to RMB39.68 million for the year ended 31 December 2017, because of the new bank borrowings raised by the Group during the year.

Profit Before Tax

Being affected by the factors referred to above in aggregate, our profit before tax increased by 1,031.4% from RMB37.39 million for the year ended 31 December 2016 to RMB423.03 million for the year ended 31 December 2017.

Income Tax Expense

Our income tax expense increased by 110.99 times from RMB0.74 million for the year ended 31 December 2016 to RMB82.87 million for the year ended 31 December 2017, primarily as a result of the significant increase in taxable income. Our effective tax rate increased to 19.6% for the year ended 31 December 2017 from 2.0% for the year ended 31 December 2016.

Total comprehensive income for the year

In view of the combined effect of the above factors, our profit for the year and the aggregate of comprehensive income increased by 115.1% from RMB139.25 million for the year ended 31 December 2016 to RMB299.58 million for the year ended 31 December 2017.

Profit Attributable to Owners of the Company

Based on the factors referred to above, profit attributable to owners of the Company increased by 358.5% from RMB62.00 million for the year 2016 to RMB284.25 million for the year 2017.

Trade and Other Receivables

As at 31 December 2017, trade and other receivables amounted to approximately RMB5,893.07 million, representing an increase of approximately RMB2,244.62 million as compared to approximately RMB3,648.45 million as at the end of 2016, mainly because of the consolidation of the ASIMCO segment during the year.

Other Financial Assets

As at 31 December 2017, other financial assets amounted to approximately RMB62 million, representing a decrease of approximately RMB1,023 million as compared to that at the end of 2016, resulting from a decrease in the purchases of short-term structured deposits from PRC commercial banks.

融資成本

本集團融資成本自截至2016年12月31日止年度的人民幣0元增加至截至2017年12月31日止年度的人民幣39.68百萬元，乃由於本集團本年新增銀行借款所致。

除稅前溢利

受前述因素之綜合影響，本集團的除稅前溢利自截至2016年12月31日止年度的人民幣37.39百萬元上升1,031.4%至截至2017年12月31日止年度的人民幣423.03百萬元。

所得稅開支

本集團的所得稅開支自截至2016年12月31日止年度的人民幣0.74百萬元增加110.99倍至截至2017年12月31日止年度的人民幣82.87百萬元，主要是由於本集團應納稅所得額大幅增加。本集團實際所得稅率自截至2016年12月31日止年度的2.0%上升至截至2017年12月31日止年度的19.6%。

年內全面收入總額

受前述因素之綜合影響，本集團年內溢利及全面收入總額自截至2016年12月31日止年度的人民幣139.25百萬元上升115.1%至截至2017年12月31日止年度的人民幣299.58百萬元。

本公司股東應佔利潤

基於上述各種因素，本公司股東應佔利潤自2016年的人人民幣62.00百萬元上升358.5%至2017年的人人民幣284.25百萬元。

貿易及其他應收款項

於2017年12月31日，貿易及其他應收款項金額約為人民幣5,893.07百萬元，較2016年末的約人民幣3,648.45百萬元增加約人民幣2,244.62百萬元，主要由於本年併入亞新科板塊所致。

其他金融資產

於2017年12月31日，其他金融資產金額約為人民幣62百萬元，較2016年末減少約人民幣1,023百萬元，乃由於本集團自中國商業銀行購買短期結構性存款減少所致。

Liquidity

The Group's net current assets were approximately RMB5,143.32 million (31 December 2016: RMB7,242.79 million) and the current ratio was 1.89 as at 31 December 2017 (31 December 2016: 4.35). The decrease in current ratio was mainly attributable to the increase in trade payables and borrowings.

Cash Flows and Capital Expenditures

As of 31 December 2017, the Group had RMB1,745.18 million in cash and cash equivalents. The Group's cash and cash equivalents primarily consist of cash and bank deposits.

流動資金

本集團流動資產淨額約為人民幣5,143.32百萬元(2016年12月31日：人民幣7,242.79百萬元)，而於2017年12月31日的流動比率為1.89(2016年12月31日：4.35)。流動比率減少主要由於本期應付賬款與借款增加所致。

現金流及資本支出

於2017年12月31日，本集團擁有現金及現金等價物人民幣1,745.18百萬元。本集團現金及現金等價物主要包括現金及銀行存款。

		2017 二零一七年 RMB millions 人民幣百萬元	2016 二零一六年 RMB millions 人民幣百萬元
Net cash from operating activities	經營活動所得現金淨額	1,237.87	360.89
Net cash (used in) from investing activities	投資活動(所用)所得現金淨額	(4,313.10)	276.19
Net cash from financing activities	融資活動所得現金淨額	2,233.92	230.20
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(841.31)	867.28
Effect of foreign exchange rate changes	匯率變動之影響	(45.91)	38.90
Cash and cash equivalents at the beginning of year	年初的現金及現金等價物	2,632.40	1,726.22
Cash and cash equivalents at the end of year	年末的現金及現金等價物	1,745.18	2,632.40

Operating Activities

Net cash from operating activities in 2017 was RMB1,237.87 million. Cash inflow primarily comprised profit before taxation of RMB423.03 million, adjusted for: (i) an increase in inventory of RMB525.09 million; (ii) reversal of doubtful debts of RMB139.01 million; (iii) depreciation of property, plant and equipment of RMB249.28 million. The cash inflow was offset by an increase in trade and other payables of RMB1,704.74 million.

Investing Activities

Net cash outflow in investing activities in 2017 was RMB4,313.10 million, primarily comprising: (i) payment of RMB3,412.00 million for the purchase of short-term structured deposits; (ii) receipt of proceeds of RMB4,435.00 million from the disposal of short-term structured deposits; (iii) advanced payment of RMB3,345.63 million for the acquisition of SEG Automotive Germany GmbH; (iv) payment of RMB1,428.06 million for the acquisition of six subsidiaries in the auto parts segment; (v) payment for pledged bank deposits of RMB2,104.70 million, primarily for obtaining acquisition loans and for the issuance of bank notes that we used to purchase raw materials; and (vi) withdrawal of pledged bank deposits of RMB1,494.73 million.

經營活動

於2017年經營活動所得現金淨額為人民幣1,237.87百萬元。現金流入主要包括稅前利潤人民幣423.03百萬元，調整了：(i)存貨增加人民幣525.09百萬元；(ii)呆賬轉回人民幣139.01百萬元；(iii)物業、廠房及設備折舊人民幣249.28百萬元。該等現金流入被貿易及其他應付款項增加人民幣1,704.74百萬元所抵消。

投資活動

於2017年投資活動現金流出淨額為人民幣4,313.10百萬元，主要包括：(i)因購買短期結構性存款而支付人民幣3,412.00百萬元；(ii)因出售短期結構性存款而收取人民幣4,435.00百萬元；(iii)因收購SEG Automotive Germany GmbH而預付人民幣3,345.63百萬元；(iv)為收購汽車零配件板塊6家附屬公司而支付人民幣1,428.06百萬元；(v)支付已抵押銀行存款人民幣2,104.70百萬元，主要是為獲得收購貸款及藉以發出用作購買原材料的銀行票據；及(vi)提取已抵押銀行存款人民幣1,494.73百萬元。

Financing Activities

Net cash from financing activities in 2017 was RMB2,233.92 million, consisting of (i) net cash inflow from borrowing of RMB1,016.00 million; (ii) cash inflow arising from the obligation of acquisition of non-controlling interests in the amount of RMB1,066.62 million; (iii) receipt of proceeds of RMB157.91 million from share issuance.

Capital Expenditures

We incurred capital expenditures of RMB420.00 million for the year ended 31 December 2017, for purchase of property, plant and equipment, intangible assets and lease prepayments.

Commitments and Contingent Liabilities

Capital Commitments

As of 31 December 2017, our commitments consisted of capital commitments for the acquisition of equity interests from third parties that have been authorized and contracted for in the amount of RMB905.37 million, capital commitments for the acquisition of property, plant and equipment that have been authorized and contracted for in the amount of RMB57.15 million and operating lease commitments of RMB57.46 million.

Contingent Liabilities

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

融資活動

於2017年融資活動所得現金淨額為人民幣2,233.92百萬元，包括：(i) 借款的現金淨流入為人民幣1,016.00百萬元；(ii) 因收購非控股權益的責任而產生的現金流入人民幣1,066.62百萬元；(iii) 發行股份獲得人民幣157.91百萬元。

資本支出

截至2017年12月31日止年度，本公司用於購買物業、廠房及設備、無形資產以及預付租賃費的資本支出為人民幣420.00百萬元。

承擔及或然負債

資本承擔

於2017年12月31日，本集團承擔包括為從第三方收購股權之已授權且已訂約的資本承擔人民幣905.37百萬元，為購置物業、廠房及設備之已授權且已訂約的資本承擔人民幣57.15百萬元，及經營租賃承擔人民幣57.46百萬元。

或然負債

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

		2017 二零一七年 RMB millions 人民幣百萬元	2016 二零一六年 RMB millions 人民幣百萬元
Outstanding endorsed bills receivable with recourse	具追索權之尚未償還已背書應收票據	747.17	621.19

Working Capital and Indebtedness

The following table sets forth details of our current assets and liabilities as of 31 December 2017 (in RMB millions):

營運資金及負債

下表載列於2017年12月31日本集團流動資產及負債詳情 (單位：人民幣百萬元)：

		2017 二零一七年 RMB millions 人民幣百萬元	2016 二零一六年 RMB millions 人民幣百萬元
CURRENT ASSETS	流動資產		
Prepaid lease payments	預付土地租賃款項	11.55	7.40
Debt investment	債務投資	-	416.63
Inventories	存貨	1,832.13	827.79
Loan receivables from associates and a joint venture	應收聯營公司及一家合營企業貸款	34.00	64.00
Trade and other receivables	貿易及其他應收款項	5,893.07	3,648.45
Transferred trade receivables	已劃轉的貿易應收款項	225.30	180.32
Finance lease receivables within one year	一年內融資租賃應收款項	31.47	39.15
Long-term receivables within one year	一年內到期的長期應收款項	141.86	131.73
Derivative financial instruments	衍生金融工具	-	71.02
Other financial assets	其他金融資產	62.00	1,085.00
Tax recoverable	可收回稅項	17.37	0.25
Pledged bank deposits	已抵押銀行存款	867.80	253.55
Bank balances and cash	銀行結餘及現金	1,831.59	2,682.40
Total Current Assets	流動資產總值	10,948.14	9,407.69
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	4,432.70	1,721.67
Advances from customers	客戶按金	814.71	253.52
Tax liabilities	稅項負債	27.89	9.39
Borrowings	借款	191.00	-
Provisions	撥備	113.22	-
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	225.30	180.32
		5,804.82	2,164.90
NET CURRENT ASSETS	流動資產淨值	5,143.32	7,242.79

As of 31 December 2017, the Group had net current assets of approximately RMB5,143.32 million (31 December 2016: RMB7,242.79 million) and current ratio of 1.89 (31 December 2016: 4.35). The decrease in current ratio was primarily due to the increase in trade payables and borrowings for the period.

As of 31 December 2017, the balance of the Group's outstanding borrowings was RMB1,009.00 million, of which RMB191 million are current portion (31 December 2016: Nil).

In 2017, our available credit line from various financial institutions amounted to RMB7,931 million. As of 31 December 2016, approximately RMB3,795 million of our credit lines from various domestic and foreign financial institutions remained unused.

本集團流動資產淨額約為人民幣5,143.32百萬元(2016年12月31日：人民幣7,242.79百萬元)，而於2017年12月31日的流動比率為1.89(2016年12月31日：4.35)。流動比率減少主要由於本期應付賬款與借款增加所致。

於2017年12月31日，本集團未償還借款餘額為人民幣1,009.00百萬元，其中，流動部份為人民幣191百萬元(2016年12月31日：無)。

2017年，本公司有來自多家金融機構的可用信用額度人民幣7,931百萬元。於2016年12月31日，本公司來自多家國內外金融機構的信用額度約人民幣3,795百萬元未使用。

Capital Adequacy Ratio

Gearing ratio is calculated by dividing the total interest-bearing liabilities at the end of the year by total equity at the end of the year and multiplying by 100%. Interest-bearing liabilities comprise of our interest-bearing borrowings only.

As of 31 December 2017, our gearing ratio was 8.7% (31 December 2016: Nil).

Liquidity Risk

資本充足比率

資產負債比率乃按年末計息負債總額除以年末權益總額，再乘100%計算。就我們的情況，計息負債僅包括我們的計息借貸。

於2017年12月31日，本集團資產負債比率為8.7%（2016年12月31日：0）。

流動資金風險

		Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	Total undiscounted cashflows	Carrying amount
		加權平均利率	按要求或少於3個月	3個月至1年	1年至2年	2年至5年	未折現現金流量總額	賬面值
		%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
The Group	本集團							
As at 31 December 2017	於二零一七年十二月三十一日							
Trade and other payables	貿易及其他應付款項	-	3,132,619	982,591	-	-	4,115,210	4,115,210
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	-	225,297	-	-	-	225,297	225,297
Borrowings	借款	4.54	120,402	111,373	116,497	744,390	1,092,662	1,009,000
Obligation to acquire non-controlling interests	收購非控股權益的責任	10	-	106,662	1,173,278	-	1,279,940	1,066,617
			3,478,318	1,200,626	1,289,775	744,390	6,713,109	6,416,124

Credit Risk

As at 31 December 2017 and 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to bills receivable endorsed by the Group with full recourse as disclosed in note 46.

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

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

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

The Group has concentration of credit risk as 4.67% (2016: 11.28%) and 15.74% (2016: 29.33%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

Interest Rate Risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits, variable-rate bank balances and variable-rate borrowings (see notes 34 and 36 for details). Currently, the Group does not have a specific policy to manage its interest rate risk, but the management will closely monitor interest rate exposures and consider hedging significant interest rate risk should the need arise.

Please refer to note 50(b) of the financial statements prepared under IFRSs for more quantitative information about the Company's credit risk.

信貸風險

於二零一七年及二零一六年十二月三十一日，本集團的最大信貸風險將導致由於交易對手未有履行責任而令本集團蒙受財務損失，乃由以下各項產生：

- 綜合財務狀況表所述各自己確認金融資產的賬面值；及
- 於附註46所披露與本集團具有全面追索權之已背書應收票據有關的或然負債金額。

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

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

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

由於本集團有4.67%（二零一六年：11.28%）及15.74%（二零一六年：29.33%）貿易應收款項總額乃分別應收其最大及五大客戶，故此本集團信貸風險集中。

利率風險

本集團就浮息已抵押銀行存款、浮息銀行結餘及浮息借款承受現金流利率風險（詳情請參閱附註34及36）。本集團現時並無特定政策管理其利率風險，但管理層將密切監控利率風險，並於有需要時考慮對沖重大利率風險。

更多關於本公司信貸風險的量化信息請參見按照國際財務報告準則編製的財務報表附註50(b)。

Currency Risk

The primary economic environment in which the company and its principal subsidiaries operate is the PRC and their functional currency is RMB. However, certain transactions of the Company and its principal subsidiaries including sales and purchases of goods are denominated in foreign currencies. In addition, the Company entered into an equity transfer agreement during the year (notes 29 and 39), and a large portion of the consideration may be payable in EUR equivalent.

The management of the Group monitors foreign exchange exposure by closely monitoring the foreign exchange risk profile and will consider hedging significant foreign currency exposure should the need arise.

The Group is mainly exposed to the foreign currency risk between USD/RMB, EUR/RMB and HKD/RMB. Please refer to note 50(b) of the financial statements prepared under IFRSs for more quantitative information about the Group's currency risk.

Business Review

1. The Group's Overall Operations in 2017

In 2017, in line with the annual goal of "intensifying reforms for business model, advancing trial and practice for fostering innovation, solidifying foundation for quality, and stabilizing operation for sustained growth", the Company reported substantial growth in operational effectiveness, capturing the staged opportunities presented by the rebound of the coal industry and the upward growth of the commercial vehicle market amidst stability. Adding to this is the consolidation of ASIMCO which is engaged in auto parts business, which has helped us in achieving remarkable breakthrough in industrial transformation. We have comprehensively achieved the annual goal for 2017.

In 2017, the revenue generated by the Company amounted to RMB7,546.70 million, up by 107.98% year-on-year. Net profit attributable to parent company amounted to RMB284.25 million, representing an increase of 358.49% year-on-year.

貨幣風險

本公司及其主要附屬公司營運的主要經濟環境為中國，而其功能貨幣為人民幣。然而，本公司及其主要附屬公司的若干交易(包括買賣商品)乃以外幣列值。此外，本公司已於年內訂立一項股權轉讓協議(附註29及39)，而代價的一大部份可能以等值歐元支付。

本集團管理層透過密切監察外匯風險組合監控外匯風險，並將於有需要時考慮對沖重大外匯風險。

本集團主要承擔美元／人民幣、歐元／人民幣及港幣／人民幣的外匯風險。更多關於本集團匯率風險的量化信息請參見按照國際財務報告準則編製的財務報表附註50(b)。

業務回顧

1. 2017年度本集團總體經營情況

2017年，本公司緊緊圍繞「深化改革謀格局，先行先試促創新，夯實基礎抓質量，穩健經營保增長」的年度方針，搶抓煤炭行業回暖、商用車穩中向好的階段性機遇，經營效益大幅增長，亞新科汽車零部件企業合併報表，產業轉型取得實質性突破，全面實現了本公司2017年方針目標。

2017年，本公司實現營業收入人民幣7,546.70百萬元，同比增長107.98%；實現歸屬於母公司所有者的淨利潤人民幣284.25百萬元，同比增長358.49%。

Business Review (Continued)

2. Major Work Accomplished in 2017

- (1) Continually pushed ahead with industrial transformation and commenced external investment and acquisition in a steady pace

In March 2017, the Company completed all closing procedures in respect of the acquisition of 6 auto parts companies under ASIMCO group, having consolidated ASIMCO in its financial statements and achieved its dual-driven business operations. The Company also cooperated with investment partners in the acquisition of the starter motors and generators business of the Germany-based Bosch group. As at the date of this announcement, the closing and auditing procedures for the project were in process.

- (2) Reshaped operation structure in the industry and optimized management structure of the enterprise

Fostering our restructuring, we have basically built our main operating segments, namely, coal mining machinery segment and ASIMCO segment. We continually explored an operation model of “small headquarters, large segments”, under which the business segments operated in a coordinated manner under centralized management. The listed company will act as a platform for optimizing resources allocation among its business segments.

- (3) Captured the opportunities presented by market rebound and witnessed continual improvement in the operating condition of the coal mining machinery business

We witnessed growth in both purchase orders and cash inflow, continual optimization in the approach to production, and steady enhancement in product quality. We also experienced a period in which product technology and production craftsmanship and technology steadily enhanced, making breakthroughs in key projects.

- (4) Completed closing procedures in respect of the ASIMCO segment, and thus realised steady growth in operation indicators

In view of the steady increase in the production and sales volume of automobiles in 2017 and the continual enhancement in the management of ASIMCO, the indicators of the ASIMCO segment outperformed the overall growth pace of the industry in the same period of time.

業務回顧(續)

2. 2017年的主要工作成績

- (1) 持續推進產業轉型，穩步開展對外投資併購

2017年3月，本公司完成亞新科集團旗下6家汽車零部件公司所有交割手續，亞新科實現併表，本公司實現雙主業運營。聯合投資機構競標收購德國博世集團下屬起動機與發電機業務，截至本公告日，本項目正在履行交割審計程序。

- (2) 重塑產業運營架構，優化企業管理結構

推動集團架構重組，煤機板塊、亞新科板塊產業運營主體初步搭建，持續探索完善總部管理下板塊聯動的「小總部，大板塊」運營模式，以上市公司平台對下屬各業務板塊進行資源優化配置。

- (3) 搶抓市場回暖機遇，煤機業務經營情況持續好轉

市場開發訂貨回款雙增長，生產組織方式持續優化，產品質量穩步提升；產品技術與製造工藝技術穩步提升，重大攻關項目持續突破。

- (4) 亞新科板塊交割完成，經營指標穩步增長

受益於2017年度汽車產銷量的穩步增長和亞新科管理的持續提升，亞新科板塊各項指標均超過同期行業整體增速。

Business Review (Continued)

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

The Company cooperated with investment partners in the acquisition of 100% equity interests in Robert Bosch Starter Motors Generators Holding GmbH (renamed as "SEG Automotive Germany GmbH"). As of 2 January 2018, 100% equity interests in the target company have been held by New Neckar Autoparts Holdings and Operations GmbH & Co. KG, a company controlled by the Company.

Outlook for 2018

2018 will be an important year in which China will continue with the implementation of the Thirteenth Five-year Plan and migrate to become a moderately prospectus society. It is also a critical period of time in which the Company will thoroughly deepen its reform and achieve industrial transformation and upgrade. Taking into account the existing domestic and international conditions, and the guidance under its development strategies, the Company has devised its annual goal for year 2018: structural reshaping to foster transformation, all-rounded synergy to secure growth, innovation-driven approach to fabricate fine products, and scientific management to augment efficiency.

Centering at the annual goal of year 2018, the Company will push ahead with the strategy of fine fabrication, build up the capacity for generating high revenue, and work strenuously towards the following:

1. Structural reshaping to foster transformation. Centering at its development strategy and by way of business restructuring, the Company will achieve an operation model of "small headquarters, large segments", under which the business segments operate in a coordinated manner under centralized management.
2. All-rounded synergy to secure growth. Leveraging on the control and synergy of the headquarters, taking advantage of information technology development, and by way of the multifaceted operations with coal mining machinery segment and auto parts segment, the Company will be in a position to achieve continual business growth.
3. Innovation-driven approach to fabricate fine products. With technological innovation and management innovation, the Company will seek to fabricate fine products, provide delicate services, forge a high quality enterprise and cultivate a brand embodying fine works, thereby uplifting our corporate image.
4. Scientific management to augment efficiency. Leveraging on the significance of scientific management in exploring markets and confining losses, generating revenue and cutting costs, probing potentials for efficiency enhancement, and cultivating talents, we will seek to uplift our corporate efficiency.

業務回顧(續)

3. 自會計年度結束後發生的重大事件

本公司聯合投資機構競標收購 Robert Bosch Starter Motors Generators Holding GmbH (現更名為「SEG Automotive Germany GmbH」)100%股權項目，截至2018年1月2日，標的公司100%的股權已由本公司控制的 New Neckar Autoparts Holdings and Operations GmbH & Co. KG持有。

2018年展望

2018年是決勝全面建成小康社會、實施「十三五」規劃承上啟下的關鍵一年，也是本公司全面深化改革、產業轉型升級的決勝之年。結合當前內外部形勢，在本公司發展戰略的指引下，本公司制定了2018年方針目標：架構重塑促轉型、多維協同保增長、創新驅動育精品、科學管理增效益。

圍繞2018年年度方針目標，推進精品戰略，打造高收益企業體質，重點做好以下幾個方面工作：

1. 架構重塑促轉型。圍繞企業發展戰略，通過架構重組，實現總部管理下板塊聯動「小總部、大板塊」的運行模式。
2. 多維協同保增長。發揮總部的管控及協同作用，以信息化建設為抓手，通過煤機板塊、汽車零部件板塊的多維經營，推動本公司的持續增長。
3. 創新驅動育精品。通過技術創新和管理創新，製造精品產品、提供精品服務、打造精品企業、培育精品品牌，提升企業形象。
4. 科學管理增效益。通過發揮科學管理在開源節流、增收節支、挖潛增效、人才培育等方面的重大作用和意義，提高企業效益。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Directors

Executive Directors

Mr. Jiao Chengyao (焦承堯), aged 54, is the Chairman and executive Director of the Company. Mr. Jiao is a professor-level senior engineer. He graduated from China Institute of Mining and Technology (中國礦業學院) (now known as China University of Mining and Technology (中國礦業大學)), majoring in mechanical design, manufacture and automation and obtained a bachelor's degree in engineering in July 1985. He obtained a master's degree in engineering from China University of Mining and Technology in December 2003, and obtained a doctoral degree in economics from Huazhong University of Science and Technology in December 2007. From July 1985 to May 1992, he served as a technician, a production dispatcher and an engineer of the No. 1 machinery sub-plant of Zhengzhou Coal Mining Machinery Factory. From May 1992 to May 1993, he was the manager of Zhengshen Import Vehicles Repair Station (鄭深進口汽車維修站). From May 1993 to January 1998, he was the deputy plant manager and the plant manager of the No. 1 machinery sub-plant of Zhengzhou Coal Mining Machinery Factory. From January 1998 to July 2000, he was the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he was the plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to December 2008, he served as the chairman and general manager of Zhengzhou Coal Mining Machinery Company. Since December 2008, he has been the Chairman of the Company. Since July 2015, he was appointed as chairman and director of Henan Machinery Investment Group Co., Ltd.

Mr. Jia Hao (賈浩), aged 48, is the Vice Chairman and executive Director of the Company. He graduated from University of Shanghai for Science and Technology in 1991, majoring in mechanical engineering. In the 1990s, he worked at Guangzhou Electrical and Mechanical Scientific Research Institute of China National Machinery Industry Corporation and was responsible for design and research. He also worked at Parker Hannifin Motion & Control (Shanghai) Co., Ltd., a foreign company, and was responsible for sales. In April 2001, he obtained an Executive Master of Business Administration (EMBA) degree from China Europe International Business School. He then worked as the general manager of the investment department of Salim Group (China) Company Limited, a foreign company. In March 2006, he began to serve as the president of Shanghai Huili Group Company Limited and a director of Shanghai Huili Company Limited, both of which are the subsidiaries of Salim Group, a listed company. From March 2014 to February 2018, he was the deputy general manager of the Company. Since February 2018, he has been the Vice Chairman and the general manager of the Company.

董事

執行董事

焦承堯先生，54歲，現任本公司執行董事兼董事長。焦先生是教授級高級工程師。彼於一九八五年七月畢業於中國礦業學院(現中國礦業大學)機械設計製造與自動化專業，獲得工學學士學位；二零零三年十二月，獲得中國礦業大學工程碩士學位；二零零七年十二月獲得華中科技大學經濟學博士學位。一九八五年七月—一九九二年五月，任鄭州煤礦機械廠機一分廠技術員、生產調度員、工程師；一九九二年五月—一九九三年五月，任鄭深進口汽車維修站經理；一九九三年五月—一九九八年一月，任鄭州煤礦機械廠機一分廠副廠長、廠長；一九九八年一月—二零零零年七月，任鄭州煤礦機械廠副廠長；二零零零年七月—二零零二年十月，任鄭州煤礦機械廠廠長；二零零二年十月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司董事長兼總經理；二零零八年十二月至今，任本公司董事長；二零一五年七月至今獲委任為河南機械裝備投資集團有限責任公司董事兼董事長。

賈浩先生，48歲，現任本公司執行董事兼副董事長。賈先生於一九九一年畢業於上海理工大學機械工程系，上世紀九十年代在國機集團廣州機電科學研究院從事設計研發工作，在外資企業—派克漢尼芬流體傳動產品上海有限公司從事銷售工作；二零零一年四月，中歐國際工商管理學院EMBA工商管理碩士畢業；之後任外資企業—三林企業集團(中國)有限公司投資部總經理，二零零六年三月出任上市公司—三林企業集團所屬的上海匯麗集團有限公司總裁、上海匯麗股份有限公司董事；二零一四年三月至二零一八年二月，任本公司副總經理；二零一八年二月至今，任本公司副董事長及總經理。

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

Directors (Continued)

Executive Directors (Continued)

Mr. Xiang Jiayu (向家雨), aged 52, is the executive Director of the Company. Mr. Xiang is a senior engineer. From September 1980 to July 1984, he studied at the Department of Electrical and Mechanical Engineering of Jiaozuo Mining Institute (焦作礦業學院), majoring in mechanization. He studied at the China University of Mining and Technology, Master's Department (Beijing) (中國礦業大學北京研究生部) from September 1988 to January 1991, majoring in mining mechanical engineering and obtained a master's degree. From July 1984 to August 1988, he lectured at Yima Mining Technical School (義馬礦務局技校). From May 1991 to December 1992, he was a designer at the research center of Zhengzhou Coal Mining Machinery Factory. From December 1992 to July 1995, he was the executive officer of the No. 2 research center of Zhengzhou Coal Mining Machinery Factory. From August 1995 to November 1998, he was the deputy plant manager at the Huanghe Electronics Institute (黃河電動車廠) of Zhengzhou Coal Mining Machinery Factory. From November 1998 to July 2000, he was the executive officer of the hydraulic project center of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he served as the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to October 2008, he was the deputy general manager and standing deputy general manager of Zhengzhou Coal Mining Machinery Company. From October 2008 to December 2008, he was a director and the general manager of Zhengzhou Coal Mining Machinery Company. From December 2008 to February 2015, he was a director and the general manager of the Company. Since July 2015, he has been a director of Henan Machinery Investment Group Co., Ltd. From February 2015 to February 2018, he was the Vice Chairman of the Company. Since February 2018, he has been a director of the Company.

Mr. Fu Zugang (付祖岡), aged 52, is the executive Director of the Company. Mr. Fu is a senior engineer. From September 1981 to July 1985, he studied at Wuhan Technology College (武漢工學院) (now known as Wuhan University of Technology (武漢理工大學)), majoring in casting and obtained a bachelor's degree in engineering. From July 1985 to July 2000, he served as a technician, an assistant engineer, an engineer, a senior engineer, a team leader of technology team, an assistant to the plant manager, a deputy plant manager and a plant manager of the sub-plant of casting of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he was the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to November 2006, he was the chairman of labor union of Zhengzhou Coal Mining Machinery Company. From November 2006 to December 2008, he was a director and a deputy general manager of Zhengzhou Coal Mining Machinery Company. From December 2008 to February 2012, he was a deputy general manager of the Company. From February 2012 to February 2015, he was a director and a deputy general manager of the Company. From February 2015 to February 2018, he was the general manager of the Company. Since February 2018, he has been a director of the Company.

董事(續)

執行董事(續)

向家雨先生，52歲，現任本公司執行董事。向先生是高級工程師。彼於一九八零年九月—一九八四年七月，焦作礦業學院機電系機械化專業學習；一九八八年九月—一九九一年一月，中國礦業大學北京研究生部礦山機械工程學專業學習，獲碩士學位。一九八四年七月—一九八八年八月，義馬礦務局技校任教；一九九一年五月—一九九二年十二月，鄭州煤礦機械廠研究所任設計員；一九九二年十二月—一九九五年七月，鄭州煤礦機械廠第二研究所室主任；一九九五年八月—一九九八年十一月，鄭州煤礦機械廠黃河電動車廠副廠長；一九九八年十一月—二零零零年七月，鄭州煤礦機械廠液壓工程中心主任；二零零零年七月—二零零二年十月，鄭州煤礦機械廠副廠長；二零零二年十月—二零零八年十月，鄭州煤礦機械集團有限責任公司副總經理、常務副總經理；二零零八年十月—二零零八年十二月，鄭州煤礦機械集團有限責任公司董事、總經理。二零零八年十二月至二零一五年二月，任本公司董事、總經理；二零一五年七月至今，任河南機械裝備投資集團有限責任公司董事；二零一五年二月至二零一八年二月任本公司副董事長；二零一八年二月至今任本公司董事。

付祖岡先生，52歲，現任本公司執行董事。付先生是高級工程師。彼於一九八一年九月—一九八五年七月，武漢工學院(現武漢理工大學)鑄造專業學習，獲工學學士學位；一九八五年七月—二零零零年七月，任鄭州煤礦機械廠鑄造分廠歷任技術員、助理工程師、工程師、高級工程師、技術組長、分廠廠長助理、分廠副廠長、廠長；二零零零年七月—二零零二年十月，任鄭州煤礦機械廠副廠長；二零零二年十月—二零零六年十一月，任鄭州煤礦機械集團有限責任公司工會主席；二零零六年十一月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司董事、副總經理；二零零八年十二月—二零一二年二月，任本公司副總經理；二零一二年二月—二零一五年二月，任本公司董事、副總經理；二零一五年二月至二零一八年二月，任本公司總經理；二零一八年二月至今，任本公司董事。

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

Directors (Continued)

Executive Directors (Continued)

Mr. Wang Xinying (王新瑩), aged 52, is an executive Director of the Company. Mr. Wang is a senior engineer. From September 1981 to July 1985, he studied at the Department of Mining Engineering of Chongqing University (重慶大學), majoring in mining machinery. From September 2004 to July 2007, he studied at the School of Mechanical Engineering of China University of Mining and Technology and obtained postgraduate qualification and a master's degree in engineering. From July 1985 to October 1992, he was an engineer of the equipment division of Zhengzhou Coal Mining Machinery Factory, and worked and studied in Toyota Motor Corporation between January 1991 and January 1992. From October 1992 to July 1994, he was a deputy manager of Zhengshen Import Vehicles Repair Station. From July 1994 to December 1996, he was a deputy plant manager of sub-plant of machinery repair of Zhengzhou Coal Mining Machinery Factory. From December 1996 to July 2000, he was a deputy director of the production division of Zhengzhou Coal Mining Machinery Factory. From July 2000 to January 2005, he was the head of corporate planning department of Zhengzhou Coal Mining Machinery Factory. From January 2005 to December 2008, he was a deputy general manager of Zhengzhou Coal Mining Machinery Company. From December 2008 to February 2015, he was a director and deputy general manager of the Company. He was appointed as a director of Luoyang LYC Bearing Co., Ltd. with effect from 29 June 2016 and was appointed as a chairman of Luoyang LYC Bearing Co., Ltd. with effect from 30 June 2016. Since February 2015, he has been a director of the Company.

Mr. Wang Bin (汪濱), aged 58, is an executive Director of the Company. He graduated from the Department of Heat Energy Engineering of Tsinghua University in 1982 majoring in gas combustion turbine. He obtained an MBA from Tsinghua University in 1998. From 1982 to 1990, he was an engineer/executive officer of the research institute under China's Commission of Economics and Trade Cooperation. From 1990 to 1997, he was manager of China market of the U.S.- based General Electric Company. From 1997 to 2005, he was the general manager of ASIMCO's division of combustion system. From 2005 to 2010, he was the general manager of Cummins (U.S.) headquarters and of CES division of China region. Since 2010, he has been the president and CEO of ASIMCO Group. Since February 2018, he has been a director of the Company.

董事(續)

執行董事(續)

王新瑩先生，52歲，現任本公司執行董事。王先生是高級工程師。彼於一九八一年九月—一九八五年七月，重慶大學採礦工程系礦山機械專業學習；二零零四年九月—二零零七年七月，中國礦業大學機電學院學習，獲研究生學歷和工學碩士學位。一九八五年七月—一九九二年十月，鄭州煤礦機械廠設備處工程師，其中一九九一年一月—一九九二年一月，在日本豐田公司研修；一九九二年十月—一九九四年七月，鄭深進口汽車維修站副經理；一九九四年七月—一九九六年十二月，鄭州煤礦機械廠機修分廠副廠長；一九九六年十二月—二零零零年七月，鄭州煤礦機械廠生產處副處長；二零零零年七月—二零零五年一月，鄭州煤礦機械廠企業規劃部部長；二零零五年一月—二零零八年十二月，鄭州煤礦機械集團有限責任公司副總經理。二零零八年十二月至二零一五年二月，任本公司董事、副總經理。彼於二零一六年六月二十九日獲委任為洛陽LYC軸承有限公司董事，並於二零一六年六月三十日獲委任為洛陽LYC軸承有限公司董事長。二零一五年二月至今，任本公司董事。

汪濱先生，58歲，現任本公司執行董事。彼於一九八二年本科畢業於清華大學熱能工程系燃氣輪機專業，一九九八年清華大學工商管理碩士畢業。一九八二年—一九九零年，國家經貿委研究院工程師／室主任；一九九零年—一九九七年，美國通用電氣中國市場經理；一九九七年—二零零五年，亞新科燃油系統事業部總經理；二零零五年—二零一零年，康明斯(美國)總部和中國區CES事業部總經理；二零一零年至今，亞新科集團總裁兼首席執行官。二零一八年二月至今，任本公司董事。

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

Directors (Continued)

Independent Non-executive Directors

Ms. Liu Yao (劉堯), aged 42, is an independent non-executive Director of the Company. Ms. Liu studied in Xiamen University from 1992 to 1996 and obtained a bachelor's degree in chemistry. From 1997 to December 1998, she studied in the National University of Singapore and obtained a master's degree in chemistry. From 1999 to March 2001, Ms. Liu studied materials engineering in Case Western Reserve University in Cleveland, the United States of America and obtained a master's degree. From 2005 to May 2007, she studied in the Wharton School of the University of Pennsylvania in Philadelphia, the United States of America and obtained an EMBA degree. From March 2001 to May 2007, Ms. Liu served as an analyst, manager and department head for Capital One Bank. She worked in Deutsche Bank at its corporate finance practice under the investment banking department as a manager from July 2007 to November 2009. From December 2009 to June 2014, she worked in the investment banking department of UBS Securities Hong Kong Limited as an associate director, a director and an executive director. From June 2014 to May 2016, she served as a managing director of HK Griffin Reed Capital Group (瑞德資本集團). She founded RJ Capital Group (汭疆資本集團) and has been the chairman since June 2016. Since June 2014, she has been an independent director of the Company.

董事(續)

獨立非執行董事

劉堯女士，42歲，現任本公司獨立非執行董事。劉女士於一九九二年—一九九六年，廈門大學化學專業學習，獲得學士學位；一九九七年—一九九八年十二月，新加坡國立大學化學專業學習，獲得碩士學位；一九九九年—二零零一年三月，美國凱斯西儲大學材料工程專業學習，獲得碩士學位；二零零五年—二零零七年五月，美國沃頓商學院學習，獲得EMBA學位；二零零一年三月—二零零七年五月，第一資本銀行歷任分析員、經理、部門主管；二零零七年七月—二零零九年十一月，德意志銀行任投資銀行部企業融資團隊經理；二零零九年十二月至—二零一四年六月，瑞士銀行歷任投資銀行部副董事、董事、執行董事；二零一四年六月—二零一六年五月，瑞德資本集團董事總經理。二零一六年六月至今，創立汭疆資本集團並擔任董事長。二零一四年六月至今，任本公司獨立董事。

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

Directors (Continued)

Independent Non-Executive Directors (Continued)

Mr. Jiang Hua (江華), aged 54, is an independent non-executive Director of the Company. Mr. Jiang was among the first batch of securities lawyers in China. From September 1981 to June 1985, he studied law at Renmin University of China and obtained a bachelor's degree. From September 1985 to June 1987, he studied civil law at Renmin University of China and obtained a master's degree. He began to practice law since 1993. From 1993 to 1994, he was a partner of the Beijing based Zhong Yin Law Firm (北京市中銀律師事務所). From June 1994 to 2001, he was a partner of the Beijing based Dacheng Law Offices (北京市大成律師事務所). From 2001 to 2003, he was a partner of the Beijing-based Tongwei Law Firm (北京市同維律師事務所). Since 2003, he has been a partner of Beijing Kangda Law Firm (北京市康達律師事務所). In 2012, Mr. Jiang was hired by the Law School and the Lawyer College of Renmin University of China as a part time instructor for graduate students under the Juris Master program. He has provided legal services in various aspects, including transformation into shares based corporations, issue and listing of shares, refinancing, and merger and acquisition to more than a hundred enterprises including Beijing Tianqiao (北京天橋), Gu Yue Long Shan (古越龍山), Yintai Resources (銀泰資源) and so forth, contributing his profound theoretical knowledge and extensive practical experience. Mr. Lawyer Jiang Hua is qualified to become an independent director of listed companies. Mr. Jiang has been an independent director of Jonjee Hi-Tech Industrial & Commercial Holding Co. (中炬高新技術實業(集團)股份有限公司) (Shanghai Stock Exchange: 600872) from 2003 to 2011; an independent director of Hangzhou Hikvision Digital Technology Co. Ltd. (杭州海康威視數字技術股份有限公司) (Shenzhen Stock Exchange: 002415) from 2008 to 2014; an independent director of China Zhonghua Geotechnical Engineering Co., Ltd. (中化岩土工程股份有限公司) (Shenzhen Stock Exchange: 002542) from 2009 to 2017; an independent director of Daheng New Epoch Technology Inc. (大恒新紀元科技股份有限公司) (Shanghai Stock Exchange: 600288) from 2009 to 2014; an independent director of Huafa Industrial Co., Ltd. Zhuhai (珠海華髮實業股份有限公司) (Shanghai Stock Exchange: 600325) since 2013; an independent director of China National Complete Plant Import and Export Corporation Limited (中成進出口股份有限公司) (Shenzhen Stock Exchange: 000151) since 2014; an independent director of Shanxi Top Energy Company Ltd. (山西通寶能源股份有限公司) (Shanghai Stock Exchange: 600780) since 2016; and an independent director of Huajji Dengyun Auto-parts (Holding) Co., Ltd. (懷集登雲汽配股份有限公司) (Shenzhen Stock Exchange: 002715) since August 2017. Since February 2015, he has been an independent director of the Company.

董事(續)

獨立非執行董事(續)

江華先生，54歲，現任本公司獨立非執行董事。江先生是中國首批證券律師。一九八一年九月—一九八五年六月，中國人民大學法律專業學習，獲得學士學位；一九八五年九月—一九八七年六月，中國人民大學民法專業學習，獲得碩士學位；一九九三年開始從事律師業務。一九九三年—一九九四年，北京市中銀律師事務所合夥人；一九九四年六月—二零零一年，北京市大成律師事務所合夥人；二零零一年—二零零三年，北京市同維律師事務所合夥人；二零零三年至今，北京市康達律師事務所合夥人。二零一二年被中國人民大學法學院、律師學院聘為法律碩士專業學位研究生兼職導師。曾為北京天橋、古越龍山、銀泰資源等上百家企業提供了股份制改造、股票發行上市、再融資、收購兼並等法律服務業務，有深厚的理論功底和豐富的實踐經驗。江華律師具備上市公司獨立董事任職資格，二零零三年至二零一一年，中炬高新技術實業(集團)股份有限公司獨立董事(上交所，600872)；二零零八年至二零一四年，杭州海康威視數字技術股份有限公司獨立董事(深交所，002415)；二零零九年至二零一七年，中化岩土工程股份有限公司獨立董事(深交所，002542)；二零零九年至二零一四年，大恒新紀元科技股份有限公司獨立董事(上交所，600288)；二零一三年至今，珠海華髮實業股份有限公司獨立董事(上交所，600325)；二零一四年至今，中成進出口股份有限公司獨立董事(深交所，000151)；二零一六年至今，山西通寶能源股份有限公司獨立董事(上交所，600780)；二零一七年八月至今，懷集登雲汽配股份有限公司獨立董事(深交所，002715)。二零一五年二月至今，本公司獨立董事。

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

Directors (Continued)

Independent Non-Executive Directors (Continued)

Mr. Li Xudong (李旭冬), aged 47, is an independent non-executive Director of the Company. Mr. Li is a senior accountant, Chinese certified public accountant, Chinese certified assets valuer and Chinese certified tax agent. From 2000 to 2003, he studied at Central University of Finance and Economics and obtained a bachelor's degree in accounting. He is currently a managing partner (執行合夥人) of Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)). Mr. Li was a member of the 13th, 14th and 15th session of the review committee for main board issue of China Securities Regulatory Commission. In 1996, Mr. Li commenced his CPA business and has focused on the partial and whole-scale listing of corporate assets, asset restructuring, and IPO audit and consulting business for listed companies. Mr. Li has been a certified public accountant in respect of auditing for or signing the audit for listed companies and largescale state-owned enterprises including Wanda Commercial Properties Co., Ltd. (萬達商業地產股份有限公司), Inner Mongolia Junzheng Energy & Chemical Industry Co., Ltd. (內蒙古君正能源化工股份有限公司), Zhejiang Hangxiao Steel Structure Co., Ltd. (浙江杭蕭鋼構股份有限公司), China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), and China National Machinery Industry Corporation (中國機械工業集團公司). He has accumulated professional experience in areas including accounting, auditing, asset appraisal, merger and acquisition and corporate governance consulting. Since February 2015, Mr. Li has been an independent director of the Company. Mr. Li has been an independent non-executive director of Tianjin TEDA Biomedical Engineering Company Limited (天津泰達生物醫學工程股份有限公司) (Hong Kong Stock Exchange: 8189) since December 2016.

董事(續)

獨立非執行董事(續)

李旭冬先生，47歲，現任本公司獨立非執行董事。李先生是高級會計師、中國註冊會計師、中國註冊資產評估師及中國註冊稅務師。二零零零年—二零零三年在中央財經大學學習，獲得會計學學士學位。現任大華會計師事務所(特殊普通合夥)執行合夥人。李先生曾任中國證監會第十三屆、第十四屆、第十五屆主板發行審核委員會委員。李先生自一九九六年開始從事註冊會計師業務，專注於企業部分資產及整體上市、資產重組、上市公司IPO審計及諮詢業務。曾擔任萬達商業地產股份有限公司、內蒙古君正能源化工股份有限公司、浙江杭蕭鋼構股份有限公司、中工國際工程股份有限公司、中國機械工業集團公司等上市公司、大型國有企業主審或簽字註冊會計師。積累了豐富的會計、審計、資產評估、並購及公司治理諮詢等方面的專業經驗。二零一五年二月至今，任本公司獨立董事；二零一六年十二月至今，任天津泰達生物醫學工程股份有限公司(港交所，8189)獨立非執行董事。

Supervisors

Mr. Liu Qiang (劉強), aged 48, is a Supervisor of the Company. From September 1986 to July 1990, Mr. Liu studied at the Nankai University, majoring in economics management and law, and obtained bachelor's degrees in economics and law. From September 2001 to July 2004, he studied in Wuhan University, majoring in world economics, and obtained a master's degree. In July 2009, he studied at Henan University, majoring in regional economics and was admitted as a doctoral candidate. He obtained a doctoral degree in economics in December 2009. From July 1990 to November 2002, he successively served as a director-level officer at the agriculture audit division, general office and division of legal affairs under the Department of Audit of Henan Province. From November 2002 to July 2012, he was the deputy section-level supervisor of the Supervisory Committee for the State-owned Enterprises Administered by Henan Provincial Government (河南省省管國有企業監事會). From July 2012 to November 2012, he served as the section-level supervisor of the Supervisory Committee for the State-owned Enterprises Administered by Henan Provincial Government. From November 2012 to September 2014, he was also a researcher of Provincially Administered and State-owned Medium and Small Enterprise Department (省直中小企業處) of the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government. He also served as a researcher of Economic Cooperation Department of the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government from September 2014 to December 2014. Since December 2014, he has been the secretary to the Disciplinary Commission of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2015 to February 2018, he was a director of the Company. Since February 2018, he has been chairman of the board of supervisors of the Company.

Mr. Wang Yue (王躍), aged 47, is a Supervisor of the Company. In July 1993, Mr. Wang graduated from Henan Institute of Finance and Economics (河南財經學院) and obtained a bachelor's degree in economics, majoring in industrial economics. In July 2006, he obtained an MBA degree from Zhengzhou University (鄭州大學). From October 1993 to October 1998, he was an accountant in Zhengzhou Running Water General Corporation (鄭州市自來水總公司). From November 1998 to March 2001, he was the deputy head of the department of accounting and finance of Zhengzhou Dongzhou Water Supply Company Limited (鄭州市東周供水有限公司). From June 2004 to December 2009, he was successively the deputy head and head of the finance department and the financial controller of Zhengzhou Running Water General Corporation (鄭州市自來水總公司). From December 2009 to November 2013, he was the chief accountant of Zhengzhou Running Water Investment Holdings Co., Ltd. (鄭州自來水投資控股有限公司). From November 2013 to September 2015, he was the deputy general manager of Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司). Since September 2015, he has been the deputy general manager of Henan Machinery Investment Group Co., Ltd. Since February 2018, he has been a supervisor of the Company.

監事

劉強先生，48歲，現任本公司監事。劉先生於一九八六年九月—一九九零年七月，在南開大學經濟管理專業和法學專業學習，獲得法學、經濟學士學位；二零零一年九月—二零零四年七月，在武漢大學世界經濟專業研究生班學習，獲得碩士學位；二零零九年七月，在河南大學區域經濟專業畢業並獲得博士研究生學歷，二零零九年十二月獲得經濟學博士學位；一九九零年七月—二零零二年十一月，先後在河南省審計廳農業審計處、審計廳綜合處、法制處工作，至主任科員；二零零二年十一月—二零一二年七月，任河南省省管國有企業監事會專職監事(副處實職)；二零一二年七月—二零一二年十一月，任河南省省管國有企業監事會專職監事(正處實職)；二零一二年十一月—二零一四年九月，任河南省人民政府國有資產監督管理委員會省直中小企業處調研員；二零一四年九月—二零一四年十二月，任河南省人民政府國有資產監督管理委員會經濟合作處調研員；二零一四年十二月至今，任鄭州煤礦機械集團股份有限公司紀委書記；二零一五年二月—二零一八年二月，任本公司董事。二零一八年二月至今，任本公司監事會主席。

王躍先生，47歲，現任本公司監事。王先生於一九九三年七月畢業於河南財經學院工業經濟系，獲得經濟學學士；二零零六年七月獲得鄭州大學工商管理碩士學位。一九九三年十月—一九九八年十月，任鄭州市自來水總公司會計；一九九八年十一月—二零零一年三月，任鄭州市東周供水有限公司計財處副處長；二零零四年六月—二零零九年十二月，任鄭州市自來水總公司財務處副處長、財務處處長、財務總監；二零零九年十二月—二零一三年十一月，任鄭州自來水投資控股有限公司總會計師；二零一三年十一月—二零一五年九月，任鄭州發展投資集團有限公司副總經理；二零一五年九月至今，任河南機械裝備投資集團有限責任公司副總經理。二零一八年二月至今，任本公司監事。

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

Supervisors (Continued)

Mr. Cui Leilei (崔蕾蕾), aged 36, is a Supervisor of the Company. Mr. Cui graduated from China University of Mining and Technology (中國礦業大學) in July 2007, majoring in mechanical engineering and automation. From August 2007 to February 2012, he has worked at the office, production and manufacturing department and the plant of oil tanks of the Company successively. From February 2012 to February 2015, he was the deputy head of the capital operation department of the Company. From February 2015 to October 2015, he was the deputy head (person-in-charge) of the strategic development department of the Company. From October 2015 to February 2018, he was the head of general office and head of human resources department of Henan Machinery Investment Group Co., Ltd. Since February 2018, he has been a supervisor and the head of division of party and masses' affairs of the Company.

Mr. Ni Wei (倪威), aged 53, is a Supervisor of the Company. From 1983 to 1991, Mr. Ni studied at Tsinghua University and has obtained a bachelor's degree in automobile engineering and a master's degree in mechanical engineering successively. From 1991 to 1995, he was a trainer of Mercedes-Benz (梅賽德斯奔馳汽車公司). From 1995 to 1998, he was a service engineer, manufacturing and production manager of General Motors Company. From 1998 to 2001, he successively served as an export manager and deputy general manager at Hubei Super-Elec Auto Electric Motor Co., Ltd. (湖北神電汽車電機有限公司). Since September 2001, he has been the president of ASIMCO International Inc. (亞新科國際有限公司). Since March 2004, he has been the vice president of the ASIMCO Group. Since February 2018, he has been a supervisor of the Company.

Mr. Zhou Rong (周榮), aged 46, is a Supervisor of the Company. Mr. Zhou graduated with a bachelor's degree in chemical engineering and technology from Zhengzhou University of Light Industry in July 1996. He graduated from Zhengzhou University majoring in mechanical engineering and obtained a master's degree in engineering in June 2007. He served as the deputy plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Company from April 2002 to August 2006. From August 2006 to December 2007, he was the plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Company. From December 2007 to August 2009, he was the plant manager of the sub-plant of installation of Zhengzhou Coal Mining Machinery Group Company Limited. From August 2009 to February 2010, he was the deputy head of the Marketing and Sales Department of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2010 to February 2011, he was the plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2011 to April 2011, he was the deputy plant manager of the plant of oil tanks and the plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Group Company Limited. From April 2011 to February 2016, he was the head of the supply department of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2016 to February 2018, he has been an assistant to chief financial officer of Zhengzhou Coal Mining Machinery Group Company Limited. Since February 2015, he has been a supervisor of the Company.

監事(續)

崔蕾蕾先生，36歲，現任本公司監事。崔先生於二零零七年七月畢業於中國礦業大學機械工程及自動化專業；二零零七年八月至二零一二年二月，先後在本公司辦公室、生產製造部、油缸廠工作；二零一二年二月至二零一五年二月，任本公司資本運營部副部長；二零一五年二月至二零一五年十月，任本公司戰略發展部副部長(主持工作)。二零一五年十月至二零一八年二月，任河南機械裝備投資集團有限責任公司綜合辦公室主任、人力資源部部長。二零一八年二月至今，任本公司監事及黨群工作部部長。

倪威先生，53歲，現任本公司監事。倪先生於一九八三年至一九九一年，清華大學學習，先後獲汽車工程學士、機械工程碩士學位。一九九一年至一九九五年，在梅賽德斯奔馳汽車公司任培訓指導師；一九九五年至一九九八年，在通用汽車公司歷任服務工程師、製造及生產經理；一九九八年至二零零一年，在湖北神電汽車電機有限公司先後擔任出口經理、副總經理；二零零一年九月至今，任亞新科國際有限公司總裁；二零零四年三月至今，任亞新科集團副總裁。二零一八年二月至今，任本公司監事。

周榮先生，46歲，現任本公司監事。周先生於一九九六年七月，畢業於鄭州輕工業學院化學工程與工藝專業，獲得學士學位；二零零七年六月，畢業於鄭州大學機械工程專業，獲得工程碩士學位；二零零二年四月—二零零六年八月，任鄭州煤礦機械集團有限責任公司電鍍分廠副廠長；二零零六年八月—二零零七年十二月，任鄭州煤礦機械集團有限責任公司電鍍分廠廠長；二零零七年十二月—二零零九年八月，任鄭州煤礦機械集團股份有限公司安裝分廠廠長；二零零九年八月—二零一零年二月，任鄭州煤礦機械集團股份有限公司市場營銷部副部長；二零一零年二月—二零一一年二月，任鄭州煤礦機械集團股份有限公司電鍍分廠廠長；二零一一年二月—二零一一年四月，任鄭州煤礦機械集團股份有限公司油缸廠副廠長兼電鍍分廠廠長；二零一一年四月—二零一六年二月，任鄭州煤礦機械集團股份有限公司物資供應部部長；二零一六年二月至二零一八年二月，任鄭州煤礦機械集團股份有限公司財務總監助理；二零一五年二月至今，任本公司監事。

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

Supervisors (Continued)

Mr. Zhang Yichen (張易辰), aged 32, is a Supervisor of the Company. From September 2005 to June 2009, Mr. Zhang studied Chinese Language and Literature in Huazhong University of Science and Technology and obtained a bachelor's degree. From July 2009 to April 2014, he worked in general office and capital operation department of Zhengzhou Coal Mining Machinery Group Company Limited successively. From May 2014 to January 2016, he served as an assistant to the head of the general office and an assistant to the head of the strategic development division of Zhengzhou Coal Mining Machinery Group Company Limited. Since February 2016, he has been the deputy head (person in charge) of the strategic development division of Zhengzhou Coal Mining Machinery Group Company Limited. From August 2016 to February 2018, he served as the deputy head of general office of Zhengzhou Coal Mining Machinery Group Company Limited. Since February 2018, he has been a supervisor of the Company.

Mr. Yuan Shaochong (苑少冲), aged 36, is a Supervisor of the Company. Mr. Yuan graduated from Hebei University of Engineering majoring in mechanical design, manufacturing and automation and obtained a bachelor's degree. From July 2006 to September 2011, he served as a technician and planning coordinator of the sub-plant of processing, an officer of control room of the production and manufactory department for production and allocation of the division of Zhengzhou Coal Mining Machinery Group Company Limited. From October 2011 to November 2011, he served as the deputy head of west zone production and manufactory department. From November 2011 to January 2013, he served as the deputy head of the production and manufactory department. From January 2013 to February 2014, he served as deputy plant manager of the assembly plant. From February 2014 to February 2015, he served as the plant manager of the assembly plant. From February 2015 to February 2016, he served as the general manager of an oil tank company. Since February 2016, he has been the plant manager of the assembly plant. Since February 2018, he has been a supervisor of the Company.

監事(續)

張易辰先生，32歲，現任本公司監事。張先生於二零零五年九月至二零零九年六月，華中科技大學漢語言文學專業學習，獲得學士學位。二零零九年七月至二零一四年四月，先後在鄭州煤礦機械集團股份有限公司辦公室、資本運營部工作；二零一四年五月至二零一六年一月，歷任鄭州煤礦機械集團股份有限公司辦公室主任助理、戰略發展部部長助理；二零一六年二月至今，鄭州煤礦機械集團股份有限公司戰略發展部副部長(主持工作)；二零一六年八月至二零一八年二月，兼任鄭州煤礦機械集團股份有限公司公司辦公室副主任。二零一八年二月至今，任本公司監事。

苑少冲先生，36歲，現任本公司監事。苑先生於二零零六年七月畢業於河北工程大學機械設計製造及其自動化專業，獲得學士學位。二零零六年七月至二零一一年九月，歷任鄭州煤礦機械集團股份有限公司機加工分廠技術員、計劃調度員，生產製造部生產調度、生產製造部調度室主任；二零一一年十月至二零一一年十一月，任西區生產製造處副處長；二零一一年十一月至二零一三年一月，任生產製造部副部長；二零一三年一月至二零一四年二月，任總裝廠副廠長；二零一四年二月至二零一五年二月，任總裝廠廠長；二零一五年二月至二零一六年二月，任油缸公司總經理；二零一六年二月至今，任總裝廠廠長；二零一八年二月至今，任本公司監事。

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

Senior Management

Mr. Jia Hao (賈浩), aged 48, is a general manager of the Company. Please see “– Directors” of this section for his biography.

Mr. Fu Qi (付奇), aged 48, is a deputy general manager of the Company. Mr. Fu is a senior engineer. From September 1988 to July 1992, he studied at China University of Mining and Technology, majoring in mechanical design and theories. From July 1992 to September 1995, he was a section member of the first development division of Zhengzhou Coal Mining Machinery Factory. From September 1995 to May 1996 and from May 1996 to December 1996, he was a senior section member and the deputy head of the first development division, respectively. From December 1996 to January 2006, he was a section officer and the deputy head of the planned sales division, the deputy head of the marketing and sales department, and the deputy head of the sub-plant of installation. From January 2006 to March 2008, he was the head of the production and manufactory department. From April 2010 to February 2012, he was the chairman and the secretary of the Party Committee of Huainan ZMJ Shun Li Machinery Co., Ltd. Since February 2012, he has been the deputy general manager of the Company.

高級管理人員

賈浩先生，48歲，現任本公司總經理。有關彼之履歷，見本節「– 董事」。

付奇先生，48歲，現任本公司副總經理。付先生是高級工程師。一九八八年九月至一九九二年七月，中國礦業大學機械設計及理論專業學習。一九九二年七月至一九九五年九月，鄭州煤礦機械廠開發一處科員，一九九五年九月至一九九六年五月，擔任開發一處主任科員，一九九六年五月至一九九六年十二月，開發一處副處長，一九九六年十二月至二零零六年一月，擔任銷售計劃處科長、副處長，市場營銷部副部長，安裝分廠副廠長，二零零六年一月至二零零八年三月，擔任生產製造部部長。二零一零年四月至二零一二年二月，在鄭煤機淮南舜立公司擔任董事長兼黨委書記。二零一二年二月至今，任本公司副總經理。

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

Senior Management (Continued)

Mr. Zhang Haibin (張海斌), aged 36, is a deputy general manager, the secretary to the Board and Company Secretary of the Company. Mr. Zhang graduated from China University of Mining and Technology and obtained a bachelor's degree in law in July 2005. From July 2005 to March 2007, he was a secretary of the general office of Zhengzhou Coal Mining Machinery Company. From March 2007 to December 2008, he served as the chief secretary of the general office of Zhengzhou Coal Mining Machinery Company. From December 2008 to March 2010, he was the chief secretary of the general office of the Company. From March 2010 to September 2010, he served as an assistant to the head of the general office of the Company. From September 2010 to January 2012, he served as the deputy head of capital operation department and representative for securities affairs of the Company. From January 2012 to February 2015, he was the head of general office, head of capital operation department and representative for securities affairs of the Company. From July 2012 to February 2015, he was the head of division of Party and masses' affairs. From February 2015 to February 2018, he was the deputy general manager and secretary to the Board of the Company. From July 2017 to February 2018, he was the chief financial officer of the Company. Since February 2018, he has been the secretary to the Board of the Company.

Ms. Huang Hua (黃花), aged 49, is the chief financial officer of the Company. Ms. Huang is a chartered financial analyst (CFA) and an engineer. In July 1987, she graduated from Central South University majoring in metal physics and obtained a bachelor's degree in science. In August 1990, she obtained a master's degree in engineering majoring in inorganic nonmetal materials granted by the Institute of Metal Research under Chinese Academy of Sciences. In December 2000, she obtained a master of business administration (MBA) degree from China Europe International Business School. From August 1990 to November 1991, she served as an assistant researcher at the Institute of Metal Research (Shenyang) under Chinese Academy of Sciences. From December 1991 to April 1999, she served as the plant manager of sub-plant, manager of the corporate management department, chief engineer and assistant general manager of Shenzhen Jinke Special Materials Co., Ltd. From September 2000 to May 2001, she served as a senior project manager at the capital operation department of China Online (Bermuda) Company Limited (中國在綫(百慕大)有限公司). From August 2001 to July 2003, she served as investment manager of Shenzhen Innovation Centre Co., Ltd (深圳創新科技園有限公司). From August 2003 to March 2005, she served as the general manager and director of Shenyang Jinchangpu New Materials Company Limited (瀋陽金昌普新材料有限公司). From May 2005 to December 2006, she served as the general manager of Jinco Nonferrous Metals Co., Ltd. From January 2007 to June 2008, she served as a project manager and senior analyst at VALE INCO LIMITED (formerly the headquarters of Inco Ltd. (加拿大國際鎳業公司)). From July 2008 to September 2017, she served as the treasurer and risk officer of Vale Minerals (China) Co. Ltd. (淡水河谷礦產品中國有限公司). From October 2017 to February 2018, she was the consultant for the acquisition of SG Holding by Zhengzhou Coal Mining Machinery Group Company Limited. Since February 2018, she has been the chief financial officer of the Company.

高級管理人員(續)

張海斌先生，36歲，現任本公司副總經理、董事會秘書及公司秘書。張先生於二零零五年七月畢業於中國礦業大學，獲得法學學士學位。二零零五年七月—二零零七年三月，任鄭州煤礦機械集團有限責任公司辦公室秘書；二零零七年三月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司辦公室秘書科長；二零零八年十二月—二零一零年三月，本公司辦公室秘書科長；二零一零年三月—二零一零年九月，任本公司辦公室主任助理；二零一零年九月—二零一二年一月，本公司資本運營部副部長、證券事務代表；二零一二年一月至二零一五年二月，任本公司辦公室主任兼資本運營部部長、證券事務代表；二零一二年七月至二零一五年二月，兼任黨群工作部部長。二零一五年二月至二零一八年二月，任本公司副總經理兼董事會秘書。二零一七年七月—二零一八年二月，兼任本公司財務總監。二零一八年二月至今，任本公司董事會秘書。

黃花女士，49歲，現任本公司財務總監。黃女士是特許金融分析師(CFA)，工程師。一九八七年七月畢業於中南大學金屬物理專業，獲得理學學士學位；一九九零年八月，獲得中科院金屬研究所無機非金屬材料專業工學碩士學位；二零零零年十二月獲得中歐國際工商學院工商行政管理MBA。一九九零年八月—一九九一年十一月，任中科院瀋陽金屬研究所助理研究員；一九九一年十二月—一九九九年四月，任深圳金科特種材料有限公司分廠廠長、企管部經理、總工程師兼助理總經理；二零零零年九月—二零零一年五月，任中國在綫(百慕大)有限公司資本運營部高級項目經理；二零零一年八月—二零零三年七月，任深圳創新科技園有限公司投資經理；二零零三年八月—二零零五年三月，任瀋陽金昌普新材料有限公司總經理兼董事；二零零五年五月—二零零六年十二月，任金柯有色金屬有限公司總經理；二零零七年一月—二零零八年六月，任VALE INCO LIMITED(原加拿大國際鎳業公司總部)項目經理和高級分析師；二零零八年七月至二零一七年九月，任淡水河谷礦產品中國有限公司司庫和風險主管。二零一七年十月至二零一八年二月，任鄭州煤礦機械集團股份有限公司收購SG控股項目顧問。二零一八年二月至今，任本公司財務總監。

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

Company Secretary

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

Ms. Chan Yin Wah (陳燕華), aged 42, is the assistant to the Company Secretary. Ms. Chan is an Associate Director of SW Corporate Services Group Limited. She has over 17 years of professional experience in handling the corporate secretarial, compliance and share registry matters for listed companies in Hong Kong. She has worked for various international professional firms and listed companies in Hong Kong. Ms. Chan holds a bachelor's degree in economics and a master's degree in professional accounting. She is a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is also a fellow member of the Association of Chartered Certified Accountants.

公司秘書

張海斌先生，現任公司秘書。有關彼之履歷，見本節「—高級管理人員」。

陳燕華女士，42歲，現任公司秘書助理。陳女士為信永方圓企業服務集團有限公司的聯席董事。彼擁有超過17年處理香港上市公司之公司秘書、合規服務及股份過戶服務之專業經驗。她曾在多家國際知名專業機構及香港上市公司工作。陳女士持有經濟學學士學位及專業會計學碩士學位，並為香港特許秘書公會及英國特許秘書及行政人員公會資深會士。彼亦是英國特許公認會計師公會資深會員。

Corporate Governance Report 企業管治報告

Corporate Governance

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

During the year ended 31 December 2017 (the “**Review Period**”), the Company has complied with the requirements in the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), except for the deviation from Code Provision A.5.2(a) of the CG Code.

Pursuant to Code Provision A.5.2(a) of the CG Code, the Nomination Committee shall review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually and put forth proposal for change to the Board in line with corporate strategies of the issuer. As the Nomination Committee of the Company considered that there was no compelling reason for the Company to change the structure, size and composition of the Board, the Nomination Committee did not convene any meeting during the year ended 31 December 2017 to review the structure, size and composition of the Board. However, on 25 August 2017, the Company reviewed and evaluated the structure, size and composition including skills, knowledge and experience of the Board through holding Board meeting.

Board of Directors

Responsibilities and Delegation to the Management

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

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

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

企業管治

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

截至二零一七年十二月三十一日止年度(「**回顧期間**」)，本公司已遵守香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄十四《企業管治守則》及《企業管治報告》(「**《企業管治守則》**」)之守則條文(「**守則條文**」)所載規定(除惟偏離企業管治守則之守則條文第A.5.2(a)條外)。

根據企業管治守則之守則條文第A.5.2(a)條，提名委員會須至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合發行人的公司策略而擬對本公司董事會作出的變動提出建議。由於本公司提名委員會認為本公司並無改變董事會架構、人數及組成之任何迫切理由，故提名委員會於截至二零一七年十二月三十一日止年度內並無舉行任何會議，以檢討董事會的構架、人數及組成。但於二零一七年八月二十五日，公司通過召開董事會的形式，對公司董事會的架構、人數及組成(包括技能、知識及經驗方面)進行檢討評價。

董事會

職責及對管理層的授權

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

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

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

Board of Directors (Continued)

Corporate Governance Functions of the Board

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

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

Board Meetings

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

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

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

董事會(續)

董事會的企業管治職能

董事會共同負責履行企業管治職能，該職能至少包括以下內容：

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

董事會會議

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

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

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

Board of Directors (Continued)

Board Meetings (Continued)

During the Review Period, the Board held 17 meetings in total, on 27 March 2017, 27 April 2017, 1 May 2017, 23 May 2017, 5 June 2017, 31 July 2017, 7 August 2017, 25 August 2017, 19 September 2017, 22 September 2017, 28 September 2017, 30 October 2017, 6 November 2017, 7 December 2017, 20 December 2017, 22 December 2017 and 29 December 2017 respectively.

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

Name of Director 董事姓名		Number of board meetings required to be attended 應出席董事會次數	Number of board meetings attended in person 親自出席次數	Number of board meetings attended by proxy 委托出席次數	Number of board meetings not attended 缺席次數	Attendance rate 出席率
Mr. Jiao Chengyao	焦承堯先生	17	17	0	0	100%
Mr. Jia Hao	賈浩先生	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Xiang Jiayu	向家雨先生	17	17	0	0	100%
Mr. Fu Zugang	付祖岡先生	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Wang Xinying	王新瑩先生	17	17	0	0	100%
Mr. Wang Bin	汪濱先生	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Guo Haofeng	郭昊峰先生	17	17	0	0	100%
Mr. Liu Qiang	劉強先生	17	17	0	0	100%
Ms. Liu Yao	劉堯女士	17	17	0	0	100%
Mr. Jiang Hua	江華先生	17	16	1	0	100%
Mr. Li Xudong	李旭冬先生	17	17	0	0	100%
Mr. Wu Guangming	吳光明先生	5	5	0	0	100%

董事會 (續)

董事會會議 (續)

於回顧期間，董事會共召開十七次會議，分別於二零一七年三月二十七日、二零一七年四月二十七日、二零一七年五月一日、二零一七年五月二十三日、二零一七年六月五日、二零一七年七月三十一日、二零一七年八月七日、二零一七年八月二十五日、二零一七年九月十九日、二零一七年九月二十二日、二零一七年九月二十八日、二零一七年十月三十日、二零一七年十一月六日、二零一七年十二月七日、二零一七年十二月二十日、二零一七年十二月二十二日以及二零一七年十二月二十九日各舉行了一次會議。

各位董事於回顧期間舉行之會議的出席記錄如下：

Shareholder's Meetings

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

股東大會

報告期內，本公司共召開了4次股東大會，部分董事、監事及高級管理人員出席了股東大會。以下為董事出席股東大會情況：

Name 姓名		Number of general meetings required to be attended 應出席股東大會次數	Number of general meetings attended 實際出席股東大會次數	Attendance rate 出席率
Mr. Jiao Chengyao	焦承堯先生	4	4	100%
Mr. Jia Hao	賈浩先生	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Xiang Jiayu	向家雨先生	4	4	100%
Mr. Fu Zugang	付祖岡先生	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Wang Xinying	王新瑩先生	4	2	50%
Mr. Wang Bin	汪濱先生	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Guo Haofeng	郭昊峰先生	4	2	50%
Mr. Liu Qiang	劉強先生	4	4	100%
Ms. Liu Yao	劉堯女士	4	4	100%
Mr. Jiang Hua	江華先生	4	4	100%
Mr. Li Xudong	李旭冬先生	4	4	100%
Mr. Wu Guangming	吳光明先生	2	2	100%

Board of Directors (Continued)

Board Composition

During the Review Period: from 1 January 2017 to 23 July 2017, the Board consisted of nine Directors, comprising five Executive Directors and four Independent Non-executive Directors; from 24 July 2017 to 31 December 2017, the Board consisted of eight Directors, comprising five Executive Directors and three Independent Non-executive Directors. More than one-third of the members of the Board of the Company are Independent Non-executive Directors. The Executive Directors possess in-depth experience in coal mining equipment industry while the Independent Non-executive Directors have appropriate professional qualifications in law or accounting or related financial management expertise. In accordance with the Listing Rules, the Independent Non-executive Directors are explicitly identified in all corporate communications.

As at the end of the Review Period, the members of the Board are:

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

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

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

Executive Directors: Mr. Jiao Chengyao (Chairman), Mr. Jia Hao (Vice Chairman), Mr. Xiang Jiayu (Executive Director), Mr. Fu Zugang (Executive Director), Mr. Wang Xinying (Executive Director) and Mr. Wang Bin (Executive Director).

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

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

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

Chairman and General Manager

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

董事會(續)

董事會組成

於回顧期間，二零一七年一月一日至二零一七年七月二十三日，董事會由九名董事組成，其中包括五名執行董事，四名獨立非執行董事；二零一七年七月二十四日至二零一七年十二月三十一日，董事會由八名董事組成，其中包括五名執行董事，三名獨立非執行董事。本公司獨立非執行董事佔董事會成員超過三分之一人數。執行董事具有煤礦機械行業豐富經驗，而獨立非執行董事具有適當的法律、會計、專業資格及財務管理專業知識。根據上市規則，獨立非執行董事於所有公司通訊中均予以明確識別。

於報告期末，董事會成員為：

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

獨立非執行董事：劉堯女士、江華先生、李旭冬先生。

截至本年報日董事會成員為：

執行董事：焦承堯先生(董事長)、賈浩先生(副董事長)、向家雨先生(執行董事)、付祖岡先生(執行董事)、王新瑩先生(執行董事)和汪濱先生(執行董事)。

獨立非執行董事：劉堯女士、江華先生和李旭冬先生。

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

本公司已從各位獨立非執行董事獲得年度獨立性確認。根據確認，董事會認為，全部三位獨立非執行董事均滿足聯交所上市規則對於獨立性的要求。

董事長及總經理

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

Internal Control

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

The structure of risk management and internal control functions

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

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

Commencement of risk management work

Risk prevention determines the course in building the Company's system and internal control structure. In 2017, based on the methodology of risk management covering risk identification, risk evaluation, risk response, risk reporting and monitoring, the Company focused on its overall operating objectives, combined the internal and external circumstances, as well as the management conditions of the Company, fully reorganized and identified the possible risks at different levels, such as strategy, operation, finance, market and law, thereby building up a risk incident database unique to the Company.

內部監控

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

風險管理和內部監控職能架構

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

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

風險管理工作開展

風險防範在公司制度和內控體系建設中具有導向作用。二零一七年公司根據風險識別、風險評估、風險應對、風險匯報及監察的風險管理方法論，圍繞總體經營目標，結合公司的內外部環境和管理狀況，從戰略、運營、財務、市場、法律等層面全面梳理和識別了可能面臨的風險，形成公司特有的風險事件庫。

Internal Control (Continued)

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

Commencement of risk management work (Continued)

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

In 2017, the risk management work of the Company culminated in the Risk Management Report, mainly covering the methodology and procedure for commencing risk management work, along with the major risks the Company is faced with. The Risk Management Report has been approved by the Audit Committee, and has been submitted to the Board for review.

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

The operation of the internal control system

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

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

Risk management and internal control for the Review Period was reviewed at the Board meeting on 29 March 2018. The results of the commencement of risk management and internal control work in 2017 indicate no control failure for major risks in the Company and reveal no weakness in major risk control. The Company has been in strict compliance with the requirements about risk management and internal control in the CG Code. The Board has assessed the Company's risk management and internal control system as effective and adequate.

內部監控(續)

風險管理和內部監控職能架構(續)

風險管理工作開展(續)

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

二零一七年公司風險管理工作形成了《風險管理報告》，主要涵蓋風險管理工作開展的方法和程序、公司面臨的主要風險等內容。《風險管理報告》經審計委員會批准，提交董事會審閱。

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

內部監控系統運行

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

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

於二零一八年三月二十九日，董事會會議對回顧期內風險管理和內部監控工作進行了檢討，二零一七年風險管理和內部監控工作開展的結果表明，公司不存在重大風險監控失誤的情形，也未發現重大風險監控弱項。公司已嚴格遵守《企業管治守則》中有關風險管理及內部監控的規定，董事會評估公司風險管理和內部監控系統有效及足夠。

Directors

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Company's corporate documents such as the articles of association of the Company (the "Articles of Association"). In accordance with Article 153 of the Articles of Association of the Company, the Directors of the Company shall be elected or replaced at the general meetings and the terms of office of all directors (including executive directors and independent non-executive directors) will be three years. Upon the expiry of the terms, the Directors will be eligible for re-election and re-appointment. Subject to the compliance with relevant laws and administrative regulations, the general meeting may dismiss any Director during his/her service term by way of an ordinary resolution (except that any claim for compensation pursuant to any contract shall not be prejudiced thereby).

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

Directors' Training and Professional Development

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

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

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

During the year ended 31 December 2017, all Directors have been given relevant guideline materials and attended a training regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors.

董事

委任、重選及罷免董事

委任、重選及罷免董事的制度及程序規定自本公司章程(「章程」)等公司文件中。按根據公司章程第153條，公司董事由股東大會選舉或更換，所有董事(包括執行董事及獨立非執行董事)的任期為三年，董事任期屆滿可以連選連任。股東大會在遵守有關法律、行政法規規定的前提下，可以以普通決議的方式將任何任期未屆滿的董事罷免(但依據任何合同可提出的索償要求不受此影響)。

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

董事培訓及專業發展

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

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

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

於截至二零一七年十二月三十一日止年度，全體董事已獲提供相關指引資料及出席有關董事職務及職責、適用於董事的相關法律及法規的培訓。

Directors (Continued)

Insurance for Directors

To mitigate the exposure to liabilities of the Directors, at the annual general meeting held on 7 June 2013, the Company resolved to take out an insurance plan at a total premium of not more than US\$30 million for the directors, supervisors and chief executives to cover their liabilities (the “**Liability Insurance**”) and confirmed that arrangements regarding the Liability Insurance have been completed. The Liability Insurance covered the period from 19 July 2014 to 18 July 2015, from 19 July 2015 to 18 July 2016, from 19 July 2016 to 18 July 2017 and from 18 July 2017 to 17 July 2018.

Model Code for Securities Transactions by Directors and Supervisors

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

Emolument Policy

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

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

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

董事(續)

董事保險

為降低須由董事承擔責任的風險，本公司在二零一三年六月七日舉行之股東週年大會上通過決議購買總額不超過三千萬美元的董事、監事及最高行政人員責任保險（「**責任保險**」），並確認已辦理責任保險的安排。責任保險的保險期間自二零一四年七月十九日至二零一五年七月十八日、二零一五年七月十九日至二零一六年七月十八日、二零一六年七月十九日至二零一七年七月十八日以及二零一七年七月十八日至二零一八年七月十七日。

董事、監事進行證券交易的標準守則

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

薪酬政策

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

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

於回顧期間概無有關董事已放棄或同意放棄任何薪酬安排。

Directors (Continued)

Responsibility Statement of Directors Regarding Preparation of Account

All Directors of the Company had committed their responsibilities to the preparation of the Company's account for the year ended 31 December 2017.

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

Board Committees

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

Strategy Committee

As of the date of this annual report, the members of the Strategy Committee comprise Mr. Jiao Chengyao (Chairman), Mr. Jia Hao, Mr. Xiang Jiayu, Mr. Fu Zegang and Mr. Jiang Hua.

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

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

董事(續)

董事關於編製賬目的責任聲明

本公司各董事承認其有編製本公司截至二零一七年十二月三十一日止年度賬目的責任。

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

董事會專門委員會

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

戰略委員會

截至本年報日，戰略委員會成員包括焦承堯先生(主席)、賈浩先生、向家雨先生、付祖岡先生和江華先生。

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

戰略委員會於本年度未召開會議。

Board Committees (Continued)

Audit Committee

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

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

董事會專門委員會(續)

審計委員會

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

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

Board Committees (Continued)

Audit Committee (Continued)

The Audit Committee convened 4 meetings during year 2017, with full attendance of all members of the committee:

- (1) On 27 March 2017, the Audit Committee convened the 2017 first meeting, and considered and approved the Proposal on 2016 Audited Domestic and Overseas Financial Report of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2016 Annual Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2016 Annual Results Announcement of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorising the Chairman of the Company to Sign and Announce 2016 Annual Report of the Company's H Shares, the Proposal on the Report on Internal Control Assessment of Zhengzhou Coal Mining Machinery Group Company Limited for 2016, the Proposal on the Audit Report on Internal Control of Zhengzhou Coal Mining Machinery Group Company Limited for 2016, the Proposal on the Appointment of External Audit Institution for 2017 and Payment for the Auditing Fee for 2016, the Proposal on the Company's 2017 Annual Expected Daily Related Transactions;
- (2) On 27 April 2017, the Audit Committee convened the 2017 second meeting, and considered and approved the Proposal on the 2017 First Quarterly Report and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited;
- (3) On 25 August 2017, the Audit Committee convened the 2017 third meeting, and considered and approved the Proposal on the 2017 Unaudited Interim Financial Statements of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2017 Interim Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2017 Interim Results Announcement of H Shares and 2017 Interim Report of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal to Modify the Accounting Policies of the Company;
- (4) On 30 October 2017, the Audit Committee convened the 2017 fourth meeting, and considered and approved the Proposal on the 2017 Third Quarterly Report and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited.

董事會專門委員會(續)

審計委員會(續)

二零一七年度，審計委員會召開了四次會議，審計委員會委員均全員出席：

- (1) 二零一七年三月二十七日，召開2017年度董事會審計委員會第一次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2016年度經審計的境內外財務報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司A股2016年年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2016年年度業績公告及授權公司董事長簽署並公告公司H股2016年年度報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2016年度內部控制評價報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2016年度內部控制審計報告〉的議案》、《關於聘任2017年度外部審計機構及支付2016年度審計費用的議案》、《關於公司2017年度預計日常關聯交易的議案》；
- (2) 二零一七年四月二十七日，召開2017年度董事會審計委員會第二次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2017年第一季度報告及其摘要〉的議案》；
- (3) 二零一七年八月二十五日，召開2017年度董事會審計委員會第三次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2017年半年度未經審計的財務報表〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司A股2017年半年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2017年中期業績公告及公司H股2017年中期報告〉的議案》、《關於公司會計政策變更的議案》；
- (4) 二零一七年十月三十日，召開2017年度董事會審計委員會第四次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2017年第三季度報告及其摘要〉的議案》。

Board Committees (Continued)

Nomination Committee

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

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

As the Nomination Committee considered that there was no compelling reason for the Company to change the structure, size and composition of the Board, the Nomination Committee did not convene any meeting during the Review Period to review the structure, size and composition of the Board. However, on 25 August 2017, the Company reviewed and evaluated the structure, size and composition (including skills, knowledge and experience) of the Board through holding Board meetings.

Remuneration and Assessment Committee

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

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

董事會專門委員會(續)

提名委員會

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

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

由於提名委員會認為本公司並無改變董事會構架、人數及組成之任何迫切理由，故提名委員會於報告期內並無舉行任何會議，未以檢討董事會的構架、人數及組成。但於二零一七年八月二十五日，公司通過召開董事會的形式，對公司董事會的架構、人數及組成(包括技能、知識及經驗方面)進行檢討評價。

薪酬與考核委員會

截至本年報日，薪酬與考核委員會包括李旭冬先生(主席)、賈浩先生和劉堯女士。其中獨立非執行董事擔任主席且佔多數。

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

Board Committees (Continued)

Remuneration and Assessment Committee (Continued)

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

Pursuant to the Code Provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management by band for the year ended 31 December 2017 is set out below:

Remuneration band (RMB'000) 薪酬組別人數(人民幣千元)	Number of individuals 人數
0-500	3
500-750	2
750-1,000	4
>1,000	3

Board Diversity Policy

Purpose

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

Measurable Objectives

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

董事會專門委員會 (續)

薪酬與考核委員會 (續)

薪酬與考核委員會於本年度未召開會議。

根據企業管治守則第B.1.5條守則條文，截至二零一七年十二月三十一日止年度高級管理人員的年度酬金按薪酬等級載列如下：

董事會多元化政策

宗旨

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

可計量目標

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

Board Diversity Policy (Continued)

Monitoring and Reporting

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

Auditors' Remuneration

The Company has appointed Deloitte Touche Tohmatsu and BDO CHINA SHU LUN PAN Certified Public Accountants LLP as the international and domestic auditors of the Company, respectively. Details of fees paid or payable to the auditors by the Group for the year ended 31 December 2017 are as follows:

Services rendered 所提供服務		Fees 收費金額 (RMB'000) (人民幣千元)
2017 annual audit	二零一七年度審核	4,810
Non-audit services	非審核服務	1,900
Total	總計	6,710

Company Secretary

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

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

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

董事會多元化政策(續)

監察及匯報

提名委員會每年檢討董事會在多元化層面的組成，並監察董事會多元化政策的執行。

核數師薪酬

本公司已分別聘請德勤•關黃陳方會計師行和立信會計師事務所(特殊普通合伙)作為本公司的國際和境內核數師。截至二零一七年十二月三十一日止年度，本集團已付或應付審計師的費用詳情如下：

公司秘書

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

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

張先生及陳女士在回顧期間，參加的相關專業培訓不少於15小時。

Investor Relations, Communication with Shareholders and General Meeting

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

Shareholders' Rights

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

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

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

投資者關係、與股東的溝通及股東大會

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

股東的權利

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

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

股東有權查詢和複印股東大會會議記錄、董事會會議決議和監事會決議。

Shareholders' Rights (Continued)

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

Strategic Development Division of Zhengzhou Coal Mining Machinery Group Company Limited

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

During the Review Period, the Company amended the Articles of Association three times (i) to update the registered capital and share capital structure of the Company; (ii) in accordance with the overall requirement on incorporation of Party-building work into the Articles of Association; and (iii) pursuant to relevant requirements including the Company Law of the People's Republic of China, and the Guidelines for the Articles of Association of Listed Companies (amended in 2016) and the Rules for General Meetings of Listed Companies (amended in 2016) promulgated by China Securities Regulatory Commission, and to better protect the interests of investors including particularly minority investors. The amendments were as considered and approved at the 2016 annual general meeting, the second extraordinary general meeting of 2017 and the first extraordinary general meeting of 2018 held on 16 June 2017, 13 November 2017 and 12 February 2018 respectively. Please refer to the announcements of the Company dated 27 March 2017, 28 September 2017 and 7 December 2017 and circulars of the Company dated 28 April 2017, 27 October 2017 and 25 January 2018 respectively for details.

Board of Supervisors

Composition of Board of Supervisors

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

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

As of the date of this annual report, the members of the Board of Supervisors are Mr. Liu Qiang, Mr. Wang Yue, Mr. Cui Leilei, Mr. Ni Wei, Mr. Zhou Rong, Mr. Zhang Yichen and Mr. Yuan Shaochong.

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

股東的權利(續)

股東可以通過聯繫本公司的投資者關係顧問獲得有關本公司的查詢：

鄭州煤礦機械集團股份有限公司戰略發展部

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

因(i)更新本公司的註冊資本及股本結構; (ii)根據將黨建工作寫入公司章程的總體要求; 及(iii)根據《中華人民共和國公司法》、中國證券監督管理委員會發佈的《上市公司章程指引(2016年修訂)》、《上市公司股東大會規則(2016年修訂)》等有關規定，以更好的保護廣大投資者尤其是中小投資者的利益，本公司於回顧期間對公司章程進行了三次修訂，該等章程修訂議案已於2017年6月16日舉行的2016年度股東週年大會、2017年11月13日舉行的2017年第二次臨時股東大會及2018年2月12日舉行的2018年第一次臨時股東大會經股東審議通過。詳情請參閱本公司日期分別為2017年3月27日、2017年9月28日及2017年12月7日的公告及日期分別為2017年4月28日、2017年10月27日及2018年1月25日的通函。

監事會

監事會組成

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

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

截至本年報日，監事會成員為：劉強先生、王躍先生、崔蕾蕾先生、倪威先生、周榮先生、張易辰先生、苑少冲先生。

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

Board of Supervisors (Continued)

Duties of Board of Supervisors

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

- reviewing regular corporate reports prepared by the Board and submitting written opinions regarding the same;
- examining the finance affairs of the Company;
- monitoring the performance of duties of Directors and senior management, and proposing the dismissal of Directors and senior management who have violated the laws, administrative regulations and Articles of Association or resolutions of the general meeting;
- demanding for correction in the event of any damage to the interests of the Company caused by Directors or senior management;
- proposing the convening of extraordinary general meetings, and convening and chairing general meetings in the event of the Board having failed to perform its duties to convene and chair the general meeting pursuant to the Company Law (公司法);
- proposing motions to general meetings;
- liaising with Directors on behalf of the Company and instituting legal proceedings against Directors and senior management pursuant to the provisions of Article 151 of the Company Law;
- in case of any irregularity related to the operation of the Company identified, to investigate and if necessary, to engage professional institutions such as accounting firms or law firms to assist in its work at the expense of the Company;
- reviewing the financial report, operation report and profit distribution plan to be submitted by the Board to the general meetings; and may, in the name of the Company, appoint a certified public accountant or a qualified auditor to re-examine such documents if a suspicious item was identified;
- exercising other duties and powers specified in the Articles of Association of the Company.

During the Review Period, the Board of Supervisors held 8 meetings.

監事會(續)

監事會的職責

監事會向股東大會負責，並依法行使下列職權：

- 應當對董事會編製的公司定期報告進行審核並提出書面審核意見；
- 檢查公司財務；
- 對董事、高級管理人員執行公司職務的行為進行監督，對違反法律、行政法規、公司章程或者股東大會決議的董事、高級管理人員提出罷免的建議；
- 當董事、高級管理人員的行為損害公司的利益時，要求董事、高級管理人員予以糾正；
- 提議召開臨時股東大會，在董事會不履行《公司法》規定的召集和主持股東大會職責時召集和主持股東大會；
- 向股東大會提出提案；
- 代表公司與董事交涉或依照《公司法》第一百五十一條的規定，對董事、高級管理人員提起訴訟；
- 發現公司經營情況異常，可以進行調查；必要時，可以聘請會計師事務所、律師事務所等專業機構協助其工作，費用由公司承擔；
- 核對董事會擬提交股東大會的財務報告、營業報告和利潤分配方案等財務資料，發現疑問的，可以公司名義委託註冊會計師、執業審計師幫助複審；
- 公司章程規定的其他職權。

於回顧期間，監事會共召開了八次會議。

Report of the Board of Directors 董事會報告書

The Board is pleased to present its report together with the audited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2017.

Principal Activities and Subsidiaries

The principal activities of the Company are the manufacturing of comprehensive coal mining and excavating equipment. Details of the principal activities of its subsidiaries are set out in note 52 to the financial statements. During the Review Period, the Company has acquired equity interests of six entities in the auto-parts industry. Upon completion of the acquisition, the Group has duly entered the auto parts market and is engaged in two principal businesses of coal mining machinery and auto parts.

Compliance with Laws and Regulations

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

Environmental Policies and Performance

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

Business Review

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

Results and Dividends

The Group's results for the year ended 31 December 2017 are set out in the financial statements of this annual report.

Relevant resolution has been passed at a meeting of the Board held on 29 March 2018, and the Board proposed the payment of a final dividend (the “Dividend”) of RMB0.50 per 10 shares for the year ended 31 December 2017, totalling approximately RMB86,623,568.50. If the proposal in relation to the profit distribution is approved by the shareholders at the 2017 annual general meeting to be held on 20 June 2018 (the “2017 Annual General Meeting”), the Final Dividend for H Shares of the Company will be distributed on or about 31 July 2018.

董事會欣然提呈彼等之報告連同本公司及其附屬公司（「本集團」）截至二零一七年十二月三十一日止年度的經審核財務報表。

主要業務及附屬公司

本公司的主要業務為煤炭綜採綜掘設備製造。其附屬公司的主要業務詳情載於財務報表附註52。於回顧期間，本公司已收購汽車零部件行業六家實體的股權。收購完成後，本集團已進入汽車零部件市場，形成煤礦機械和汽車零部件兩項主要業務。

遵守法律及法規

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

環境政策及表現

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

業務回顧

請參見管理層討論與分析章節。管理層討論與分析章節成為本董事會報告之部份。

業績及股息

本集團截至二零一七年十二月三十一日止年度的業績載於本年報的財務報表內。

董事會於二零一八年三月二十九日舉行會議並通過相關決議案，建議派發截至二零一七年十二月三十一日止年度末期股息（「股息」）每十股人民幣0.50元，總計約人民幣86,623,568.50元。倘利潤分配預案於二零一八年六月二十日召開的二零一七年度股東週年大會（「二零一七年度股東週年大會」）上獲股東批准，則本公司H股末期股息將於二零一八年七月三十一日或前後派付。

Results and Dividends (Continued)

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

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

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

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

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

業績及股息(續)

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

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

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

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

董事會並不知悉任何股東已放棄或同意放棄任何股息。

Profit Distribution to Investors of Northbound Trading

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

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

Profit Distribution to Investors of Southbound Trading

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

The cash dividends for the investors of H shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the "Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect" (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No.81) and the "Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect" (關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2016] No.127), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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

滬股通投資者利潤分配事宜

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

滬股通投資者股權登記日、現金紅利派發日等時間安排與本公司A股股東一致。

港股通投資者利潤分配事宜

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

港股通H股股票投資者的現金紅利以人民幣派發。根據《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》及《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》的相關規定：對內地個人投資者通過滬港通或深港通投資香港聯交所上市H股取得的股息紅利，H股公司按照20%的稅率代扣個人所得稅。對內地證券投資基金通過滬港通或深港通投資香港聯交所上市股票取得的股息紅利所得，比照個人投資者徵稅。H股公司對內地企業投資者不代扣股息紅利所得稅款，應納稅款由企業自行申報繳納。

港股通投資者股權登記日、現金紅利派發日等時間安排與本公司H股股東一致。

Use of Proceeds from Initial Public Offer on the Stock Exchange

The H Shares of the Company were listed on the Stock Exchange on 5 December 2012 and the net proceeds were HK\$2,155.55 million after deducting the relevant expenses. During the Review Period, save as described in the announcement of the Company dated 31 March 2014 in relation to the update on the use of proceeds and the announcement dated 23 May 2017 in relation to Proposed Change to the Use of Proceeds from H Share Offering, the use of proceeds was in line with the usage disclosed in the prospectus of the Company.

Reserves

Details of movements in the reserves of the Company and the Group for the year ended 31 December 2017 are set out in the consolidated statements of changes in equity and note 53 to the financial statements, respectively.

Share Capital

Details of movements in share capital of the Company for the year ended 31 December 2017 are set out in note 40 to the financial statements.

Pre-Emptive Rights

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

Share Option Scheme

The Company has not adopted any share option scheme.

Major Suppliers and Customers

For the year ended 31 December 2017, the total sales attributable to the Group's five largest customers accounted for approximately 17.53% of the Group's total sales while the sales attributable to the Group's largest customer accounted for approximately 3.96% of the Group's total sales. For the year ended 31 December 2017, the total purchases attributable to the Group's five largest suppliers accounted for approximately 28.75% of the Group's total purchases while the purchases attributable to the Group's largest supplier accounted for approximately 17.12% of the Group's total purchases.

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

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

在聯交所首次公開招股所得款項的使用

本公司H股於二零一二年十二月五日在聯交所上市，經扣除相關費用後，所得款項淨額為2,155.55百萬港元，於回顧期間，除本公司於2014年3月31日所作的所得款項用途之更新公告及2017年5月23日所作的建議變更H股募集資金用途公告內所述外，本公司所得款項的使用符合招股書披露的使用方式。

儲備

本公司及本集團於截至二零一七年十二月三十一日止年度之儲備變動詳情分別載於綜合權益變動表及財務報表附註53。

股本

本公司股本於截至二零一七年十二月三十一日止年度之變化詳情載於財務報表附註40。

優先購買權

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

購股權計劃

本公司並無採納任何購股權計劃。

主要供應商及客戶

於截至二零一七年十二月三十一日止年度，本集團五大客戶應佔銷售總額佔本集團總銷售額約17.53%，而本集團最大客戶應佔銷售額則佔本集團總銷售額約3.96%。於截至二零一七年十二月三十一日止年度，本集團五大供應商應佔採購總額佔本集團總採購額約28.75%，而本集團最大供應商應佔採購額則佔本集團總採購額約17.12%。

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

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

Property, Plant and Equipment

For the year ended 31 December 2017, details of movements in property, plant and equipment and land use rights during the year are set out in notes 16 and 17 to the financial statements.

Purchase, Sale or Redemption of the Shares of the Company

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

Equity-Linked Agreement

During the year ended 31 December 2017, the Company and its subsidiaries neither entered into any agreements in relation to equity-linked products nor participated in any arrangement to purchase equity-linked financial products.

Directors and Supervisors

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

Directors:

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

From 1 January 2017 to 23 July 2017:

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

From 24 July 2017 to 11 February 2018:

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

From 12 February 2018 to the date of this report:

Jiao Chengyao (*Executive Director, Chairman*), Jia Hao (*Executive Director, Vice Chairman*), Xiang Jiayu (*Executive Director*), Fu Zugang (*Executive Director*), Wang Xinying (*Executive Director*), Wang Bin (*Executive Director*), Liu Yao (*Independent Non-executive Director*), Jiang Hua (*Independent Non-executive Director*), Li Xudong (*Independent Non-executive Director*)

Mr. Wu Guangming has tendered his resignation as an independent non-executive director and a member of the Strategy Committee and the chairman of the Remuneration and Assessment Committee with effect from 24 July 2017 as he requires more time to pursue his other business engagements. Mr. Guo Haofeng and Mr. Liu Qiang were not nominated as candidates for re-election as members of the fourth session of the Board and they retired as executive directors and other relevant positions of the Company with effect from 12 February 2018.

Supervisors:

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

物業、廠房及設備

截至二零一七年十二月三十一日止年度，物業、廠房及設備以及土地使用權於年內的變動詳情載於財務報表附註16及17。

購買、出售或贖回本公司股份

於回顧期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

股票掛鈎協議

於截至二零一七年十二月三十一日止年度，本公司及附屬公司概無簽署任何股票掛鈎產品協議，亦無參與股票掛鈎理財產品認購安排。

董事及監事

於回顧期間及直至本報告日期止的董事及監事如下：

董事：

於回顧期間及直至本報告日期止的董事如下：

2017年1月1日至2017年7月23日：

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

2017年7月24日至2018年2月11日：

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

2018年2月12日至本報告日期：

熊承堯(執行董事、董事長)、賈浩(執行董事、副董事長)、向家雨(執行董事)、付祖岡(執行董事)、王新瑩(執行董事)、汪濱(執行董事)、劉堯(獨立非執行董事)、江華(獨立非執行董事)、李旭冬(獨立非執行董事)

吳光明先生因需要投放更多時間於彼之其他事務上而辭任本公司之獨立非執行董事、戰略委員會成員及薪酬與考核委員會主席之職務，自2017年7月24日起生效；郭昊峰先生及劉強先生並無獲提名為重選第四屆董事會成員的候選人，彼等退任本公司執行董事及其他相關職務，自2018年2月12日起生效。

監事：

於回顧期間及直至本報告日期止的監事如下：

From 1 January 2017 to 11 February 2018:

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

From 12 February 2018 to the date of this report:

Mr. Liu Qiang, Mr. Wang Yue, Mr. Cui Leilei, Mr. Ni Wei, Mr. Zhou Rong, Mr. Zhang Yichen, Mr. Yuan Shaochong

Directors' and Supervisors' Service Contracts

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

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended December 31, 2017.

Remuneration of Directors and Supervisors

Details of the remuneration of the Directors and the Supervisors for the year ended 31 December 2017 are set out in note 12 to the financial statements.

Insurance for Directors

The Company has taken out valid insurance for the Directors.

Directors' and Supervisors' Interests in Material Contracts

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

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

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

Directors' Interests in Competing Business

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

2017年1月1日至2018年2月11日：

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

2018年2月12日至本報告日期：

劉強先生、王躍先生、崔蕾蕾先生、倪威先生、周榮先生、張易辰先生、苑少沖先生

董事及監事服務合約

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

管理合約

於截至二零一七年十二月三十一日止年度期間，本公司並無就有關全部或任何重大部份業務的管理及行政工作簽訂或存在任何合約。

董事及監事薪酬

截至二零一七年十二月三十一日止年度本公司董事及監事薪酬之詳情載列於財務報表附註12。

董事保險

公司為董事購買了有效的董事保險。

董事及監事於重大合約之權益

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

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

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

董事於競爭業務之權益

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

Directors' and Supervisors' Rights to Acquire Shares or Debentures

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

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

To the best knowledge of the Directors, as at 31 December 2017, the Directors, the Supervisors and chief executives of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the Securities and Futures Ordinance (the "SFO") of Hong Kong) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under relevant provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein (including interests and short positions which they are taken or deemed to have under relevant provisions of the SFO); or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules of the Stock Exchange as follows:

董事及監事購買股份或債券之權利

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

董事、監事及最高行政人員於本公司及其相聯法團的證券中之權益及淡倉

據董事所知，於二零一七年十二月三十一日，本公司各董事、監事及本公司最高行政人員於本公司或其任何相聯法團(定義見香港《證券及期貨條例》)的股份、相關股份及債券中擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括彼根據《證券及期貨條例》的有關條文而被當作或視作擁有的權益及淡倉)，或根據《證券及期貨條例》第352條須載入該條例所述的登記冊的權益及淡倉(包括彼根據《證券及期貨條例》的有關條文而被當作或視作擁有的權益及淡倉)，或根據上市規則內上市公司董事進行證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

Name	Director/ Supervisor/ Chief executive	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool 好倉/淡倉/ 可供借出的股份
姓名	董事/監事/ 最高行政人員	身份/權益性質	股份類別	股份數目			
Jiao Chengyao 焦承堯	Director 董事	Beneficial owner 實益擁有人	A Share A股	2,901,964	0.19	0.17	Long position 好倉
Xiang Jiayu 向家雨	Director 董事	Beneficial owner 實益擁有人	A Share A股	1,895,120	0.13	0.11	Long position 好倉
Wang Xinying 王新瑩	Director 董事	Beneficial owner 實益擁有人	A Share A股	1,895,040	0.13	0.11	Long position 好倉
Guo Haofeng 郭昊峰	Director 董事	Beneficial owner 實益擁有人	A Share A股	2,226,720	0.15	0.13	Long position 好倉
Liu Qiang 劉強	Director 董事	Beneficial owner 實益擁有人	A Share A股	11,500	0.00	0.00	Long position 好倉

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

董事、監事及最高行政人員於本公司及其相聯法團的證券中之權益及淡倉(續)

Name	Director/ Supervisor/ Chief executive	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool
姓名	董事／監事／ 最高行政人員	身份／權益性質	股份類別	股份數目			好倉／淡倉／ 可供借出的股份
Zhang Zhiqiang 張志強	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	600	0.00	0.00	Long position 好倉
Ni Heping 倪和平	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	2,217,200	0.15	0.13	Long position 好倉
Xu Mingkai 徐明凱	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	16,000	0.00	0.00	Long position 好倉
Zhou Rong 周榮	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	40,000	0.00	0.00	Long position 好倉
Liu Fuying 劉付營	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	599,060	0.04	0.03	Long position 好倉
Fu Zugang 付祖岡	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	2,526,720	0.17	0.15	Long position 好倉
		Interest of spouse 配偶的權益	A Share A股	200,000	0.01	0.01	Long position 好倉
Gao Youjin 高有進	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	2,380,000	0.16	0.14	Long position 好倉
Zhang Minglin 張命林	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	1,895,040	0.13	0.11	Long position 好倉
Wang Yongqiang 王永強	Chief Executive 最高行政人員	Beneficial owner 實益擁有人	A Share A股	54,500	0.00	0.00	Long position 好倉

Save as disclosed above, as at 31 December 2017, none of the Directors, the Supervisors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO of Hong Kong) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed to have); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules of the Stock Exchange.

除上文所披露者外，於二零一七年十二月三十一日，本公司各董事、監事或本公司最高行政人員概無於本公司或任何相聯法團(定義見香港《證券及期貨條例》)的股份、相關股份或債券中，擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括彼等視為擁有的權益或淡倉)，或根據《證券及期貨條例》第352條須載入該條例所述的登記冊的權益或淡倉，或根據聯交所上市規則內上市公司董事進行證券交易的標準守則須知會本公司和聯交所的權益或淡倉。

Structure and Number of Shareholders

Details of the shareholders as recorded in the register of shareholders of the Company as at 31 December 2017 are as follows:

Holders of A Shares	A股股東	50,692
Holders of H Shares	H股股東	90
Total number of shareholders		50,782

股東結構及股東人數

於二零一七年十二月三十一日，本公司股東名冊所記錄的股東詳情如下：

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

As at 31 December 2017, so far as the Directors were aware, the following shareholders (other than the Directors, Supervisors or chief executives) had interests or short positions in any shares and the underlying shares of the Company which were required to be notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register kept by the Company:

主要股東於本公司所持股份、相關股份之權益及淡倉

據董事所知，於二零一七年十二月三十一日，下列股東（董事、監事或最高行政人員除外）於本公司的任何股份及相關股份中，擁有根據《證券及期貨條例》第XV部第2及3分部須知會本公司的權益或淡倉，或根據《證券及期貨條例》第336條須記入本公司備存的登記冊的權益或淡倉：

Name	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool 好倉／淡倉／ 可供借出的股份
姓名／名稱	身份／權益性質	股份類別	股份數目			
State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government ⁽¹⁾ 河南省人民政府國有資產監督管理委員會 ⁽¹⁾	Beneficial owner 實益擁有人	A Share A股	521,087,800	34.99	30.08	Long position 好倉
Henan Machinery Investment Group Co., Ltd. ⁽¹⁾ 河南機械裝備投資集團有限責任公司 ⁽¹⁾	Beneficial owner 實益擁有人	A Share A股	521,087,800	34.99	30.08	Long position 好倉
National Council for Social Security Fund 全國社會保障基金理事會	Beneficial owner 實益擁有人	H Share H股	23,709,400	9.75	1.37	Long position 好倉
Bain Capital Asia Fund, L.P. ⁽²⁾	Interest of controlled corporation 受控制的法團的權益	A Share A股	93,220,338	6.26	5.38	Long position 好倉

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

主要股東於本公司所持股份、相關股份之權益及淡倉(續)

Name	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of shares % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool 好倉/淡倉/ 可供借出的股份
姓名/名稱	身份/權益性質	股份類別	股份數目			
Bain Capital Fund X, L.P. ⁽²⁾	Interest of controlled corporation 受控制的法團的權益	A Share A股	93,220,338	6.26	5.38	Long position 好倉
Bain Capital Asia Integral Investors, L.P. ⁽²⁾	Interest of controlled corporation 受控制的法團的權益	A Share A股	93,220,338	6.26	5.38	Long position 好倉
ASIMCO Technologies Group Limited ⁽²⁾	Interest of controlled corporation 受控制的法團的權益	A Share A股	93,220,338	6.26	5.38	Long position 好倉
Axle ATL Cayman Limited ⁽²⁾	Interest of controlled corporation 受控制的法團的權益	A Share A股	93,220,338	6.26	5.38	Long position 好倉
ASIMCO Technologies Hong Kong Limited ⁽²⁾	Interest of controlled corporation 受控制的法團的權益	A Share A股	93,220,338	6.26	5.38	Long position 好倉
ASIMCO (China) Limited ⁽²⁾ 亞新科(中國)投資有限公司 ⁽²⁾	Beneficial owner 實益擁有人	A Share A股	93,220,338	6.26	5.38	Long position 好倉
National Council for Social Security Fund 全國社會保障基金理事會	Beneficial owner 實益擁有人	A Share A股	23,709,400	9.75	1.37	Long position 好倉
UBS Group AG	Person having a security interest in Shares 對股份持有保證權益的人	H Share H股	14,137,400	5.81	0.82	Long position 好倉

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

Notes:

- (1) Henan Machinery Investment Group Co., Ltd. directly held 521,087,800 shares in the A Shares of the Company. Henan Machinery Investment Group Co., Ltd. is a wholly-owned subsidiary of State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government. By virtue of the SFO, State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government is deemed to own 521,087,800 shares in the A Shares of the Company which were in the same block directly held by Henan Machinery Investment Group Co., Ltd..
- (2) ASIMCO (China) Limited directly held 93,220,338 shares in the A shares of the Company. ASIMCO (China) Limited was a wholly-owned subsidiary of ASIMCO Technologies Hong Kong Limited, which was wholly-owned by Axle ATL Cayman Limited, which was in turn wholly-owned by ASIMCO Technologies Group Limited, which was in turn wholly-owned by Bain Capital Asia Integral Investors, L.P.. Bain Capital Asia Fund, L.P. and Bain Capital Fund X, L.P. held 54.04% and 44.32% shares in Bain Capital Asia Integral Investors, L.P.. By virtue of the SFO, ASIMCO Technologies Hong Kong Limited, Axle ATL Cayman Limited, ASIMCO Technologies Group Limited, Bain Capital Asia Integral Investors, L.P., Bain Capital Fund X, L.P. and Bain Capital Asia Fund, L.P. were deemed to own 93,220,338 shares in the A Shares of the Company which were in the same block directly held by ASIMCO (China) Limited.

Public Float

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

Retirement Benefit Scheme

The Group's full-time employees in the PRC are covered by a defined contribution pension scheme operated by the government, and are entitled to a monthly pension from the date of retirement. The PRC government is responsible to perform the pension obligation for these retired employees. The Group is required to make annual contributions to the retirement scheme at a rate of 20% of employees' basic salaries, which are charged as an expense when the employees have rendered services entitling them to the contributions and when the contributions are due. For the year ended 31 December 2017, a total contribution of RMB76.4 million made by the Group to the retirement scheme was charged to the statement of income. Further information about the Group's pension scheme is set out in note 44 to the financial statements.

主要股東於本公司所持股份、相關股份之權益及淡倉(續)

附註：

- (1) 河南機械裝備投資集團有限責任公司直接持有521,087,800股本公司A股。河南機械裝備投資集團有限責任公司為河南省人民政府國有資產監督管理委員會全資附屬公司。根據證券及期貨條例，河南省人民政府國有資產監督管理委員會被視作擁有由河南機械裝備投資集團有限責任公司直接持有同一批521,087,800股本公司A股。
- (2) 亞新科(中國)投資有限公司直接持有 93,220,338 股本公司A股。亞新科(中國)投資有限公司為 ASIMCO Technologies Hong Kong Limited 全資附屬公司。Axle ATL Cayman Limited 全資擁有 ASIMCO Technologies Hong Kong Limited。ASIMCO Technologies Group Limited 全資擁有 Axle ATL Cayman Limited。Bain Capital Asia Integral Investors, L.P. 全資擁有 ASIMCO Technologies Group Limited。Bain Capital Asia Fund, L.P. 及 Bain Capital Fund X, L.P. 分別持有 Bain Capital Asia Integral Investors, L.P. 54.04% 及 44.32% 股份。根據證券及期貨條例，ASIMCO Technologies Hong Kong Limited、Axle ATL Cayman Limited、ASIMCO Technologies Group Limited、Bain Capital Asia Integral Investors, L.P.、Bain Capital Fund X, L.P. 及 Bain Capital Asia Fund, L.P. 被視作擁有由亞新科(中國)投資有限公司直接持有同一批93,220,338 股本公司A股。

公眾持股量

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

退休福利計劃

本集團在中國之全職僱員享有政府營運的定額供款退休金計劃的保障，有權自退休之日起每月享有退休金。中國政府負責向該等退休僱員履行退休金責任。集團須按僱員基本薪金的20%向退休計劃作出年度供款，有關金額於僱員提供可獲得該等供款的服務及供款到期支付時計入開支。截至二零一七年十二月三十一日止年度，本集團對退休計劃的總供款人民幣76.4百萬元自收益表中扣除。有關本集團的退休金計劃載於財務報表附註44。

Corporate Governance Code

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

Permitted Indemnity Provision

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

Subsequent Events

The Company, together with other investors, entered into a shares purchase agreement to acquire the entire issued share capital (the "Sale Share Interests") of Robert Bosch Starter Motors Generators Holding GmbH ("SG Holding", a company incorporated under the laws of Germany with limited liability). In January 2018, the registration of the change of shareholders in respect of the Sale Share Interests have been completed. Upon completion of the change of registration, the Group could exercise its power as SG Holding's shareholder with no limitation and therefore has obtained control over SG Holding.

As at the date of this annual report, the preparation of financial information of SG Holding as at the acquisition date and the valuations of the acquisitions is still in process, the disclosure as required by IFRS 3 could not be made.

企業管治守則

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

獲准許的彌償條文

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

結算日後事項

本公司連同其他投資者訂立了購股協議，以收購Robert Bosch Starter Motors Generators Holding GmbH(「SG控股」，根據德國法律註冊成立的有限責任公司)的全部已發行股本(「銷售控股權益」)。於二零一八年一月，銷售控股權益的股東變更登記手續已辦理完成。變更登記完成後，本集團可無限制地行使其作為SG控股的股東的權力，因此取得SG控股的控制權。

截至本年報日期，SG控股於收購日期的財務資料的編製及收購的估值仍未完成，故未能作出國際財務報告準則第3號要求的披露。

Closure of the Register of Members

The 2017 Annual General Meeting of the Company will be held on Wednesday, 20 June 2018. In order to determine the H Share holders' entitlement to attend the Annual General Meeting, the H Share register of members of the Company will be closed from Monday, 21 May 2018 to Wednesday, 20 June 2018, both days inclusive, during which no transfer of shares will be registered. For the H Shareholders who wish to attend the 2017 Annual General Meeting but not yet registered, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 18 May 2018.

If the resolution of the proposed dividend is approved in the 2017 Annual General Meeting, the H Share dividends will be paid to H Share holders whose names appear on the Company's H Share register of members after the close of trading as at Thursday, 5 July 2018. The Company's register of shareholders will be closed from Saturday, 30 June 2018 to Thursday, 5 July 2018, both days inclusive, during which no transfer of shares will be registered. For the H Share holders who wish to receive the Final Dividend but not yet registered, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 29 June 2018.

Audit Committee

The audit committee has reviewed the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2017 with the management team and the external auditor.

By order of the Board
Jiao Chengyao
Chairman

Zhengzhou, the People's Republic of China
29 March 2018

暫停辦理股東過戶登記

本公司二零一七年度股東大會訂於二零一八年六月二十日(星期三)舉行。為確定有權出席年度股東大會的H股股東名單，本公司將自二零一八年五月二十一日(星期一)至二零一八年六月二十日(星期三)(包括首尾兩天)暫停辦理股東過戶登記，在此期間將暫停股份過戶。擬出席二零一七年度股東大會但尚未登記之本行H股股東請於二零一八年五月十八日(星期五)下午4時30分或之前把所有過戶文件及相關股票交回本公司香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

如股息宣派相關議案於二零一七年度股東大會上獲得批准，H股股息將支付予在二零一八年七月五日(星期四)收市後名列本行H股股東名冊的H股股東。本公司將自二零一八年六月三十日(星期六)至二零一八年七月五日(星期四)(包括首尾兩天)暫停辦理股東過戶登記，在此期間將暫停股份過戶。本行H股股東如欲獲派發未期股息而尚未登記過戶檔，須於二零一八年六月二十九日(星期五)下午4時30分或之前把所有過戶文件及相關股票交回本公司香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

審計委員會

審計委員會已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至二零一七年十二月三十一日止年度的經審核年度綜合財務報表。

承董事會命
董事長
焦承堯

中華人民共和國 • 鄭州
二零一八年三月二十九日

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

During 2017, in accordance with power conferred and duties imposed by the relevant requirements of the Company Law of the People's Republic of China, the Articles of Association of Zhengzhou Coal Mining Machinery Group Company Limited and the Rules of Procedure of the Board of Supervisors of Zhengzhou Coal Mining Machinery Group Company Limited, and in compliance with the principle of being accountable to all shareholders of the Company, the Company's Board of Supervisors lawfully commenced its supervision and diligently performed its duties and responsibilities, and exercised their supervisory duties towards the directors and senior management of the Company, playing a positive role for the standardized operation and development of the Company. The 2017 report of the Board of Supervisors is set out below.

I. Basic Evaluation on Operation Behavior of the Board of Directors and Management and the Performance Achieved in 2017

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

In 2017, in line with the annual goal of "intensifying reforms for business model, advancing trial and practice for fostering innovation, solidifying foundation for quality, and stabilizing operation for sustained growth", the Company reported substantial growth in operational effectiveness, capturing the staged opportunities presented by the rebound of the coal industry and the upward growth of the commercial vehicle market amidst stability. Adding to this is the consolidation of ASIMCO which is engaged in auto parts business, which has helped us in achieving remarkable breakthrough in industrial transformation. We have comprehensively achieved the annual goal for 2017.

2017年，鄭州煤礦機械集團股份有限公司監事會根據《中華人民共和國公司法》、《鄭州煤礦機械集團股份有限公司章程》和《鄭州煤礦機械集團股份有限公司監事會議事規則》等規定的監事權限和職責，本著對股東負責的精神，依法開展監事工作，認真履行各項職權和義務，充分行使對公司董事及高級管理人員的監督職能，為企業的規範運作和發展起到了積極作用。現將監事會2017年度工作報告如下。

一、對2017年董事會、經理層經營行為及業績的基本評價

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

2017年，公司緊緊圍繞「深化改革謀格局，先行先試促創新，夯實基礎抓質量，穩健經營保增長」的年度方針，搶抓煤炭行業回暖、商用車穩中向好的階段性機遇，經營效益大幅增長，亞新科汽車零部件企業合併報表，產業轉型取得實質性突破，全面實現了公司2017年方針目標。

II. The Work Overview of the Board of Supervisors in 2017

During the Review Period, in accordance with the Company Law, Articles of Association and other relevant regulations, the Board of Supervisors held eight meetings and considered and approved 39 resolutions. Details are set out below:

1. The twelfth meeting of the third session of the Board of Supervisors was held on 27 March 2017, considering and approving ten resolutions, including the Proposal on the 2016 Work Report of the Board of Supervisors of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2016 Audited Domestic and Overseas Financial Report of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2016 Annual Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2016 Annual Results Announcement of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorising the Chairman of the Company to Sign and Announce 2016 Annual Report of the Company's H Shares, the Proposal on the 2016 Specific Audit Report on the Deposit and Use of Proceeds of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2016 Report on Internal Control Assessment of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2016 Audit Report on Internal Control of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2016 Profit Distribution Plan of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the Replacement of Funds Injected to Investment Projects with Proceeds from Fundraising, and the Proposal on the Expected Daily Connected Transactions of the Company in 2017;
2. The thirteenth meeting of the third session of the Board of Supervisors was held on 27 April 2017, considering and approving the Proposal on the 2017 First Quarterly Report and the Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited;
3. The fourteenth meeting of the third session of the Board of Supervisors was held on 23 May 2017, considering and approving the Proposal on the Change of Use of Proceeds from H Share Issuance;

二、2017年度監事會工作情況

報告期內，公司監事會按照《公司法》、《公司章程》的相關規定，共召開八次監事會會議，審議通過39項議案。詳細情況如下：

- 1、2017年3月27日，召開第三屆監事會第十二次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2016年度監事會工作報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2016年度經審計的境內外財務報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司A股2016年年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2016年年度業績公告及授權公司董事長簽署並公告公司H股2016年年度報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2016年度募集資金存放與使用的專項審核報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2016年度內部控制評價報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2016年度內部控制審計報告〉的議案》、《關於2016年度利潤分配的議案》、《關於以募集資金置換已預先投入募集配套資金使用項目的議案》、《關於公司2017年度預計日常關聯交易的議案》等10項議案；
- 2、2017年4月27日，召開第三屆監事會第十三次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2017年第一季度報告及其摘要〉的議案》；
- 3、2017年5月23日，召開第三屆監事會第十四次會議，審議通過了《關於變更H股募集資金用途的議案》；

II. The Work Overview of the Board of Supervisors in 2017 (Continued)

4. The fifteenth meeting of the third session of the Board of Supervisors was held on 25 August 2017, considering and approving four resolutions, including the Proposal on 2017 Interim Report on A Shares and the Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2017 Interim Results Announcement of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorizing the Chairman of the Company to Sign and Announce 2017 Interim Report of the Company's H Shares, the Proposal on the Specific Report on the Deposit and Actual Use of Proceeds of Zhengzhou Coal Mining Machinery Group Company Limited for the Half Year in 2017 and the Proposal on the Change of Accounting Policies of the Company;
5. The sixteenth meeting of the third session of the Board of Supervisors was held on 22 September 2017, considering and approving nine resolutions, including the Proposal on Fulfilling Condition of Material Asset Reorganization for Listed Companies by the Material Asset Acquisition, the Proposal on the Proposed Material Asset Acquisition, the Proposal on the Plan on the Material Asset Acquisition by Zhengzhou Coal Mining Machinery Group Company Limited and Its Summary, the Proposal on the Material Asset Acquisition Not Constituting a Connected Transaction, the Proposal on the Material Asset Acquisition Not Constituting a Back-door Listing, the Proposal on the Material Asset Acquisition Satisfying the Requirements of Article 4 of the Regulations Concerning the Standardization of Certain Issues of Material Asset Reorganization of Listed Companies, the Proposal on the Fluctuation in the Share Price of the Company Not Meeting the Relevant Standard of Article 5 of the Notice Concerning Regulating Information Disclosure of Listed Companies and Behaviours of Relevant Parties, the Proposal on the Completeness and Compliance of Legal Procedures and the Validity of the Legal Documents Submitted in Relation to the Material Asset Acquisition; and the Proposal on the Use of Proceeds from H Share Issuance on the Material Asset Acquisition;

二、2017年度監事會工作情況(續)

- 4、2017年8月25日，召開第三屆監事會第十五次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司A股2017年半年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2017年中期業績公告〉及授權公司董事長簽署並公告〈公司H股2017年中期報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2017年半年度募集中資金存放與實際使用情況的專項報告〉的議案》、《關於公司會計政策變更的議案》等4項議案；
- 5、2017年9月22日，召開第三屆監事會第十六次會議，審議通過了《關於本次重大資產購買符合上市公司重大資產重組條件的議案》、《關於公司重大資產購買方案的議案》、《關於〈鄭州煤礦機械集團股份有限公司重大資產購買預案〉及其摘要的議案》、《關於本次重大資產購買不構成關聯交易的議案》、《關於本次重大資產購買不構成借殼上市的議案》、《關於本次重大資產購買符合〈關於規範上市公司重大資產重組若干問題的規定〉第四條規定的議案》、《關於公司股票價格波動未達到〈關於規範上市公司信息披露及相關各方行為的通知〉第五條相關標準的議案》、《關於公司本次重大資產購買履行法定程序完備性、合規性及提交法律文件有效性的議案》、《關於使用H股募集中資金用於本次重大資產購買的議案》等9項議案；

II. The Work Overview of the Board of Supervisors

(Continued)

6. The seventeenth meeting of the third session of the Board of Supervisors was held on 30 October 2017, considering and approving the Proposal on the 2017 Third Quarterly Report and the Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited;

The eighteenth meeting of the third session of the Board of Supervisors was held on 6 November 2017, considering and approving twelve resolutions, including the Proposal on this Material Asset Acquisition Satisfying Conditions Precedent to Material Asset Reorganization of Listed Companies, the Proposal on the Proposed Material Asset Acquisition of the Company, the Proposal on the Report on the Material Asset Acquisition By Zhengzhou Coal Mining Machinery Group Company Limited (Draft) and Its Summary, the Proposal on Approving the Relevant Valuation Report(s) in Relation to the Material Asset Acquisition, the Proposal on the Independence of the Valuer, Reasonableness of the Assumptions Used in the Valuation, Relevance of the Valuation Approaches and Valuation Purposes and Fairness of Pricing, the Proposal on the Basis of Determining the Pricing of the Material Asset Acquisition and Descriptions of Its Fairness and Reasonableness, the Proposal on the Completeness and Compliance of Legal Procedures and the Validity of the Legal Documents Submitted in Relation to the Material Asset Acquisition of the Company, the Proposal on the Verification Report on the Difference In Accounting Standards Adopted In this Transaction, the Proposal on the Possible Dilution Effect of the Transaction on the Current Returns of the Company and the Remedial Measures Adopted By the Company, the Proposal on the Company's Application to Banks for Financing Related to this Transaction and the Authorization To Be Granted To the Board and/or Designated Persons Authorized by the Board for Handling Financing Matters Related to this Transaction, the Proposal on the Use of Proceeds from H Share Issuance on the Material Asset Acquisition, and the Proposal on the Material Asset Acquisition Satisfying the Requirements of Article 4 of the Regulations Concerning the Standardization of Certain Issues of Material Asset Reorganization of Listed Companies.

The nineteenth meeting of the third session of the Board of Supervisors was held on 20 December 2017, considering and approving the Proposal on Signing the Co-Investors Consultancy Agreement.

Over the year, the Board of Supervisors has lawfully strengthened its supervision over the Board of Directors and the management and lawfully supervised and checked the production operation of the Company, sought for standardization and enhancement of the system of the Company, and worked diligently for the development of the Company.

二、2017年度監事會工作情況(續)

- 6、2017年10月30日，召開第三屆監事會第十七次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2017年第三季度報告及其摘要〉的議案》；

2017年11月6日，召開第三屆監事會第十八次會議，審議通過了《關於本次重大資產購買符合上市公司重大資產重組條件的議案》、《關於公司重大資產購買方案的議案》、《關於〈鄭州煤礦機械集團股份有限公司重大資產購買報告書(草案)〉及其摘要的議案》、《關於批准本次重大資產購買相關估值報告的議案》、《關於估值機構的獨立性、估值假設前提的合理性、估值方法與估值目的相關性及交易定價的公允性的議案》、《關於本次重大資產購買定價的依據及公平合理性說明的議案》、《關於公司本次重大資產購買履行法定程序完備性、合規性及提交法律文件有效性的議案》、《關於本次交易會計準則差異鑒證報告的議案》、《關於本次交易可能攤薄公司即期回報及填補回報措施的議案》、《關於公司向銀行申請本次交易相關融資及授權公司董事會及／或董事會授權的指定人士辦理申請本次交易相關融資事項的議案》、《關於繼續使用H股募集資金用於本次重大資產購買的議案》、《關於本次重大資產購買符合〈關於規範上市公司重大資產重組若干問題的規定〉第四條規定的議案》等12項議案。

2017年12月20日，召開第三屆監事會第十九次會議，審議通過《關於簽署〈共同投資方顧問協議〉的議案》。

一年來，公司監事會依法加強對董事會、經理層的監督，依法監督檢查公司生產經營情況，力促公司制度的規範和完善，為公司的發展盡職盡責。

III. The Independent Opinion of the Board of Supervisors on the Company's Operations in 2017

1. Lawful operation of the Company

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

2. Inspection of financial status of the Company

The Board of Supervisors has reviewed the financial status of the Company and considered that the financial report of the Company reflected the actual state of the Company's financial position and operation results and that the audit report was truthful and reasonable, and was favorable for the shareholders to truly understand the financial and operational status of the Company. The 2017 Annual Report prepared by the Board truthfully, lawfully and completely reflected the Company's position without any false record, misleading statement or any material omissions.

3. Inspection of the utilization of the raised proceeds

The Board of Supervisors has inspected the utilization of the raised proceeds, and the Company has established the management system for the raised proceeds. The proceeds were used in a regulated manner and were invested in the projects as undertaken. The change of use of proceeds lawfully underwent approval and decision-making procedures. No breaches in respect of the raised proceeds were found.

4. Acquisition and disposal of assets by the Company

During 2017, the material asset acquisition and disposal of assets by the Company were conducted in strict compliance with the Articles of Association and the relevant requirements of Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Relevant decision-making procedures were carried out in compliance with the law. The transactions were fair, operations were regulated, and no insider dealing was discovered. No prejudice to the interests of certain shareholders or dissipation of the Company's assets was discovered.

三、監事會對2017年度公司運作的獨立意見

1、公司依法運作情況

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

2、檢查公司財務的情況

監事會對公司的財務狀況進行了檢查，認為公司的財務報告真實反映公司的財務狀況和經營成果，審計報告真實合理，有利於股東對公司財務狀況及經營情況的正確理解。公司董事會編製的2017年年度報告真實、合法、完整地反映了公司的情況，不存在虛假記載、誤導性陳述或重大遺漏。

3、檢查募集資金使用情況

監事會對募集資金使用情況進行了檢查，公司建立了募集資金管理制度，資金使用程序規範，實際投入項目與承諾投入項目一致，募集資金用途的變更依法履行了有關審議、決策程序，沒有發現募集資金違規行為。

4、公司收購、出售資產情況

2017年度公司重大資產收購、出售資產行為，嚴格按照《公司章程》及上海證券交易所、香港聯合交易所有限公司的有關規定，依法履行相關決策程序，交易公允，運作規範，沒有發現內幕交易，沒有發現損害股東權益或造成公司資產流失的情況。

III. The Independent Opinion of the Board of Supervisors on the Company's Operations in 2017 (Continued)

5. Connected transactions

The connected transactions of the Company in 2017 were conducted in strict compliance with the Articles of Association and pursuant to the connected transaction agreements and that the transactions were fair and reasonable; major connected transactions were conducted on an arm's length basis and the statutory approval process was fulfilled, with no act that is prejudicial to the interests of the Company and its shareholders.

6. Internal control self-assessment report

The Board of Supervisors has reviewed the 2017 self-assessment report on the Company's internal control prepared by the Board and the establishment and implementation of the Company's internal control system, and considered that the Company has established a relatively sound internal control system which could be effectively implemented. The self-assessment report on the Company's internal control truly and objectively reflected the establishment and implementation of such control in the Company.

7. The Board of Supervisors' review opinions on the 2017 Annual Report of the Company

The preparation of and procedures for reviewing the 2017 Annual Report of the Company were in compliance with the relevant requirements of the laws, regulations and the Articles of Association. The content and the format thereof were in line with all the requirements of China Securities Regulatory Commission and Shanghai Stock Exchange, with the information contained therein giving a true view of the business management and financial position of the Company in that year. No staff involved in the preparation and review of the annual report was found to have violated the confidentiality requirement.

The Board of Supervisors has reviewed the 2017 Annual Report of the Company and its summary and considered that the preparation and approval procedures of the 2017 Annual Report of the Company were in compliance with relevant laws, regulations and the Articles of Association, as well as requirements under the internal control system of the Company; that the content and format thereof were in line with all the relevant requirements of China Securities Regulatory Commission and relevant requirements of Shanghai Stock Exchange including the Notice Concerning the Proper Disclosure Made in the 2017 Annual Report of Listed Companies; and that the information contained therein gives a true, accurate and complete view of the actual situation of the Company from various aspects and does not give rise to any detriment to the interests of the shareholders. No staff involved in the preparation, review or information disclosure of the 2017 Annual Report of the Company was found to have violated the confidential requirement in the course of their work.

三、監事會對2017年度公司運作的獨立意見(續)

5、關聯交易情況

公司2017年度發生的關聯交易嚴格遵守《公司章程》的規定，嚴格按照相關關聯交易規定進行，交易公平合理；重大關聯交易公允，履行了法定的批准程序，不存在損害公司和股東利益的行為。

6、內部控制自我評價報告

監事會對董事會關於公司2017年度內部控制的自我評價報告、公司內部控制制度的建設和運行情況進行了審核，公司已建立了較為完善的內部控制制度並能得到有效的執行。公司內部控制的自我評價報告真實、客觀地反映了公司內部控制制度的建設及運行情況。

7、監事會對公司2017年年度報告的審核意見

公司2017年年度報告的編製和審議程序符合法律、法規和公司章程的有關規定。其內容與格式符合中國證監會和上海證券交易所的各項規定，所包含的信息能真實地反映出公司當年的經營管理和財務狀況，未發現參與年度報告編製和審議的人員有違反保密規定的行為。

監事會對公司2017年年度報告及其摘要進行了審議，認為公司2017年年度報告的編製和審議程序符合相關法律、法規和《公司章程》、公司內部控制制度的各項規定；公司2017年年度報告的內容、格式符合中國證監會有關規定和上海證券交易所《關於做好上市公司2017年年度報告披露工作的通知》等相關規定，該報告所包含的信息從各個方面真實、準確、完整地反映了公司的實際情況，沒有出現損害公司股東利益的情形；監事會未發現參與公司2017年年度報告編製、審議、信息披露的有關人員在工作過程中出現違反信息保密規定的行為。

IV. Working Plan of the Board of Supervisors in 2018

In 2018, the Board of Supervisors will strictly comply with the requirements of the Company Law, the Articles of Association and the relevant laws, regulations and policies of the state, truthfully perform its duties, and further promote regulated operations of the Company.

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

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

(2) Strengthen supervision and inspection to avoid operational risks

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

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

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

Thirdly, the Board of Supervisors will maintain communications and liaison with internal audit function and external accounting firm, taking full use of internal and external audit information to keep abreast of the updates.

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

四、2018年監事會工作計劃

2018年，公司監事會將繼續嚴格按照《公司法》、《公司章程》和國家有關法規政策的規定，忠實履行自己的職責，進一步促進公司的規範運作。

(一) 按照法律法規，認真履行職責

2018年度，監事會將嚴格執行《公司法》、《公司章程》等有關規定，依法對董事會、經理層進行監督，以便使其決策和經營活動更加規範、合法。一是按照現代企業制度的要求，督促公司進一步完善法人治理結構，提高治理水準。二是按照《監事會議事規則》的規定，繼續加強落實監督職能，依法列席公司董事會，及時掌握公司重大決策事項和各項決策程序的合法性，從而更好地維護股東的權益。三是為落實《監事會議事規則》，定期組織召開監事會工作會議。

(二) 加強監督檢查，防範經營風險

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

第一，堅持以財務監督為核心，依法對公司的財務情況進行監督檢查。

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

第三，保持與內部審計和外部會計師事務所溝通及聯繫，充分利用內外部審計信息，及時瞭解和掌握有關情況。

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

IV. Working Plan of the Board of Supervisors in 2018 (Continued)

(3) Uplift professional capabilities through self-improvement

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

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

29 March 2018

四、 2018年監事會工作計劃(續)

(三) 加強自身學習，提高業務水平

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

鄭州煤礦機械集團股份有限公司
監事會

2018年3月29日

Environmental, Social and Governance Report

環境、社會及管治報告

2017 Environmental, Social and Governance Report

2017財政年度本集團可持續發展亮點

Economic Indicator

經濟指標



- In FY2017, our total assets reached RMB19,451.3 million.
- In FY2017, our net profit reached RMB340.2 million.
- In FY2017, earnings per share reached RMB16.67 cents, an increase of 336.4% from 2016.

- 2017 財政年度總資產達到人民幣19,451.3百萬元
- 2017財政年度淨利潤達到人民幣340.2百萬元
- 2017 財政年度每股盈利達到人民幣16.67分，相比2016年增長336.4%

Research and Development

研發



- The largest company in the world in respect of R&D and manufacturing of hydraulic roof support used for comprehensive coal mining.
- Our coal mining machine business owns a National Enterprise Technology Centre, academician and post-doctoral work station, which leads the trend of China's coal mining equipment development.
- For auto parts business, we have 4 technology centers and 257 professional engineering technicians.
- As of FY2017, we had 268 inventions and utility model patents.

- 全球規模最大的煤礦綜採液壓支架研發製造企業
- 煤機機械業務擁有國家級企業技術中心、院士工作站、博士後科研工作站，引領中國煤礦裝備發展方向
- 汽車零部件擁有4個技術中心，257名專業工程技術人員
- 截至2017財政年度我們有268項發明及實用新型專利

Environment Protection

環保



- In FY2017, the volume of recycled water reached 7,914,273 cubic meters.

- 2017 財政年度循環利用水量達到7,914,273立方米

Production Technology

生產技術



- Digitally controlled processing center with highest degree of automation.
- Built up a sample factory for the coal mining machine industry.
- The most advanced hydraulic roof support inspection equipment.
- 100% passing guarantee on our products.

- 自動化程度最高的數控加工中心
- 打造煤機行業樣板工廠
- 最先進的液壓支架整架檢測裝備
- 確保產品100%合格

Community

社區



- In FY2017, we paid the government RMB458.2 million in taxes.
- In FY2017, we provided 7,947 work positions in the places where our group operated and staff remuneration amounted to RMB806.7 million.

- 2017財政年度向政府支付人民幣458.2百萬元稅費
- 2017財政年度為經營所在地提供7,947個工作崗位，支付員工薪酬達到人民幣806.7百萬元

The Milestone of Sustainable Developments of our Group in FY2017

2017財政年度本集團可持續發展重要里程碑

Acquisition

收購



- In FY2017, we completed the acquisition of ASIMCO Group, one of the biggest and most independent auto parts manufacturing groups in China.
- In 2017, we initiated the acquisition of the Germany-based Robert Bosch Starter Motors Generators Holding GmbH, the world's leading vehicle motor enterprise.

- 2017財政年度收購中國最大的、獨立的汽車零部件製造集團之一的亞新科集團
- 2017年啟動收購全球領先的汽車電機企業——德國羅伯特博世電機控股有限公司

Environmental, Social and Governance Report

環境、社會及管治報告

About this Report

In compliance with provisions set out in “Environmental, Social and Governance Reporting Guide” issued by the Stock Exchange of Hong Kong Limited in December 2015, Zhengzhou Coal Mining Machinery Group Company Limited presents its Environmental, Social and Governance Report (“**ESG Report**”) for the year from 1 January 2017 to 31 December 2017 (FY2017). ZMJ has complied with the “comply or explain” provision set out in the Environmental, Social and Governance Reporting Guide.

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

This ESG Report focuses on the activities carried out by Zhengzhou Coal Mining Machinery Group Co., Ltd. After considering a range of parameters such as sales values, business types, profits and asset values, the following entities are included in the reporting scope:

Coal mining machinery products: ZMJ Hydraulic Electronic Control Co., Ltd., Zhengzhou Coal Mining Comprehensive Machine Equipment Co., Ltd. and Zhengzhou Coal Mining Machinery Group Materials Supply and Marketing Co., Ltd.

Auto parts products: ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., ASIMCO Camshaft (Yizheng) Co., Ltd., ASIMCO International Casting Co., Ltd. (Shanxi), Hubei Super-Elec Auto Electric Motor Co. Ltd., ASIMCO NVH Technologies Co., Ltd. (Anhui) and ASIMCO Foundry (Yizheng) Co., Ltd.

For the ease of presentation and reading, in this ESG Report, “all entities in the reporting scope” are referred to as “We” or “ZMJ” and the 6 auto parts manufacturing subsidiaries are referred to as “ASIMCO”.

關於本報告

為符合香港聯合交易所有限公司2015年12月頒佈的《環境、社會及管治報告指引》所載的規定，鄭州煤礦機械集團股份有限公司謹此呈報2017年1月1日至2017年12月31日(2017財政年度)的年度環境、社會及管治報告(「**ESG報告**」)。鄭煤機已遵守《環境、社會及管治報告指引》載列的「不遵守就解釋」條文。

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

本ESG報告以鄭州煤礦機械集團股份有限公司的活動為主綫，經綜合考慮銷售額、業務類型、利潤額、資產額等一系列指標，將以下實體列入報告範圍內：

煤礦機械產品：鄭州煤機液壓電控有限公司、鄭州煤機綜機設備有限公司、鄭州煤礦機械集團物資供銷有限公司。

汽車零部件產品：儀征亞新科雙環活套環有限公司、亞新科凸輪軸(儀征)有限公司、亞新科國際鑄造(山西)有限公司、湖北神電汽車電機有限公司、亞新科噪聲與振動技術(安徽)有限公司、儀征亞新科鑄造有限公司。

為了方便表述和閱讀，在ESG報告內，「報告範圍內的所有實體」簡稱「我們」，「鄭煤機」，生產汽車零部件產品的6家附屬公司並稱為「亞新科」。

Corporate Governance

Governance Mechanism

In strict accordance with Company Ordinance and Securities Law and other relevant laws and relevant regulations promulgated by regulatory authorities, our Company actively builds up a comprehensive and modernized governance regime for a listed company, and engages in on-going effort to improve its corporate governance structure. Our board of directors strives to maintain high standard of corporate governance. Our board believes that effective and reasonable corporate governance practice is essential to the development of our group, and can safeguard and improve the interest of shareholders at the same time.

As at 31 December 2017, our Company had complied with the requirements in the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the deviation from paragraph A.5.2(a) of the Corporate Governance Code.

The Board has established four special committees under the Board, namely, the Strategy Committee, the Audit Committee, the Nomination Committee and the Remuneration and Assessment Committee. The primary responsibilities of the Strategy Committee are to study and comment on our long-term development plans and significant investment strategies. The primary responsibilities of the Audit Committee are to review and supervise the Company's financial reporting and auditing work. The primary responsibilities of the Nomination Committee are to choose and advise on qualified candidates of directors and management personnel, the selection criteria and procedures. The primary responsibilities of the Remuneration and Assessment Committee are to formulate and assess the assessment criteria and remuneration package of our directors and management personnel.

Risk Management

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

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

企業管治

治理機制

本公司嚴格遵守《公司條例》、《證券法》等相關法律以及監管部門制定頒佈的相關規章，積極構建完善的現代上市公司治理體系，並不斷完善公司法人治理結構。董事會致力維護高水平企業管治。董事會相信，有效及合理的企業管治常規對本集團之發展至關重要，同時可保障及提升股東權益。

截至二零一七年十二月三十一日，本公司已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治守則》及《企業管治報告》之守則條文所載規定（除惟偏離企業管治守則條文A.5.2(a)條外）。

董事會已設立四個董事會專門委員會即戰略委員會、審計委員會、提名委員會、薪酬與考核委員會。戰略委員會的主要職責是就本公司的長期發展戰略和重大投資決策進行研究並提出建議；審計委員會的主要職責是審閱和監察本公司的財務報告及審計工作；提名委員會的主要職責是對公司董事和管理人員的人選、選擇標準和程序進行選擇並提出建議；薪酬與考核委員會的主要職責是負責制定、審查公司董事及管理人員的考核標準、薪酬政策與方案。

風險監控

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

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

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Corporate Governance (Continued)

Risk Management (Continued)

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

Critical Issues Analysis

Communication with Stakeholders

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

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

企業管治(續)

風險監控(續)

內部控制的建設與完善是應對風險的有效方法，公司每年對風險管理及內部監控系統的有效性進行檢討，對所有重要的監控方面，包括財務監控、運作監控及合規監控等進行評估。公司在充分識別和評估風險的基礎上，通過具體的業務流程落實內部控制的基本風險應對手段，針對重大風險所涉及的各管理及業務流程，制定涵蓋各個環節的全流程控制措施，包括財務報告編製與披露、內幕消息處理及發布等重要流程的管理程序和內部監控措施，逐步形成權責明晰、有效制衡、協調運轉的良好內控環境，為內控水平和風險管理水平的提高奠定堅實基礎。

重大議題分析

權益者溝通

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

本報告向鄭煤機權益者提供了其在環境、社會及管治方面的活動和表現的最新信息，傳達其為權益者創造最優價值的意願。

Stakeholders 利益相關方

Expectations and Needs 期望與訴求

Means of Communication 溝通方式

Shareholders / Investors 股東／投資者

- Preserve and enhance the value of assets
- 資產保值增值
- Corporate governance mechanisms
- 公司治理機制
- Corporate risk management
- 企業風險管控

- General meetings, reports and notices
- 股東大會、報告與通告
- Regular disclosure of operating data
- 定時披露經營信息

Government/Regulatory authorities 政府／監管機構

- Operation in compliance with law
- 合法經營
- Environmental protection
- 保護環境
- Equal employment opportunities
- 平等僱傭
- Occupational safety
- 職業安全
- Giving back to society
- 回饋社會

- Conferences/seminars
- 會議／研討會
- Compliance reports
- 合規報告
- On-site inspections
- 實地檢查
- Special inquiries/verification
- 特別查詢／檢查
- Proper submission of documents
- 妥善提交文件

Critical Issues Analysis (Continued)

Communication with Stakeholders (Continued)

重大議題分析(續)

權益者溝通(續)

Stakeholders 利益相關方	Expectations and Needs 期望與訴求	Means of Communication 溝通方式
Staff members 員工	<ul style="list-style-type: none"> • Equal employment opportunities • 平等僱傭 • Remuneration and benefits • 薪酬福利 • Career Development • 職業發展 • Safety and health • 安全與健康 • Caring for staff members • 員工關愛 	<ul style="list-style-type: none"> • Labour contracts • 勞動合同 • Trade unions • 工會 • Career path • 晉升渠道 • Various channels for employees to express their views • 多種員工發聲渠道 • Volunteering activities • 志願活動
Customers 客戶	<ul style="list-style-type: none"> • Customer service • 客戶服務 • Consumer privacy • 消費者隱私 • Product quality • 產品質量 • Product return management • 產品退回管理 	<ul style="list-style-type: none"> • Daily operation/interaction • 日常營運／互動 • Customer satisfaction surveys • 客戶滿意度調查 • Regular visits • 定期走訪 • Customer service centers/hotline • 客戶服務中心／熱線
Suppliers/ Partners 供應商／合作夥伴	<ul style="list-style-type: none"> • Stable collaboration • 合作穩定性 • Revenue from cooperation • 合作收益 • Business ethics • 商業道德 	<ul style="list-style-type: none"> • Contracts/related documents • 合同／相關文件 • Seminars • 研討會 • Approval and evaluation of suppliers • 供應商准入與評估 • Daily interactions • 日常交流
Environmental Organizations 環境組織	<ul style="list-style-type: none"> • Environmental protection systems • 環保體系 • Save energy and reduce consumption • 節能降耗 • Emission management • 排放管理 • Water resources management • 水資源管理 	<ul style="list-style-type: none"> • Environmental monitoring • 環境監察 • Environmental disclosure reports • 環境披露報告 • Implementing green operation and management • 推行綠色經營與管理
The community/The Public 社區／公眾	<ul style="list-style-type: none"> • Community maintenance • 社區維護 • Care for the elderly • 關愛老人 	<ul style="list-style-type: none"> • Community service • 社區服務 • Charity donations • 慈善捐助

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Critical Issues Analysis (Continued)

The Choice of Critical Issues

From our investigation and communication with the internal and external stakeholders of ZMJ this year, we have collected many suggestions. Regarding the impact on our company's operation and impact on our stakeholders, we have evaluated and ranked the social responsibility issues of ZMJ to reflect our material impacts on the environment and community and better respond to the expectations and needs of stakeholders.

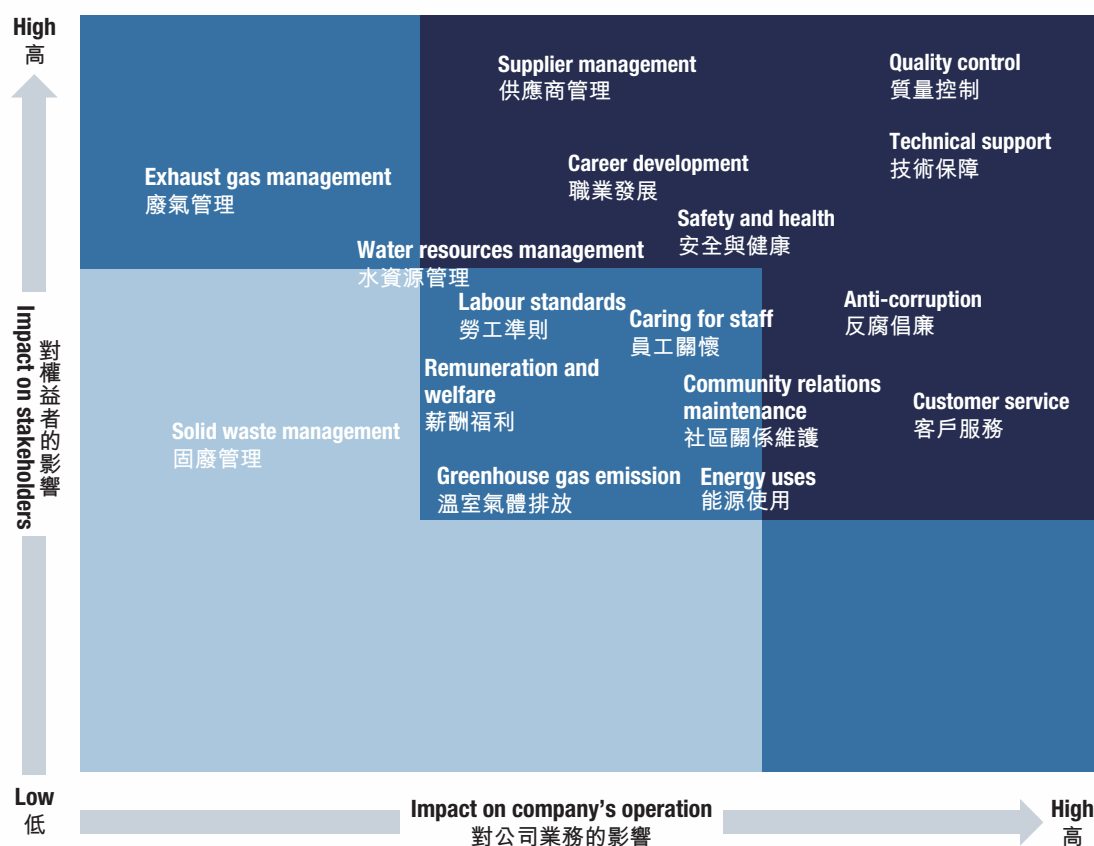
Our matrix of critical issues is as follows:

重大議題分析(續)

重大議題選擇

今年我們對鄭煤機內部和外部的權益者進行了溝通與調查，收到多項建議，從對公司運營的影響及對權益者的影響兩個維度出發，對鄭煤機的社會責任議題進行了評分與排序，以反映我們對環境、社會的重大影響，並更好地回應權益者的期望與訴求。

我們的重大議題矩陣如下：



Critical Issues Analysis (Continued)

The Choice of Critical Issues (Continued)

重大議題分析(續)

重大議題選擇(續)



Market Responsibility

After years of dedication, ZMJ has become the largest company in the world in respect of manufacturing hydraulic roof support used for comprehensive coal mining. Our main economic indicators have kept leading position in the industry over 10 consecutive years, and we enjoy a good reputation of 'the First Brand in China's Coal Mining Machinery Industry'. In FY2017, setting our footstep in the field of core auto parts, we included auto parts as one of our principal businesses, accomplishing our "dual-driven" businesses under the coal mining machinery segment and auto parts segment.

During FY2017, we did not record any case of recall of sold or shipped products for safety and health reasons.

市場責任

經過多年的不懈努力，鄭煤機已經成長為全球規模最大的煤礦綜采液壓支架研發製造企業，公司主要經濟指標連續十多年穩居行業龍頭，享有「中國煤機行業第一品牌」的美譽。2017財政年度，我們進軍汽車核心零部件領域，主營業務新增汽車零部件板塊，實現煤機產業、汽車零部件產業「雙輪驅動」。

2017財政年度內，我們未發現已售或已運送產品總數中因安全與健康理由而須回收的情況。

Environmental, Social and Governance Report 環境、社會及管治報告

Market Responsibility (Continued)

Coal Mining Machinery

Our coal mining machinery business has been adhering to “high standards, delicacy and zero defect” quality ideal, and devoted to establish ZMJ as “the Best Supplier of Coal Mining Machinery Comprehensive Equipment and Services in the World”, so as to accomplish the transformation from “China First” to “the World’s Best” and “Made in China” to “Created in China”.

High quality and advanced coal mining machinery products have helped our coal mining machinery business go beyond China’s border. We have made a ground-breaking progress as a Chinese coal mining machinery manufacturer by tapping the high-end segment of the American market for the first time ever. In Vietnamese market, with 100% ratio of achieving designed capacity, we are the only comprehensive coal mining machinery supplier to have such attainment. Our India Mo Nidi project achieved output according to the planned output, eliminating long-term worries of Indian coal industry about failure of longwall comprehensive coal mining technology to operate successfully in India. To date, we have successfully expanded our business to international markets in Russia, India, Turkey, Vietnam, United States of America and Australia.

市場責任(續)

煤機機械

我們的煤機機械業務一直秉承「高標準、精細化、零缺陷」的質量理念，致力於將鄭煤機打造為「煤機綜採設備和服務全球最佳供應商」，完成從「中國第一架」到「世界第一高」，從「中國制造」到「中國創造」的轉變。

高品質、先進的煤機產品幫助煤機機械業務走出中國。我們實現中國製造在美國高端煤機市場零的突破；我們以100%的達產率成為越南市場唯一實現達產的綜採設備供應商；我們的印度穆尼迪項目按規劃產量成功產出，消除了印度煤炭行業長期以來對長壁綜採技術無法在印度成功運行的顧慮。目前為止，我們成功開發俄羅斯、印度、土耳其、越南、美國、澳大利亞等國際市場。

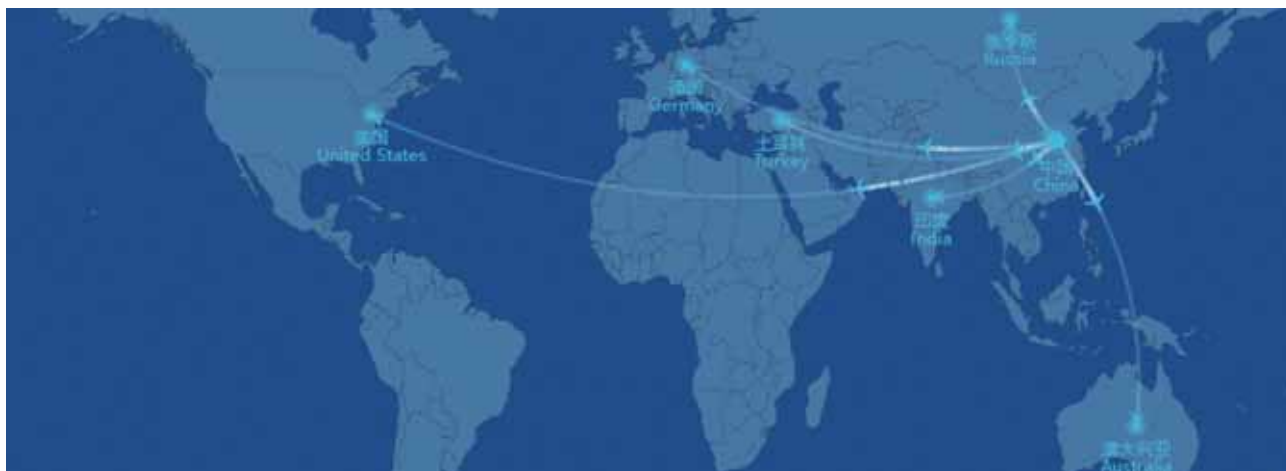


Illustration of exported ZMJ coal mining machinery products

圖：鄭煤機煤機機械產品出口示意圖

Market Responsibility (Continued)

Technical Support for Coal Mining Machinery

In our coal mining machinery business, we have scientific research institutions including China's national enterprise technological centers, post-doctoral work stations, academician work stations. We have undertaken research and development for various key projects on coal mining comprehensive equipment in China, leading the development trend of China's coal mining equipment. We have various patents and formulated "Management Measures for Intellectual Property Rights" for fortifying the management and protection of our intellectual property rights.

We have been adhering to an integrated development model combining R&D and marketing, giving priority to key technologies. With our geological database and equipment selection solution library accumulated over a long period of time, we provide our customers with the most suitable equipment solutions related to coal mining works. In China, ZMJ pioneered in and led the research and development process of "localization of high-end hydraulic roof support", which fully boosted the realization of using local high-end hydraulic roof supports as the substitute for imported products. As at the end of FY2017, all of the highly-reliable and high-powered 6-meter-tall hydraulic roof supports were first invented and then put into commission by ZMJ.

Quality Management system for Coal Mining Machinery

In our coal mining machinery business, we adhere to the "artisan spirit", insisting on the quality goal of "people-oriented and scientific management for offering satisfactory products and services to the customers". We put our customers' needs first and do our best to guarantee the reliability of product quality.

Benchmarking against GB/T 19001-2000 idt ISO 9001:2000 Quality Management Systems – Requirements, ZMJ has established a sound quality control system and a full-process testing and inspection system. Each year, we have to organize an assessment of internal quality system and organize themed activities and trainings in respect of stabilizing and improving product quality, in the hope that the "artisan spirit" can be embodied in each section of our product manufacturing processes.

市場責任(續)

煤機機械技術保障

我們的煤機機械業務擁有中國國家級企業技術中心、博士後科研工作站、院士工作站等科研機構，先後承擔了中國多項煤礦綜采裝備重點項目的研製開發，引領了中國煤礦裝備的發展方向。我們擁有多項專利，並制定《知識產權管理辦法》來加強對知識產權的管理和保護。

我們長期秉承科研與市場一體化開發模式，重點突出技術先行，通過長期積累的地質資料庫、設備選型方案庫等，為用戶提供最適合的煤礦工作面設備解決方案。鄭煤機於中國境內率先開展並主導了「高端液壓支架國產化」研究與發展進程，推動全面實現了高端液壓支架替代進口。截至2017財政年度底，全球6米以上高可靠性強力大采高液壓支架，皆由鄭煤機率先研製成功並投入應用。

煤機機械質量管理體系

煤機機械業務貫徹工匠精神，堅持「以人為本，科學管理，為顧客提供滿意的產品和服務」的質量方針，始終把客戶的需求放在第一位，盡可能保證產品質量可靠。

鄭煤機以GB/T 19001-2000 idt ISO 9001:2000《質量管理體系—要求》為標準，建立起非常完善的質量控制體系和全過程檢驗體系。每年，我們都要組織內部質量體系審核，以及組織有關穩定和提升產品質量的主題活動和學習培訓，希望員工將工匠精神貫徹到產品製造的每一個環節。

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Market Responsibility (Continued)

Quality Management System for Coal Mining Machinery (Continued)

In the coal mining machinery industry, we took the lead in acquiring the ISO3834-2 Certification. In addition, we have gained quality management system certification issued by China United Certification Center.

市場責任(續)

煤機機械質量管理體系(續)

煤機行業中，我們率先通過ISO3834-2。此外，我們還獲得了中聯認證中心頒發的質量管理體系認證證書。



Market Responsibility (Continued)

The Full-Process Inspection System for Coal Mining Machinery

市場責任(續)

煤機機械全過程檢驗體系



Entry Inspection

進入檢驗

Raw materials must pass strict inspections before we put them into commission. The test items include chemical composition inspection and mechanical performance inspection. In this connection, we have established ZMJ central laboratory and acquired relevant precision instrument and inspection equipment and professional inspectors so as to guarantee the quality of raw materials.

原材料進廠須經過嚴格的複檢才能投入使用，檢測項目包括化學成分檢測和機械性能檢測。為此，我們建立了「鄭煤機中心實驗室」，採購相關精密儀器和試驗設備，配備專業的檢測人員，保證了原材料的質量過關。

Process Inspection

過程檢驗

During the production process, we apply 3-step inspections, including self-inspection, mutual inspection and specific inspection, to ensure that the quality of products in each process. After the welding of the structural parts, the key welded seam should undergo a 100% non-destructive testing. The qualified items can be passed to the next step. Before assembling, oil pressure levers should pass the 100% cleanliness inspection and down-hole and cross-hole inspection with an industrial endoscopy in order to guarantee the cleanliness of hydraulic systems.

生產過程中，我們執行三檢制，即自檢、互檢和專檢，保證了每一道工序的產品品質。當結構件焊接完成後，關鍵焊縫須進行100%無損探傷，合格後方可轉序。立柱千斤頂裝配前，100%檢測清潔度，深子交叉子採用工業內窺鏡檢查，以保證液壓系統清潔度。

Finished Product Inspection

成品檢驗

In the finished product inspection process, we regard "100% Pass Rate of Finished Product Performance" as our goal, and implement a 100% inspection of finished products. We own a 30,000 KN hydraulic roof support inspection bench and conduct a sampling inspection for each batch of hydraulic roof supports so as to guarantee the reliability of supporting intensity of the products.

成品檢測階段，我們始終以「產品出廠性能合格率100%」為目標，實施產品出廠100%檢測。其中，我們擁有30,000KN液壓支壓架試驗台，對每批次液壓支壓架進行抽檢試驗，保證其支撐強度的可靠性。

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Market Responsibility (Continued)

Intelligent Coal Mining Machinery Equipment Sample Factory

Against the backdrop of “Made in China 2025” and “Industry 4.0”, ZMJ endeavors to establish an intelligent coal mining machinery equipment sample factory, import globally advanced equipment, build up high-end hydraulic roof support manufacturing base, and keep improving the quality of products.

We have a digitally controlled processing center with highest degree of automation in the coal mining machinery industry in China, intelligent steel cutting production line, intelligent robotic welder, automated painting line and the most advanced hydraulic roof support inspection equipment in the coal mining machinery industry.



Photo: Fully-intelligent Unmanned Precision Cutting Production Line
圖：全智能無人高精度切割生產綫

We have replaced the traditional electroplating technology with laser cladding technology. Using laser cladding technology can produce a durable and thick coating with high bonding strength and corrosion resistance, which solves the problem of rusting and surface-falling of electroplated coating during operation and ensures the proper operation of coal mining machines.

市場責任(續)

煤機裝備智能製造樣板工廠

「中國製造2025」和「工業4.0」背景下，鄭煤機致力於建設煤機裝備智能製造樣板工廠，大力引進全球先進裝備，建成高端液壓支架生產基地，不斷提升產品品質。

我們擁有中國煤機行業內自動化程度最高的數控加工中心、智能化鋼板切割生產綫、智能化焊接機器人、自動化塗裝綫以及行業內最先進的液壓支架整架檢測裝備。



Photo: Intelligent Double-Drive Plasma Cutting Machine
圖：智能雙槍等離子切割機

我們引進激光熔覆技術代替傳統電鍍。激光熔覆層厚度大、結合强度高、耐腐蝕性能好，使用壽命長。解決了電鍍層使用中經常出現銹蝕、脫落等問題，確保煤礦機械的正常使用的。

Market Responsibility (Continued)

Intelligent Coal Mining Machinery Equipment Sample Factory (Continued)

In order to stabilize and enhance the quality of products, ZMJ has introduced advanced technology such as robotic welding and cutting. The workload of one robotic arm is equal to two skillful welders. During the welding process, robots can use the same welding parameter for each welded seam, and hence we can improve welding quality and production efficiency. Based on the actual situation on site, the pass rate for crack detection of robotic welding is 100%.



Photo: Imported robots mainly for cutting the bevel of big components such as cover plate and roof

圖：進口大機器人—主要切割蓋板、大頂板等較大尺寸零件的坡口

市場責任(續)

煤機裝備智能製造樣板工廠(續)

為穩定和提升產品質量，鄭煤機引進機器人焊接、切割等高新技術，1個機器人手臂相當於2個成熟焊工的工作量，在焊接時機器人對於每條焊縫的焊接參數都是恒定的，因此可以提高焊接質量和生產效率。根據現場實際情況，機器人焊接探傷合格率100%。



Photo: A group of bevel cutting robots

圖：機器人割坡口機群

Auto Parts

In order to accomplish enterprise diversification strategy and cope with the impact on the coal mining industry, ZMJ completed the acquisition of ASIMCO Group, one of the biggest and most independent auto parts manufacturing groups in China in 2017. We aim to become a China leading auto parts supplier and provide high quality auto parts with competitive prices for the China and global automotive market.

Our production facilities are found across several major cities of China, which have comprehensive railway, waterway and highway transportation capabilities and are able to deliver goods to China customers timely and effectively. Meanwhile, we have established and managed various overseas warehouses in the United States of America as well as Europe, so we can provide international customers with JIT services conveniently.

汽車零部件

為完成企業多元化戰略，應對煤炭行業的衝擊，鄭煤機於2017收購中國最大的、獨立的汽車零部件製造集團之一的亞新科集團。我們力圖打造中國領先的汽車零部件供應商，為中國乃至全球的汽車市場提供具有競爭性價格和高品質的零部件產品。

我們的生產企業分布在中國幾個主要城市，均具備完善的鐵路、水路或公路運輸能力，能夠及時有效地向中國客戶交付產品，同時，我們在美國和歐洲設立並管理多間海外倉庫，可以向國際客戶提供就近的JIT服務。

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Market Responsibility (Continued)

Auto Parts (Continued)

市場責任(續)

汽車零部件(續)



Photo: global customer support and warehousing arrangements for our of auto parts business
 圖：汽車零部件全球客戶支持及倉儲布局

We provide auto parts and relevant warehousing and logistics services to various well-known automotive brands.

我們為眾多知名汽車品牌提供汽車零部件及相關的倉儲物流服務。



Part of the brands with which we cooperate under our auto parts business
 圖：汽車零部件業務部分合作品牌

Market Responsibility (Continued)

Auto Parts (Continued)

In FY2017, our auto parts business gained various accolades, some of which are as follows:

Foton Cummins 2017 Suppliers Conference 福田康明斯2017年供應商大會



- ASIMCO's Camshaft gained "Best Delivery Award" and "Excellence Lean Award"
- 亞新科凸輪軸獲得「最佳交付獎」和「優秀精益獎」
- ASIMCO's Shuanghuan Piston Ring gained "Excellence Lean Award" and "Best Quality Award"
- 亞新科雙環活塞環獲得「優秀精益獎」和「最佳質量獎」
- ASIMCO Shanxi gained "Best Quality Contribution Award"
- 亞新科鑄造獲得「最佳質量貢獻獎」

ASIMCO Engineering Technology

ASIMCO produces various kinds of auto parts products, including start-stop system motor, starter motor, electric generator, piston ring, valve seat ring, noise and vibration absorber and rubber seal. For the auto parts using materials application technology as their core, these include cylinder block, cylinder head, camshaft, different types of aluminum castings and powder metallurgy products.



ASIMCO has an advanced computer-aided engineering method, simulation technology and standardized workflow for new product development and project management. Based on the various product fields, ASIMCO has different technical centers such as Shanxi Technology Center and Shuanghuan Technology Center. We have over 257 professional engineering technicians. Take camshaft manufacturing technology as an example. Our relevant technology are at world-class level and we have a unique materials processing technology and precise and stable processing works for satisfying the requirements of EU VVI high-end engines.

市場責任(續)

汽車零部件(續)

2017財政年度，汽車零部件業務獲得眾多榮譽，所獲部分榮譽如下：

Internationally 國際上

- "GILBARCO Best Global Support Award"
- 「GILBARCO全球最佳支持大獎」
- Paccar 2017 "Best CMP Performance Supplier"
- 佩卡集團2017年度「Best CMP Performance Supplier」

亞新科工程技術能力

亞新科生產種類繁多的零部件產品，其中有起停電機、起動機、發電機等產品；活塞環、氣門座圈、降噪減振及橡膠密封等部件；以材料應用技術為核心的發動機缸體、缸蓋、凸輪軸、各類鋁合金鑄件、粉末冶金製品等。



亞新科擁有先進的計算機輔助工程手段及模擬技術，有著統一的新產品開發和項目管理流程。根據不同的產品領域，亞新科擁有多個技術中心如山西技術中心和雙環技術中心，總計超過257名專業工程技術人員。以凸輪軸製造技術為例，我們的相關技術已經邁入世界一流行列，擁有著獨特的材料處理技術及精密穩定的加工製成，滿足歐VVI高端發動機要求。

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Market Responsibility (Continued)

ASIMCO Engineering Technology (Continued)

ASIMCO Engineering Technology:

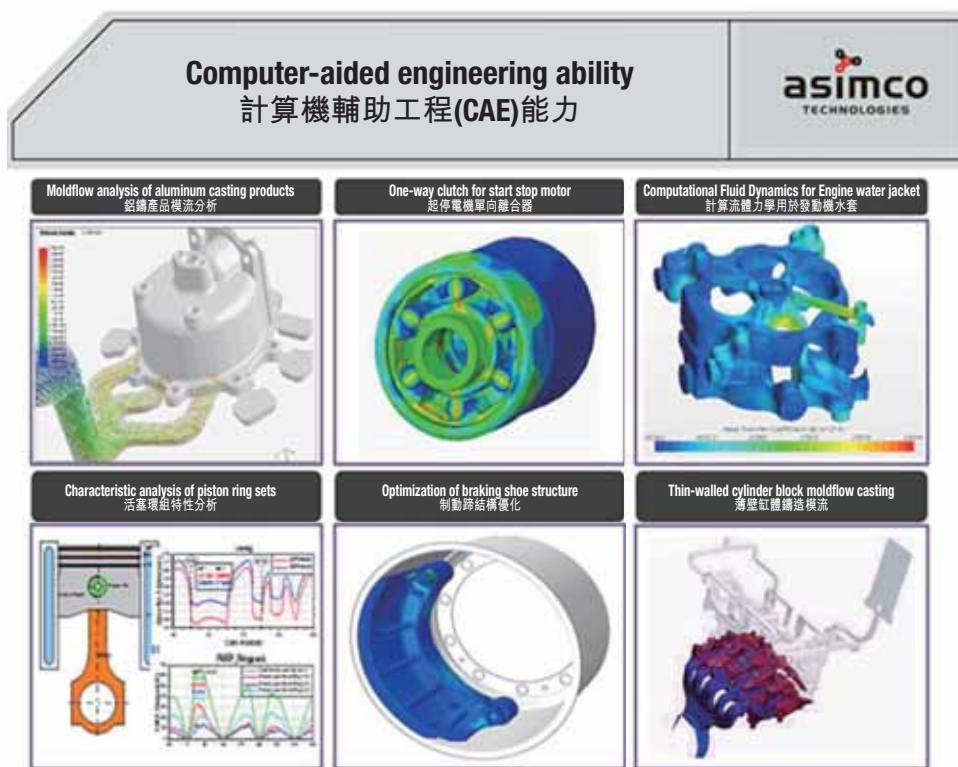
- 113 inventions and utility model patents including 15 invention patents which have been authorized.
- Advanced computer-aided engineering method and simulation technology.
- Comprehensive ability for testing performance, durability and environment.
- Standardized workflow for new product development and project management.

市場責任(續)

亞新科工程技術能力(續)

亞新科的工程技術能力：

- 113項發明及實用新型專利，其中15項發明專利已授權
- 先進的計算機輔助工程手段及模擬技術
- 完備的性能試驗，耐久試驗及環境試驗能力
- 統一的新產品開發和項目管理流程



Market Responsibility (Continued)

ASIMCO Quality Systems

ASIMCO has adhered to the principle of “Let customers define the quality” and all of its operating companies have gained TS16949:2009 quality system certification. ASIMCO is devoted to incorporate its quality systems with Six Sigma so as to fulfil the ideal of “Zero defect” and provide customers with their approved product quality.

ASIMCO introduced Six Sigma management tool in 2003. Six Sigma is an organizational and data and fact-oriented management method, which is applicable to various fields. We can keep improving our product quality and customer satisfaction, eliminate wastes and enhance operation performance by using Six Sigma projects. Currently, Six Sigma projects are widely implemented in the operating companies of ASIMCO.

“Six Sigma Course System”

In FY2017, ASIMCO launched a six sigma course system that synchronized with multinational companies in order to enhance engineering technology and the awareness of quality improvement and ability to use quality improvement tools of our on site management staff. This year, 19 participants joined the training programme. They would apply the knowledge and skillset learnt in training programme to their respective works, put the theories into practice while training continued, achieving sound result.



市場責任(續)

亞新科質量體系

亞新科一貫遵循由客戶界定質量的原則，其所有運營公司通過了TS16949：2009質量體系認證。亞新科致力於將質量體系與六西格瑪結合在一起實施以力爭實現「零缺陷」，向客戶提供他們認可的產品質量。

亞新科於2003年導入了六西格瑪管理工具，六西格瑪是一個結構化的、以數據和事實驅動為導向的、可運用到各種領域中的管理方法。通過六西格瑪項目不斷地提高產品質量和客戶的滿意度、消除浪費並提高經營績效。目前，六西格瑪項目已在亞新科各運營公司得到廣泛實施。

「六西格瑪課程體系」

2017財政年度，亞新科推出與全球跨國公司同步的「六西格瑪課程體系」，以提高工程技術及現場管理人員質量改善意識和對質量改善工具的運用能力。今年，有19名正式學員參加培訓，他們將所學知識與工具運用到各自的項目中，邊培訓邊實踐，取得了良好的效果。



Photo: The scene of six sigma training programme
圖：六西格瑪培訓現場

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Market Responsibility (Continued)

Customer Service

In order to improve customer satisfaction, our service quality and attractiveness of ZMJ's products to our users, we have formulated methods for customer management and problem handling workflow. The above management methods clarify assessment and punishment measures for responsible departments failing to complete product return work according to schedule to ensure that product return can be handled in a timely and efficient manner. Regarding the privacy of our customers, we would sign confidentiality agreement with our customers according to their requirements so as to protect the privacy of our customers to the maximum extent.

8D Troubleshooting Procedures

The 8D procedures in our trouble shooting process has stipulated our process of handling customer complaints. We have to offer tentative feedback to the complaint within 24 hours, identify the root causes and improvement measures within 7 days, verify the effectiveness of implemented measures within 14 days and close case within 30 days.

Management of Major Customers

Based on the successful experience in export management, ASIMCO has formulated major customer management department as a bridge between our company and customers. This fully utilizes the strength and experience of major customer department managers in communication with customers, project management and their professional knowledge to maximize our competitive edge in production, research and development with a view to establishing effective communication and close cooperation with major customers and working on the key projects meticulously. Meanwhile, we would expand our product line for our local and international major customers.

Coal Mining Equipment Website

To effectively solve the difficulty in turnaround of idle equipment and low efficiency, we established a coal mining equipment website (WWW.CMEMC.CN) in 2017. This platform provides evaluation, announcement and trading services for idle equipment. We endeavor to build up a one-stop management platform for coal mining equipment.

市場責任(續)

客戶服務

為了提高客戶的滿意度，提升服務質量，增強鄭煤機產品對用戶的吸引力，我們制訂了一系列的客戶管理辦法和問題處理流程。對於未按照進度要求完成退回處理工作的責任部門，管理辦法明確了考核處罰措施，保證產品退回能夠得到及時有效處理。在客戶隱私方面，我們會根據客戶要求簽訂保密協議，最大限度地保護客戶的隱私。

故障處理8D程序

我們《故障處理流程》中的8D程序，明確規定了我們對於客戶投訴的處理流程。我們要在24小時內向投訴的客戶回復臨時決策，7天之內確定根本原因以及改善措施，14天內對實施的措施的有效性進行驗證，30天內關閉問題。

大客戶管理

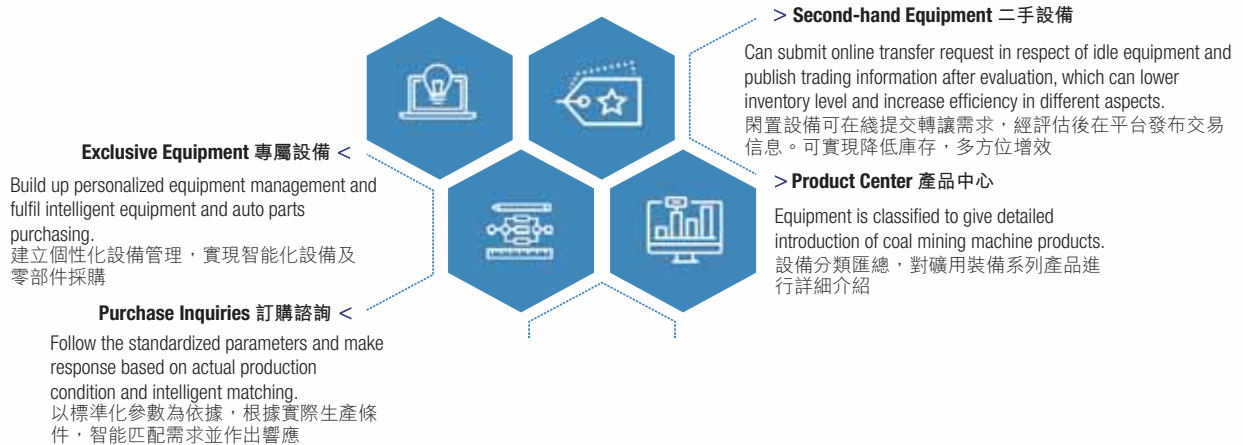
在出口項目管理的成功經驗基礎上，亞新科組建大客戶管理部，作為企業和客戶之間的橋梁紐帶，充分發揮大客戶經理在客戶溝通、項目管理及專業知識等方面的經驗和優勢，把我們的製造和研發優勢發揮到極致，力圖和大客戶有效溝通、密切配合，重點項目精耕細作，同時在廣度上拓展更寬泛的產品綫，服務於國內及國際大客戶。

煤炭裝備網

為有效地解決煤炭企業閑置設備流轉困難、效率低下的問題，我們於2017年建立煤炭裝備網(WWW.CMEMC.CN)。該平台提供閑置設備的評估、發布與交易服務，致力於打造煤礦裝備一站式管理平台。

Market Responsibility (Continued)

One-stop Management Platform for Coal Mining Equipment



市場責任(續)

煤礦裝備一站式管理平台

Supplier Management

With the development of economic globalization, the mutual growth in supply chain is essential to the operation of enterprises. We always adhere to the operating philosophy and values of integrity and mutual benefit. While we are devoted to work on in our own environment and social risk management, we urge our suppliers to fulfil their social and environmental responsibility.

We have formulated a comprehensive evaluation project and assessment system. We regularly evaluate suppliers based on environmental protection, production safety, quality control, business ethics and other aspects. For example, our subsidiary ASIMCO NVH Technologies (Anhui) Co., Ltd. requires its suppliers to submit their written form of "Subcontractor's environment assessment form", to urge them to formulate environmental management regulation, increase energy saving and encourage them to gain ISO14000 environment management system certification.

At the same time, when we select suppliers, we prioritize those that are in close proximity to our operating locations. We advocate for local purchasing. On one hand, it can reduce energy wastage and exhaust gas emissions during delivering process. On the other hand, it can provide work opportunities for local people and drive local economic development.

供應商管理

隨著全球經濟一體化發展，供應鏈的共同成長是企業的生存之本。我們始終堅持誠信、共贏的經營理念，在努力做好自身環境及社會風險管理的同時，督促供應商履行其環境及社會責任。

我們制定了全方位的評估項目及考核制度，定期對供應商進行評估，從環境保護、安全生產、質量控制、商業道德等方面對其提出要求。如我們的附屬公司亞新科噪聲與振動技術(安徽)有限公司每年度要求其供應商書面提交《分供方環境評審表》，督促他們制定環境管理制度、加強節能減排，鼓勵他們通過ISO14000環境管理體系認證。

同時，我們在僱傭供應商時會優先選取經營所在地的供應商。我們通過倡導就地採購，一方面可以減少運輸過程中能源資源的浪費、廢氣的排放，另一方面還能給當地創造就業機會，促進當地的經濟發展。

Environmental, Social and Governance Report 環境、社會及管治報告

Market Responsibility (Continued)

Anti-corruption

In order to strengthen the construction of clean governance, ZMJ has established a mechanism of anti-corruption and promotion of integrity, insisting on addressing both the symptoms and root causes, integrated management, adopting both punishment and preventive measures and focusing on precaution. We have formed programmatic document “Implementation measures for two responsibilities of anti-corruption party culture and clean governance construction” so as to clarify the responsibilities of managers at all levels in the construction of clean governance and ensure the implementation of various tasks of anti-corruption construction.

To intensify the construction of clean governance, we require staff members from key business departments including financial, product, infrastructure, equipment, sales, materials supply to enter into integrity commitment. At the same time, we promulgate integrity and self-discipline management regulation and complete the internal anti-corruption work within each department, by designing the specific department workflow, a self-assessment form for position-specific risk factors and other measures. During major festivals and holidays, we would launch notices related to promotion of anti-corruption for creating righteous festive vibe.

During FY2017, we did not commit any acts of corruption, bribery, blackmail, fraud and money laundering which would otherwise lead to litigation cases.

市場責任(續)

反腐倡廉

為了加強廉政建設，我們建立了反腐倡廉廉潔機制，堅持標本兼治、綜合治理、懲防並舉、注重預防；並形成綱領性文件《落實黨風廉政建設兩個責任的實施辦法》，明確鄭煤機各級領導人員在廉政建設中的責任，保證反腐倡廉建設各項任務的貫徹落實。

為深入進行廉政建設，我們要求財務、產品、基建、設備、營銷、物資供應等關鍵業務部門人員簽署廉潔承諾書。同時我們出台廉潔自律管理辦法，通過設計部門專項工作流程圖、崗位風險點自查表等方式完成部門內反腐倡廉工作。每逢重大節假日，我們還出台相關倡廉通知，營造風清氣正的節日氛圍。

2017財政年度內，鄭煤機未有因貪污、賄賂、勒索、欺詐及洗黑錢事項引起的訴訟案件發生。



Environmental Responsibility

We care about environmental protection works and spend a large amount of money on improving the standard of clean production and processing environmental treatment each year. We have passed the ISO14001 environmental management system certification. By regularly organizing and launching internal environmental review and external monitoring activities every year, we can identify and tackle problems in a timely manner, promote measures to save energy actively and manage emissions effectively.

During FY2017, we had not committed any incident of material pollution or serious ecological destruction event.

Low Carbon Industry

The energy used in production process mainly includes electricity, natural gas, and small amount of diesel fuel and gasoline. By enhancing efficient use of fossil fuel, reducing fossil fuel consumption, and adopting cleaner energy and other measures, we are able to achieve the aim of reducing greenhouse gas emissions in hope of making contribution to climate change mitigation.



		Energy consumption 能源消耗量 (1000 kWh) (千個千瓦時)
Total energy Consumption	總能源消耗	215,531.56
Electricity	電力	174,011.20
Natural gas	天然氣	41,520.36



		Greenhouse gas emissions 溫室氣體排放量 (ton) (噸)
Total greenhouse gas Emissions	總溫室氣體	118,581.76
Scope 1 greenhouse Gases	範圍一溫室氣體	10,617.77
Scope 2 greenhouse Gases	範圍二溫室氣體	107,963.99

We care about energy conservation during the production process and daily office service. In daily office area, we replace bulbs that require enormous energy with sound controlled lights and LED energy saving lights. Regarding the necessities in office area, we prioritize the purchase of energy saving products. During office hours, we advocate for using both sides of paper and reuse of files and copy paper, and develop incentive scheme for reducing energy consumption through OA, billboards, meetings and other promotion channels.

環境責任

我們十分重視環境保護工作，每年投入大量經費提高清潔生產水平並進行環境治理修復。我們通過了ISO14001環境管理體系認證，每年定期組織開展公司環境內部審查和外部監測活動，及時探查問題發生點並處理，積極推廣節能降耗措施，並對排放物進行有效管理。

2017財政年度內，我們無重大環境污染事故和生態破壞事件發生。

低碳工業

我們在生產過程中使用的能源主要是電力、天然氣，以及少量的柴油、汽油。我們通過提高化石燃料的使用效率、降低化石燃料的使用量以及採用清潔能源等多種方式，達到有效降低溫室氣體排放量的目的，希望可以為緩解全球變暖的壓力貢獻一份力量。

我們在生產過程中和日常辦公中都會注重節能。在日常辦公區域，我們將耗電量大的燈更換成聲控燈與節能LED燈；對於辦公區域所要使用的產品，我們優先採購節能產品；辦公時，我們提倡雙面用紙，和檔案袋、複印紙的再利用；通過OA、展板、會議等各種渠道宣傳節能降耗活動，制定節能降耗激勵措施。

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental Responsibility (Continued)

Low Carbon Industry (Continued)

We particularly care about energy saving during production process. In 2017, we were engaged in the following energy saving schemes:

- In 2017, ASIMCO invested RMB10,000,000 in the completion of cleaner energy project that replaced coal from coal boiler with natural gas and project of melting furnace upgrade in its dust removal in Shanxi Province
- We also modified the air compressors. We replaced screw air compressors with energy efficient air compressor. The energy saving rate reached 20%
- We followed scheduled operation time to turn on the machine for hot forging so as to avoid wastage of electricity
- We modified the cooling system in ozone generators and selectively turned off ozone equipment during the summer for reducing the use of electricity

In FY2017, we used 1,268.73 tons of packaging materials, including packaging cartons, packaging tie wire, bags, boxes and packaging films. The main consumed packaging materials were packaging cartons and tie wire, which accounted for 785.68 tons and 314.93 tons respectively.

Emission Management

We identify the emission sources of pollutants carefully and strictly monitor the management of the emission of pollutants including exhaust gases and solid wastes in order to mitigate the damage to and impact on the ecological environment.



環境責任(續)

低碳工業(續)

我們在生產過程中尤其注重節約能源，2017年我們進行了如下節能改造：

- 2017年亞新科共計投資人民幣10,000,000元在山西完成了鍋爐煤改氣清潔能源項目和熔化爐除塵升級改造項目
- 我們還對空壓機進行改造，利用節能型空壓機替代螺桿型空壓機，節電率達20%
- 我們根據預定作業時間，開啟機台進行熱模，避免電力浪費
- 我們對臭氧設備冷卻系統進行改造，並在夏天選擇性關停臭氧設備，從而降低電力使用

2017財政年度內，我們共計使用了1,268.73噸包裝材料，材料包括包裝箱、扎帶、包裝袋、包裝盒、包裝膜，其中主要消耗為包裝箱785.68噸，扎帶314.93噸。

排放管理

我們認真識別各項污染物的排放源，嚴格管控廢氣、固體廢棄物等排放物的排放治理，降低污染物對生態環境的破壞和影響。

Exhaust gas emission 廢氣排放量 (ton) (噸)

Total amount	總量	202.15
NO_x	NO_x	2.36
SO_x	SO_x	48.82
PM	PM	92.94
Paint gas	噴漆廢氣	49.41
Toluene	甲苯	8.62

Environmental Responsibility (Continued)

Emission Management (Continued)

Exhaust gas

Our main sources of the exhaust gases include exhaust gas from paint, dust and the acid fog during the production process. In order to reduce the level of pollution from exhaust gas emissions, we adopt suitable measures to deal with different kinds of exhaust gas:

- Dust is our main exhaust gas emission. We have followed our regulation to cope with the problem of dust. For example, for the dust produced in the course of shot blasting, we adopt cyclone dust collector and bag filter for dust removal. The dust removal efficiency reaches 99.3% or above. The soot generated by cutting and welding workshop is treated by a centralized soot purification system before being discharged. The soot purification efficiency rate reaches 99.1% or above.
- The exhaust gas from spray paint is discharged after coming into sufficient contact with water and being absorbed in water cyclones in which the rate of paint dust removal is 98% and it can reduce small amount of BTEX. After cooling off in cooling towers, the exhaust gas from the drying process is absorbed by activated carbon and discharged.
- Regarding acid gas, our subsidiary Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. has established an air and acid gas absorption tower system for each of the 3 sets of chrome plated wires. The exhaust gas processed by absorption tower would be released from exhaust pipes. The efficiency rate of absorption is 95% or above. Our wholly-owned subsidiary ASIMCO NVH Technologies (Anhui) Co., Ltd. cancels the acid gas processing procedure in some of the phosphorized production lines for reducing the pollution of acid gases, and install exhaust gas collection and processing devices in vulcanization workshops for reducing the emission of volatile organic compounds.

Solid Waste

We have put in place the “Management System for Hazardous Waste” (《危險廢物管理制度》) to provide clear regulations on the processes for treating the waste generated in the course of production and operation. In accordance with the “National Hazardous Waste List of the PRC” (《中華人民共和國國家危險廢物名錄》), the Company has classified and identified waste, set up a dynamic management mechanism for hazardous waste, and persistently monitored the stages such as the clean-up, storage and transfer of hazardous waste.

We have engaged a qualified third party professional treatment firm to carry out the treatment of hazardous wastes such as waste cutting fluid and chromium III slag so as to ensure that it is conducted in compliance with the law and regulations.

環境責任(續)

排放管理(續)

廢氣

我們產生的廢氣主要來源於生產過程中的噴漆廢氣、粉塵、酸霧等針對不同種類的廢氣，我們會採取不同的措施進行處理，降低其排放後對環境的污染程度：

- 粉塵是我們最主要的廢氣排放物，我們按照規章積極處理粉塵問題。例如，在拋丸過程中產生的粉塵，採用旋風+布袋除塵器除塵，除塵效率達99.3%以上；下料及焊接車間產生的煙塵經過中央煙塵淨化系統處理才會排放，煙塵淨化效率達99.1%以上。
- 對於噴漆廢氣，我們使其經水旋器與水充分接觸吸收後再排放，漆霧去除率98%，並可去除少量的苯系物；對於烘乾廢氣，我們使其經冷卻塔降溫後，採用活性炭吸附處理再排放。
- 對於酸霧廢氣，我們的附屬公司鄭州煤機液壓電控有限公司在3條鍍鉻線各設一套集氣和酸霧吸收塔系統，廢氣收集處理後的尾氣產排氣筒排放，吸收塔處理效率95%以上。我們的全資子公司亞新科噪聲與振動技術(安徽)有限公司將部分磷化生產線取消酸霧處理工序，減少酸霧廢氣的污染，並在硫化車間投入廢氣收集處理裝置，降低揮發性有機物排放量。

固廢

我們頒佈了《危險廢物管理制度》，對生產和經營活動中所產生的廢棄物的處理流程進行了明確規定。我們按照《中華人民共和國國家危險廢物名錄》對廢棄物進行分類辨識，建立了危險廢物動態管理機制，不斷監測危險廢物的清理、貯存、轉運等環節。

我們產生的有害廢棄物主要為廢切削液油、三價鉻渣等，聘請具有資質的第三方專業處理機構進行處理，確保危險廢物處理合法合規。

Environmental, Social and Governance Report

環境、社會及管治報告

Environmental Responsibility (Continued)

Emission Management (Continued)

Solid Waste (Continued)

We have put in place the System Related to the Processing of Scrap and Used Articles (《廢舊品處理相關制度》) to standardize the rules for the bidding of disposal and selling of scrap materials from raw materials, such as scrap steel and scrap mixed steel, ensuring and enhancing the efficiency of recycling raw materials. We recycle the scrap metal and sweepings of metal generated in the course of operation and sell the scrap metal and sweepings of metal to professional firms, thus significantly reducing the use of iron ore.

Our non-hazardous wastes mainly include scrap steel and waste rubber scrap. We give priority to the reuse of non-hazardous solid wastes and send unrecyclable wastes to professional organizations for centralized treatment.

環境責任(續)

排放管理(續)

固廢(續)

我們制定了《廢舊品處理相關制度》，對生產廢鋼、廢雜鋼等原材料廢料的招標清運銷售細則進行了規範，保證和提高原材料的回收使用效率；對於運營過程中產生的金屬廢料、廢金屬屑，進行回收並銷售給專業公司，大大減少了鐵礦石的使用。

我們的無害廢棄物主要有廢棄鋼、廢橡膠邊角料等。我們優先考慮無害固廢的再利用，對於不可回收的由專業處理機構統一處理。

Total amount of waste disposal 廢棄物排放總量 (ton) (噸)

Hazardous wastes	有害廢棄物	1,887.57
Non-hazardous wastes	無害廢棄物	9,276.26

Water Resources Management

We strongly care about the management of water resources and endeavour to reduce its consumption. Our water supply is mainly from tap water and river water.



水資源管理

我們非常重視水資源的管理，努力減少其消耗量。我們的供水來源主要是自來水、河道水。

Total water consumption 耗水量 (cubic meters) (立方米)

Total amount of fresh water	總新鮮水量	1,826,236.60
Recycled water	循環利用水	7,914,273.00

Our wastewater mainly comes from industrial wastewater and domestic wastewater. Industrial wastewater includes wastewater from electroplating, waste emulsion and wastewater from paint. The sources of domestic wastewater are mainly water discharged from office restrooms and kitchens, free of poisonous, hazardous or special substances.

We adopt different treatments for the wastewater from electroplating that contains different heavy metals and end up recycling all of the heavy metal wastewater. For waste emulsion and cutting fluid, we would assign the recycling work to qualified third party organizations.

我們產生的廢水主要由生產廢水和生活污水組成。生產廢水有電鍍廢水、廢乳化液和噴漆廢水，生活廢水主要來源於辦公衛生間及廚房排水，並無有毒、有害物質和特殊物質排放。

我們對含不同重金屬的電鍍廢水採用不同的處理系統，最終做到重金屬廢水全部回用；對於廢乳化液、切削液，我們將其交給第三方有資質機構回收。

Environmental Responsibility (Continued)

Water Resources Management (Continued)

In terms of paint wastewater, we have set up an integrated industrial wastewater processor next to our production line, which utilizes physicochemical treatment of coagulation sedimentation and air floating to eliminate most of the contaminations such as suspended solids (SS), chemical oxygen demand (COD) and petroleum. After the preprocessing procedure, all of the wastewater from paint would be transferred to the sewage treatment facility.

During the production process, we focus on reducing water consumption and the use of tap water. In FY2017, we adopted a series of measures for lowering our water consumption:



- The recycled water from water treatment center that meets certain requirements is used for green irrigation such as cooling down air compressors and electroplated air cooling
- Install water saving device for phosphorized items so as to prevent water leakage
- Use ductile cast iron pipes, PE pipe and steel pipe to prevent burst pipe, water seepage and leakage
- Recycle condensate water from oxygen stations for reducing electricity and water consumption

環境責任(續)

水資源管理(續)

對於噴漆廢水，我們在生產綫旁邊配有一體化工業廢水處理機，其採用混凝沉澱+氣浮的物化處理工藝，去除廢水中大部分的懸浮物(SS)、化學需氧量(COD)、石油類等污染物，經預處理後的噴漆廢水進入全廠污水處理站處理。

在生產中，我們注重節約用水，降低自來水的使用。2017財政年度，我們採取了一系列措施來減少水資源使用量：

- 水處理中心中水回用，將達到一定的標準的回用於綠化澆灌(如：空壓機冷卻、電鍍冷卻)
- 對成品磷化加裝節水控制裝置，杜絕漏水現象的發生
- 選用球墨鑄鐵管、PE管和鋼管，避免發生爆管，滲水和漏水的現象
- 氧氣站冷凝水回收使用，降低電力使用的同時減少水資源浪費



Responsibility towards Staff

We regard staff members as our most valuable assets. We insist on equal employment, pay five social insurances and one housing fund for our staff members in full, and provide career path development plan. Meanwhile, we launch abundant and various staff activities for enriching the lives of staff members and enhancing the sense of bliss and belonging of staff members. We also value the occupational health and safety of our staff members, so we adopt measures to ensure the safety of staff members in the workplace.

員工責任

我們視員工為最寶貴的財富，我們堅持平等僱傭，為員工足額繳納五險一金，提供職業生涯發展規劃。同時，我們開展豐富多樣的員工活動，豐富員工生活，加強員工的幸福感和歸屬感。我們也非常重視員工的職業健康與安全，我們採取多項措施保證員工工作環境的安全。

Responsibility towards Staff (Continued)

Labour Standards

We strictly abide by the Labour Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) and the requirements under other laws, regulations and policies, and advocate for the principles of “open recruitment and fair competition”. We strictly prohibit hiring child labours and compulsory labours. We require candidates to show their valid identity documents during the recruitment process, ensuring that the candidates reach the statutory working age. We enter into labour contracts and female employee protection agreement with our staff members, guaranteeing that staff members will not be subject to discrimination on the ground of their race, gender and other factors.

In FY2017, we did not record any employment of child labor, compulsory labour or incident of discrimination.

As of 31 December 2017, we had a total of 9,056 staff members, of which female staff members accounted for 24% of total number of staff members.

員工責任(續)

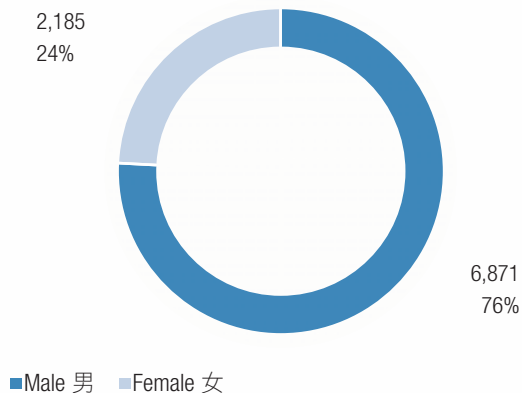
勞工準則

我們嚴格遵循《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等政策法規，提倡「公開招聘、平等競爭」的僱傭原則，我們嚴禁僱傭童工及強制勞動。我們會於招聘時要求求職者出示有效的身份證明文件，確保其符合法定工作年齡，與員工簽訂勞動合同、女職工保護協議，保證員工不因種族、性別等因素受到歧視。

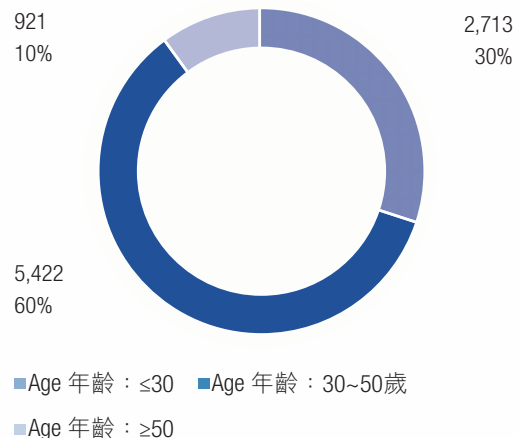
我們在2017財政年度未發現有僱傭童工、強迫勞工及歧視的行為發生。

截至2017年12月31日，我們共有員工9,056名，女性員工人數佔總人數的24%。

Total number of staff members by gender
按性別劃分的僱員總數



Total number of staff members by age group
按年齡組別劃分的僱員總數



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Responsibility towards Staff (Continued)

Caring for the Staff

We enhance the sense of bliss and belonging of our staff through different activities. We support staff members who are suffering from material disease and disaster in a timely manner, provide scholarships for the children of our staff and launch abundant and various activities for enriching the leisure lives of our staff members.

Welfare

In strict compliance with the requirements of laws and regulations on labour and social security, ZMJ has made timely payments to the various social security programs for the staff members, including the premiums for medical insurance, employment injury insurance, maternity insurance and contributions to the housing provident fund. We offer paid maternity leave, marriage leave and retirement benefit plans to staff members, while providing staff members with a variety of subsidies and benefits in areas such as transportation, lunch, communication, housing, heating, cooling and holiday benefits.

Our hearts are with our staff members. We donate materials and money to staff members in trouble, and help them overcome their difficulties. For example, ZMJ has set up a mutual aid fund for staff members to offer assistance covering clinical visits and hospitalization for staff members suffering from major diseases, and staff members in particular difficulties. By doing so, ZMJ has helped its staff members solve their everyday problems at the practical level. As another example, in FY2017, ASIMCO NVH Technologies (Anhui) Co., Ltd., based on the declaration of staff members, offered hardship allowance to a number of staff members and their families with a view to helping them overcome their difficulties.

員工責任(續)

員工關懷

我們通過各種活動提高員工的幸福感，增強其歸屬感。我們為遭受重大疾病與災害的員工提供及時的幫助，為員工子女在教育上提供獎助學金。我們還開展了豐富多樣的活動來豐富員工的業餘生活。

福利

鄭煤機嚴格按照勞動和社會保障法律法規的要求，按時為員工繳納醫療保險費、工傷保險費、生育保險費等社會保險費和住房公積金等。我們為員工提供有薪產假及婚假，退休福利計劃等，同時也為員工提供交通、午餐、通訊、住房、取暖、降溫、節日慰問等多項補貼福利。

我們始終心系員工，為困難員工捐錢捐物，幫助他們度過難關。如鄭煤機設立了職工醫療互助基金，對患有重大疾病的職工、特困職工就診和住院進行補助，切實幫助解決員工的生活難題。又如在2017財政年度內，亞新科噪聲與震動技術(安徽)有限公司根據員工申報情況，為多名員工及其家屬提供困難補助，幫助員工度過難關。

Responsibility towards Staff (Continued)

Caring for the Staff (Continued)

Welfare (Continued)

In addition, ZMJ has set up emergency relief fund for staff members in particular difficulties, to assist those staff members and their families facing life difficulties and help them improve their living conditions, and health conditions, and uplift their quality and abilities thereby achieving mutual growth between staff members and the Company. In 2017, the relief fund helped 12 staff members facing major diseases, offered hardship allowance to 55 staff members and organized health checkup for 2,632 staff members.



Education. We have set up Li Ke Ping Scholarship Fund and provided subsidies for the qualified children of ASIMCO staff members for 11 consecutive years in order to encourage them to study wholeheartedly in science and technology field at universities and prepare themselves for the future technology development. Prior to the polling, the management members of ASIMCO consider and evaluate various factors in comprehensive manner, including the result of college entrance examination of candidates, the correlation between ASIMCO's business and the study disciplines of candidates, the needs for scholarship and will of candidates and enterprise's recommendation. In 2017, we offered scholarships to 10 children of our staff members.

教育。我們設立了李克平獎學基金，連續11年為符合資格的亞新科員工子女提供資助，以鼓勵他們在高等院校致力於理工科專業方面的學習，為投身於未來科技的發展做好準備。亞新科管理層成員從候選者的高考成績、錄取專業與亞新科業務的關聯程度、對獎學金的需求程度、申請人意願和企業推薦等諸多方面進行了綜合考量、評定及投票表決，2017財政年度選出了10名員工子女提供獎學金。

Chen Xuedong, a winner of "ASIMCO Li Ke Ping Scholarship Fund" in 2010, became a staff member of ASIMCO International Casting Co., Ltd. (Shanxi) after university graduation.

2010年「亞新科李克平獎學基金」獲得者陳學東，大學畢業之後順利地成為亞新科國際鑄造(山西)有限公司的一名員工。

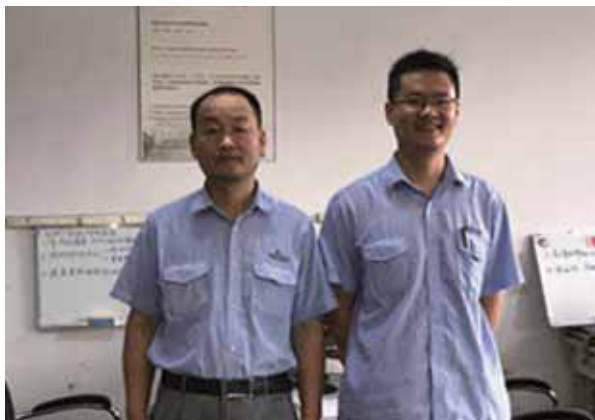


Photo: Chen Xuedong and his father, who is also a staff member of ASIMCO
圖：陳學東與同為亞新科員工的父親

員工責任(續)

員工關懷(續)

福利(續)

除此之外，鄭煤機還設立了特困職工救助基金會用於救助生活困難的職工及家庭，幫助其改善生活條件、健康條件並提高其素質和能力，實現員工和企業的共同發展。特困基金會在2017年共救助12名患大病在職員工、為55名員工發放困難補助，組織2,632名員工進行了健康體檢。

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Responsibility towards Staff (Continued)

Caring for the Staff (Continued)

Work-life Balance

We help staff strike a balance between work and personal life through organizing different leisure activities. In FY2017, we held singing contest, Spring Festival evening gala, basketball contest, table tennis contest and other competitions. These activities not only nourished their mentality, but also strengthened the relationship between different departments.



Photo: basketball contest
圖：籃球賽活動



Photo: table tennis contest
圖：乒乓球賽活動

On "8 March" International Women's Day each year, ZMJ organizes different activities with a view to building up a platform for female staff members to enjoy the festival and improve interaction with workmates. Fun activities can make female staff members enjoy the good vibe in the festival and help them strike a balance between work and personal life.

每年的「三八」國際婦女節，鄭煤機本部都會通過各種方式為女員工搭建增進交流、歡度節日的平台。趣味活動的舉辦讓女性員工享受到節日的快樂氛圍，幫助她們更好地平衡工作與生活。



Photo: "8 March" International Women's Day activities
圖：「三八」國際婦女節活動



Photo: "8 March" International Women's Day activities
圖：「三八」國際婦女節活動

員工責任(續)

員工關懷(續)

平衡工作與生活

在工作之餘，我們通過舉辦各類活動，幫助員工更好地平衡工作與生活。2017財政年度我們舉行了好聲音比賽、春節聯歡晚會、籃球、乒乓球等比賽，不僅陶冶了員工的情操，還加強了各部門之間的聯繫。

Responsibility towards Staff (Continued)

Caring for the Staff (Continued)

Work-life Balance (Continued)

In FY2017, ASIMCO(Anhui)'s hiking association, fishing association and cultural performance association held several leisure activities for staff members.

Organized by the hiking association, the hiking activity was joined by 37 people who hiked from Wanjia Xiquan to Lalijian. Fishing association held fishing contest in Wanjiawu reservoir during weekends, and cultural performance association arranged the show called Xing Fu Meng and received overwhelmingly positive response from our staff members.



Photo: Hiking association's hiking activity from Wanjia Xiquan to Lalijian
圖：登山協會赴萬家西泉至癩痢尖

Career Development

We have established a sophisticated remuneration and incentive system that combines the work performance, personal contribution, competence at work, experience with performance in the position of staff members, thereby establishing a fair and attractive career development path.

Adhering to the core values of "integrity and mutual benefit" and the development philosophy of "keeping pace with the times, updating philosophy, enhancing capability and continuous improvement", we have set out clear career development paths for staff members with different educational background and at different job positions. We have been steadfast in building a career development platform for staff members where individuals can grow along with the Company.

員工責任(續)

員工關懷(續)

平衡工作與生活(續)

2017財政年度，亞新科安徽登山協會、釣魚協會、文藝表演協會為員工舉辦了多場業餘活動。

登山協會共37人赴萬家西泉至癩痢尖；釣魚協會利用周末時間，在萬家塢水庫舉辦了釣魚比賽活動；文藝表演協會編排小品《幸福夢》，獲得大家的一致好評。



Photo: Fishing association held fishing contest in Wanjiawu reservoir
圖：釣魚協會在萬家塢水庫舉辦了釣魚比賽活動

職業發展

我們建立了完善的薪酬激勵制度，將員工的工作績效、個人貢獻、工作能力及經驗與崗位績效結合，建立公平的有吸引力的職業發展通道。

我們秉承「誠信、共贏」的核心價值觀和「與時俱進、更新觀念、提升能力、持續改善」的發展理念，明確了不同學歷，不同工種員工對應的職業發展路徑，我們堅持為員工打造促進個人與公司共同成長的職業發展平台。

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環境、社會及管治報告

Responsibility towards Staff (Continued)

Career Development (Continued)

Training System

We have established a training organizational structure combining control by the Company's senior leadership, managed by the human resources department and cooperation from the grassroots units, and built up a team of experienced internal training specialists, in which training is available at various levels, in various categories, through multiple channels, in multiple forms, with an emphasis on results, full of energy and open to all staff members.

Currently, we conduct staff training through sending staff members to external institutions for study opportunities, joint initiatives between schools and enterprises and internal training. The training projects include:

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

The percentage of employees trained by gender:

按性別劃分的受訓僱員百分比

	The percentage of employees trained 受訓僱員百分比
Male男	80%
Female女	85%

員工責任(續)

職業發展(續)

培訓體系

我們建立了由公司高層領導主抓、人力資源部主管、基層單位配合的三位一體的培訓組織架構，組建了一支經驗豐富的內部培訓師隊伍，形成了分層次、分類別、多渠道、多形式、重實效、充滿活力、全員參與的教育培訓格局。

目前我們採取送外學習、校企聯合、內部培訓相結合的方式開展員工培訓，培訓項目包括：

- 每年選送一定比例的中高層管理人員、專業技術骨幹到中國知名高校接受碩、博士學歷教育；
- 選拔優秀基層員工參加高校與公司聯辦的專升本學歷教育；
- 根據公司發展需要，組織各類人員參加政府、行業和培訓機構的各類繼續教育、專業培訓；
- 在公司內部按計劃對高中層領導、管理技術人員、計劃調度、工區主任、班組長、技術工人、新進員工和轉崗人員進行技術、營銷、生產、質量、安全、公司文化、計算機、英語及專業技能等崗位培訓。

The percentage of employees trained by employee category:

按僱員類型劃分的受訓僱員百分比

	The percentage of employees trained 受訓僱員百分比
Senior management 高級管理層	100%
Middle management 中級管理層	93%
Ordinary staff 普通員工	90%

The average training hours completed per employee:
僱員受訓平均時數



Responsibility towards Staff (Continued)

Career Development (Continued)

Leadership Training

We endeavor to provide a sound career development platform for our staff members, especially focusing on training of key talents. We kept providing a series of talent development projects throughout the past dozen of years, with a view to helping determined staff members with good potentials to develop and improve their leadership skills.

In order to strengthen the formation of talent team, prepare an excellent management team for our company and consolidate the talent base of ZMJ. ZMJ launched a high potential cultivation programme in July 2017. There were 22 formal students in the first phase of the programme. The duration of training was temporarily set to be 2 years and we hold a training activity each month. This activity highly correlates to the situation of ZMJ at that time. Through diversified class systems and training method, we introduced abundant management experience and offered effective talent cultivation plans to high potential workers.



Photo: High potential cultivation programme at ZMJ
圖：鄭煤機本部高潛人才培育計劃

員工責任 (續)

職業發展 (續)

領導力培養

我們致力於為員工提供完善的職業發展平台，尤其注重核心人才的培養。在過去的十幾年裏，我們持續推出一系列人才發展項目，幫助有意願、有潛質的員工成長，提升他們的領導力。

為了加強人才梯隊建設，為公司儲備優秀管理團隊，堅實鄭煤機發展的人才基礎，鄭煤機本部於2017年7月實施了高潛人才培育計劃。第一期正式學員為22人，培訓期暫定為兩年，每月舉辦一次培訓活動。該培訓活動深度結合鄭煤機當前實際情況，通過多元化的課程體系與培訓形式，為高潛人才介紹了豐富的管理經驗，提供了積極有效的人才培養方案。



Photo: High potential cultivation programme at ZMJ
圖：鄭煤機本部高潛人才培育計劃

Environmental, Social and Governance Report 環境、社會及管治報告

Responsibility towards Staff (Continued)

Career Development (Continued)

Leadership Training (Continued)

At the same time, ASIMCO held a high potential cultivation project in Anhui Xuancheng in FY 2017. 36 high potential workers were strictly selected from each function department such as production, research and development, sales, quality and human resource departments, to participate in this leadership training activity. Taking a well-planned and step-by-step approach, this training helps high potential workers to apply what they have learnt to their work and daily life, creating a highly effective cycle of learning and practice.



Photo: High potential cultivation programme of ASIMCO
圖：亞新科高潛人才發展項目

員工責任(續)

職業發展(續)

領導力培養(續)

同時，2017財政年度亞新科高潛人才發展項目在安徽宣城舉行，36位經過嚴格甄選的來自生產、研發、銷售、質量、人力資源等各職能部門的高潛人才參與了本次領導力培訓活動。本次培訓有計劃有步驟地幫助高潛人才把學習延展到工作和生活中，形成學習—實踐—學習—實踐的高效循環。



Photo: High potential cultivation programme of ASIMCO
圖：亞新科高潛人才發展項目

Safety and Health

With the safety and health of our staff members as our top priority, we keep refining our health and safety management system. In FY2017, we monitored positions with the hazards of occupational diseases including workers in the fields of power, natural gas, fire welding and oxygen generation. Workers have already obtained the relevant certificates they needed for their position. Our safety facilities and protection facilities against occupational diseases have been reviewed and approved by the Henan Provincial Administration on Production Safety (河南省安全生產監督管理局) and the Health Office of Henan Province (河南省衛生廳). We have also obtained the GB/T28001-2011/OHSAS18001 certification for occupational safety and health management system of the PRC.

安全與健康

我們將員工的安全與健康放在首位，不斷完善健康安全管理體系。2017財政年度，我們檢測的職業病危害崗位數包括電／氣、火焊工、制氧工等，需要持證上崗的崗位人員均已獲取相關證書，我們的安全設施和職業病防護設施經河南省安全生產監督管理局、河南省衛生廳審查後確認合格，已經獲得了中華人民共和國GB/T28001-2011/OHSAS18001職業安全健康管理體系認證。

Responsibility towards Staff (Continued)

Safety and Health (Continued)

Increase the Awareness of Safety and Health

To reduce the occurrence of safety incidents and occupational diseases, we first need to enhance the awareness of safety and health of our staff members. We improve their safety and health awareness through the following measures:

- We formulate plans for education and training about health and safety every year. Through a number of formats, including pre-work meetings, training videos and professional training courses, we have actively launched a variety of training, including the standardization of operational safety and protection against occupational diseases, to truly and effectively implement the production safety philosophy at the workplace and achieve the production safety target of “zero injury”. In FY2017, ZMJ invited work safety administration system experts to hold a safety management system and safety regulation elucidation conference for our staff members from middle management class or above.
- For the areas with a high rate of major incidents and key locations and equipment involved in the incidents that had occurred, ZMJ conducts the key preventive work and contingency preparations, and update the contingency equipment and medication in a timely manner. Also, we conduct emergency drills on an irregular basis to ensure that, in the event of an incident, the personnel on the spot can react to the incident quickly, and minimize personal injury and loss arising from the incident. For example, in FY2017, ZMJ conducted 4 consolidated training drills and 24 specific training drills.

Safety Protection

Our latent safety problems are mainly involved in the use of special equipment such as crane in coal mining machine product business. We have formulated “Safety Management System for Crane Operation (Amendment)”, “Bridge Crane Inspection and Maintenance system” and other systems, in order to conduct regular daily inspection and maintenance of special equipment and assess the performance of safety administrators.

To prevent critical safety issue, we adopt mechanized production and automation control to replace manual works. As of 31 December 2017, coal mining machine business had bought 75 welding robots on a cumulative basis. In 2018, we intend to keep purchasing welding robots and complete maximization of welding robot usage as a substitute for manual works. Hence, we can reduce number of direct workers and accident occurrence, and ensure that safe production proceed smoothly.

員工責任(續)

安全與健康(續)

安全健康意識提升

為有效降低安全事故及職業病的發生，首先需要提高員工的安全健康意識。我們通過以下措施提升員工健康安全意識：

- 每年制定健康安全教育培訓計劃，通過班前會、培訓視頻、專業培訓課程等形式，積極開展安全標準化工作、職業病防護等各種類型的培訓，使安全生產理念在現場切實有效落地，實現「零傷害」的安全生產。如在2017財政年度，鄭煤機本部邀請安監管理系統專家，針對本部中層以上的管理人員，開展安全管理體系和安全法規專題解讀會議。
- 對於重點事故高發區、已發生事故的重點部位和設備，鄭煤機做好重點防範工作和應急準備，及時更新應急器材和藥品。並且我們不定時組織應急演練保證事故發生時現場人員能快速反應，最大限度地減少人員受傷的可能與事故損失。如在2017財政年度，鄭煤機本部共開展綜合性應急演練4次，專項應急演練24次。

安全防範

我們的安全隱患主要存在於煤機機械產品業務的起重機等特種設備使用。我們制定了《起重機安全管理制度操作篇(修訂)》、《天車檢查保養制度內容》等制度，定期對起重機等特種設備進行日常檢查和保養維修，對特種設備安全管理員履行職責情況實施考核。

為防範重特大安全事故，我們採用機械化生產和自動化控制來代替人工作業。截至2017年12月31日，煤機機械產品業務已累計購置焊接機器人75台，計劃在2018年繼續購置焊接機器人並全面形成焊接機器人最大化代替人工作業的新局面，減少直接作業的人員，降低事故的發生，確保安全生產順利進行。

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Responsibility towards Staff (Continued)

Safety and Health (Continued)

Occupational Disease Prevention and Treatment

By formulating “the Prevention and Treatment of Occupational Diseases Management Regulations”, we reduce the harms of occupational diseases and build up a healthy workplace for our staff members. We launch health lectures on an irregular basis to popularize health knowledge, spread health philosophy, help staff members understand their own health status and give staff members medical assistance for mitigating latent diseases.

The major occupational hazard of ZMJ is the dust produced from the welding process in coal-mining machine business. In FY2017, ZMJ spent more than RMB1 million on full maintenance and modification of dust removal system so that we could reduce the amount of harmful dust in manufacturing workshop and the frequencies and density that our staff members had contact with harmful dust. In addition, ZMJ attempted to replace normal oil paint with water paint and reform the craftsmanship, so that our staff members could reduce their contact with harmful substances such as benzene.

員工責任(續)

安全與健康(續)

職業病防治

我們通過制訂《職業病防治管理規定》，降低職業病危害，為員工營造健康的工作環境。我們會不定期開展健康講座，普及健康知識，傳播健康理念，幫助員工瞭解其自身身體狀況，及時對員工進行健康干預來降低疾病隱患。

鄭煤機主要的職業危害因素是煤機機械產品業務在焊接過程中產生的粉塵。2017財政年度，鄭煤機投入人民幣100餘萬專項資金，對除塵系統進行全面維護和升級改造，減少生產車間的有害粉塵，減少作業人員的接觸濃度和頻率。此外，鄭煤機本部試用水性漆取代普通油漆，並且對工藝進行革新，減少員工與苯等有害因素的接觸。



Community Responsibility

While we improve the quality of our service and pursue growth in our company, we insist on building up good community relations. We have been paying attention to community relations maintenance, the life of the elderly and other aspects for a long period of time. We have shared the result of our development with the public in proactive fulfillment of our social responsibility.

Community Relations Maintenance

While we are devoted to production operation, we earnestly support charitable activities, show care for the harmonious development in our community and actively participate in community service, which become a series of regular activities.

我們在搞好生產經營的同時，大力支持社會慈善活動，關注社區的和諧發展，積極參與社區服務，形成一系列慣例活動。

In order to enhance the charity awareness and donation concept of our staff members, we hold related charitable activities each year. In FY2017, our subsidiary ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. held a one-day donation activity and voluntary blood donation activity, and donated RMB80,000 to Yizheng Red Cross.

為了增強員工的慈善意識和奉獻觀念，我們每年都會開展相關慈善活動。2017財政年度，我們的附屬公司亞新科儀征雙環活塞環有限責任公司，開展了慈善一日捐活動和義務獻血活動，向儀征紅十字會捐贈人民幣80,000元。

We actively participate in community development and make contribution to the improvement of community infrastructure. In FY2017, our subsidiary company ASIMCO Shuanghuan (Yizheng) Co., Ltd. donated RMB20,000 to "Chen Ji Zhen Da Fang Cun" poverty alleviation project for upgrading village road and lamp posts. To improve the environment and lives of residents in neighboring village, our subsidiary Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. donated RMB45,000 to "Huai Xi Cun".

我們積極參與社區建設，為社區的基礎設施的完善貢獻自己的一份力。2017財政年度，我們的附屬公司亞新科儀征雙環有限公司向陳集鎮大房村扶貧項目捐贈人民幣20,000元，用於幫助村裏升級村級道路和改善路燈照明。為改善毗鄰村莊居民的生活和環境，我們的附屬公司鄭州煤機綜機設備有限公司向槐西村捐款人民幣45,000元。

社區責任

我們在提升服務質量、追求企業成長的同時，堅持與社會社區建立聯繫，我們長期關注社區關係維護、老年人生活等方面，將發展成果與社會共享，積極履行公司的社會責任。

社區關係維護



Photo: ASIMCO (Anhui) visiting elderly people in Zhong Xi elderly home
圖為亞新科安徽在中溪敬老院慰問老人

Environmental, Social and Governance Report

環境、社會及管治報告



Community Responsibility (Continued)

Caring for the Elderly

Showing care for the elderly and children is Chinese traditional virtue, so retired employees and elderlies are our target caring group.

In FY2017, ZMJ visited elderly and retired employees in Spring Festival greetings and gave them New Year's blessing.

Since 2013, our subsidiary ASIMCO NVH Technologies (Anhui) Co., Ltd. ("ASIMCO Anhui") had visited Zhong Xi elderly home for 5 consecutive years. We not only gave the elderly people daily necessities, but also showed our care and blessing for them. In FY2017, we donated RMB50,000 to Zhong Xi elderly home.

In addition, we focus on reducing the impact of noise from our production processes on the surrounding community. The key noise of ZMJ includes the noise from machines, the noise from compressed gas, the noise from audible and visible alarm apparatus, traffic noise and the noise from ventilation facilities. We have adopted basic vibration reduction, confinement and insulation measures for noisy equipment. For the noise level at the boundaries of our plants, the daytime noise level is less than 65 dB and nighttime noise level is less than 55dB, which satisfy the requirements under the Class 2 standards and limits of the "Emission Standard for Industrial Enterprises Noise at Boundary of the PRC" (《中華人民共和國工業企業廠界環境噪聲排放標準》), suggesting minimal impact the noise had on the surrounding community.

社區責任(續)

關愛老人

關老愛幼是中華傳統美德，老人、離退休職工是我們的重點關照群體。

2017財政年度，我們的鄭煤機本部在春節拜訪慰問了社區的老人和退休的職工，給他們送去新春祝福。

我們的附屬公司亞新科噪聲與振動技術(安徽)有限公司(「亞新科安徽」)從2013年起，連續5年前往中溪敬老院慰問老人，不僅為老人送去日常所需用品，還送去了愛心和祝福，2017財政年度我們向中溪敬老院共捐贈人民幣50,000元。

此外，我們注重減少生產過程中的噪聲對周邊社區的影響。我們產生的主要噪聲包括機械噪聲、壓縮氣體噪聲、聲光報警噪聲、車輛行駛噪聲、抽風設施噪聲等。我們對於高噪聲設備採取基礎減震、密閉、隔聲等措施降噪。廠界晝間噪聲測量小於65 dB、夜間小於55 dB，均符合《中華人民共和國工業企業廠界環境噪聲排放標準》的二類標準限值要求，對周邊社區環境的噪聲影響很小。

ESG Data Index

ESG數據總覽

ESG Data Index for FY2017

2017財政年度ESG數據總覽

Emission

排放

Total greenhouse gas emissions (scopes 1 & 2) (tons)	溫室氣體排放總量(範圍1 & 範圍2)(噸)	118,581.76
Total direct greenhouse gas emissions (scope 1)	直接溫室氣體排放總量(範圍1)	10,617.77
Total indirect greenhouse gas emissions (scope 2)	間接溫室氣體排放總量(範圍2)	107,963.99
The average greenhouse gas emissions per person (tons/person)	僱員人均溫室氣體排放量(噸/人)	13.09
Total exhaust gas emissions (tons)	廢氣排放量總量(噸)	202.15
Total PM emissions	PM排放總量	92.94
Total SO_x emissions	SO_x 排放總量	48.82
Total paint gas emissions	噴漆廢氣排放總量	49.41
Total toluene emissions	甲苯排放總量	8.62
Total NO_x emissions	NO_x 排放總量	2.36
Total amount of hazardous waste disposal (tons)	有害廢棄物排放總量(噸)	1,887.57
The average density of hazardous waste disposal per person (tons/person)	僱員人均有害廢棄物排放密度(噸/人)	0.21
Total amount of non-hazardous waste disposal (tons)	無害廢棄物排放總量(噸)	9,276.26
The average density of non-hazardous waste disposal per person (tons/person)	僱員人均無害廢棄物排放密度(噸/人)	1.02

Water Resources Consumption

水資源消耗

Total water consumption (cubic meters)	總耗水量(立方米)	9,740,509.60
Fresh water (cubic meters)	新鮮汲取的水(立方米)	1,826,236.60
Recycled water (cubic meters)	循環利用的水(立方米)	7,914,273.00
The average water consumption density per person (cubic meters/person)	僱員人均耗水量密度(立方米/人)	1,075.6

Energy Consumption

能源消耗

Total energy consumption (1,000 kWh)	能源消耗總量(千個千瓦時)	215,531.56
Electricity	電力	174,011.20
Natural gas	天然氣	41,520.36
The average energy consumption density per person (1,000 kWh/person)	僱員人均能源消耗密度(千個千瓦時/人)	23.80

Packaging Materials

包裝材料

Total volume of packaging materials (tons)	包裝材料總量(噸)	1,268.73
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Environmental, Social and Governance Report

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ESG Data Index (Continued)

ESG數據總覽(續)

ESG Data Index for FY2017

2017財政年度ESG數據總覽

Recruitment

僱傭

Total number of staff member	僱員總數	9,056
By gender	按性別	
Male	男	6,871
Female	女	2,185
By age group	按年齡組別	
Below 30	30歲以下	2,713
Aged 30 to 50	30歲至50歲	5,422
Above 50	50歲以上	921
Staff turnover ratio	僱員流失比例	13%

Development

發展

The percentage of employees trained	受訓僱員百分比	
By gender	按性別	
Male	男	80%
Female	女	85%
By employee category	按僱員類型	
Senior management	高級管理層	100%
Middle management	中級管理層	93%
Ordinary staff	普通員工	90%
The average training hours completed per employee	每名僱員完成受訓的平均時數	
By gender	按性別	
Male	男	21
Female	女	29
By employee category	按僱員類型	
Senior management	高級管理層	42
Middle management	中級管理	33
Ordinary management	普通員工	17

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF ZHENGZHOU COAL MINING MACHINERY GROUP COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability)

致鄭州煤礦機械集團股份有限公司股東

(於中華人民共和國註冊成立之有限公司)

Opinion

We have audited the consolidated financial statements of Zhengzhou Coal Mining Machinery Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 127 to 231, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

意見

本行已審核載列於第127至231頁鄭州煤礦機械集團股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，其包括於二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表、以及綜合財務報表的附註(包括重大會計政策概要)。

本行認為，該等綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基準

本行已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「守則」)，本行獨立於 貴集團，並已履行守則中的其他道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。

關鍵審計事項

關鍵審計事項為根據本行的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會對該等事項提供獨立的意見。

Independent Auditor's Report

獨立核數師報告

Key audit matters (Continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Impairment of trade receivables 貿易應收款項減值

We identified impairment of trade receivables as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the use of judgment and estimates in assessing the recoverability of trade receivables.

In determining the allowance for trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

As at 31 December 2017 the carrying amount of trade receivables was RMB2,525,369,000, which was after of allowance for doubtful debts of RMB1,001,141,000.

The relevant disclosures are set out in notes 4 and 31 to the consolidated financial statements.

本行認為貿易應收款項減值為關鍵審計事項，原因為其整體對財務報表結餘的重要性，加上評估貿易應收款項是否可收回時使用的判斷及估計有關。

於釐定貿易應收款項撥備時，管理層會考慮信貸記錄，包括拖欠或延期付款、結算記錄、其後結算及貿易應收款項之賬齡分析。

於二零一七年十二月三十一日，貿易應收款項的賬面值為人民幣2,525,369,000元，扣除呆賬撥備人民幣1,001,141,000元。

貿易應收款項的相關披露載於綜合財務報表附註4及31。

Our audit procedures in relation to impairment of trade receivables included:

- Obtaining an understanding of how allowance for doubtful debts is estimated by the management and testing the key controls in relation to impairment of trade receivables including: preparation and periodic review of the aging analysis, analyzing reason and follow-up actions taken to recover overdue debts;
- Understanding the reasons for those past due but not impaired trade receivable balances and assessing the reasonableness of recoverability of those trade receivables with reference to the credit history of the customers, including default or delay in payments, settlement records;
- Assessing the reasonableness of the key assumptions in determining management's provision for future defaults, including any observed changes in credit quality in the current year; and
- Reviewing and testing the aging analysis of the trade receivables, on a sample basis, to the source documents.

本行有關貿易應收款項減值的程序包括：

- 了解管理層如何估計呆賬撥備，並檢測就貿易應收款項減值的重要監控，包括：編製及定期審閱賬齡分析、分析原因、以及就收回逾期債務所採取的行動；
- 了解過往已逾期但未減值貿易應收款項結餘的原因，並參考客戶過往信貸記錄(包括拖欠或延期付款、結算記錄)以評估該等貿易應收款項可收回性的合理性；
- 評估管理層就未來拖欠(包括年內的逾期債務的預期可收回率及任何可見的信用素質變動)的關鍵假設的合理性；及
- 審閱及測試貿易應收款項的賬齡分析。

Key audit matters (Continued)

關鍵審計事項(續)

Key audit matter
關鍵審計事項

How our audit addressed the key audit matter
我們的審計如何處理關鍵審計事項

Annual Impairment assessment on goodwill
年度商譽減值評估

We identified the annual impairment assessment on carrying value of goodwill as a key audit matter because the assessment and conclusion as determined based on value-in-use calculation required significant management judgement with respect to the discount rates and assumptions adopted in the underlying cash flows of each cash-generating-unit, in particular, business development plan and future revenue growth.

As at 31 December 2017, the carrying amount of goodwill amounted to RMB345,768,000, which arise from the acquisitions of six entities in the auto-parts industry during the current year. An annual impairment assessment has been performed by the management, including the assessment of the recoverable amounts in relation to the relevant cash-generating-unit determined based on a value-in-use calculation and the management determines that there is no impairment of the relevant cash-generating-unit containing goodwill for the year ended 31 December 2017.

The relevant disclosures are set out in notes 4 and 19 to the consolidated financial statements.

本行將商譽賬面值的年度減值評估識別為關鍵審計事項，原因為按照使用價值計算而釐定的評估與結論要求就有關貼現率以及每個現金生產單位(尤其是業務發展計劃及未來收入增長)的有關現金流所採納的假設作出的重大管理判斷。

於二零一七年十二月三十一日，商譽賬面值為人民幣345,768,000元，產生自本年度收購汽車零部件行業的六家實體。年度減值評估由管理層進行，包括評估有關按照使用價值計算而釐定的有關現金生產單位的可收回金額，而管理層釐定，截至二零一七年十二月三十一日止年度，包含商譽的有關現金產生單位並無減值。

相關披露載列於綜合財務報表附註4及19。

Our audit procedures in relation to management's impairment assessment included:

- Assessing whether the discounted cash flow method used by the management to calculate the value-in-use calculation of the individual cash-generating-unit is in compliance with the requirements of International Accounting Standards 36 ("IAS 36") Impairment of Assets; and
- Assessing the reasonableness of the key assumptions used by the management in determining the value in use of the individual cash-generating-unit including discount rate, growth rate and budgeted sales.

本行有關管理層的減值評估的審計程序包括：

- 評估管理層用作計算個別現金生產單位使用價值計算的及現金流量貼現分析是否符合國際會計準則第36號資產減值的要求；及
- 評估管理層釐定個別現金生產單位的使用價值所用的關鍵假設(包括貼現率、增長率及預算銷售額)的合理性。

Independent Auditor's Report 獨立核數師報告

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the consolidated financial statements

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及本行載於其中的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的保證結論。

就本行對綜合財務報表的審計，本行的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本行在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。本行就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督貴集團的財務報告過程。

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表須承擔的責任

本行的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，並按照協定的委聘條款僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本行概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，本行運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。

Independent Auditor's Report 獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Kay Man Wo, Dick.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
29 March 2018

核數師就審計綜合財務報表須承擔的責任(續)

- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督及執行。本行為審計意見承擔全部責任。

本行與治理層溝通審計的計劃範圍及時間以及重大審計發現等，其中包括本行在審計中識別出內部控制的任何重大不足之處。

本行亦向治理層提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

從與治理層溝通的事項中，本行確定該等對本期綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。本行在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於本行之報告中註明某事項造成的負面後果超過產生的公眾利益，則本行決定不應在報告中註明該事項。

出具獨立核數師報告的審計項目合夥人為紀文和。

德勤•關黃陳方會計師行
執業會計師

香港
二零一八年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		NOTES 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	5	7,546,701	3,628,530
Cost of sales	銷售成本		(5,899,296)	(2,915,417)
Gross profit	毛利		1,647,405	713,113
Other income	其他收入	7	112,116	101,867
Other gains and losses	其他收益及虧損	8	53,747	(168,711)
Selling and distribution expenses	銷售及分銷開支		(400,069)	(187,964)
Administrative expenses	行政開支		(709,650)	(300,376)
Research and development expenses	研發費用		(265,434)	(102,474)
Share of profit (loss) of associates	應佔聯營公司溢利(虧損)		18,399	(18,113)
Share of profit of a joint venture	應佔合營企業溢利		6,193	42
Finance costs	融資成本	9	(39,681)	–
Profit before tax	除稅前溢利		423,026	37,384
Income tax expense	所得稅開支	10	(82,866)	(736)
Profit for the year	年內溢利	11	340,160	36,648
Other comprehensive (expense) income:	其他全面(開支)收入：			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可能於其後重新分類至損益之項目：</i>			
Exchange differences arising on translation	換算產生之匯兌差額		(5,576)	5,250
Fair value gain on available-for-sale financial assets	可供出售之金融資產公平值收益		13,290	6,541
Realisation of cash flow hedges	現金流量對沖變現		(71,020)	71,020
Share of fair value gain on available-for-sale financial assets of an associate, net of related income tax	應佔一間聯營公司可供出售之金融資產公平值收益，扣除所得稅		22,730	19,787
Other comprehensive (expense) income for the year, net of income tax	年內其他全面(開支)收入，扣除所得稅		(40,576)	102,598
Total comprehensive income for the year	年內全面收入總額		299,584	139,246
Profit for the year attributable to:	以下人士應佔年內溢利：			
Owners of the Company	本公司股東		284,250	61,997
Non-controlling interests	非控股權益		55,910	(25,349)
			340,160	36,648
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收入總額：			
Owners of the Company	本公司股東		243,674	164,595
Non-controlling interests	非控股權益		55,910	(25,349)
			299,584	139,246
EARNINGS PER SHARE	每股盈利			
– Basic (RMB cents)	– 基本(人民幣分)	15	16.67	3.82

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

	NOTES 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	2,714,133	1,390,786
Prepaid lease payments	預付土地租賃款項	17	508,559	317,752
Investment properties	投資物業	18	44,009	45,598
Goodwill	商譽	19	345,768	–
Intangible assets	無形資產	20	558,499	2,260
Investments in associates	於聯營公司之投資	21	449,089	431,416
Investments in a joint venture	於合營企業之投資	22	34,099	–
Available-for-sale investments	可供出售之投資	23	50,580	36,669
Deferred tax assets	遞延稅項資產	24	242,246	197,742
Finance lease receivables	融資租賃應收款項	26	38,476	51,482
Long-term receivables	長期應收款項	27	152,354	46,782
Loan receivables from associates and a joint venture	應收聯營公司及一間合營企業之貸款	28	19,750	–
Prepayment for acquisition of a subsidiary	收購一間附屬公司之預付款項	29	3,345,626	–
			8,503,188	2,520,487
CURRENT ASSETS	流動資產			
Prepaid lease payments	預付土地租賃款項	17	11,551	7,405
Debt investment	債務投資	25	–	416,631
Finance lease receivables within one year	一年內融資租賃應收款項	26	31,475	39,146
Long-term receivables within one year	一年內到期的長期應收款項	27	141,857	131,726
Loan receivables from associates and a joint venture	應收聯營公司及一間合營企業之貸款	28	34,000	64,000
Inventories	存貨	30	1,832,133	827,794
Trade and other receivables	貿易及其他應收款項	31	5,893,072	3,648,445
Transferred trade receivables	已劃轉的貿易應收款項	38	225,297	180,322
Derivative financial instruments	衍生金融工具	32	–	71,020
Other financial assets	其他金融資產	33	62,000	1,085,000
Tax recoverable	可收回稅項		17,374	247
Pledged bank deposits	已抵押銀行存款	34	867,795	253,550
Bank balances and cash	銀行結餘及現金	34	1,831,587	2,682,402
			10,948,141	9,407,688
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	35	4,432,701	1,721,669
Advances from customers	客戶按金		814,717	253,519
Tax liabilities	稅項負債		27,888	9,385
Borrowings	借貸	36	191,000	–
Provisions	撥備	37	113,217	–
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	38	225,297	180,322
			5,804,820	2,164,895
NET CURRENT ASSETS	流動資產淨值		5,143,321	7,242,793
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		13,646,509	9,763,280

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		NOTES 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES				
	非流動負債			
Borrowings	借貸	36	818,000	-
Deferred tax liability	遞延稅項負債	24	142,683	-
Obligation to acquire non-controlling interests	收購非控股權益之義務	39	1,066,617	-
Other non-current liabilities	其他非流動負債		43,902	4,750
			2,071,202	4,750
NET ASSETS			11,575,307	9,758,530
CAPITAL AND RESERVES				
	股本及儲備			
Share capital	股本	40	1,732,471	1,621,122
Share premium	股份溢價		4,199,421	3,409,354
Reserves	儲備		4,868,314	4,643,697
Equity attributable to owners of the Company	本公司股東應佔權益		10,800,206	9,674,173
Non-controlling interests	非控股權益	41	775,101	84,357
TOTAL EQUITY			11,575,307	9,758,530

The consolidated financial statements on pages 127 to 231 were approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

載列於第127至231頁的綜合財務報表於二零一八年三月二十九日經董事會批准及授權刊發，並由下列人士代表簽署：

Jiao Chengyao
焦承堯
DIRECTOR
董事

Jia Hao
賈浩
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Share capital	Share premium	Revaluation reserve	Statutory surplus reserve	Translation reserve	Cash flow hedging reserves	Other reserves	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
		股本	股份溢價	重估儲備	法定盈餘儲備	匯兌儲備	現金流量對沖儲備	其他儲備	保留盈利	本公司擁有人應佔	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
					(note a) (附註a)		(note c) (附註c)	(note b) (附註b)				
At 1 January 2017	於二零一七年一月一日	1,621,122	3,409,354	26,328	552,539	3,365	71,020	97,877	3,892,568	9,674,173	84,357	9,758,530
Profit for the year	年內溢利	-	-	-	-	-	-	-	284,250	284,250	55,910	340,160
Other comprehensive income (expense) for the year	年內其他全面收入(開支)	-	-	36,020	-	(5,576)	(71,020)	-	-	(40,576)	-	(40,576)
Total comprehensive income (expense) for the year	年內其他全面收入(開支)總額	-	-	36,020	-	(5,576)	(71,020)	-	284,250	243,674	55,910	299,584
Issue of A shares for acquisition of subsidiaries (note 40)	發行A股以收購附屬公司(附註40)	93,220	652,542	-	-	-	-	-	-	745,762	-	745,762
Issue of A shares (note 40)	發行A股(附註40)	18,129	137,525	-	-	-	-	-	-	155,654	-	155,654
Acquisition of subsidiaries (note 47)	收購附屬公司(附註47)	-	-	-	-	-	-	-	-	-	634,834	634,834
Transfer	轉撥	-	-	-	17,236	-	-	-	(17,236)	-	-	-
Dividends (note 14)	股息(附註14)	-	-	-	-	-	-	-	(19,057)	(19,057)	-	(19,057)
At 31 December 2017	於二零一七年十二月三十一日	1,732,471	4,199,421	62,348	569,775	(2,211)	-	97,877	4,140,525	10,800,206	775,101	11,575,307
At 1 January 2016	於二零一六年一月一日	1,621,122	3,409,354	-	525,072	(1,885)	-	77,902	3,871,007	9,502,572	119,887	9,622,459
Profit for the year	年內溢利	-	-	-	-	-	-	-	61,997	61,997	(25,349)	36,648
Other comprehensive income for the year	年內其他全面收入	-	-	26,328	-	5,250	71,020	-	-	102,598	-	102,598
Total comprehensive income for the year	年內其他全面收入總額	-	-	26,328	-	5,250	71,020	-	61,997	164,595	(25,349)	139,246
Contribution from ultimate controlling party of the Company	本公司最終控制方之出資	-	-	-	-	-	-	20,000	-	20,000	-	20,000
Transfer	轉撥	-	-	-	27,467	-	-	-	(27,467)	-	-	-
Disposal of a subsidiary	出售一家附屬公司	-	-	-	-	-	-	-	-	-	(10,181)	(10,181)
Dividends (note 14)	股息(附註14)	-	-	-	-	-	-	-	(12,969)	(12,969)	-	(12,969)
Others	其他	-	-	-	-	-	-	(25)	-	(25)	-	(25)
At 31 December 2016	於二零一六年十二月三十一日	1,621,122	3,409,354	26,328	552,539	3,365	71,020	97,877	3,892,568	9,674,173	84,357	9,758,530

Note a: In accordance with the Company Law of PRC and the Articles of Association of the Company and all subsidiaries established in the PRC, the Company and these subsidiaries are required to transfer 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the Company and these subsidiaries.

Note b: The other reserves mainly represent the contribution from the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government, the ultimate controlling party of the Company, and is recognised as contribution from the ultimate controlling party of the Company.

Note c: The cash flow hedging reserve presents the cumulative effective portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains and losses arising on changes in fair value of the hedging instrument that are recognised and accumulate under the cash flow hedging reserve will be reclassified to profit or loss only when the hedged item affects the profit or loss, or is included as an adjustment to the non-financial hedged item.

附註a: 根據中國公司法及本公司及其所有中國附屬公司的章程細則, 本公司及該等附屬公司需要將法定財務報表所呈報的除稅後溢利撥出10%至法定盈餘儲備, 直至法定盈餘儲備已達相關公司的註冊資本50%為止。進行轉撥必須在向權益持有人分派股息前進行。法定盈餘儲備可用於彌補以前年度的虧損, 擴充現有營運或轉為本公司及該等附屬公司的額外資本。

附註b: 其他儲備主要指本公司的最終控制方河南省政府國有資產監督管理委員會的出資, 並確認為本公司最終控制方之出資。

附註c: 現金流量對沖儲備指對沖工具進入現金流量對沖後產生之公平值變動的收益及虧損的累計有效部分。已確認及於現金流量對沖儲備累計的對沖工具之公平值變動的累計收益及虧損僅在對沖項目影響損益時方會重新分類至損益, 或計入非財務對沖項目的調整之內。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	423,026	37,384
Adjustments for:	調整：		
Finance costs	融資成本	39,681	-
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項及融資租賃應收款項之利息收入	(65,072)	(82,483)
Interest income on debt investment	債務投資之利息收入	(13,142)	(13,398)
Share of (profit) loss of associates	應佔聯營公司(溢利)虧損	(18,399)	18,114
Share of profit of a joint venture	應佔合營企業溢利	(6,193)	(42)
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	5,883	(4,007)
Gain on disposal of a subsidiary	出售附屬公司之收益	-	(14,274)
Gain on disposal of an associate	出售一家聯營公司之收益	-	(26)
Gain on disposal of an available-for-sale investment	出售可供出售投資之收益	(2,730)	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	249,275	174,970
Depreciation of investment properties	投資物業折舊	1,589	1,589
Amortisation of intangible assets	無形資產之攤銷	54,689	2,062
Release of prepaid lease payments	預付土地租賃款項撥回	12,275	8,823
(Reverse) Allowance provided for doubtful debts	呆賬(撥回)撥備	(139,007)	230,296
Write-down of inventories	存貨撇銷	9,728	14,544
Impairment of available-for-sale investments	可供出售投資之減值	-	1,046
Effect of foreign exchange rate changes	匯率變動之影響	70,789	(65,510)
Operating cash flows before movements in working capital	營運資金變動前之營運現金流量	622,392	309,088
(Increase) decrease in inventories	存貨(增加)減少	(525,085)	281,756
Increase in trade and other receivables	貿易及其他應收款項增加	(896,685)	(76,177)
(Increase) decrease in long-term receivables and finance lease receivables	長期應收款項及融資租賃應收款項(增加)減少	(95,026)	69,314
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	1,704,741	(238,628)
Increase in advances from customers	客戶按金增加	540,510	55,333
Cash generated from operations	經營業務所得現金	1,350,847	400,686
Income tax paid	已付所得稅	(112,982)	(39,801)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	1,237,865	360,885

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項及融資租賃應收款項之利息收入	63,873	64,386
Interest income on debt security	債務證券之利息收入	16,009	13,453
Government grants related to assets received	有關所得資產之政府補助	5,530	-
Payment for prepaid acquisition of a subsidiary	預付收購一家附屬公司之付款	(3,345,626)	-
Dividends received from associates	已收聯營公司股息	5,913	950
Proceeds on disposal of a subsidiary	出售一家附屬公司之收益	-	19,216
Proceeds on disposal of an associate	出售一家聯營公司之收益	-	3,782
Proceeds on disposal of an available-for-sale investment	出售可供出售投資所得款項	3,150	-
Proceeds on disposal of debt investment	出售債務投資所得款項	391,751	-
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	32,511	11,378
Purchases of property, plant and equipment	購置物業、廠房及設備	(414,887)	(74,399)
Payments for prepaid lease payments	預付租賃款項之付款	(15,217)	-
Purchases of other intangible assets	購置其他無形資產	(2,148)	(103)
Purchase of other financial assets	購買其他金融資產	(3,412,000)	(4,334,000)
Proceeds on other financial assets	其他金融資產所得款項	4,435,000	4,312,000
Payments for loan receivables from a joint venture	應收一家合營企業貸款之付款	(10,000)	-
Repayment of loan receivables from a joint venture	應收一家合營企業貸款之還款	9,231	-
Net cash outflow on acquisition of subsidiaries (note 47)	收購附屬公司之現金流出淨額(附註47)	(1,428,063)	-
Payments for establishment of an associate	成立一家聯營公司之付款	(1,748)	-
Placement of bank deposits with original maturity over three months	存放原到期日三個月以上的銀行存款	(86,410)	(50,000)
Withdrawal of bank deposits with original maturity over three months	提取原到期日三個月以上的銀行存款	50,000	285,000
Payment of pledged bank deposits	支付已抵押銀行存款	(2,104,696)	(431,864)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	1,494,728	456,394
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得現金淨額	(4,313,099)	276,193

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
FINANCING ACTIVITIES			
	融資活動		
Proceeds from issue of placing A shares	發行配售A股所得款項	157,907	-
Payment of issue costs for placing A shares	配售A股發行成本之付款	(2,253)	-
Contribution from ultimate controlling party of the Company	本公司最終控制方注資	-	20,000
Proceeds from non-controlling shareholders of subsidiaries for joint investment (note 39)	就聯合投資自附屬公司非控股股東所得款項(附註39)	1,066,617	-
Proceeds received from the equipment leasing companies (note 38)	自設備租賃公司所得款項(附註38)	149,975	223,166
Proceeds from new borrowings raised	新借貸所得款項	1,016,000	-
Repayment of borrowings	償還借貸	(95,000)	-
Interest paid	已付利息	(40,271)	-
Dividends paid	已付股息	(19,057)	(12,969)
NET CASH FROM FINANCING ACTIVITIES (note 48)		2,233,918	230,197
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(841,316)	867,275
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(45,909)	38,906
CASH AND CASH EQUIVALENTS AT 1 JANUARY		2,632,402	1,726,221
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash (note 34)		1,745,177	2,632,402

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

1. General information

Zhengzhou Coal Mining Machinery Group Company Limited (the “Company”) was established in the People’s Republic of China (the “PRC”) on 28 December 2008 as a joint stock company with limited liability under the Company Law of the PRC after a reorganisation of Zhengzhou Coal Mining Machinery Group Co., Ltd., a state owned enterprise in the PRC. On October 28 2015, 32.14% of the Company’s total issued share capital held by the State-owned Assets Supervision and Administration Commission of Henan Provincial People’s Government (“Henan SASAC”) were transferred to Henan Machinery Investment Group, a wholly-owned subsidiary of Henan SASAC. In the opinion of the directors of the Company, upon completion of the share transfer, the parent of the Company is Henan Machinery Investment Group and its ultimate controlling party is Henan SASAC of the PRC Government.

On 3 August 2010, the Company completed its initial public offering and listing of 140,000,000 A shares on the Shanghai Stock Exchange under the stock code 601717.SS. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 5 December 2012.

The respective addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section of the annual report. During the current year, the Company has acquired equity interests of six entities in the auto-parts industry. Upon completion of the acquisition, the Company and its subsidiaries (collectively the “Group”) has duly entered the auto parts market and is engaged in two principal businesses of coal mining machinery and auto parts.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and its principal subsidiaries. Details of the Company’s particulars of principal subsidiaries of the Company are set out in note 52.

2. Application of new and revised international financial reporting standards (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 2	As part of the Annual Improvements to IFRSs 2014–2016 Cycle

1. 一般資料

鄭州煤礦機械集團股份有限公司(「本公司」)於中華人民共和國(「中國」)國有企業鄭州煤礦機械集團有限責任公司重組後，根據中國公司法於二零零八年十二月二十八日在中國成立為股份有限公司。於二零一五年十月二十八日，由河南省人民政府國有資產監督管理委員會(「河南國資委」)持有之本公司已發行股本總額的32.14%轉讓予河南省國資委之全資附屬公司河南機械裝備投資集團。本公司董事認為，在股份轉讓完成後，本公司母公司為河南機械裝備投資集團，其最終控制方是中國政府轄下之河南國資委。

於二零一零年八月三日，本公司完成140,000,000股A股首次公開發售並在上海證券交易所上市(股份代號601717.SS)。本公司於二零一二年十二月五日在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司相關註冊辦事處地址及主要營業地點於年報「公司資料」一節披露。於本年度，本公司已收購汽車零部件行業中六家實體的股權。收購完成後，本公司與其附屬公司(合稱「本集團」)已正式跨入汽車零部件市場，並從事煤礦機械及汽車零部件兩大主業。

綜合財務報表以人民幣(「人民幣」)呈列，與本公司及其主要附屬公司之功能貨幣相同。本公司主要附屬公司之詳情載於附註52。

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂

於本年度強制生效的國際財務報告準則修訂

本集團已於本年度首次應用下列由國際會計準則理事會頒佈的國際財務報告準則：

國際會計準則	披露計劃
第7號的修訂	
國際會計準則	確認未變現虧損之遞延稅項
第12號的修訂	資產
國際財務報告準則	二零一四年至二零一六年週期
第12號的修訂	國際財務報告準則之年度改進的一部分

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

Amendments to IFRSs that are mandatorily effective for the current year (Continued)

Except as described below, the application of amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IAS 7 disclosure initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 48. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 48, the application of these amendments has had no impact on the Group’s consolidated financial statements.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

於本年度強制生效的國際財務報告準則修訂(續)

除下文所闡述外，於本年度內應用國際財務報告準則的修訂對本年度及過往年度的財務表現及狀況及／或於該等綜合財務報表內所載的披露資料並無重大影響。

國際會計準則第7號的修訂披露計劃

本集團於本年度首次應用該等修訂。該等修訂規定實體作出披露，以便財務報表使用者可評估因融資活動而產生的負債變動，包括現金及非現金變動。此外，該等修訂亦規定，倘金融資產的現金流量或未來現金流量將計入融資活動的現金流量，則須披露有關金融資產的變動。

具體而言，該等修訂規定披露下列各項：(i) 融資現金流量的變動；(ii) 取得或失去附屬公司或其他業務控制權所引起的變動；(iii) 外幣匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

有關該等項目年初及年末結餘的對賬將載於附註48。根據修訂的過渡條文，本集團並無披露去年的比較資料。除附註48所載額外披露外，應用該等修訂並無對本集團的綜合財務報表造成影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

New and Revised IFRSs and International Financial Reporting Interpretations Committee (“IFRIC”) in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRSs	
IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
IFRS 16	Leases ²
IFRS 17	Insurance Contracts ⁴
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
IFRIC 23	Uncertainty over Income Tax Treatments ²
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ¹
Amendments to IFRS 9	Prepayment Features with Negative Compensation ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014–2016 Cycle ¹
Amendments to IAS 40	Transfers of Investment Property ¹
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015–2017 Cycle ²

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

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

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2021

Except for the new and amendments to IFRSs and Interpretations mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

已頒佈但尚未生效的新訂國際財務報告準則及國際財務報告詮釋委員會(「國際財務報告詮釋委員會」)詮釋以及其修訂

本集團並無提早應用以下已頒佈但未生效之新訂的國際財務報告準則及其修訂：

國際財務報告準則	
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第15號	客戶合約之收入及相關修訂 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告準則第17號	保險合同 ⁴
國際財務報告詮釋委員會詮釋第22號	外幣交易與預收(付)對價 ¹
國際財務報告詮釋委員會詮釋第23號	所得稅處理的不確定性 ²
國際財務報告準則第2號的修訂	股份付款交易的分類及計量 ¹
國際財務報告準則第4號的修訂	採用國際財務報告準則第4號保險合約時一併應用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9號的修訂	提早還款特性及負補償 ²
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
國際會計準則第19號的修訂	計劃修訂、縮減或結算 ²
國際會計準則第28號的修訂	於聯營公司及合營企業的長期權益 ²
國際會計準則第28號的修訂	國際財務報告準則二零一四年至二零一六年週期年度改進的一部分 ¹
國際會計準則第40號的修訂	轉移投資物業 ¹
國際財務報告準則的修訂	國際財務報告準則二零一五年至二零一七年週期的年度改進 ²

¹ 於二零一八年一月一日或之後開始之年度期間生效

² 於二零一九年一月一日或之後開始之年度期間生效

³ 於尚未確定的某個日期或之後開始之年度期間生效

⁴ 於二零二一年一月一日或之後開始之年度期間生效

除下文提及的新訂的國際財務報告準則及闡述及其修訂外，本公司董事預期於可見將來應用所有其他新訂的國際財務報告準則及闡述及其修訂將不會對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

IFRS 9 *Financial instruments*

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial.

Key requirements of IFRS 9 which are relevant to the Group are:

- All recognised financial assets that are within the scope of IAS 39 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair values at subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under IAS 39, Financial Instruments: Recognition and Measurement, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第9號金融工具

國際財務報告準則第9號引進有關金融資產、金融負債、一般對沖會計處理方法及金融資產減值規定之分類及計量之新規定。

與本集團有關的國際財務報告準則第9號關鍵規定如下：

- 所有屬國際會計準則第39號範圍內的須於確認金融資產其後均按攤銷成本或公平值計量。具體而言，目的是收取合約現金流量的業務模式內持有的債務投資，及合約現金流量僅為償還本金及尚未償還本金利息的債務投資，一般於其後會計期末按攤銷成本計量。倘債務工具乃於同時透過收取合約現金流量及出售金融資產而達到目標的業務模式內持有，而其合約條款於特定日期帶來純粹為本金及尚欠本金額利息付款的現金流，則一般按公平值列賬於其他全面收入(「按公平值列賬於其他全面收入」)計量。所有其他金融資產均於其後會計期間結算日按公平值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回之選擇，於其他全面收入呈列權益投資(並非持作買賣者)公平值的其後變動，而一般只有股息收入於損益中確認。

就按公平值計入損益之財務負債之計量而言，國際財務報告準則第9號規定，除非於其他全面收益確認該負債信貸風險變動之影響，會產生或增加損益之會計錯配，否則，因負債之信貸風險改變而導致財務負債公平值金額的變動乃於其他全面收益呈列。因財務負債之信貸風險而導致的公平值變動其後不會重新分類至損益。根據國際會計準則第39號「金融工具：確認與計量」，指定為按公平值計入損益之財務負債之全部公平值變動款額均於損益中確認。

- 就金融資產減值而言，與國際會計準則第39號項下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等信貸虧損之預期變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

IFRS 9 *Financial instruments* (Continued)

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of IFRS 9:

Classification and measurement:

- Loan and receivables carried at amortised cost as disclosed in notes 31: Majority of these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9.
- Listed equity securities classified as available-for-sale investments carried at fair value as disclosed in note 23: these securities are qualified for designation as measured at FVTOCI under IFRS 9 and the Group will measure these securities at fair value at the end of subsequent Reporting Periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the revaluation reserve. However, the fair value gains or losses accumulated in the investments revaluation reserve amounting to RMB62,348,000 as at 1 January 2018 will no longer be subsequently reclassified to profit or loss under IFRS 9, which is different from the current treatment. Upon initial application of IFRS 9, fair value gains and losses representing the difference between the amortised cost and fair value will be adjusted to other comprehensive income as at 1 January 2018.
- Equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in note 23: these securities are qualified for designation as measured at FVTOCI under IFRS 9 and the Group will measure these securities at fair value at the end of subsequent Reporting Periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the revaluation reserve. The directors consider that the fair value of these financial assets as at 1 January 2018 approximate their cost less impairment, so there is no fair value gain or loss relating to these securities would be adjusted to revaluation reserve upon initial application of IFRS 9.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第9號金融工具(續)

基於本集團截至二零一七年十二月三十一日的金融工具及風險管理政策，本公司董事預期首次應用國際財務報告準則第9號將有以下潛在影響：

分類及計量：

- 附註31所披露按攤銷成本列賬的貸款及應收款項：該等貸款及應收款項大多以一業務模式持有，該模式的宗旨是收取僅以本金及未付本金利息付款構成的合約現金流。因此，於應用國際財務報告準則第9號後，該等金融資產於往後將繼續按攤銷成本計量。
- 歸類為可供出售投資之上市股本證券如附註23所披露按公平值列賬：該等證券合資格指定為按公平值計入其他全面收益計量，而本集團將於其後報告期末按公平值計量該等證券，公平值收益或虧損將確認為其他全面收益及於重估儲備累計。然而，根據國際財務報告準則第9號，與現時處理不同，於二零一八年一月一日於投資重估儲備人民幣62,348,000元累計的公平值收益或虧損隨後將不再重新分類至損益賬。於首次應用國際財務報告準則第9號後，代表攤銷成本與公平值之間差額的公平值收益及虧損將會調整至於二零一八年一月一日的其他全面收益。
- 歸類為可供出售投資之股本證券如附註23所披露按成本扣除減值列賬：該等證券合資格指定為按公平值計入其他全面收益計量，而本集團將於其後報告期末按公平值計量該等證券，公平值收益或虧損將確認為其他全面收益及於重估儲備累計。董事認為於二零一八年一月一日該等金融資產的公平值與其成本扣除減值相若，故於首次應用國際財務報告準則第9號後，將無有關該等證券的公平值收益或虧損會調整至重估儲備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

IFRS 9 *Financial instruments* (Continued)

- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under IAS 39.

Impairment:

In general, the directors of the Company anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS 9 by the Group.

If the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 will be increased as compared to the accumulated amount recognised under IAS 39. The directors of the company are still assessing the impact of application of the expected loss model.

IFRS 15 Revenue from contracts with customers

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 “Revenue”, IAS 11 “Construction Contracts” and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第9號金融工具(續)

- 所有其他金融資產及金融負債將繼續根據國際會計準則第39號以現行計量的相同基準進行計量。

減值：

一般而言，本公司董事預期應用國際財務報告準則第9號的預期信貸虧損模式將導致本集團於應用國際財務報告準則第9號後，就本集團按攤銷成本計量之金融資產以及其他須作出減值撥備的項目之尚未產生的信貸虧損提前撥備。

倘本集團將應用預期信貸虧損模式，本集團將確認二零一八年一月一日的減值虧損累計金額將較國際會計準則第39號項下確認的累計金額增加。本公司董事仍在評估應用預期信用虧損模式的影響。

國際財務報告準則第15號客戶合約之收入

國際財務報告準則第15號已頒布並為實體建立了一個單一的綜合模型，以確認來自客戶合同的收入。當國際財務報告準則第15號生效時，將取代現時沿用的收入確認指引，包括國際會計準則第18號「收入」，國際會計準則第11號「建築合約」及相關的詮釋。

國際財務報告準則第15號的核心原則乃一個實體應確認收入以體現向客戶轉讓承諾貨品或服務的數額，並反映實體預期交換該等貨品或服務而應得的代價。具體來說，該準則引入了五步法來確認收入：

- 第1步： 確定與客戶的合同
- 第2步： 確定合同內的履約義務
- 第3步： 釐定交易價格
- 第4步： 將交易價格分攤至合同內的履約義務
- 第5步： 當實體符合履約義務時確認收入

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

IFRS 15 Revenue from contracts with customers (Continued)

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

In 2016, the IASB issued clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

Based on the current business model, the management of the Group do not expect the adoption of IFRS 15 would result in significant impact on the amounts reported on the Group’s financial statements in the future. However, there will be additional qualitative and quantitative disclosures upon the adoption of IFRS 15.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 “Leases” and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第15號客戶合約之收入(續)

根據國際財務報告準則第15號，當一個實體符合履約義務時確認收入，即當貨品或服務按特定的履約義務轉移並由客戶「控制」時。國際財務報告準則第15號加入更為規範的指引以茲處理特別的情況。此外，國際財務報告準則第15號亦要求較廣泛的披露。

於二零一六年，國際會計準則委員會頒佈國際財務報告準則第15號的澄清，內容有關識別履約責任、主體代理安排、以及許可應用指引。

根據現行商業模式，本集團管理層預期採納國際財務報告準則第15號將不會對將來本集團財務報表的報告量造成重大影響。然而，採納國際財務報告準則第15號後，將有額外定性及定量披露。

國際財務報告準則第16號租賃

國際財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入綜合模式。於國際財務報告準則第16號生效後，其將取代國際會計準則第17號「租賃」及相關詮釋。

國際財務報告準則第16號按客戶是否控制所識別資產以區分租賃及服務合約。承租人會計處理中移除區分經營租賃及融資租賃，並以承租人須就所有租賃確認使用權資產及相應負債的模式取代，惟短期租賃及低價值資產租賃除外。

使用權資產初步按成本計量，其後按成本(受若干例外情況所規限)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。租賃負債初步按該日尚未支付的租賃款項現值計量。其後，租賃負債就利息及租賃款項以及(其中包括)租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將經營租賃付款呈列為經營現金流量。應用國際財務報告準則第16號後，本集團將分配有關租賃負債的租賃款項至呈列為融資現金流量的本金及利息的部分。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

IFRS 16 *Leases* (Continued)

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of RMB57,458,000 as disclosed in note 43. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

3. Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each Reporting Period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. 應用新訂的國際財務報告準則(「國際財務報告準則」)及其修訂(續)

國際財務報告準則第16號租賃(續)

根據國際會計準則第17號，本集團已就本集團為承租人的融資租賃安排確認一項資產及一項融資租賃負債。應用國際財務報告準則第16號可能導致該等資產分類潛在變動，視乎本集團是否分開呈列有權使用的資產或按將呈列相應相關資產(倘擁有)的相同項目內呈列。

與承租人會計處理相比，國際財務報告準則第16號大致轉承國際會計準則第17號的出租人會計處理規定，並且繼續要求出租人將其租賃分類為經營租賃或融資租賃。

此外，國際財務報告準則第16號要求作出詳盡披露。

於二零一七年十二月三十一日，本集團的不可撤銷經營租賃承擔為人民幣57,458,000元(於附註43披露)。初步評估顯示該等安排將符合租賃的定義。應用國際財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，除非有關租賃符合低價值或短期租賃，則作別論。

此外，應用新規定可能導致上文所列的計量、呈列及披露資料出現變動。

3. 主要會計政策概要

綜合財務報表乃根據國際會計準則理事會頒布之國際財務報告準則編製。另外，綜合財務報表包括聯交所證券上市規則(「上市規則」)及香港公司條例規定之適用披露事項。

綜合財務報表乃按歷史成本基準編製，惟若干金融工具於各報告期末按公平值計量，於下文會計政策闡釋。

歷史成本通常按交換貨品及服務時所付代價之公平值計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. 主要會計政策概要(續)

公平值乃市場參與者間於計量日期進行之有序交易中，出售資產所收取或轉讓負債所支付之價格，不論該價格乃可直接觀察或以其他估值方法估計。於估計一項資產或負債之公平值時，本集團考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮之資產或負債特徵。在該等綜合財務報表中計量及／或披露之公平值均在此基礎上予以確定，惟國際會計準則第17號租賃範圍內之租賃交易，以及與公平值類似惟並非公平值之計量(例如國際會計準則第2號存貨內之可變現淨值或國際會計準則第36號資產減值內之使用存貨價值)除外。

非金融資產公平值之計量及市場參與者可透過按該資產之最高及最佳用途使用該資產，或將該資產售予另一可按該資產之最高及最佳用途使用該資產之市場參與者，從而產生經濟效益之能力。

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及公平值計量之輸入數據對其整體之重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據為就資產或負債直接或間接可觀察之輸入數據(包括於第一級內之報價除外)；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

主要會計政策載列於下文。

綜合基準

本綜合財務報表包含本公司以及由本公司控制之實體(其附屬公司)之財務報表。取得控制權指本公司：

- 對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力以影響該等回報。

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綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策概要(續)

綜合基準(續)

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本公司將重新評估是否仍然控制被投資方。

當本集團取得附屬公司之控制權，便將該附屬公司綜合入賬；當本集團失去附屬公司之控制權，便停止將該附屬公司綜合入賬。具體而言，年內收購或出售之附屬公司之收入及支出會於本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團對該附屬公司之控制權終止當日為止。

損益及其他全面收益各項目均歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益結餘為負數。

如有需要，附屬公司之財務報表將作出調整，以使其會計政策與本集團之會計政策一致。

所有集團內成員間有關資產及負債、權益、收入、支出及現金流之交易均於綜合入賬時全數對銷。

當本集團失去對一家附屬公司之控制權，該附屬公司的資產與負債以及非控股權益(如有)將終止確認。收益或虧損將計入損益，並計算為下各項之間之差額：(i)已收取代價公平值之總和及任何保留權益之公平值；及(ii)附屬公司資產(包括商譽)及負債之原來賬面值及任何非控股權益。所有原先在其他全面收入中確認有關該附屬公司之金額猶如本集團已直接出售附屬公司之相關資產或負債入賬(即按適用國際財務報告準則所規定/准許，重新分類至損益或轉移至另一類權益)。在失去控制權當日，任何保留在前附屬公司投資之公平值將被視作其後根據國際會計準則第39號入賬之初步確認公平值，即初步確認於聯營公司或合營企業投資之成本(如適用)。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace the share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

3. 主要會計政策概要(續)

業務合併

業務收購乃採用收購法入賬。於業務合併過程中轉撥之代價按公平值計量，其計算方式為本集團轉撥之資產、本集團欠付被收購方前擁有人之負債及本集團就交換被收購方之控制權所發行之股權於收購日期之公平值總和。與收購事項有關之成本通常於產生時在損益中確認。

於收購日期，所收購可識別資產及所承擔負債應按其於收購日期的公平值確認，惟下列各項除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據國際會計準則第12號所得稅及國際會計準則第19號僱員福利確認及計量；
- 與被收購方之股份付款安排或以本集團之股份付款安排取代被收購方之股份付款安排相關之負債或股本工具於收購日期根據國際財務報告準則第2號股份付款計量；及
- 根據國際財務報告準則第5號持作出售之非流動資產及已終止營運業務劃分為持作出售之資產(或出售組合)按該準則計量。

商譽按所轉撥之代價、任何非控股權益於被收購方中所佔金額及收購方先前所持被收購方股權之公平值(如有)之總和超出所收購可識別資產及所承擔負債於收購日期之淨額的差額計算。倘經重估後，所收購可識別資產及所承擔負債於收購日期之淨額超出所轉撥之代價、任何於被收購方非控股權益之金額及收購方先前所持被收購方股權之公平值(如有)之總和，則超出部分即時於損益中確認為議價購買收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值之非控股權益，初步按非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。

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3. Summary of significant accounting policies

(Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a Reporting Period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that Reporting Period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating units in which the Group monitors goodwill).

The Group's policy for goodwill arising on the acquisition of an associate or a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

3. 主要會計政策概要(續)

商譽

收購業務所產生的商譽按收購業務當日所錄得成本(見上文所述會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽會分配予預期會因收購之協同效益而受惠之各現金產生單位(或多組現金產生單位)，即就內部管理而言監察商譽的最低層面及不大於經營分部。

獲分配商譽之現金產生單位(或多組現金產生單位)每年會進行減值測試，或當該單位出現可能減值之跡象時，則會更加頻繁地進行減值測試。就於某一報告期間自收購所產生之商譽而言，已獲分配商譽之現金產生單位(或多組現金產生單位)於該報告期末之前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則先將有關減值虧損分配，以降低任何商譽之賬面值，再根據該單位(或多組現金產生單位)每項資產之賬面值按比例分配至其他資產。商譽之任何減值虧損直接於綜合全面收益表中確認。就商譽確認的減值虧損不會於往後期間撥回。

於出售相關現金產生單位時，釐定出售損益金額時須計入商譽之應佔金額(或任何本集團監察商譽的一組現金產生單位內的現金產生單位)。

本集團就收購聯營公司產生商譽所應用的政策於下文闡述。

於聯營公司及合營企業之投資

聯營公司乃本集團對其擁有重大影響之實體。重大影響指有權參與制訂被投資方之財務及營運決策，但無法控制或共同控制該等政策。

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之淨資產擁有權利。共同控制是指按照合約約定對某項安排所共有之控制，共同控制僅於相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

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3. Summary of significant accounting policies

(Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策概要(續)

於聯營公司及合營企業之投資(續)

聯營公司及合營企業之業績及資產與負債採用權益會計法並納入綜合財務報表。就權益會計使用的聯營公司及合營企業之財務報表乃使用與本集團於類似情況下就類似交易及事項所採用的會計政策一致者編製。根據權益法，於聯營公司或合營企業之投資初步按成本於綜合財務狀況表確認，隨後就確認本集團分佔該聯營公司或合營企業之損益及其他全面收入而作出調整。

除非有關變動引致本集團持有的擁有權變動，否則損益及其他全面收益以外的聯營公司／合資企業之資產淨值變動不予計算。倘本集團分佔聯營公司或合營企業虧損超出其於該聯營公司或合營企業之權益(包括實質上構成本集團於聯營公司或合營企業之投資淨額一部分之任何長期權益)，則本集團不再就其分佔之進一步虧損確認入賬。本集團會就額外虧損作出確認，惟僅以本集團已產生法定或推定責任或代表聯營公司或合營企業支付款項之情況為限。

於聯營公司或合營企業之投資於被投資方成為聯營公司或合營企業當日採用權益法入賬。於收購一家聯營公司或合營企業之投資時，投資成本超過本集團分佔該被投資方可識別資產及負債公平淨值之任何部分乃確認為商譽，並計入投資之賬面值。倘本集團所佔可識別資產及負債於重新評估後之公平淨值高於投資成本，則會即時於進行該投資之期間內在損益確認。

國際會計準則第39號之規定通用於釐定是否需要就本集團於聯營公司或合營企業之投資確認任何減值虧損。於有需要時，投資之全部賬面值(包括商譽)會根據國際會計準則第36號資產減值作為單一資產進行減值測試，方法為將可收回金額(即使用價值與公平值減出售成本之較高者)與賬面值進行比較。任何已確認減值虧損構成投資賬面值之一部分。有關減值虧損之任何撥回於該項投資可收回金額其後增加時根據國際會計準則第36號確認。

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3. Summary of significant accounting policies

(Continued)

Investments in associates and joint ventures (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. 主要會計政策概要(續)

於聯營公司及合營企業之投資(續)

當投資不再為聯營公司或合營企業，或於投資(或其中一部分)分類為持作出售當日起，本集團終止使用權益法。當本集團保留於前聯營公司或合營企業之權益，且保留權益為金融資產時，則本集團於該日按公平值計量保留權益，而公平值則被視為其根據國際會計準則第39號首次確認時之公平值。聯營公司或合營企業於終止使用權益法當日之賬面值與任何保留權益之公平值及任何自出售聯營公司或合營企業部分權益之所得款項差額將計入釐定出售聯營公司或合營企業之收益或虧損。此外，倘該聯營公司或合營企業已直接出售相關資產或負債，則本集團可能須按相同基準將有關該聯營公司或合營企業先前於其他全面收入中確認之所有金額入賬。因此，倘聯營公司或合營企業先前於其他全面收入確認之收益或虧損重新分類至出售相關資產或負債之損益，則本集團於終止使用權益法時將收益或虧損由權益重新分類至損益(列作重新分類調整)。

當於聯營公司之投資成為對合營企業之投資或於合營企業之投資成為對聯營公司之投資，則本集團繼續使用權益法。於發生該等擁有權變動時，將不會對公平值進行重新計量。

當本集團削減於聯營公司或合營企業之擁有權權益但繼續使用權益法時，倘以往於其他全面收入確認有關削減所有權權益之盈虧部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

倘某一集團實體與其聯營公司或合營企業交易，則於本集團之綜合財務報表確認與該聯營公司或合營企業交易所產生之損益，惟僅以該聯營公司或合營企業之權益與本集團無關之情況為限。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income is recognised when services are provided.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策概要(續)

收益確認

收益乃按已收或應收代價之公平值計算，指日常業務過程中所提供服務之應收款項(扣除折扣及銷售相關稅項)。

貨品銷售所得收益乃於貨品交付及其所有權轉移時確認，其時以下條件將獲達成：

- 本集團將貨品擁有權之重大風險及回報轉嫁予買方；
- 本集團對所售貨品不再具有一般與擁有權相關的程度的持續管理參與權，亦無實際控制權；
- 收入金額能可靠計量；
- 與交易相關的經濟利益可能流入本集團；及
- 交易已產生或將予產生的成本能可靠計量。

服務收益於提供服務時確認。

投資股息收入在確定股東有權收取股息時被確認(惟以經濟利益將可能流入本集團及收益金額能可靠計量為限)。

在經濟利益可能流入本集團及收入金額能夠可靠地計量之情況下，金融資產之利息收入會被確認。利息收入乃參照未償還本金按適用之實際利率及時間基準累計，適用之實際利率即準確貼現金融資產預計年期內估計未來現金收入至資產於初步確認時之賬面淨值之利率。

本集團對確認來自經營租賃的收入所應用的政策於下述有關租賃之會計政策闡述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. Summary of significant accounting policies

(Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land for own use

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

3. 主要會計政策概要(續)

租賃

倘租約條款將絕大部分之所有權風險及回報轉移至承租人，則租約會分類為融資租賃。所有其他租約乃分類為經營租賃。

本集團作為出租人

根據融資租賃應收承租人之款額按本集團於該等租約之投資淨額列作應收款項。融資租賃收入分配予各會計期間，以反映本集團就該等租賃尚餘投資淨額之固定回報率。

經營租賃的租金收入於有關租賃年期以直線法在損益確認。

本集團作為承租人

經營租賃付款於租賃年期以直線法確認為開支。

自用租賃土地

當本集團就包括租賃土地及樓宇部分的物業權益付款，本集團根據對附於各部分所有權的絕大部分風險及回報是否已轉移至本集團之評估，分別評定各部分的分類。除非土地及樓宇部分均明確為經營租賃，於此情況下整項物業列賬於經營租賃。具體而言，全部代價(包括任何一筆過預付款項)於首次確認時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分之間分配。

倘相關付款能可靠分配，則以經營租賃列賬之租賃土地權益於綜合財務狀況表中呈列為「預付土地租賃款項」，且於租賃期內按直線法攤銷，惟根據公平值模式分類及列賬為投資物業者則除外。倘租賃付款無法於租賃土地及樓宇部分之間可靠分配，則整項物業一般會按租賃土地屬融資租賃之方式分類。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded at the rates of exchanges prevailing on the dates of the transactions. At the end of the Reporting Period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each Reporting Period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 主要會計政策概要(續)

外幣

編製個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易乃於交易日期當時之匯率記錄。於報告期末，以外幣列值之貨幣項目以結算當日之匯率重新換算。按公平值列賬並按外幣列值之非貨幣項目乃按釐定公平值當日之匯率重新換算。以外幣過往成本計算之非貨幣項目不予重新換算。

結算貨幣項目及換算貨幣項目所產生之匯兌差額，於其產生期間在損益中確認。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於各報告期末之適用匯率換算為本集團之列賬貨幣。收入及開支項目乃按該期間之平均匯率進行換算。所產生之匯兌差額(如有)乃確認為其他全面收入及累計於換算儲備的權益中(視情況分配至非控股權益)。

當出售海外業務(即出售本集團海外業務的全部權益或出售涉及失去包括海外業務之附屬公司控制權，或出售部分包括海外業務之合營安排或聯營公司的權益而當中的保留權益變為金融資產時)，本公司擁有人應佔業務而於權益累計之所有匯兌差額重新分類至損益。

此外，倘部分出售附屬公司並不會導致本集團失去對該附屬公司之控制權，按比例所佔累計匯兌差額乃重新歸於非控股權益，且不會於損益內確認。倘為所有其他部分出售(即不會導致本集團失去重大影響力或共同控制權之部分出售聯營公司或共同安排)，則按比例計算佔份之累計匯兌差額重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefit

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees such as wages and salaries after deducting any amount already paid.

3. 主要會計政策概要(續)

借貸成本

收購、建設或生產合資格資產(指需要用上大量時間方能投入擬定用途或出售之資產)直接應佔之借貸成本，乃計入該等資產之成本，直至該等資產絕大部分已準備就緒投入使用或出售為止。

若未用作合資格資產開支之特定借貸暫時用於投資，所賺取之投資收入於合資格資本化之借貸成本扣除。

所有其他借貸成本於產生期間於損益中確認。

政府補助

政府補助於出現合理保證本集團將會遵守附帶之條件及收取補助前，均不會確認。

政府補助於本集團確認該等補助擬作補償之有關成本為開支之期間內按系統基準在損益中確認。具體而言，主要條件為本集團應購買、興建或以其他方式收購非流動資產之政府補助於綜合財務狀況表確認為遞延收入並且在有關資產之可使用年期內轉撥至損益內。

作為補償已產生之支出或虧損而應收取或為給予本集團即時財務支持而無日後相關成本之政府補助，於其應收期間在損益中確認。

退休福利成本

國家管理退休福利計劃供款於僱員提供服務而有權獲得供款時列作開支。

短期僱員福利

短期僱員福利按預期支付之福利之未折現金額確認。除非國際財務報告準則規定或批准包括福利於資產成本之內，否則所有短期僱員福利均確認為開支。

僱員收取之應計福利如工資及薪金，在扣除任何已付金額後確認負債。

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3. Summary of significant accounting policies

(Continued)

Short-term employee benefit (Continued)

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the Reporting Period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策概要(續)

短期僱員福利(續)

就短期僱員福利確認之負債，按預期為換取該服務支付之福利之未折現金額計量。

稅項

所得稅開支為應付即期稅項與遞延稅項之總和。

即期稅項

應付即期稅項乃按本年度之應納稅溢利計算。由於應納稅溢利不包括於其他年度內應納稅或可扣減之收支項目，亦不包括毋須課稅或不可扣減之項目，故應納稅溢利與綜合損益及其他全面收益表中呈列之「除稅前溢利」不同。本集團乃按報告期末已實行或實質已實行之稅率計算即期稅項之負債。

遞延稅項

遞延稅項就綜合財務報表中資產及負債之賬面值與計算應納稅溢利所採用之相應稅基兩者間之暫時差額確認。一般就所有應納稅暫時差額確認遞延稅項負債。倘應納稅溢利可能足以抵銷可扣減暫時差額，則就所有可扣減暫時差額確認遞延稅項資產。倘暫時差額乃因商譽或初步確認一項不影響應納稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)而產生，則有關資產及負債不予確認。此外，倘首次確認商譽產生暫時差額，則遞延稅項負債不予確認。

遞延稅項負債乃就與於附屬公司、聯營公司及共同安排之投資相關之應納稅暫時差額而確認，惟若本集團可控制暫時差額撥回及暫時差額可能不會於可見未來撥回則除外。與該等投資及權益相關之可扣減暫時差額所產生之遞延稅項資產，僅在按可能有可利用暫時差額扣稅之足夠應納稅溢利，並預期於可見將來撥回時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Taxation (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the Reporting Period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Reporting Period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the Reporting Period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each Reporting Period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策概要(續)

稅項(續)

遞延稅項(續)

遞延稅項資產之賬面值會於報告期末作檢討，並扣減至應納稅溢利不可能足以收回全部或部分資產為止。

遞延稅項資產及負債按預期於清償負債或變現資產之期間適用之稅率計量，並根據報告期末前已頒布或大致已頒布之稅率(及稅法)計算。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或償還其資產及負債賬面值之方式之稅務結果。

即期及遞延稅項於損益表內確認，惟當其與其他全面收入或直接於權益中確認之項目相關則除外，於該情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益內確認。就因對業務合併進行初步會計處理而產生之即期稅項或遞延稅項而言，稅務影響乃計入業務合併之會計處理內。

物業、廠房及設備

物業、廠房及設備包括持有用以生產或供應貨品或服務或作行政用途之樓宇(下文所述的在建工程除外)，乃按成本減其後累計折舊及累計減值虧損(如有)列賬。

為生產、供應或行政用途而仍在建設中之物業按成本減任何已確認之減值虧損列賬。成本包括專業費用，乃就合資格資產而言，包括根據本集團之會計政策資本化之借貸成本。有關物業在完工及準備作擬定用途時分類至物業、廠房及設備之適當類別。該等資產在其準備作擬定用途時按與其他物業資產相同之基準開始折舊。

折舊乃按物業、廠房及設備(在建工程除外)之項目成本，於其估計可使用年期內以直線法撇銷其剩餘價值。估計可使用年期、剩餘價值及折舊方法會在各報告期末檢討，而任何估計變動之影響按前瞻基準入賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

3. 主要會計政策概要(續)

物業、廠房及設備(續)

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於出售或廢棄物業、廠房及設備項目產生之任何收益或虧損按出售所得款項與資產賬面值之差額計算，並於損益確認。

日後供業主自用之發展中樓宇

倘發展中樓宇作生產或行政用途，則興建期間就預付租賃款項之攤銷列作在建樓宇成本之一部分。在建樓宇按成本減任何已識別減值虧損列賬。樓宇於可供使用時(即樓宇達致按管理層擬定方式運作所需地點及狀況時)開始折舊。

投資物業

投資物業為持有作賺取租金及/或作為資本增值之物業(包括為此等目的在建設中之物業)。投資物業包括未確定將來用途持有之土地，其被視為持有作資本增值用途。

投資物業於初步確認時按成本(包括任何直接應佔支出)計量。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。折舊乃按投資物業的估計可使用年期並計及其估計剩餘價值後以直線法撇銷其成本確認。

在建投資物業產生之建築成本資本化為在建投資物業之賬面值之一部分。

投資物業於出售、永久停用及預期出售不會帶來未來經濟利益時終止確認。終止確認物業所產生任何收益或虧損乃按出售所得款項淨額與資產賬面值的差額計算，於該項目終止確認的期間計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each Reporting Period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

3. 主要會計政策概要(續)

無形資產

獨立收購之無形資產

獨立收購而使用年期有限之無形資產按成本減累計攤銷及任何累計減值虧損列賬。使用年期有限之無形資產按估計使用年期以直線法攤銷。估計使用年期及攤銷方法於各報告期末審閱，而任何估計變動的影響則按前瞻基準入賬。

內部產生之無形資產 – 研發開支

研究活動開支於其產生期內確認為開支。

倘僅出現所有下列情況，方確認開發(或內部項目之開發階段)所產生之內部產生無形資產：

- 完成無形資產至可用或出售程度之技術可行性；
- 完成無形資產並作運用或銷售之意向；
- 運用或銷售無形資產之能力；
- 無形資產可能產生日後經濟利益之方式；
- 完成開發並運用或銷售無形資產之可用充足技術、財務或其他資源；及
- 可靠計量無形資產於開發時應佔開支之能力。

倘無形資產首次符合上列確認標準，則內部產生無形資產之初步確認金額為自該日起產生之開支總額。倘未能確認任何內部產生無形資產，則開發開支於其產生期內於損益中確認。

於初步確認後，內部產生無形資產按與獨立收購之無形資產相同之基準，列賬為成本減累計攤銷及累計減值虧損(如有)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each Reporting Period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating units) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策概要(續)

無形資產(續)

於業務合併所收購的無形資產

於業務合併所收購的無形資產乃於商譽以外另行確認，並於收購日按公平值初步確認(被視為其成本)。

於初步確認後，使用年期有限的無形資產按成本減累計攤銷及任何累計減值虧損列賬，基準與獨立收購的無形資產相同。

無形資產於出售或當預期使用或出售不會產生未來經濟利益時終止確認。終止確認無形資產所產生之任何盈虧乃以出售所得款項淨額與資產賬面值的差額計量，並於該資產終止確認的期間於損益確認。

商譽以外之有形及無形資產之減值
(見上文有關商譽之會計政策)

於各報告期末，本集團評估其使用年期有限的有形及無形資產之賬面值，以確定該等資產有否減值虧損之跡象。倘出現任何有關跡象，則會估計資產之可收回金額以釐定減值虧損之數額(如有)。倘無法估計個別資產之可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理一致之分配基準，公司資產亦分配至個別現金產生單位，否則將分配至可識別合理一致之分配基準之最小現金產生單位組別。

可收回金額為減除出售成本後的公平值與使用價值兩者的較高者。在評估使用價值時，估計未來現金流量乃使用除稅前折現率折減至其現值，以反映當前市場對貨幣時間值的評估及該資產(或現金產生單位)(其估計未來現金流量未予調整)特有的風險。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則將該資產(或現金產生單位)的賬面值減至其可收回金額。減值虧損即時於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Warranties

Provisions for the expected cost of warranty obligations under the relevant sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

3. 主要會計政策概要(續)

商譽以外之有形及無形資產之減值
(見上文有關商譽之會計政策)(續)

於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。除非有關資產以按另一標準重估金額列賬，該情況下減值虧損當作該標準下的重估減少，否則減值虧損會即時於損益確認。

倘於其後撥回減值虧損，則該資產(或現金產生單位)的賬面值將增加至經修訂的估計可收回金額，惟增加後的賬面值不會超逾該資產(或現金產生單位)倘於以前年度並無確認減值虧損的應有賬面值。減值虧損撥回即時於損益確認。

存貨

存貨按成本及可變現淨值之較低者列賬。成本乃按加權平均法計算。可變現淨值指存貨估計售價減完成估計成本及銷售所需成本。

撥備

倘本集團需就過往事件承擔現有責任(法定或推定)，則撥備獲確認，本集團可能被要求抵償責任，而責任的金額能可靠地估計。

保修

相關產品銷售法例下的保修責任預期成本的撥備已於相關產品銷售日期，按董事就需償付本集團責任之支出作出的最佳估計確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of FVTPL are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: FVTPL, available-for-sale ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

3. 主要會計政策概要(續)

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文之一方時確認。

金融資產及金融負債乃初步按公平值計量。收購或發行金融資產及金融負債(透過損益以公平值列賬(「透過損益以公平值列賬」)之金融資產或金融負債除外)直接應佔之交易成本於初步確認時計入或扣除自金融資產或金融負債之公平值(倘適合)。收購透過損益以公平值列賬之金融資產或金融負債直接應佔之交易成本即時於損益中確認。

金融資產

金融資產劃分為以下特定類別：「透過損益以公平值列賬」之金融資產、「可供出售」(「可供出售」)金融資產以及「貸款及應收款項」。該分類視乎金融資產之性質及用途，並於初步確認時釐定。所有以正常方式買賣之金融資產於交易日確認或終止確認。以正常方式買賣之金融資產指購買或出售須於根據有關市場規則或慣例設定之時限內交付之金融資產。

實際利率法

實際利率法是一種計算金融資產之攤銷成本以及有關期間利息收入分配之方法。實際利率是將估計未來現金收入(包括所有構成實際利率整體部分之已付或已收費用、交易費用及其他溢價或折讓)透過金融資產估計年期或(倘適用)更短期間準確貼現至初步確認時之賬面淨值之利率。

債務工具(分類為透過損益以公平值列賬之金融資產除外)之收入按實際利率法確認，其利息收入計入收益或虧損淨額。

透過損益以公平值列賬之金融資產

當金融資產乃持作買賣或指定為透過損益以公平值列賬時，其將分類為透過損益以公平值列賬之金融資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 50 (c).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits, bank balances and cash, finance lease receivable, long term receivable, debt investment, loan receivables from associates and a joint venture and transferred trade receivables) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

透過損益以公平值列賬之金融資產(續)

倘某項金融資產出現下列情況，則分類為持作買賣：

- 購入之主要目的為於不久將來出售；或
- 於初步確認時屬於本集團整體管理之可識別金融工具組合之一部分，且近期事實上有出售以賺取短期溢利之模式；或
- 屬非指定及有效作為對沖工具之衍生工具。

透過損益以公平值列賬之金融資產以公平值計量，自重估產生之任何盈虧則於損益中確認。於損益確認之盈虧淨額包括金融資產所獲得之任何股息或賺取之利息，並計入「其他收益及虧損」項目中。公平值按附註50(c)所述之方式釐定。

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款之非衍生金融資產，該等資產於活躍市場上並無報價。於初步確認後，貸款及應收款項(包括貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、融資租賃應收款項、長期應收款項、債務投資、應收聯營公司及一家合營企業貸款及已劃轉的貿易應收款項)乃使用實際利率法按攤銷成本，減任何已識別減值虧損列賬(見下文有關金融資產減值虧損的會計政策)。

利息收入乃採用實際利率確認，惟倘確認利息屬不重大，則短期應收款項除外。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as financial assets at FVTPL, held-to-maturity or loans and receivables.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each Reporting Period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each Reporting Period (see the accounting policy in respect of impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each Reporting Period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For an AFS equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產乃指定為可供出售或非分類為透過損益以公平值列賬之金融資產之非衍生工具、持至到期或貸款及應收款項。

本集團所持有分類為可供出售金融資產，並於活躍市場買賣的權益及債務證券按各報告期末的公平值計量，公平值未能可靠地計算的非上市股權投資除外。以實際利率法計算的利息收入有關之可供出售貨幣性金融資產賬面值變動及可供出售股本投資之股息於損益內確認。其他可供出售金融資產賬面值變動乃於其他全面收入內確認，並於投資重估儲備項下累計。倘投資被出售或確定已減值，則過往於投資重估儲備累計的累計收益或虧損重新分類至損益(見下文有關金融資產減值虧損的會計政策)。

當本集團確立可獲得股息之權利時，則於損益確認可供出售股本投資之股息。

並無於活躍市場報價的可供出售股本投資，其公平值無法可靠計算，且所掛鈎之衍生工具須藉由交付有關非報價股本工具之方式結算，於各報告期末按成本扣除任何已識別減值虧損列賬(見下文金融資產減值虧損的會計政策)。

金融資產減值

金融資產(透過損益以公平值列賬者之金融資產除外)於各報告期末會評估是否有任何減值跡象。倘若有任何客觀證據表明，由於一項或多項於初步確認金融資產後發生的事項，金融資產的估計未來現金流量受到影響，則金融資產被視為減值。

就可供出售股本投資而言，如該投資的公平值顯著或持續下降至低於其成本，可被視為需要減值的客觀證據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit terms of the customers, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

有關所有其他金融資產，減值的客觀證據可能包括：

- 發行人或交易對方出現嚴重財務困難；或
- 欠繳或拖欠利息或本金付款等違約情況；或
- 借款人很有可能將宣告破產或進行財務重組。

就貿易及其他應收款項等若干金融資產類別而言，被評估為非個別減值之資產其後按整體基準進行減值評估。應收款項組合之客觀減值證據可包括本集團之過往收款經驗、組合內延遲還款至超過客戶平均信貸期之次數增加，以及與應收款項逾期有關之全國或地方經濟狀況明顯改變。

就按攤銷成本列賬之金融資產而言，減值虧損金額按該資產之賬面值與按金融資產原先實際利率折現之估計未來現金流量之現值間之差額確認。

就按成本列賬之金融資產而言，減值虧損金額按資產賬面值與按類似金融資產現行市場回報率折現之估計未來現金流量現值間之差額計量。該項減值虧損不會於往後期間撥回(見下文會計政策)。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟貿易及其他應收款項除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目之賬面值變動於損益賬內確認。倘貿易及其他應收款項被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷之款項計入損益賬內。

當可供出售金融資產被釐定為已減值，先於其他全面收入確認之累計收益或虧損乃於期間重新分類至損益。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade and other payables and borrowings, liabilities associated with transferred trade receivables) are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本計量之金融資產而言，倘於往後期間，減值虧損金額減少，而該減少可客觀地與確認減值虧損後發生之事件有關，則先前確認之減值虧損透過損益賬撥回，惟該資產於撥回減值日期之賬面值不得超過在並無確認減值之情況下應有之攤銷成本。

就可供出售股本投資而言，先前於損益確認之減值虧損不會透過損益撥回。任何減值虧損後之公平值增加，會於其他全面收入確認及於重估儲備累計。就可供出售債務投資而言，倘投資之公平值上升可與減值虧損確認後所發生事件有客觀聯繫，減值虧損於其後會透過損益撥回。

金融負債及股本工具

由集團實體所發行之債務及股本工具乃根據已訂立合約安排之內容及金融負債及股本工具之定義分類為金融負債或股本。

股本工具

股本工具乃證明本集團資產於扣除其所有負債後之剩餘權益之任何合約。本集團發行之股本工具按所得款項減直接發行成本確認。

金融負債

金融負債(包括貿易及其他應付款項及借貸、與已劃轉的貿易應收款項相關的負債)其後以採用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the Reporting Period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates a derivative as hedging instrument for cash flow hedge.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains or losses' line item.

3. 主要會計政策概要(續)

金融工具(續)

金融負債及股本工具(續)

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息支出之方法。實際利率乃將估計未來現金付款(包括所有構成實際利率整體部分的已付或已收的費用、交易費用及其他溢價或折價)透過金融負債的預期年期或(倘適用)更短期間準確折現至初步確認時之賬面值的利率。利息開支按實際利率法確認。

衍生金融工具

衍生工具於訂立衍生工具合約之日按公平值初步確認，其後按其於報告期末的公平值重新計量。所產生的收益或虧損將即時在損益中確認，除非該衍生工具乃指定及有效的對沖工具，在此情況下，於損益中確認的時間取決於對沖關係的性質。

對沖會計處理

本集團指定一項衍生工具為現金流量對沖工具。

於對沖關係開始時，本集團已記錄對沖工具和被對沖項目的關係，及進行各類對沖交易的風險管理目標及其策略。此外，於對沖的開始和進行期間，本集團記錄對沖關係中的對沖工具是否高度有效地抵銷被對沖項目的現金流量變動。

現金流量對沖

指定及符合現金流量對沖的衍生工具的公平值變動中有效的部分在其他全面收入中確認並於現金流量對沖儲備中累積，其無效部分產生的收益或虧損則即時在損益中確認並將納入為「其他收益或虧損」的單項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Derivative financial instruments (Continued)

Cash flow hedges (Continued)

Amounts previously recognised in other comprehensive income and accumulated in equity (cash flow hedging reserve) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line of the consolidated statement of profit or loss and other comprehensive income/statement of profit or loss as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3. 主要會計政策概要(續)

金融工具(續)

衍生金融工具(續)

現金流量對沖(續)

當被對沖項目影響損益時，以往於其他全面收益內確認並於權益中(現金流量對沖儲備)累計之金額，則分類至損益內確認(與已確認被對沖項目於綜合損益及其他全面收益表/損益表內的同一項目作出確認)。然而，若被對沖之預期交易導致確認一項非金融資產或非金融負債，則先前於其他全面收益確認並於權益中累計之收益及虧損自權益內轉出，並計入非金融資產或非金融負債之成本初步計量中。

當本集團撤銷對沖關係、對沖工具已到期或出售、終止、已行使或不再符合資格使用對沖會計法時，將會終止使用對沖會計法。當時於其他全面收益確認並於權益累計之任何收益或虧損將於權益中保留，並於預測交易最終於損益內確認時進行確認。倘預測交易預計不再進行，於權益之累計收益或虧損將即時於損益內確認。

終止確認

本集團僅於自資產獲取現金流量之合約權利屆滿時，或本集團將金融資產及該資產所有權之絕大部分風險及回報轉讓予另一實體時終止確認金融資產。倘本集團未轉讓亦無保留所有權之絕大部分風險及回報，而是繼續控制已轉讓資產，則本集團繼續按持續參與之程度確認該資產及相關負債。倘本集團保留已轉讓金融資產所有權之絕大部分風險及回報，則本集團繼續確認該金融資產，亦會就已收取之所得款項確認擔保借貸。

除全面終止確認金融資產外，於終止確認金融資產時，本集團將金融資產之過往賬面值在其仍確認為繼續參與之部分及不再確認之部分之間，按照該等部分於轉讓日期之相關公平值作出分配。不再確認部分獲分配之賬面值與該部分已收代價及其任何已於其他全面收入確認之獲分配累計盈虧之總和間之差額，乃於損益內確認。已於其他全面收入確認之累計盈虧乃按繼續確認部分及不再確認部分之相關公平值在該兩者間作出分配。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

3. Summary of significant accounting policies

(Continued)

Financial instruments (Continued)

Derivative financial instruments (Continued)

Derecognition (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition

The Group sells hydraulic roof supports and is required to install them on the customers' premises. The directors of the Company were required to consider whether it is appropriate to recognise the revenue from these transactions when the hydraulic roof supports are delivered to the customers, or whether it is more appropriate to recognise the revenue upon completion of installation of hydraulic roof supports.

3. 主要會計政策概要(續)

金融工具(續)

衍生金融工具(續)

終止確認(續)

本集團僅於其責任獲免除、取消或屆滿時，方會終止確認金融負債。終止確認之金融負債之賬面值與已付及應付代價間之差額乃於損益內確認。

4. 重大會計判斷及估計不確定因素之主要來源

於應用附註3所述本集團之會計政策時，本公司董事須對未能從其他來源獲得之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關之其他因素。實際結果可能與該等估計不同。

估計及相關假設乃按持續經營基準予以審閱。倘會計估計之修訂僅影響估計獲修訂之期間，則會計估計之修訂於該期間予以確認，倘若修訂影響現時及未來期間，則於現時及未來期間內予以確認。

應用實體的會計政策的重大判斷

除涉及估計者(見下文)外，下列重大判斷為董事在應用實體的會計政策過程中所作出，且對在財務報表所確認的金額構成最重大影響者。

收入確認

本集團銷售液壓支架，並須於客戶的廠房安裝該等設備，因此，本公司董事須考慮當液壓支架付運給客戶後確認該等交易產生的收入是否恰當，還是延至液壓支架完成安裝後才確認收入較為合適。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Critical judgements in applying the entity's accounting policies (Continued)

Revenue recognition (Continued)

In making their judgment, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue and, in particular, whether the Group had transferred the significant risks and rewards of ownership of the goods and passed the control of the goods to the customers. As the installation is an integral part of the transaction and the installation process is not simple in nature, the directors consider the installation cannot be unbundled from the sales of hydraulic roof supports and the significant risks and rewards of the transaction and the control of the relevant goods could only be transferred to the customers upon the completion of installation. Thus, the directors are satisfied that recognition of the revenue from sales of hydraulic roof supports upon the completion of installation is appropriate.

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty at the end of the Reporting Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of trade receivables

When there is an objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2017 the carrying amount of trade receivables was RMB2,525,369,000 (2016: RMB2,341,729,000), which is after allowance for doubtful debts of RMB1,001,141,000 (2016: RMB1,183,432,000).

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units ("CGUs") to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 31 December 2017 was RMB345,768,000 (2016: nil). Further details are set out in note 19.

4. 重大會計判斷及估計不確定因素之主要來源(續)

應用實體的會計政策的重大判斷(續)

收入確認(續)

在作出判斷時，董事考慮國際會計準則第18號收益所載確認售貨收入的詳細準則，特別是，本集團是否已將貨品擁有權的重大風險及回報以及貨品的控制轉移予客戶。由於安裝是交易的不可或缺部分，且安裝程序本身並不簡單，故董事認為，安裝程序不能與銷售液壓支架分離，且交易的重大風險及回報以及相關貨品的控制僅於安裝完成後方轉移予客戶。因此，董事信納，於安裝完成後確認銷售液壓支架的收入乃屬適當。

估計不確定因素之主要來源

以下為於報告期末之估計不明朗因素之主要來源，其具有造成於下個財政年度對資產以及負債之賬面值作出重大調整之重大風險。

貿易應收款項的估計減值

當有減值虧損的客觀證據時，本集團會考慮未來現金流量的估計。減值虧損金額按該項資產賬面值與按該金融資產的原實際利率(即於初步確認時計算的實際利率)貼現的估計未來現金流量的現值(不包括並未產生的未來信貸虧損)的差額計量。倘實際未來現金流量低於預期，則可能產生重大減值虧損。於二零一七年十二月三十一日，貿易應收款項的賬面值為人民幣2,525,369,000元(二零一六年：人民幣2,341,729,000元)，扣除呆賬撥備人民幣1,001,141,000元(二零一六年：人民幣1,183,432,000元)。

商譽減值

要釐定商譽是否已發生減值，須對包含分配商譽在內的現金產生單位(「現金產生單位」)的使用價值作出估計。計算使用價值時，本集團須估計現金產生單位預期產生的未來現金流量以及用以計算現值的適當貼現率。如果實際的未來現金流量低於預期，則可能產生重大的減值損失。二零一七年十二月三十一日之商譽賬面值為人民幣345,768,000元(二零一六年：無)。進一步詳情請參見附註19。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Estimated useful life and impairment of intangible assets

The intangible assets are amortised on a straight-line basis over estimated useful lives. The management assessed the estimated useful lives of intangible assets annually. This estimate is based on the management's experience of the actual useful lives of the intangible assets with similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors.

In addition, the management considers the potential impairment based on the recoverable amount. The intangible assets with finite useful lives are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable. Factors that would indicate potential impairment may include, but are not limited to, the significant change in technology associated with the intangible assets. Determining whether intangible assets is impaired requires an estimation of the recoverable amount of the CGUs to which intangible assets has been allocated. The recoverable amount of CGUs at the end of the Reporting Period is based on the value in use calculation which requires the management of the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of intangible assets of the Group was RMB558,499,000 as at 31 December 2017 (2016: RMB2,260,000).

Estimated impairment of AFS

When there is an objective evidence of impairment loss, the directors of the Company were required to determine the amount of any impairment loss. The directors of the Company were required to consider whether a 'significant or prolonged' decline in fair value of an investment in an equity instrument below its cost has taken place. When an AFS equity investment is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss.

4. 重大會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

無形資產之估計可使用年期及減值

無形資產於估計可使用年期內按直線法攤銷。管理層每年評估無形資產的估計可使用年期。此估計乃基於管理層對性質和功能類近的無形資產之實際可使用年期之經驗而作出，技術發展及競爭對手的行動可引致重大變動。

此外，管理層會根據可收回金額考慮潛在的減值。可使用年期有限的無形資產於當有事件或情況表明其賬面值可能無法收回時進行減值檢討。表明存在潛在減值的因素可能包括(但不限於)與無形資產有關的重大技術變革。釐定無形資產是否減值須估計獲分配無形資產的現金產生單位的可收回金額。於報告期末的現金產生單位的可收回金額乃基於使用價值釐定，使用價值的計量要求本集團管理層估計預期自現金產生單位產生的未來現金流量及合適的貼現率以計算現值。若實際未來現金流量少於預期，則可能出現重大減值虧損。於二零一七年十二月三十一日本集團的無形資產賬面值為人民幣558,499,000元(二零一六年：人民幣2,260,000元)。

可供出售估計減值

當有客觀證據證明出現減值虧損，本公司董事須釐定任何減值虧損之金額。本公司董事須考慮權益工具之投資是否出現「大幅或持久」之公平值跌至低於成本值之情況。當可供出售權益投資被視為有所減值，過往在其他全面收入確認之累計收益或虧損由權益分類至損益。

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4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Estimated useful lives and residual values of property, plant and equipment and investment properties

The Group estimates the useful lives, residual values and related depreciation charges for its items of property, plant and equipment and investment properties. This estimate is based on the management's experience of the actual useful lives and residual values of items of property, plant and equipment and investment properties of similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors. The Management will increase the depreciation charge where useful lives and residual values are less than previously estimated. The carrying amounts of property, plant and equipment as at 31 December 2017 was RMB2,714,133,000 (2016: RMB1,390,786,000). The carrying amounts of investment properties as at 31 December 2017 was RMB44,009,000 (2016: RMB45,598,000).

Impairment of property, plant and equipment, and prepaid lease payments for land

As described in Note 3 above, the Group reviews the carrying amounts of its property, plant and equipment, and prepaid lease payment for lands to determine whether there is any indication that those assets have suffered an impairment loss. Determining whether property, plant and equipment, and prepaid lease payment for lands are impaired requires an estimation of the recoverable amount, which is the higher of value-in-use of the assets and the fair value less costs of disposal. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the continuing use of the assets and from its ultimate disposal and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Deferred tax assets

Deferred tax assets is measured at the tax rates that are expected to apply to the period when the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Reporting Period. The Company and certain subsidiaries of the Company received the High and New Technology Enterprise Certificates (the "Technology Certificates") and are entitled to preferential tax rate of 15% during the terms of respective Technology Certificates (see note 10 for details). In the opinion of the directors of the Company, these entities will be able to receive the renewed Technology Certificates and continue to enjoy preferential tax treatments after the respective expiration dates, and pass the required annual assessment to qualify for preferential tax treatments, therefore the tax rates for measurement of deferred tax assets of these entities are expected to be 15%. If the applicable tax rates are higher than the expectation, changes in the deferred tax assets are recognised in profit or loss as deferred tax income.

4. 重大會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

物業、廠房及設備以及投資物業之估計可使用年期及剩餘價值

本集團就其物業、廠房及設備以及投資物業項目估計使用年期、剩餘價值及相關折舊費用。該估計乃根據管理層對類似性質及功能的物業、廠房及設備以及投資物業項目實際使用年期及剩餘價值的經驗釐定，可能因技術革新及競爭對手的行為而有重大改變。當可使用年期及剩餘價值少於先前估計時，管理層將增加折舊費用。於二零一七年十二月三十一日，物業、廠房及設備的賬面值為人民幣2,714,133,000元(二零一六年：人民幣1,390,786,000元)。於二零一七年十二月三十一日，投資物業的賬面值為人民幣44,009,000元(二零一六年：人民幣45,598,000元)。

物業、廠房及設備以及預付土地租賃款項減值

誠如上文附註3所述，本集團會審閱其物業、廠房及設備以及預付土地租賃款項之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。釐定物業、廠房及設備以及預付土地租賃款項是否減值須對該等資產之可收回金額，即使用價值及公平值減出售成本兩者中較高者作出估計。使用價值計算要求該實體估計預期持續使用該等資產及其最終出售將產生之未來現金流量及合適貼現率以計算現值。倘實際未來現金流量較預期為少，則可能產生重大減值虧損。

遞延稅項資產

遞延稅項資產乃根據預期變現相關資產期間使用的稅率計量，該稅率根據報告期末已頒布或實際上已頒布的稅率(及稅法)計算。本公司及若干附屬公司取得高新技術企業證書(「技術證書」)並有權於有關技術證書期限間享有優惠稅率15%(詳情見附註10)。本公司董事認為，該等實體將可獲延續技術證書並於各技術證書到期日後繼續享有優惠稅務待遇，且通過所需之年度評核以符合優惠稅務待遇資格，因此計量該等實體遞延稅項資產之稅率預期將為15%。倘適用稅率高於預期，則遞延稅項資產之變動將於損益內確認為遞延稅項收益。

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4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Deferred tax assets (Continued)

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing, the applicable tax rates, and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 December 2017 was RMB294,182,000 (2016: RMB120,212,000). Further details are set out in note 24.

Provisions

The Group recognises expected warranty costs for products sold principally at the time of sales of the product or when it is determined that such obligations are probable and can be reasonably estimated. Amounts recorded are based on the Group's estimates of the amount that will eventually be required to settle such obligations. These accruals are based on factors such as specific customer arrangements, past experience, production changes, industry developments and various other considerations. The Group's estimates are adjusted from time to time based on facts and circumstances that impact the status of existing claims. Further details are set out in note 37.

5. Revenue

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of hydraulic roof supports	液壓支架之銷售	2,957,150	2,132,777
Sales of auto parts	汽車零部件之銷售	2,712,699	-
Revenue from steel and other materials trading	鋼鐵及其他原料貿易之收入	1,111,028	805,779
Sales of spare parts	配件之銷售	557,610	504,677
Sales of other coal mining equipment	其他採煤設備之銷售	144,138	142,414
Other revenue	其他收入	64,076	42,883
		7,546,701	3,628,530

4. 重大會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

遞延稅項資產(續)

遞延稅項資產乃就所有未動用稅項虧損而確認，惟以應課稅溢利可用以扣減虧損為限。在釐定可予確認的遞延稅項資產數額時，管理層須根據可能出現未來應課稅溢利的時間、適用稅率及數額連同未來稅項計劃策略作出重大判斷。於二零一七年十二月三十一日之未確認稅項虧損為人民幣294,182,000元(二零一六年：120,212,000元)。進一步詳情載列於附註24。

撥備

本集團主要於銷售產品或釐定該責任可能發生並可合理地估計時確認已售出產品的預期保修成本。錄得的金額基於本集團估計償付責任最終所須的金額。該等應計款項基於不同因素，如特定客戶安排、過往經驗、生產變動、行業發展及多項其他考慮。本集團的估計不時根據影響現有索償狀態的事實與情況作出調整。進一步詳情載列於附註37。

5. 收入

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. Segment information

During the year, the Company has acquired equity interests of six entities in the auto-parts industry. Upon completion of the acquisition, the Group has duly entered the auto parts market and is engaged in two principal businesses of coal mining machinery and auto parts.

Information reported to the chief executive of the Company, being the chief operating decision maker (CODM), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 are (i) manufacture of coal mining machinery; and (ii) manufacture of auto parts. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

6. 分部信息

年內，本公司已收購汽車零部件行業中六家實體的股權。收購完成後，本集團已正式跨入汽車零部件市場，並從事煤礦機械及汽車零部件兩大主業。

就資源分配及分部表現評估向本公司最高行政人員（主要經營決策人）報告的資料集中於發運或提供的貨品或服務種類。具體而言，根據國際財務報告準則第8號，本集團的可呈報分部為(i)製造煤礦機械；及(ii)製造汽車零部件。並無經營分部合併至本集團可呈報分部。

本集團的收入及業績按可呈報及經營分部分析如下：

		Manufacture of coal mining 製造煤礦機械 RMB'000 人民幣千元	Manufacture of machinery auto parts 製造汽車零部件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2017	截至二零一七年 十二月三十一日			
Segment revenue	分部收入	4,757,436	2,789,265	7,546,701
Segment profit	分部溢利	335,254	207,001	542,255
Year ended 31 December 2016	截至二零一六年 十二月三十一日			
Segment revenue	分部收入	3,628,530	N/A 不適用	3,628,530
Segment profit	分部溢利	36,648	N/A 不適用	36,648
			Year ended 31 December 截至十二月三十一日止年度	
			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Segment revenue and consolidated revenue	分部收入及綜合收入		7,546,701	3,628,530
Segment profit	分部溢利		542,255	36,648
Central expense in relation to the acquisition	收購相關總部費用		(202,095)	-
Consolidated profit for the year	年內綜合溢利		340,160	36,648

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. Segment information (Continued)

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

6. 分部信息(續)

本集團的資產及負債按可呈報及經營分部分析如下：

		At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
SEGMENT ASSETS	分部資產		
Manufacture of coal mining machinery	製造煤礦機械	11,125,351	11,928,175
Manufacture of auto parts	製造汽車零部件	4,634,584	N/A 不適用
Total segment assets	分部資產總額	15,759,935	11,928,175
Prepayment for acquisition of a subsidiary	收購附屬公司預付款	3,345,626	-
Goodwill	商譽	345,768	-
Consolidated assets	綜合資產	19,451,329	11,928,175
SEGMENT LIABILITIES	分部負債		
Manufacture of coal mining machinery	製造煤礦機械	4,944,718	2,169,645
Manufacture of auto parts	製造汽車零部件	1,661,998	N/A 不適用
Total segment liabilities	分部負債總額	6,606,716	2,169,645
Obligation to acquire non-controlling interests	收購非控股權益的責任	1,066,617	-
Payables in relation to the acquisition	收購相關應付款	202,689	-
Consolidated liabilities	綜合負債	7,876,022	2,169,465

Geographical information

The analysis of revenue by geographical location of customers is as follows:

地域資料

收入按客戶地點分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
The PRC	中國	7,183,622	3,438,057
Other countries	其他國家	363,079	190,473
		7,546,701	3,628,530

No geographical segment information for assets is presented as the Group's non-current assets are mostly located in the PRC.

由於本集團的非流動資產大多位於中國，故此並無呈列資產的地域分部資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

6. Segment information (Continued)

Information about major customers

The following illustrates the revenue from customers which contributing over 10% of the total revenue of the Group:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Customer A	客戶A	N/A ¹ 不適用 ¹	383,430

1: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. 分部信息(續)

有關主要客戶之資料

以下列示來自客戶且佔本集團總收入超過10%的收入：

1：相關收入佔本集團總收入不足10%。

7. Other income

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Government grants (note)	政府補助(附註)	33,902	5,986
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項和融資租賃應收款項之利息收入	65,072	82,483
Interest income on debt investment	債務投資之利息收入	13,142	13,398
		112,116	101,867

Note: Government grants mainly represent unconditional government grants received from the local government for compensation of research and development expenses incurred, and in respect of construction of the Group's new plant, which are transferred from deferred income to profit or loss over the useful lives of the relevant assets.

7. 其他收入

附註：政府補助主要指就補償所產生研發費用及就本集團的新建廠房而自地方政府獲取的無條件政府補助，本集團在相關資產使用期限自遞延收益轉撥損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

8. Other gains and losses

8. 其他收益及虧損

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
(Loss) gain on disposal of property, plant and equipment	處置物業、廠房及設備(虧損)收益	(5,883)	4,007
Gain on disposal of a subsidiary	出售一間附屬公司的收益	-	14,274
Gain on disposal of an associate	出售一間聯營公司的收益	-	26
Gain on disposal of an available-for-sale investment	出售一項可供出售之投資的收益	2,730	-
Net foreign exchange (loss) gains	匯兌淨(虧損)收益	(70,789)	65,510
Reverse (allowance) for doubtful debts	呆賬撥回(撥備)	139,007	(230,296)
Write-down of inventories	存貨撇銷	(9,728)	(14,544)
Impairment loss on available-for-sale investments measured at cost	按成本計量可供出售之投資之減值虧損	-	(1,046)
Others	其他	(1,590)	(6,642)
		53,747	(168,711)

9. Finance costs

9. 融資成本

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interests on bank borrowings	銀行貸款之利息	39,681	-

10. Income tax expense

10. 所得稅開支

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Income tax expenses comprise:	所得稅開支包括：		
Current tax: – PRC enterprise income tax	即期稅項：— 中國企業所得稅	92,018	31,953
– Under (over) provision in prior years	– 過往年度撥備不足(超額撥備)	3,455	(1,717)
Deferred tax – Current year	遞延稅項—本年度	95,473	30,236
– Attributable to a change in tax rate	– 因稅率變動產生	(12,860)	(29,500)
		253	-
		82,866	736

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

10. Income tax expense (Continued)

Under the Law of People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and its PRC subsidiaries is 25%. Moreover, the Company and certain of its subsidiaries received the High and New Technology Enterprises Certificate (the "Technology Certificate") and were entitled to a preferential tax rate of 15% during the terms of respective Technology Certificates.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支(續)

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本公司及其中國附屬公司稅率為25%。此外，本公司及其若干附屬公司取得高新技術企業證書(「技術證書」)，並有權於各份技術證書有效期間享有優惠稅率15%。

年內稅項費用按綜合損益及其他全面收益表所示除稅前溢利對賬如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	423,026	37,384
Tax at the PRC enterprise income tax rate of 15%	按中國企業所得稅率15%計算之稅項	63,454	5,608
Tax effect of share of result of associates and joint ventures	應佔聯營公司和合營企業業績的稅務影響	(3,493)	2,711
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	-	(9,213)
Tax effect of expenses that are not deductible for tax purpose	不可扣稅開支之稅務影響	1,752	1,320
Tax effect of tax losses and temporary differences not recognised	未確認稅項虧損及暫時差額之稅務影響	47,649	7,730
Utilisation of tax losses previously not recognised	利用先前未確認稅項虧損	(6,419)	(279)
Effect of different tax rate of subsidiaries	附屬公司不同稅率之影響	(9,812)	746
Additional deduction for qualified research and development expenses	額外扣除符合規定的研發費用	(13,973)	(6,170)
Under (over) provision in prior years	過往年度撥備不足(超額撥備)	3,455	(1,717)
Decrease in opening deferred tax assets resulting from a decrease in applicable tax rate	由於適用稅率下降導致期初遞延稅項資產減少	253	-
		82,866	736

Details of deferred taxation for the year are set out in note 24.

本年度遞延稅項之詳情載於附註24。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

11. Profit for the year

11. 年內溢利

Profit for the year has been arrived at after charging (crediting):

年內溢利經扣除(計入)以下各項得出：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元 (Restate) (經重列)
Depreciation for property, plant and equipment	物業、廠房及設備折舊	249,275	174,970
Depreciation for investment properties	投資物業折舊	1,589	1,589
Amortisation of intangible assets	無形資產攤銷	54,689	2,062
Release of prepaid lease payments	預付土地租賃款項撥回	12,275	8,823
Total depreciation and amortisation		317,828	187,444
Capitalised in inventories	存貨資本化	(52,598)	(28,439)
		265,230	159,005
Employee benefits expenses (including directors):	僱員福利開支(包括董事)：		
– Salary and other benefits	– 工資及其他福利	730,604	351,269
– Retirement benefits scheme contributions	– 退休福利計劃供款	76,363	54,267
Capitalised in inventories	存貨資本化	806,967 (122,686)	405,536 (64,783)
		684,281	340,753
Write-down of inventories	存貨撇減	9,728	14,544
Auditors' remuneration	核數師酬金	3,450	2,980
Cost of inventories recognised as an expense	確認為開支之存貨成本	5,899,296	2,915,417
Gross rental income from investment properties	投資物業租金收入總額	(8,685)	(8,486)
Less: direct operating expenses from investment properties that generated rental income	減：產生租金收入之投資物業之直接經營開支	3,706	3,991
		(4,979)	(4,495)
Minimum operating lease rentals in respect of rented premises	租用房屋之最低經營租賃租金	5,224	5,224

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. Directors', chief executive's and supervisors' remuneration

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

		For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Executive directors:</i>	<i>執行董事：</i>					
Mr Jiao Chengyao (notes 1, 2)	焦承堯先生(附註1、2)	-	-	-	-	-
Mr Xiang Jiayu	向家雨先生	378	114	97	-	589
Mr Wang Xinying (note 2)	王新瑩先生(附註2)	68	-	80	-	148
Mr Liu Qiang	劉強先生	299	76	65	-	440
Mr Guo Haofeng	郭昊峰先生	347	290	114	-	751
Sub-total	小計	1,092	480	356	-	1,928

The executive directors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

12. 董事、最高行政人員及監事酬金

根據適用之上市規則及公司條例披露之董事及監事酬金如下：

上述執行董事酬金乃就彼等對本公司及本集團事務之管理而提供之服務而支付。

		For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>					
Ms Liu Yao	劉堯女士	-	-	-	161	161
Mr Jiang Hua	江華先生	-	-	-	140	140
Mr Li Xudong	李旭冬先生	-	-	-	140	140
Mr Wu Guangming (resigned in July 2017)	吳光明先生 (於二零一七年七月辭任)	-	-	-	140	140
Sub-total	小計	-	-	-	581	581

The independent non-executive directors' remuneration shown above were paid for their services as directors of the Company.

上述獨立非執行董事酬金乃就彼等擔任本公司之董事而提供之服務而支付。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. Directors', chief executive's and supervisors' remuneration (Continued)

12. 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資 及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鉤 的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利 計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Supervisors:</i>	<i>監事：</i>					
Mr Ni Heping	倪和平先生	351	226	92	-	669
Ms Xu Mingkai	徐明凱女士	265	22	41	-	328
Mr Zhang Zhiqiang	張志強先生	118	-	20	-	138
Mr. Zhang Jun	張軍先生	274	30	41	-	345
Mr Li Chongqing	李重慶先生	283	-	74	-	357
Mr Liu Fuying	劉付營先生	350	194	91	-	635
Mr Zhou Rong	周榮先生	327	33	49	-	409
Sub-total	小計	1,968	505	408	-	2,881
Total	總計	3,060	985	764	581	5,390

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資 及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鉤 的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利 計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Executive directors:</i>	<i>執行董事：</i>					
Mr Jiao Chengyao (notes 1, 2)	焦承堯先生(附註1、2)	255	79	75	-	409
Mr Xiang Jiayu	向家雨先生	386	115	112	-	613
Mr Wang Xinying (note 2)	王新瑩先生(附註2)	192	55	69	-	316
Mr Liu Qiang	劉強先生	286	92	46	-	424
Mr Guo Haofeng	郭昊峰先生	336	373	97	-	806
Sub-total	小計	1,455	714	399	-	2,568

The executive directors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

上述執行董事酬金乃就彼等對本公司及本集團事務之管理而提供之服務而支付。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

12. Directors', chief executive's and supervisors' remuneration (Continued)

12. 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Independent non-executive directors:</i> 獨立非執行董事:						
Ms Liu Yao	劉堯女士	-	-	-	161	161
Mr Jiang Hua	江華先生	-	-	-	140	140
Mr Li Xudong	李旭冬先生	-	-	-	140	140
Mr Wu Guangming	吳光明先生	-	-	-	140	140
Sub-total	小計	-	-	-	581	581

The independent non-executive directors' remuneration shown above were paid for their services as directors of the Company.

上述獨立非執行董事酬金乃就彼等擔任本公司之董事而提供之服務而支付。

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
<i>Supervisors:</i> 監事:						
Mr Ni Heping	倪和平先生	243	306	98	-	647
Mr Jia Jingcheng (resigned in January 2016)	賈景程先生 (於二零一六年一月辭任)	9	6	4	-	19
Ms Xu Mingkai	徐明凱女士	115	135	48	-	298
Mr Zhang Zhiqiang	張志強先生	36	80	32	-	148
Mr. Zhang Jun (appointed in February 2016)	張軍先生 (於二零一六年二月獲委任)	110	162	33	-	305
Mr Li Chongqing	李重慶先生	313	12	91	-	416
Mr Liu Fuying	劉付營先生	240	306	93	-	639
Mr Zhou Rong	周榮先生	89	221	46	-	356
Sub-total	小計	1,155	1,228	445	-	2,828
Total	總計	2,610	1,942	844	581	5,977

The supervisors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

上述監事酬金乃就彼等對本公司及本集團事務之管理而提供之服務。

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12. Directors', chief executive's and supervisors' remuneration (Continued)

Note 1: Mr Jiao Chengyao is also the chief executive of the Company and his emolument for the role as chief executive is also included above.

Note 2: All or partial of these directors' remuneration for the year ended 31 December 2017 were borne by the parent of the Company.

The performance incentive payment is mainly determined on the basis of the Group's and individual performance for years ended 31 December 2017 and 2016, respectively.

No remuneration was paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office in the years ended 31 December 2017 and 2016. None of the directors or supervisors has waived any remuneration in the year ended 31 December 2017 and 2016.

13. Employees' Remuneration

Of the five individuals with the highest remuneration in the Group, None (2016: one) was director(s) or supervisor(s) of the Company whose remuneration is included in the disclosures in note 12 above. The remuneration of the remaining five individuals (2016: four) was as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and other benefits	工資及其他福利	1,799	1,358
Performance related incentive payments	與表現掛鈎的獎金	2,780	1,612
Retirement benefit scheme contributions	退休福利計劃供款	611	322
		5,190	3,292

The number of five highest paid individuals whose remuneration fell within the following bands is as follows:

		2017 二零一七年 No. of employees 僱員數目	2016 二零一六年 No. of employees 僱員數目
Nil to HK\$1,000,000	零至1,000,000港元	-	5
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	5	-
		5	5

12. 董事、最高行政人員及監事酬金(續)

附註1：焦承堯先生亦為本公司的最高行政人員，而其擔任最高行政人員的薪酬亦已計入上述金額內。

附註2：截至二零一七年十二月三十一日止年度的所有或部份董事酬金由本公司母公司承擔。

與表現掛鈎的獎金主要按本集團及個別人員於截至二零一七年及二零一六年十二月三十一日止年度之表現釐定。

截至二零一七年及二零一六年十二月三十一日止年度，本集團並無向董事或監事支付任何酬金，作為其加盟或於加盟本集團時之誘金或離職補償。截至二零一七年及二零一六年十二月三十一日止年度，並無董事或監事放棄任何酬金。

13. 僱員酬金

本集團五名最高薪人士之中，無人(二零一六年：一名)為本公司董事或監事，彼等的酬金詳情於上文附註12披露。餘下五名(二零一六年：四名)人士的酬金如下：

酬金介乎下列範圍之五名最高薪人士數目如下：

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

14. Dividends

14. 股息

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Dividends recognised as distribution during the year	年內確認分派以下股息		
– 2016 Final (RMB0.011 per share)	– 二零一六年末期 (每股人民幣0.011元)	19,057	–
– 2015 Final (RMB0.008 per share)	– 二零一五年末期 (每股人民幣0.008元)	–	12,969
		19,057	12,969

Subsequent to the end of the Reporting Period, a final dividend in respect of the year ended 31 December 2017 of RMB0.05 per share (2016: final dividend in respect of the year ended 31 December 2016 of RMB0.011 per share) in an aggregated amount of RMB86,623,568.50 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

報告期末後，本公司董事已建議就截至二零一七年十二月三十一日止年度派付末期股息每股人民幣0.05元（二零一六年：就截至二零一六年十二月三十一日止年度派付末期股息每股人民幣0.011元），總額為人民幣86,623,568.50元，須待股東於應屆股東週年大會批准，方可作實。

15. Earnings per share

15. 每股盈利

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

本公司股東應佔的每股基本盈利按以下數據計算：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Earning for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	就每股基本及攤薄盈利而言之盈利 (本公司股東應佔年內溢利)	284,250	61,997
Weighted average number of ordinary shares (31 December 2016: number of ordinary shares for the purpose of basic earnings per share)	就每股基本盈利而言之普通股加權 平均數(二零一六年十二月 三十一日：普通股數目)	1,704,634,000	1,621,122,000

The diluted earnings per share is the same as basic earnings per share for the years ended 31 December 2017 and 2016 as the Company did not have any dilutive potential ordinary shares in issue for the year ended 31 December 2017 and 2016.

由於截至二零一七年及二零一六年十二月三十一日止年度本公司均無任何已發行具潛在攤薄作用的普通股，故截至二零一七年及二零一六年十二月三十一日止年度的每股攤薄盈利與每股基本盈利相同。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

16. Property, plant and equipment

16. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 車輛 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST 成本							
At 1 January 2016	於二零一六年一月一日	1,133,753	1,012,980	38,081	87,099	82,447	2,354,360
Additions	添置	3,779	53,134	2,195	5,584	14,391	79,083
Transfer	轉撥	64,750	-	-	-	(64,750)	-
Disposals	處置	-	(85,637)	(6,594)	(731)	-	(92,962)
Disposal of a subsidiary	出售一家附屬公司	(93,992)	(58,063)	(2,948)	(6,838)	-	(161,841)
At 31 December 2016 於二零一六年十二月三十一日		1,108,290	922,414	30,734	85,114	32,088	2,178,640
Addition	添置	18,396	199,311	11,103	11,078	162,747	402,635
Transfer	轉撥	951	124,067	-	-	(125,018)	-
Disposals	處置	(5,774)	(123,250)	(6,043)	(6,138)	-	(141,205)
Acquisition of subsidiaries (note 47)	收購附屬公司(附註47)	347,435	789,376	8,218	8,004	55,348	1,208,381
At 31 December 2017 於二零一七年十二月三十一日		1,469,298	1,911,918	44,012	98,058	125,165	3,648,451
ACCUMULATED DEPRECIATION 累計折舊							
At 1 January 2016	於二零一六年一月一日	168,138	485,056	27,990	65,518	-	746,702
Provided for the year	年內撥備	47,152	110,381	4,038	13,399	-	174,970
Elimination on disposals	處置時對銷	-	(79,027)	(5,872)	(692)	-	(85,591)
Disposal of a subsidiary	出售一家附屬公司	(14,803)	(32,572)	(226)	(626)	-	(48,227)
At 31 December 2016 於二零一六年十二月三十一日		200,487	483,838	25,930	77,599	-	787,854
Provided for the year	年內撥備	51,622	184,137	8,283	5,233	-	249,275
Elimination on disposals	處置時對銷	(2,821)	(89,299)	(5,124)	(5,567)	-	(102,811)
At 31 December 2017 於二零一七年十二月三十一日		249,288	578,676	29,089	77,265	-	934,318
CARRYING VALUES 賬面值							
At 31 December 2016	於二零一六年十二月三十一日	907,803	438,576	4,804	7,515	32,088	1,390,786
At 31 December 2017	於二零一七年十二月三十一日	1,220,010	1,333,242	14,923	20,793	125,165	2,714,133

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

16. Property, plant and equipment (Continued)

All the buildings are located in the PRC. The Group was in process of obtaining the relevant property ownership certificates for buildings with a net book value of RMB30,876,000 as at 31 December 2017 (2016: RMB34,555,000). In the opinion of the directors of the Company, the relevant property ownership certificates can be obtained in due time without incurring significant costs.

The Group has pledged property, plant and equipment with a net book value of approximately RMB108,447,000 as at 31 December 2017 (31 December 2016: Nil) to secure banking facilities granted to the Group.

The above items of property, plant and equipment except for construction in progress are depreciated on a straight-line basis, taking into account their residual value, at the following rates per annum:

Buildings	2.71%–3.17%
Plant and machinery	9.50%
Motor vehicles	19.00%
Other equipment	19.00%

17. Prepaid lease payments

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Analysed for the reporting purpose as:	就呈報目的分析如下：		
Current portion	流動部分	11,551	7,405
Non-current portion	非流動部分	508,559	317,752
		520,110	325,157

The Group has obtained all relevant land use right certificates for the leasehold land as at 31 December 2017 and 2016.

The Group has pledged leasehold land with a net book value of approximately RMB48,460,000 as at 31 December 2017 (31 December 2016: Nil) to secure banking facilities granted to the Group.

16. 物業、廠房及設備(續)

所有樓宇均座落在中國境內。本集團仍待獲取於二零一七年十二月三十一日賬面淨值為人民幣30,876,000元(二零一六年：人民幣34,555,000元)的樓宇相關物業所有權證。本公司董事認為，可適時取得相關物業所有權證，而不會產生重大成本。

於二零一七年十二月三十一日，本集團已抵押賬面淨值約人民幣108,447,000元(二零一六年十二月三十一日：無)之物業、廠房及設備，作為本集團獲授予銀行融資之擔保。

除在建工程外，上述物業、廠房及設備項目經計及其剩餘價值後以直線法折舊，採用的年率如下：

樓宇	2.71%至3.17%
廠房及機器	9.50%
車輛	19.00%
其他設備	19.00%

17. 預付土地租賃款項

於二零一七年及二零一六年十二月三十一日，本集團已取得所有租賃土地相關土地使用權證。

於二零一七年十二月三十一日，本集團已抵押賬面淨值約人民幣48,460,000元(二零一六年十二月三十一日：無)之租賃土地，作為本集團獲授予銀行融資之擔保。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

18. Investment properties

18. 投資物業

		Buildings 樓宇 RMB'000 人民幣千元
COST	成本	
At 31 December 2016 and 2017	於二零一六年及二零一七年十二月三十一日	50,179
DEPRECIATION	折舊	
At 1 January, 2016	於二零一六年一月一日	2,992
Provided for the year	年內撥備	1,589
At 31 December 2016	於二零一六年十二月三十一日	4,581
Provided for the year	年內撥備	1,589
At 31 December 2017	於二零一七年十二月三十一日	6,170
CARRYING VALUES	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	45,598
At 31 December 2017	於二零一七年十二月三十一日	44,009

As at 31 December 2017, the fair value of the Group's investment properties was RMB58,250,000 (2016: RMB58,958,000). The fair value has been arrived at based on a valuation carried out by the management of the Company. The fair value was determined based on the direct comparison approach, which the directors of the Company are of the view that it is the best estimate of the fair value of these investment properties. The direct comparison approach reflects recent transaction prices or current asking prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

於二零一七年十二月三十一日，本集團投資物業的公平值為人民幣58,250,000元（二零一六年：人民幣58,958,000元）。公平值是根據本公司管理層作出的估值得出。公平值是根據直接比較法估算得出，本公司董事認為此乃估算此等投資物業的公平值的最佳辦法。直接比較法反映類似物業的最近交易價格或當時沽盤價。於估算物業之公平值時，其現有用途為價值最高及其最佳用途。

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18. Investment properties (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2017 are as follows:

	Level 3 第3級 RMB'000 人民幣千元	Fair value as at 31 December 2017 於二零一七年 十二月三十一日 的公平值 RMB'000 人民幣千元
Investment properties located in Zhengzhou, the PRC 位於中國鄭州的投資物業	58,250	58,250

	Level 3 第3級 RMB'000 人民幣千元	Fair value as at 31 December 2016 於二零一六年 十二月三十一日 的公平值 RMB'000 人民幣千元
Investment properties located in Zhengzhou, the PRC 位於中國鄭州的投資物業	58,958	58,958

There were no transfers into or out of Level 3 during the year.

年內概無轉進或轉出第3級。

The above investment properties are depreciated on a straight-line basis, taking into account their residual value, at the following rates per annum:

以上投資物業是經計及其剩餘價值後以直線法折舊，採用的年率如下：

Buildings 2.71%-3.17%

樓宇 2.71%至3.17%

All the buildings are located in the PRC. The Group had not obtained the relevant property certificates for buildings with a net book value of RMB4,840,000 as at 31 December 2017 (2016: RMB5,004,000). In the opinion of the directors of the Company, the relevant property ownership certificates can be obtained in due time without incurring significant costs.

所有樓宇均位於中國境內。本集團尚未獲取於二零一七年十二月三十一日賬面淨值為人民幣4,840,000元(二零一六年：人民幣5,004,000元)的樓宇相關物業所有權證。本公司董事認為，可適時獲取相關房屋所有權證而不招致重大成本。

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19. Goodwill

19. 商譽

		2017 二零一七年 RMB'000 人民幣千元
COST AND CARRYING AMOUNT	成本及賬面值	
At 1 January 2016 and 31 December 2016	於二零一六年一月一日及 二零一六年十二月三十一日	—
Acquisition of subsidiaries (note 47)	收購附屬公司(附註47)	345,768
At 31 December 2017	於二零一七年十二月三十一日	345,768

For the purposes of impairment testing, goodwill has been allocated to an individual cash-generating unit (CGU), comprising six entities engaged in manufacture of auto parts. During the year ended 31 December 2017, management of the Group determines that there is no impairment of this CGU containing goodwill.

The basis of the recoverable amount of the CGU and the major underlying assumptions are summarised below:

Six entities engaged in manufacture of auto parts:

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five – year period, and discount rate of 11.0%. Growth rate beyond the five-year period is assumed to be zero.

Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

就減值測試而言，商譽已分配至一個獨立現金產生單位，由從事汽車零部件製造的六家實體構成。於截至二零一七年十二月三十一日止年度，本集團管理層釐定此現金產生單位並無減值包括商譽。

現金產生單位可回收金額的基準及主要相關假設概述如下：

從事汽車零部件製造的六家實體：

此單位的可回收金額已根據使用價值計算釐定。該計算基於管理層批准之五年期財政預算及11.0%之貼現率釐定之現金流量預測。五年期後的增長率假設為零。

使用價值計算的其他主要假設與現金流入／流出（包括預算銷售額及毛利率）的估計有關，而該估計則根據單位的過往表現及管理層對市場發展的預期所作出。管理層相信，任何該等假設的任何合理可能變動概不會導致賬面值總額超過可回收金額的總額。

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20. Intangible assets

20. 無形資產

		Trademark 商標 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Patent right 專利權 RMB'000 人民幣千元	Customer Relationship 客戶關係 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
COST	成本					
At 1 January 2016	於二零一六年一月一日	–	17,137	–	–	17,137
Additions	添置	–	103	–	–	103
Disposal of a subsidiary	出售一家附屬公司	–	(711)	–	–	(711)
At 31 December 2016	於二零一六年 十二月三十一日	–	16,529	–	–	16,529
Additions	添置	–	2,148	–	–	2,148
Acquisition of subsidiaries (note 47)	收購附屬公司(附註47)	77,860	123	265,504	265,293	608,780
At 31 December 2017	於二零一七年 十二月三十一日	77,860	18,800	265,504	265,293	627,457
AMORTISATION	攤銷					
At 1 January 2016	於二零一六年一月一日	–	12,807	–	–	12,807
Charge for the year	年內扣除	–	2,062	–	–	2,062
Disposal of a subsidiary	出售一家附屬公司	–	(600)	–	–	(600)
At 31 December 2016	於二零一六年 十二月三十一日	–	14,269	–	–	14,269
Charge for the year	年內扣除	6,187	1,208	25,186	22,108	54,689
At 31 December 2017	於二零一七年 十二月三十一日	6,187	15,477	25,186	22,108	68,958
CARRYING VALUES	賬面值					
At 31 December 2016	於二零一六年十二月 三十一日	–	2,260	–	–	2,260
At 31 December 2017	於二零一七年十二月 三十一日	71,673	3,323	240,318	243,185	558,499

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

以上無形資產有有限使用年期。該等無形資產按以下年期以直線法攤銷：

Software	5 years	軟件	5年
Trademark	10 years	商標	10年
Patent right	5 to 10 years	專利權	5至10年
Customer relationship	10 years	客戶關係	10年

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21. Investments in associates

21. 於聯營公司之投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of investments in unlisted associates	於非上市聯營公司之投資成本	381,972	395,724
Share of post-acquisition profits and other comprehensive income, net of dividends received	分佔收購後溢利及其他全面收入，扣除已收股息	67,117	35,692
		449,089	431,416

As at 31 December 2017 and 2016, the Group had interests in the following associates:

於二零一七年及二零一六年十二月三十一日，本集團於以下聯營公司擁有權益：

Name of entity 實體名稱	Place of registration 註冊地	Proportion of nominal value of registered capital 佔註冊資本面值比例		Proportion of voting power held 佔持有表決權比例		Principal activities 主要業務
		2017	2016	2017	2016	
		二零一七年	二零一六年	二零一七年	二零一六年	
鄭州煤機速達配件服務有限公司 ZMJ Suda Parts and Services Co., Ltd.	The PRC 中國	31.48%	31.48%	31.48%	31.48%	Aftermarket services 售後服務
華軒(上海)股權投資基金有限公司 Hua Xuan (Shanghai) Equity Investment Fund Co., Ltd.	The PRC 中國	49.18%	49.18%	49.18%	49.18%	Equity investment and financial management 股本投資及財務管理
黑龍江鄭龍煤礦機械有限公司 Heilongjiang Zhenglong Coal Mining Machinery Co., Ltd.	The PRC 中國	47.5%	47.5%	47.5%	47.5%	Manufacture of mining machinery 生產採礦機械
淮南鄭煤機舜立機械有限公司 (「鄭煤機舜立」)(附註) Huainan ZMJ Shun Li Machinery Co., Ltd. ("ZMJ Shun Li") (note)	The PRC 中國	22.6%	22.6%	22.6%	22.6%	Manufacture of mining machinery 生產採礦機械

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

上表載列本公司董事認為對本集團業績或資產具有重大影響的聯營公司。本公司董事認為倘詳列其他聯營公司，將致使有關資料篇幅過長。

Note: In December 2016, ZMJ Shun Li ceased to be a subsidiary of the Group and the Company held the remaining 22.6% equity interest in ZMJ Shun Li and accounted for as interest in an associate.

附註：於二零一六年十二月，鄭煤機舜立不再為本集團的附屬公司，本公司持有鄭煤機舜立餘下的22.6%股權而將之入賬為於聯營公司權益。

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21. Investments in associates (Continued)

Aggregate information of associates that are not individually significant

21. 於聯營公司之投資(續)

個別而言並不重大之聯營公司綜合資料

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
The Group's share of profit (loss)	本集團分佔溢利(虧損)	18,399	(18,113)
The Group's share of other comprehensive income	本集團分佔其他全面收入	22,730	19,787
The Group's share of total comprehensive income	本集團分佔全面收入總額	41,129	1,674
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司擁有之權益賬面值總額	449,089	431,416

22. Investments in a joint venture

22. 於一間合營企業之投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of investments in unlisted associates	於非上市聯營公司之投資成本	27,906	-
Share of post-acquisition profits and other comprehensive income, net of dividends received	分佔收購後溢利及其他全面收入，扣除已收股息	6,193	-
		34,099	-

As at 31 December 2017, the Group had interest in the following joint venture:

於二零一七年十二月三十一日，本集團於以下合營企業擁有權益：

Name of entity 實體名稱	Place of registration 註冊地	Proportion of nominal value of registered capital 佔註冊資本面值比例		Proportion of voting power held 佔持有表決權比例		Principal activities 主要業務
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
		儀征日環亞新科粉末冶金製造有限公司 NPR Asimco powdered metals manufacturing (Yizheng) Co., Ltd	The PRC 中國	50.00%	N/A 不適用	

儀征日環亞新科粉末冶金製造有限公司 NPR Asimco powdered metals manufacturing (Yizheng) Co., Ltd is a joint venture of ASIMCO Shuanghuan that was acquired by the Group in March 2017, details of which are set out in note 47.

儀征日環亞新科粉末冶金製造有限公司是亞新科雙環的合營企業，後者由本集團於二零一七年三月收購，詳情載於附註47。

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23. Available-for-sale investments

23. 可供出售之投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Equity securities listed in Hong Kong, at fair value	於香港上市之股本證券(按公平值)	49,124	35,834
Unlisted equity securities (Note)	非上市股本證券(附註)	1,456	835
		50,580	36,669
Analysed for reporting purposes as: Non-current assets	就呈報目的分析如下: 非流動資產	50,580	36,669

Note: The above unlisted equity investments represent investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at the end of the Reporting Period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

附註：上述非上市股本投資是指於在中國註冊成立之民營公司所發行非上市股本證券之投資。該等投資於報告期末按成本扣除減值計量，原因是公平值的合理估計數值範圍太大，故本公司董事認為其公平值不能可靠計量。

24. Deferred tax assets/liabilities

24. 遞延稅項資產／負債

The following are the major deferred tax assets recognised and movements thereon:

已確認之主要遞延稅項資產及其變動如下：

		Bad debt Provision	Write-down of inventory	Accruals and provision	Unrealized profit	Revaluation on prepaid lease payments	Revaluation of intangible assets	Revaluation of Property, plant and equipment	Revaluation of Inventory	Others	Total
		壞賬撥備 RMB'000 人民幣千元	存貨撇銷 RMB'000 人民幣千元	應計開支及 撥備 RMB'000 人民幣千元	未實現利潤 RMB'000 人民幣千元	預付租賃 款項重估 RMB'000 人民幣千元	無形資產 重估 RMB'000 人民幣千元	物業、廠房 及設備重估 RMB'000 人民幣千元	存貨重估 RMB'000 人民幣千元	其他 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
The Group	本集團										
At 1 January 2016	於二零一六年一月一日	157,410	4,673	3,427	4,019	-	-	-	-	2,301	171,830
Credit (charge) to profit or loss	於損益計入(扣除)	26,897	2,182	600	(984)	-	-	-	-	805	29,500
Disposal of a subsidiary	出售一家附屬公司	(1,134)	(17)	(1,577)	-	-	-	-	-	(860)	(3,588)
At 31 December 2016	於二零一六年十二月三十一日	183,173	6,838	2,450	3,035	-	-	-	-	2,246	197,742
Acquisition of subsidiaries (Note 47)	收購附屬公司(附註47)	2,153	3,284	39,584	-	(24,207)	(90,459)	(39,144)	(8,255)	6,258	(110,786)
(Charge) credit to profit or loss	於損益(扣除)計入	(21,674)	(1,044)	10,041	6,999	588	8,370	2,169	8,255	(844)	12,860
Effect of change in tax rate	對稅率變動的影響	(211)	-	-	-	-	-	-	-	(42)	(253)
At 31 December 2017	於二零一七年十二月三十一日	163,441	9,078	52,075	10,034	(23,619)	(82,089)	(36,975)	-	7,618	99,563

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24. Deferred tax assets/liabilities (Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	242,246	197,742
Deferred tax liability	遞延稅項負債	(142,683)	-
		99,563	197,742

24. 遞延稅項資產／負債(續)

就財務申報而言，有關遞延稅項結餘之分析如下：

At the end of the Reporting Period, the Group has the following unrecognised unused tax losses:

於各報告期末，本集團有下列未確認之未動用稅項虧損：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Unused tax losses	未動用稅項虧損	294,182	120,212

No deferred tax asset has been recognised in relation to the above tax losses due to the unpredictability of future profit streams.

未就上述稅項虧損確認遞延稅項資產乃由於無法預期未來溢利流入。

The expiry dates of the above unrecognised tax losses are as follow:

上述未確認稅項虧損之屆滿日期如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
31 December 2017	二零一七年十二月三十一日	-	8,961
31 December 2018	二零一八年十二月三十一日	1,547	11,969
31 December 2019	二零一九年十二月三十一日	15,531	30,477
31 December 2020	二零二零年十二月三十一日	26,901	26,901
31 December 2021	二零二一年十二月三十一日	36,855	41,904
31 December 2022	二零二二年十二月三十一日	12,108	-
		92,942	120,212

The remaining unused tax losses may be carried forward indefinitely.

餘下未使用稅務虧損可無限期結轉。

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25. Debt investment

25. 債務投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Debt securities	債務證券	-	416,631
Analysed for reporting purposes as:	就呈報目的分析如下：		
Current portion	流動部分	-	416,631

On 26 March 2014, the Company entered into a subscription agreement with Sun Hung Kai & Co. (BVI) Limited and Sun Hung Kai & Co. Limited, pursuant to which, the Company agreed to subscribe for the notes in the principal amount of USD60,000,000, with a coupon rate of 3.0% per annum, semi-annually payable in arrears. The notes expired on 28 December 2017.

於二零一四年三月二十六日，本公司與Sun Hung Kai & Co. (BVI) Limited及Sun Hung Kai & Co. Limited訂立認購協議，據此，本公司同意認購本金額為60,000,000美元的票據，年票息率為3.0%，每半年以後付方式支付。票據已於二零一七年十二月二十八日屆滿。

26. Finance lease receivables

26. 融資租賃應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current finance lease receivables	流動融資租賃應收款項	31,475	39,146
Non-current finance lease receivables	非流動融資租賃應收款項	38,476	51,482
		69,951	90,628

Certain of the Group's equipment are leased out under finance leases. All leases are denominated in RMB. The term of finance leases entered into ranged from 3 to 5 years.

本集團若干設備根據融資租賃出租。所有租賃以人民幣計值。融資租賃年期為三至五年。

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26. Finance lease receivables (Continued)

Amounts receivable under finance leases

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		31/12/2017 二零一七年 十二月 三十一日 RMB'000 人民幣千元	31/12/2016 二零一六年 十二月 三十一日 RMB'000 人民幣千元	31/12/2017 二零一七年 十二月 三十一日 RMB'000 人民幣千元	31/12/2016 二零一六年 十二月 三十一日 RMB'000 人民幣千元
Within 1 year	1年內	33,195	45,773	31,475	43,504
Over 1 year but less than 2 years	超過1年但少於2年	15,898	32,233	14,241	28,311
Over 2 years but less than 5 years	超過2年但少於5年	27,045	22,291	24,235	18,813
Less: unearned finance income	減：未實現融資收益	(6,187)	(9,669)	N/A	N/A
Present value of minimum lease payments receivable	最低租賃應收款項現值	69,951	90,628	69,951	90,628

The interest rates inherent in the leases are fixed at the contract date for the entire lease terms. The weighted average effective interest rate is approximately 5.70% (2016: 5.80%) per annum.

Finance lease receivable balances are secured over the leased storage equipment. The Group is not permitted to sell or pledge the collateral in the absence of default by the lessee.

The finance lease receivables at the end of the Reporting Period are neither past due nor impaired.

26. 融資租賃應收款項(續)

融資租賃項下應收款項

租賃附帶之息率於合約日釐定，適用於整個租賃期。加權平均實際年利率約為5.70%(二零一六年：5.80%)。

融資租賃應收款項結餘以租出的設備作擔保。本集團不得在承租人沒有違約時出售或再抵押抵押品。

於報告期末，融資租賃應收款項並無逾期亦無減值。

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27. Long-term receivables

27. 長期應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Long term receivable due from customers	應收客戶長期應收款項	294,211	178,508
Less: Long-term receivable due within 1 year	減：一年內到期之長期應收款項	(141,857)	(131,726)
Long-term receivable due after 1 year		152,354	46,782
The amount is expected to be received as follows:			
Within 1 year		163,802	161,337
Over 1 year but less than 2 years		65,174	3,450
Over 2 years but less than 5 years		147,596	40,443
Over 5 years		-	12,074
Less: unearned finance income		(82,361)	(38,796)
		294,211	178,508

Note: The balance represents long term receivables from customers arising from sales of goods. The amount is interest free, unsecured and repayable in 2 to 5 years. Deemed interest income of RMB23,627,000 calculated based on effective interest method was recognised during the current year (2016: RMB13,310,000).

附註：該結餘指因貨品銷售而應收客戶之長期應收款項。該款項為免息、無抵押及須於兩至五年內償還。視作按實際利息法計算之利息收入人民幣23,627,000元乃於本年度內確認(二零一六年：人民幣13,310,000元)。

28. Loan receivables from associates and a joint venture

28. 應收聯營公司及一家合營企業貸款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loan receivables from an associate (note 1)	應收一家聯營公司貸款(附註1)	24,000	64,000
Loan receivables from a joint venture (note 2)	應收一家合營企業貸款(附註2)	29,750	-
		53,750	64,000
Analysed for the reporting purpose as:			
Current portion		34,000	64,000
Non-current portion		19,750	-
		53,750	64,000

Notes:

- (1): The balance represented loan receivables from an associate, Heilongjiang Zhenglong Coal Mining Machinery Co., Ltd., which was unsecured and repaid on demand. The Group has individually provided allowance of RMB40,000,000 (2016:RMB16,000,000) for this loan receivable during the year.
- (2): The balance is unsecured, carrying interest rate of 1.45%–2.16% per annum and repaid within three years by installments.

附註：

- (1)：該結餘指應收聯營公司黑龍江鄭龍煤礦機械有限公司之貸款，該貸款無抵押，並按要求償還。於年內，本集團為此應收貸款個別計提人民幣40,000,000元(二零一六年：人民幣16,000,000元)的撥備。
- (2)：該結餘無抵押，按年利率1.45%–2.16%計息，並於三年內分期償還。

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29. Prepayment for acquisition of a subsidiary

On 2 May 2017, the Company, together with other investors, entered into a shares purchase agreement ("SPA") with the vendors to acquire the entire issued share capital of Robert Bosch Starter Motors Generators Holding GmbH ("SG Holding"), a limited liability company incorporated under the laws of Germany at a cash consideration of EUR 545 million (equivalent to approximately RMB4,252,253,000), subject to final adjustment in accordance with the terms and conditions set out in the SPA.

The Group has prepaid part of the consideration amounting to EUR428,800,000 (equivalent to approximately RMB3,345,626,000) and the acquisition has not yet been completed as at 31 December 2017.

29. 收購一間附屬公司預付款項

於二零一七年五月二日，本公司連同其他投資者與賣方訂立購股協議（「購股協議」），收購Robert Bosch Starter Motors Generators Holding GmbH（「SG控股」，根據德國法律註冊成立的有限責任公司）的全部已發行股本，現金代價為545百萬歐元（相等於約人民幣4,252,253,000元），須按購股協議所載條款及條件作最終調整。

本集團已預付部分代價，金額為428,800,000歐元（相等於約人民幣3,345,626,000元），而截至二零一七年十二月三十一日為止，收購尚未完成。

30. Inventories

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials and consumables	原料及消耗品	366,360	181,430
Work in progress	半成品	409,730	159,048
Finished goods	產成品	1,056,043	487,316
		1,832,133	827,794

30. 存貨

31. Trade and other receivables

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bills receivable (note)	應收票據(附註)	2,915,356	1,038,280
Trade receivables	貿易應收款項	3,526,510	3,525,161
Less: allowance for doubtful debts	減：呆賬撥備	(1,001,141)	(1,183,432)
		5,440,725	3,380,009
Prepayments to suppliers	向供應商預付款項	357,503	227,856
Deposits	訂金	38,344	25,674
Other tax recoverable	其他可收回稅項	11,259	3,328
Staff advances	僱員墊款	2,364	2,850
Others	其他	57,067	20,619
Less: allowance for doubtful debts	減：呆賬撥備	(14,190)	(11,891)
		452,347	268,436
Total trade and other receivables	貿易及其他應收款項合計	5,893,072	3,648,445

31. 貿易及其他應收款項

Notes:

The Group has pledged bills receivable with a book value of RMB776,172,000 as at 31 December 2017 (31 December 2016: Nil) to secure banking facilities granted to the group.

附註：

於二零一七年十二月三十一日，本集團已質押賬面值約人民幣776,172,000元（二零一六年十二月三十一日：無）之應收票據，用於獲取授予本集團的銀行信用額度。

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31. Trade and other receivables (Continued)

In respect of the business of manufacture of coal mining machinery, the Group generally receives advances in the form of bills receivable or cash from customers (which approximate 30% of the contract price) before delivery its product and allows a credit period of 180 days to its customers for the remaining contract price. The credit period provided to a customer can vary significantly based on a number of factors, including the Group's relationship with the customer, the customer's credit profile and payment history, total contract value and market conditions.

In respect of the business of manufacture of auto parts, the Group generally allows a credit period of 180 days to its customers for the total contract price.

The following is an aged analysis of bills receivable and trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of each Reporting Period:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 180 days	180天內	4,063,119	1,506,393
Over 180 days but within 1 year	超過180天但1年內	942,271	988,052
Over 1 year but within 2 years	超過1年但2年內	272,255	700,945
Over 2 years within 3 years	超過2年但3年內	163,080	184,619
		5,440,725	3,380,009

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date of credit was initially granted up to the reporting date. The Group closely monitors the credit quality of trade receivables and considers trade receivables that are neither past due nor impaired to be of a good credit quality. The Group has provided impairment allowance individually or collectively for all past due receivables.

Aging of trade receivables which are past due

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Over 180 days but within 1 year	超過180天但1年內	661,580	790,537
Over 1 year but within 2 years	超過1年但2年內	272,255	624,530
Over 2 years within 3 years	超過2年但3年內	163,080	184,619
		1,096,915	1,599,686

31. 貿易及其他應收款項(續)

就生產煤礦機械的業務而言，本集團一般在發運產品前自客戶收取應收票據或現金形式的預付款項（約為合約價格的30%），並就餘下合約價格給予客戶180天之信貸期。給予客戶之信貸期可能因多項因素而有明顯差異，包括本集團與客戶之關係、客戶之信用狀況與付款記錄、合約總值及市況。

就生產汽車零部件的業務而言，本集團一般就合約價格總數給予客戶180天之信貸期。

以下為各報告期末按發票日期呈列之應收票據及貿易應收款項扣除呆賬撥備後之賬齡分析：

在確定貿易應收款項之可回收性時，本集團考慮貿易應收款項信用質量於最初授出信貸當日至報告日期期間之任何變化。本集團密切監察貿易應收款項的信貸質量，並認為未逾期或未減值貿易應收款項信貸質量良好。本集團已就所有逾期應收款項個別或共同計提減值撥備。

已逾期之貿易應收款項賬齡

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31. Trade and other receivables (Continued)

Aging of trade receivables which are past due (Continued)

The Group has provided fully for all receivables over 3 years because historical experience is such that receivables are past due beyond 3 years are generally not recoverable. The Group does not hold any collateral over these balances.

Movement of allowance for doubtful debts on trade and other receivables

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Opening balance	年初結餘	1,195,323	1,041,497
Provided for the year	年內撥備	–	214,296
Reversed during the year	年內撥回	(179,007)	–
Disposal of a subsidiary	出售一家附屬公司	–	(7,562)
Write off	撇銷	(985)	(52,908)
Closing balance	年末結餘	1,015,331	1,195,323

Included in the allowance for doubtful debts of the Group are individually impaired trade receivables with an aggregate balance of RMB775,408,000 as at 31 December 2017 (2016: RMB791,040,000), which have been in significant financial difficulties. The Group holds no collateral over these balances as at 31 December 2017 and 2016.

31. 貿易及其他應收款項(續)

已逾期之貿易應收款項賬齡(續)

本集團已對3年以上應收款項全額計提撥備，因為根據歷史經驗逾期超過3年之應收款項一般無法收回。本集團並無就該等結餘持有任何抵押品。

貿易及其他應收款項之呆賬撥備變動

於二零一七年十二月三十一日，計入本集團呆賬撥備之款項的個別已減值貿易應收款項總金額為人民幣775,408,000元(二零一六年：人民幣791,040,000元)，該等款項乃面臨重大財務困難。於二零一七年及二零一六年十二月三十一日，本集團並無持有該等結餘之抵押品。

32. Derivative financial instruments

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Derivatives qualifying for hedge accounting	符合對沖會計條件的衍生工具		
Cash flow hedges:	現金流量對沖：		
– Forward foreign exchange contracts	– 遠期外匯合同	–	71,020

In 2016, the Group utilized forward foreign exchange contracts to hedge its exposure to variability in cash flows attributable to foreign currency risk between RMB/US Dollars associated with the highly probable acquisition of equity interests. The acquisition has been completed and the forward foreign exchange contracts are settled during the current year.

32. 衍生金融工具

於二零一六年，本集團利用遠期外匯合同對沖人民幣／美元外匯風險導致的現金流量變化的風險(其與極可能的股權收購有關)。收購已完成，而遠期外匯合同已於本年度結付。

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33. Other financial assets

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Structured deposit	結構性存款	62,000	1,085,000

Other financial assets as at 31 December 2017 represented the structured deposits with certain banks with good credit standing in the PRC carrying variable interest rates from 3.90% to 4.80% per annum (31 December 2016: from 2.85% to 3.50% per annum) and maturity period of one to seven months (31 December 2016: one to three months). These structured deposits could not be redeemed until the expiration date.

於二零一七年十二月三十一日，其他金融資產為若干中國信譽良好的銀行的結構性存款，可變年利率介乎3.90%至4.80%（二零一六年十二月三十一日：年利率2.85%至3.50%），而期限為一至七個月（二零一六年十二月三十一日：一至三個月）。此等結構性存款在到期日前不能贖回。

34. Bank balances and cash/pledged bank deposits

Bank balances and cash of the Group comprise cash and short-term bank deposits. The bank balances carry interest at market rates which range from 0.35% to 3.15% per annum as at 31 December 2017 (2016: 0.30% to 3.15% per annum).

34. 銀行結餘及現金／已抵押銀行存款

本集團銀行結餘及現金包括現金及短期銀行存款。銀行結餘按市場利率計息，於二零一七年十二月三十一日，年利率介乎0.35%至3.15%（二零一六年：年利率0.30%至3.15%）。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash	現金	252	90
Bank deposits with original maturity within three months or less	原到期日為3個月或以下之銀行存款	1,744,925	2,632,312
Cash and cash equivalents	現金及現金等值物	1,745,177	2,632,402
Bank deposits with original maturity over three months	原到期日為3個月以上之銀行存款	86,410	50,000
Bank balances and cash	銀行結餘及現金	1,831,587	2,682,402

Pledged bank deposits represent deposits pledged to banks to secure bank acceptance bills and letters of guarantee and are therefore classified as current assets. The pledged bank deposits carry interest at market rates which range from 0.35% to 3.15% per annum as at 31 December 2017 (2016: 0.30% to 3.15% per annum).

已抵押銀行存款為抵押予銀行作為銀行承兌匯票及保函之保證金，因此被分類為流動資產。已抵押銀行存款按市場利率計息，於二零一七年十二月三十一日，年利率介乎0.35%至3.15%（二零一六年：年利率0.30%至3.15%）。

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35. Trade and other payables

35. 貿易及其他應付款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bills payable (note i)	應付票據(附註i)	1,288,089	367,269
Trade payable (note i)	貿易應付款項(附註i)	2,684,708	1,139,227
		3,972,797	1,506,496
Salary and bonus payables	應付工資與獎金	261,367	69,584
Deposits (note ii)	訂金(附註ii)	27,939	23,710
Deferred income to be recognised within one year (note iii)	一年內確認之遞延收入(附註iii)	3,994	9,528
Other taxes payable	其他應付稅項	53,111	40,946
Accruals and other payables (note iv)	預提及其他應付款項(附註iv)	113,493	71,405
		4,432,701	1,721,669

Notes:

附註：

- i) The following is an aged analysis of bills payable and trade payables presented based on invoice date at the end of each Reporting Period:

- i) 以下為於各報告期末按發票日期呈列之應付票據及貿易應付款項賬齡分析：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 90 days	90天內	2,531,748	700,994
Over 90 days but within 1 year	超過90天但1年內	1,216,768	541,746
Over 1 year	超過1年	224,281	263,756
		3,972,797	1,506,496

- ii) Deposits represent the deposits received from suppliers for transportation and other services.
- iii) Deferred income to be recognised within one year represents the government subsidies received by the Group towards certain research projects. The amount has been treated as deferred income and will be transferred to profit or loss over the useful lives of the relevant assets.
- iv) Accruals and other payables mainly consist of payables for the acquisition of property, plant and equipment, rental payables and payables for other services.

- ii) 訂金指從供應商所收到運輸及其他服務之訂金。
- iii) 將於一年內確認之遞延收入指本集團就若干研究項目所收取政府補助。該款項被視作遞延收入且於相關資產可使用年期內轉撥至損益。
- iv) 預提及其他應付款項主要包括用於購置物業、廠房及設備之應付款項、應付租金及其他服務之應付款項。

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36. Borrowings

36. 借貸

		At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Bank loans (Note 3)	銀行貸款(附註3)	1,009,000	-
Secured (Note 1)	有抵押(附註1)	111,000	-
Unsecured (Note 2)	無抵押(附註2)	898,000	-
		1,009,000	-
Fixed-rate borrowings	固定息率借貸	960,000	-
Variable-rate borrowings	可變息率借貸	49,000	-
		1,009,000	-

Note 1: The balance represented the bank loan pledged by the land use rights and property, plant and equipment as at 31 December 2017.

附註1：於二零一七年十二月三十一日，該結餘為以土地使用權及物業、廠房及設備抵押的銀行貸款。

Note 2: The balance as at 31 December 2017 mainly represented the bank loan of RMB898,000,000 borrowed from a commercial bank carrying effective interest rate at 4.56% per annum. RMB80,000,000 of the borrowing should be repaid on 28 March 2018, another RMB82,000,000 of the borrowing should be repaid on 28 March 2019, and the remaining should be repaid on 28 March 2020.

附註2：於二零一七年十二月三十一日的結餘主要為商業銀行的銀行貸款人民幣898,000,000元，實際年利率為4.56%。借貸中人民幣80,000,000元須於二零一八年三月二十八日償還，借貸的另一部份人民幣82,000,000元須於二零一九年三月二十八日償還，而餘下部份須於二零二零年三月二十八日償還。

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36. Borrowings (Continued)

Note 3:

		At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Carrying amount repayable:	應償還款項賬面值：		
Within one year	1年內	191,000	-
More than one year, but not exceeding two years	超過1年但不超過2年	82,000	-
More than two years, but not exceeding five years	超過2年但不超過5年	736,000	-
		1,009,000	-
Less: Amounts shown under current liabilities	減：流動負債項下所示金額	191,000	-
Amounts shown under non-current liabilities	非流動負債項下所示金額	818,000	-

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

本集團借貸的實際利率(與合約利率相同)介乎以下範圍：

		At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2016 於二零一六年 十二月三十一日 RMB'000 人民幣千元
Effective interest rate per annum	實際年利率		
Fixed-rate borrowings	固定利率借貸	4.10% – 5.00%	N/A 不適用
Variable-rate borrowings	可變利率借貸	4.35% – 4.57%	N/A 不適用

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37. Provisions

37. 撥備

		Warranty 保修 RMB'000 人民幣千元
At 1 January 2016 and 31 December 2016	於二零一六年一月一日及二零一六年十二月三十一日	-
Acquisition of subsidiaries (note 47)	收購附屬公司(附註47)	78,062
Additional provision in the year	年內額外撥備	101,674
Utilisation of provision	利用撥備	(66,519)
<hr/>		
At 31 December 2017	於二零一七年十二月三十一日	113,217

The warranty provision represents management's best estimate of the Group's liability under warranty periods (generally 6 months) granted to customers (who purchased auto parts), based on prior experience relating to defective products.

保修撥備為管理層根據有關有缺陷產品的過往經驗對保修期間(一般為6個月)授予購買汽車零部件的客戶的本集團負債作出的最佳估計。

38. Transfers of financial assets

38. 金融資產劃轉

The Group entered into agreements with certain equipment leasing companies and end-user customers, pursuant to which:

本公司與若干設備租賃公司及終端用戶簽訂協議，據此：

- i) the Group sold hydraulic roof supports (which were designated to be used by end-user customers) to the equipment leasing companies and received the payments from leasing companies;
- ii) the equipment leasing companies lease the hydraulic roof supports to the end-user customer;
- iii) the Group are obliged to settle the unsettled leased amounts due by the end-user customers to the leasing companies if the end-user customers defaulted on repayments to the equipment leasing companies in the manner as specified in the agreement.

- i) 本集團向設備租賃公司出售液壓支架(最終由終端用戶使用)及向租賃公司收取付款；
- ii) 設備租賃公司向終端用戶租賃液壓支架；
- iii) 倘終端用戶以該協議訂明的方式拖欠向租賃公司的償還貸款款項，本集團有責任結付終端用戶應付租賃公司的未結付租賃金額。

Given the substance of the transaction, the Group continues to recognise receivables to the extent of outstanding lease obligation of the ultimate end-user of the equipment in its consolidated statement of financial position until full settlement of such lease obligation by the ultimate end-user of the equipment and proceeds received from the equipment leasing companies are recorded as financing arrangements.

鑒於交易的性質，本集團將就終端用戶的未償還租賃責任繼續於其綜合財務報表中確認應收款項，直至設備的終端用戶全數清償該等租賃責任，且自租賃公司收取的款項記錄為融資安排。

During the year, the Group has received approximately RMB149,975,000 from the equipment leasing companies (2016: RMB223,166,000). The transferred trade receivables and associated liabilities were offset to the extent of the settlement by the ultimate end user of the equipment.

年內，本集團自設備租賃公司收取約人民幣149,975,000元(二零一六年：人民幣223,166,000元)。就設備終端用戶的結算而言，已劃轉貿易應收款項及相關負債經已抵銷。

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39. Obligation to acquire non-controlling interests

As described in note 29, during the year, the Company, together with other investors, entered into a shares purchase agreement to acquire SG Holding. As at 31 December 2017, these investors has made capital injection of RMB1,066,617,000 into subsidiaries of the Group for the acquisition. Moreover, pursuant to the relevant agreements entered into between the Company and other investors, the other investors have been granted the put option to request the Company to acquire all (but not part) of their interests in subsidiaries of the Group upon expiry of 18 months from the completion of the acquisition. As such, a gross obligation for the estimated present value of the redemption amount is recognised in the consolidated statement of financial position. As the earliest dates for the other investors to exercise the option to put back their interests to the Group are expected be more than one year, the obligation is recorded as "non-current liabilities" as at 31 December 2017.

40. Share capital

	Listed A Shares 上市A股		Listed H Shares 上市H股		Total 總計		
	Number of share 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元	Number of share 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元	Number of share 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元	
At 1 January 2016 and 31 December 2016	於二零一六年一月一日及 二零一六年十二月三十一日	1,377,888	1,377,888	243,234	243,234	1,621,122	1,621,122
Issue of A Share for acquisition of subsidiaries (note i)	就收購附屬公司發行A股 (附註i)	93,220	93,220	-	-	93,220	93,220
Issue of placing A Shares (note ii)	發行配售A股(附註ii)	18,129	18,129	-	-	18,129	18,129
At 31 December 2017 (note iii)	於二零一七年十二月三十一日 (附註iii)	1,489,237	1,489,237	243,234	243,234	1,732,471	1,732,471

Note i: During the current year, the Company has acquired equity interests of six entities in the auto-parts industry. On 3 March 2017, the Company issued 93,220,338 A Shares to the sellers as part of the consideration. The lock-up period for these consideration shares is 12 months from the close of share issue.

Note ii: On 22 March 2017, the Company issued 18,129,032 A Shares with the issue price of RMB8.68 per share to certain qualified targets (include the Company's employee share ownership scheme in which the directors, supervisors and chief executives of the Company participated) on a non-public basis. The lock-up period for these placing shares is 12 or 36 months from the close of share issue.

Note iii: Except for the currency in which dividends are paid, H Shares and A Shares rank pari passu in all respects with each other.

39. 收購非控股權益的責任

誠如附註29所述，於本年度，本公司連同其他投資者訂立購股協議，以收購SG控股。於二零一七年十二月三十一日，此等投資者已為收購向本集團附屬公司注資人民幣1,066,617,000元。此外，根據本公司與其他投資者訂立的相關協議，其他投資者獲授認沽期權，可於收購完成後18個月屆滿後要求本公司收購彼等所有(而非部份)於本集團附屬公司的權益。因此，贖回金額的估計現值的總債務於綜合財務狀況表確認。由於預期其他投資者可行使沽回彼等權益予本集團的選擇權的最早日期為超過一年後，該債務於二零一七年十二月三十一日記錄為「非流動負債」。

40. 股本

附註i：於本年度，本公司已收購汽車零部件行業內六家實體的股權。於二零一七年三月三日，本公司向賣方發行93,220,338股A股作為代價的一部分。此等代價股份的禁售期為股份發行終止後起計的12個月。

附註ii：於二零一七年三月二十二日，本公司按發行價每股人民幣8.68元向若干合資格目標(包括本公司董事、監事及最高行政人員參與的本公司員工持股計劃)非公開發行18,129,032股A股。此等配售股份的禁售期為股份發行終止後起計的12個月或36個月。

附註iii：除所派股息之貨幣外，H股及A股在各方面均享有同等地位。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. Non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have significant non-controlling interests:

41. 非控股權益

下表列示具重大非控股權益之本公司非全資附屬公司之詳情：

Name of subsidiary 附屬公司名稱	Place of establishment and principal place of business 成立地點及主要營業地點	Proportion of equity interest held by non-controlling interest Year ended December 31 非控股權益持有之股本權益百分比 截至十二月三十一日止年度		Profit (loss) allocated to non-controlling interests Year ended December 31 分配至非控股權益之溢利(虧損) 截至十二月三十一日止年度		Accumulated non-controlling interests Year ended December 31 累計非控股權益 截至十二月三十一日止年度	
		2017 二零一七年	2016 二零一六年	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		湖北神電汽車電機股份有限公司 (「神電」) Hubei Super Electric Auto Motor Co., Ltd. ("Super Electric")	PRC 中國	49.03%	N/A 不適用	19,980	N/A 不適用
儀征亞新科雙環活塞環有限公司 (「亞新科雙環」) ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd ("ASIMCO Shuanghuan")	PRC 中國	37.00%	N/A 不適用	14,774	N/A 不適用	269,173	N/A 不適用
亞新科凸輪軸(儀征)有限公司 (「亞新科凸輪軸」) ASIMCO Camshaft (Yizheng) Co., Ltd ("ASIMCO Camshaft")	PRC 中國	30.00%	N/A 不適用	8,080	N/A 不適用	88,037	N/A 不適用
Individual immaterial subsidiaries with non-controlling interests 具非控股權益之個別不重大之附屬公司				13,076	(25,349)	143,313	84,357
				55,910	(25,349)	775,101	84,357

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. Non-controlling interests (Continued)

41. 非控股權益(續)

Super Electric

神電

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current assets	流動資產	644,800	N/A 不適用
Non-current assets	非流動資產	360,942	N/A 不適用
Current liabilities	流動負債	398,460	N/A 不適用
Non-current liabilities	非流動負債	47,262	N/A 不適用
Equity attributable to owners of the Company	本公司股東應佔權益	285,442	N/A 不適用
Non-controlling interests	非控股權益	274,578	N/A 不適用
Revenue	收入	646,296	N/A 不適用
Expenses	開支	599,812	N/A 不適用
Profit and total comprehensive income	溢利及全面收益總額	46,484	N/A 不適用
Profit and total comprehensive income attributable to owners of the Company	本公司股東應佔溢利及全面收益總額	26,504	N/A 不適用
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	19,980	N/A 不適用
Profit and total comprehensive income	溢利及全面收益總額	46,484	N/A 不適用
Net cash inflow from operating activities	經營業務之現金流入淨額	58,560	N/A 不適用
Net cash outflow from investing activities	投資活動之現金流出淨額	(27,207)	N/A 不適用
Net cash inflow	現金流入淨額	31,353	N/A 不適用

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. Non-controlling interests (Continued)

ASIMCO Shuanghuan

41. 非控股權益(續)

亞新科雙環

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current assets	流動資產	562,247	N/A 不適用
Non-current assets	非流動資產	514,016	N/A 不適用
Current liabilities	流動負債	258,435	N/A 不適用
Non-current liabilities	非流動負債	89,672	N/A 不適用
Equity attributable to owners of the Company	本公司股東應佔權益	458,983	N/A 不適用
Non-controlling interests	非控股權益	269,173	N/A 不適用
Revenue	收入	542,779	N/A 不適用
Expenses	開支	502,849	N/A 不適用
Profit and total comprehensive income	溢利及全面收益總額	39,930	N/A 不適用
Profit and total comprehensive income attributable to owners of the Company	本公司股東應佔溢利及全面收益總額	25,156	N/A 不適用
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	14,774	N/A 不適用
Profit and total comprehensive income	溢利及全面收益總額	39,930	N/A 不適用
Net cash inflow from operating activities	經營業務之現金流入淨額	103,896	N/A 不適用
Net cash outflow from investing activities	投資活動之現金流出淨額	(54,568)	N/A 不適用
Net cash inflow from financing activities	融資活動之現金流入淨額	11,859	N/A 不適用
Net cash inflow	現金流入淨額	61,187	N/A 不適用

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

41. Non-controlling interests (Continued)

ASIMCO Camshaft

41. 非控股權益(續)

亞新科凸輪軸

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current assets	流動資產	137,328	N/A 不適用
Non-current assets	非流動資產	226,753	N/A 不適用
Current liabilities	流動負債	53,229	N/A 不適用
Non-current liabilities	非流動負債	17,395	N/A 不適用
Equity attributable to owners of the Company	本公司股東應佔權益	205,420	N/A 不適用
Non-controlling interests	非控股權益	88,037	N/A 不適用
Revenue	收入	180,177	N/A 不適用
Expenses	開支	156,913	N/A 不適用
Profit and total comprehensive income	溢利及全面收益總額	23,264	N/A 不適用
Profit and total comprehensive income attributable to owners of the Company	本公司股東應佔溢利及全面收益總額	15,184	N/A 不適用
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收益總額	8,080	N/A 不適用
Profit and total comprehensive income	溢利及全面收益總額	23,264	N/A 不適用
Net cash inflow from operating activities	經營業務之現金流入淨額	43,040	N/A 不適用
Net cash outflow from investing activities	投資活動之現金流出淨額	(4,338)	N/A 不適用
Net cash outflow from financing activities	融資活動之現金流出淨額	(34,258)	N/A 不適用
Net cash inflow	現金流入淨額	4,444	N/A 不適用

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

42. Capital commitments

42. 資本承諾

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	已簽約但未在綜合財務報表撥備之有關收購物業、廠房及設備之資本開支	57,147	28,164
Acquisition of equity interests from third entities	從第三方實體收購股權	905,374	2,200,000
		962,521	2,228,164

43. Operating leases

43. 經營租賃

The Group as lessee

本集團作為承租人

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases during the year:	年內根據經營租賃支付之最低租賃付款：		
– Land	– 土地	5,224	5,224

At the end of the Reporting Period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於各報告期末，本集團因於下列期間到期之不可撤銷經營租賃而有未來最低租賃付款承擔：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	5,224	5,224
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	20,894	20,894
Over five years	五年以後	31,340	36,564
		57,458	62,682

Operating lease payments represent rentals payable by the Group for certain parcels of land that it occupies. The leases are negotiated for terms of 20 years.

經營租賃付款指本集團就其佔用若干地塊應付之租金。租約議定年期為20年。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

43. Operating leases (Continued)

The Group as lessor

Property rental incomes earned was RMB17,318,000 for the year ended 31 December 2017 (2016: RMB14,357,000). The leases are negotiated for terms of 1 year to 15 years.

At the end of each Reporting Period, the Group had contracted with tenants for the following future minimum lease payments:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	3,191	4,691
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	8,964	10,033
Over 5 years	五年以後	11,716	13,644
		23,871	28,368

44. Retirement benefit plans

The Group's full-time employees in the PRC are covered by a government-operated defined contribution pension scheme, and are entitled to a monthly pension from their retirement dates. The PRC government is responsible for the pension liability to these retired employees. The Group is required to make annual contributions to the retirement scheme at certain percentages of employees' basic salaries, which are charged as an expense when the employees have rendered services entitling them to the contributions and the contributions are due.

During the year, the total amounts contributed by the Group to the scheme in the PRC and charged to the profit or loss:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amounts contributed and charged to the profit or loss	已作出並於損益支銷之供款金額	76,363	54,267

43. 經營租賃(續)

本集團作為出租人

截至二零一七年十二月三十一日止年度，所賺取物業租金收入為人民幣17,318,000元(二零一六年：人民幣14,357,000元)。租約議定年期為1年至15年。

於各報告期末，本集團已與租戶訂約之未來最低租金付款如下：

44. 退休福利計劃

本集團之中國全職僱員享有政府營運之定額供款退休金計劃之保障，有權自退休之日起每月享有退休金。中國政府負責向該等退休僱員履行退休金責任。本集團須按僱員基本薪金之若干百分比向退休計劃作出年度供款，有關金額將於僱員提供讓其可獲得該等供款之服務及供款到期支付時計入開支。

於本年度，本集團已向中國退休福利計劃作出以下供款總額，而該等金額已於損益支銷：

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

45. Related party transactions

In the opinion of the directors of the Company, the ultimate controlling party of the Company is Henan SASAC of the PRC government and that the Group is subject to the control of the PRC government. In accordance with IAS 24, entities that are controlled, jointly controlled or significantly influenced by the PRC government ("PRC government related entities") are regarded as related parties of the Group. Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group. Nevertheless, the Group represented that the following captures the material related parties taking into account the exemption under IAS 24.

(1) The Group and Henan SASAC

The Group has transactions with entities controlled, jointly controlled or significantly influenced by Henan SASAC ("Henan SASAC related entities") and the transactions details are as follow:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of finished goods	銷售產成品	30,657	72,204
Purchase of raw materials	採購原料	1,002,512	288,699

For the year ended 31 December 2017, revenue from Henan SASAC related entities accounted for 0.4% of total revenue (2016: 2.0%), and purchases from Henan SASAC related entities accounted for 17.0% of total cost of sales (2016: 9.9%).

The details of outstanding balances with Henan SASAC and Henan SASAC related entities are set as follow:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amount due from Henan SASAC related entities	應收河南省國資委相關實體之款項	95,956	24,175

Except for the amount due to Henan SASAC which was unsecured, interest-free and repayable on demand, all the amounts due from Henan SASAC related entities are from trade sales or purchases. The outstanding balances with Henan SASAC related entities and Henan SASAC have been included in note 31 and note 35, respectively.

45. 關聯方交易

本公司董事認為，本公司之最終控制方為中國政府河南省國資委，而本集團受中國政府控制。根據國際會計準則第24號，受中國政府控制、共同控制或重大影響之實體（「中國政府相關實體」）被視為本集團之關聯方。鑒於複雜之擁有權結構，中國政府可於多家公司持有間接權益。若干該等權益當中或當其與其他間接權益合併時，可能出現屬本集團未知悉之控股權益。然而，本集團表述，計及國際會計準則第24號之豁免，下文載列有關重大關聯方。

(1) 本集團及河南省國資委

本集團與受河南省國資委控制、共同控制或重大影響之實體（「河南省國資委相關實體」）有交易往來，該等交易之詳情如下：

在截至二零一七年十二月三十一日止年度，來自河南省國資委相關實體之收益佔總收益0.4%（二零一六年：2.0%），而來自河南省國資委相關實體之採購額佔總銷售成本17.0%（二零一六年：9.9%）。

涉及河南省國資委及河南省國資委相關實體之未償還結餘詳情載列如下：

除應付河南省國資委之款項為無抵押、免息及須按要求償還外，應收河南省國資委相關實體之所有款項均來自貿易銷售或採購。與河南省國資委相關實體及河南省國資委之未償還結餘分別於附註31及附註35闡述。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

45. Related party transactions (Continued)

(2) The Group and other PRC government related entities

Apart from the significant transactions with Henan SASAC related entities set out above, during the years ended 31 December 2017 and 2016, the Group's transactions with other PRC government related entities are collectively significant as a large portion of its sales of goods, purchases of materials, most of bank deposits, and other general banking facilities and the relevant interest income earned and expenses incurred during the years ended 31 December 2017 and 2016 are transacted with entities owned/controlled by the PRC government.

In the opinion of the directors of the Company, the transactions with PRC government related entities are activities in the ordinary course of the Group's business and entered into under normal commercial terms and conditions, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established its approval process for sales of goods and purchases of materials and its financing policy for borrowings, such approval process and financing policy do not depend on whether the counterparties are government related entities or not.

(3) The Group and its associates and joint ventures

The Group had the following significant transactions with its associates and joint ventures:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade sales:	貿易銷售：		
Associates	聯營公司	83,006	61,261
Joint ventures	合營企業	421	-
		83,427	61,261
Trade purchases:	貿易採購：		
Associates	聯營公司	156,003	123,758

45. 關聯方交易 (續)

(2) 本集團與其他中國政府相關實體

除上文所載與河南省國資委相關實體進行之重大交易外，本集團於截至二零一七年及二零一六年十二月三十一日止年度與其他中國政府相關實體進行之交易全部均屬重大，因其於截至二零一七年及二零一六年十二月三十一日止年度之大部分貨品銷售、物料採購、大部分銀行存款、其他一般銀行融資以及已賺取相關利息收入及已產生開支均涉及與中國政府所擁有／控制的實體進行之交易。

本公司董事認為，該等與中國政府相關實體進行之交易乃本集團之日常業務活動，並按一般商業條款及條件訂立，而本集團進行該等交易並無因本集團與該等實體屬政府相關機構而受到重大或不當影響。本集團亦就貨品銷售及物料採購設立批核程序，並就借貸設定融資政策，該等批核程序及融資政策並不取決於交易對手是否屬政府相關實體。

(3) 本集團與其聯營公司及合營企業

本集團曾與其聯營公司及合營企業進行下列重要交易：

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

45. Related party transactions (Continued)

(3) The Group and its associates and joint ventures (Continued)

The Group had the following outstanding balances with its associates and joint ventures at the end of each Reporting Period:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amounts due from:	應收下列各方款項：		
Associates	聯營公司	142,960	232,977

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amounts due to:	應付下列各方款項：		
Associates	聯營公司	52,740	41,014

All amounts due from or due to associates and joint ventures are from trade sales and purchase, and the outstanding balances have been included in note 28, note 31 and note 35, respectively.

(4) Remuneration of key management personnel

The remuneration of executive directors and other members of key management were as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	7,846	7,494
Post-employment benefits	退休福利	1,295	1,083
		9,141	8,577

Key management represents the executive directors and other senior management personnel disclosed in the annual report. The remuneration of key management personnel is determined with reference of the performance to individuals and market trends.

45. 關聯方交易(續)

(3) 本集團與其聯營公司及合營企業 (續)

於各報告期末，本集團與其聯營公司及合營企業有以下未償還結餘：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amounts due from:	應收下列各方款項：		
Associates	聯營公司	142,960	232,977

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amounts due to:	應付下列各方款項：		
Associates	聯營公司	52,740	41,014

所有應收或應付聯營公司及合營企業之款項均來自貿易銷售及採購。未償還結餘分別於附註28、附註31及附註35載述。

(4) 主要管理人員酬金

董事及其他主要管理人員之酬金如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	7,846	7,494
Post-employment benefits	退休福利	1,295	1,083
		9,141	8,577

主要管理人員指在年報中披露之執行董事及其他高級管理人員。主要管理人員之酬金乃根據個人表現與市場趨勢釐定。

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46. Contingent liabilities

(1) Outstanding endorsed bills receivable with recourse

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

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Outstanding endorsed bills receivable with recourse 具追索權之尚未償還已背書 應收票據	747,174	621,191

These endorsed and derecognised bills receivable have a maximum maturity of 6 months, and the total undiscounted cash flows of these endorsed and derecognised bills receivable, representing the Group's maximum loss if the issuing banks fail to honour their bills and guarantees, amounted to RMB747,174,000 as at 31 December 2017 (2016: RMB621,191,000).

47. Acquisition of subsidiaries

As at 3 March 2017, the Company completed the acquisition of 100% equity interest in ASIMCO International Casting Co., Ltd. and ASIMCO NVH Technologies Co., Ltd (Anhui), 63% equity interest in ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., 70% equity interest in ASIMCO Foundry (Yizheng) Co., Ltd., 63% equity interest in ASIMCO Camshaft (Yizheng) Co., Ltd and 100% equity interest in CACG LTD. I. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was approximately RMB345,768,000. These entities are engaged in the manufacture of auto parts. Upon completion of the acquisition, the Company has duly entered the auto parts market.

46. 或然負債

(1) 具追索權之尚未償還已背書應收票據

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

該等背書及終止確認之應收票據的最長屆滿期限為六個月，於二零一七年十二月三十一日，該等背書及終止確認之應收票據未貼現現金流總額為倘發行銀行未能兌現彼等之票據及擔保金額本集團人民幣747,174,000元最高虧損(二零一六年：人民幣621,191,000元)。

47. 收購附屬公司

於二零一七年三月三日，本公司完成收購亞新科國際鑄造有限公司及亞新科噪聲與振動技術(安徽)有限公司100%股權、儀征亞新科雙環活塞環有限公司63%股權、儀征亞新科鑄造有限公司70%股權、亞新科凸輪軸(儀征)有限公司63%股權及CACG LTD. I的100%股權。此收購以收購會計法列賬。收購所產生的商譽金額約為人民幣345,768,000元。該等實體從事生產汽車零部件。收購完成後，本公司已正式跨入汽車零部件市場。

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47. Acquisition of subsidiaries (Continued)

47. 收購附屬公司(續)

Fair value of assets and liabilities recognised at the date of acquisition are as follows:

於收購日期確認的資產及負債公平值如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,208,381
Prepaid lease payments	預付租賃款項	192,011
Intangible assets	無形資產	608,780
Investments in a joint venture	於一間合營企業的投資	27,906
Deferred tax assets	遞延稅項資產	51,279
Inventories	存貨	488,982
Trade and other receivables (note i)	貿易及其他應收款項(附註i)	1,301,286
Loan receivables	應收貸款	19,750
Pledged bank deposits	已抵押銀行存款	4,277
Bank balances and cash	銀行結餘及現金	259,305
Other asset	其他資產	11,152
Trade and other payables	貿易及其他應付款項	(1,082,334)
Advances from customers	客戶按金	(20,688)
Tax liabilities	稅項負債	(19,764)
Borrowings	借貸	(88,000)
Deferred tax liability	遞延稅項負債	(162,065)
Provision	撥備	(78,062)
Net assets acquired	收購資產淨值	2,722,196

Note (i): The amounts represented the fair value of the receivables acquired in these transactions, which approximate the gross contractual amounts of these receivables.

附註(i)：金額為此等交易中所得應收款項的公平值，與此等應收款項的合約總金額相若。

Goodwill arising on acquisition:

收購所產生的商譽：

		RMB'000 人民幣千元
Consideration for the acquisition:	收購代價：	
Cash consideration paid	已支付現金代價	1,687,368
Consideration shares issued (note a)	已發行代價股份(附註a)	745,762
		2,433,130
Plus: non-controlling interests (note b)	加：非控股權益(附註b)	634,834
Less: net assets acquired	減：收購資產淨額	(2,722,196)
Goodwill arising on acquisition	收購所產生的商譽	345,768

Notes:

附註：

(a): the fair value of the consideration shares is determined on the ordinary shares issued and the share price of the Company as at the acquisition date.

(a)：代價股份的公平值按收購日期本公司的已發行普通股及股價釐定。

(b): The non-controlling interests in the acquiree at the acquisition date was initially measured at the non-controlling interests' proportionate share of the recognised amount of the acquiree's identifiable net assets.

(b)：於收購日期，被收購方的非控股權益初步按非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。

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47. Acquisition of subsidiaries (Continued)

The acquisition-related costs are not material and have been recognised in the consolidated statement of comprehensive income.

		RMB'000 人民幣千元
Net cash outflow on acquisition:	收購之現金流出淨額：	
Cash consideration paid	已支付現金代價	(1,687,368)
Less: Cash and cash equivalents balances acquired	減：收購之現金及現金等值物結餘	259,305
		(1,428,063)

Included in the profit for the year ended 31 December 2017 is RMB207,001,000 attributable to the additional business generated by the acquired auto parts entities. Revenue for the year ended 31 December 2017 includes RMB2,789,265,000 in respect of the acquired auto parts entities.

Had the business combination of acquired auto parts entities been effected at 1 January 2017, the revenue of the Group would have been RMB7,957,591,000, and the profit for the year would have been RMB371,280,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

48. Reconciliation of liabilities and equity arising from financing activities

The table below details changes in the Group's liabilities and equity arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Borrowings	Liabilities associated with transferred trade receivables 與已劃轉的貿易應收款項相關的負債	Obligation to acquire non-controlling interests 收購非控股權益的責任	Dividends payable 應付股息	Interests payable 應付利息
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	-	180,322	-	-	-
Financing cash flows	融資現金流量	921,000	149,975	1,066,617	(19,057)	(40,271)
Acquisition of subsidiaries (note 47)	收購附屬公司(附註47)	88,000	-	-	-	793
Finance costs (note 9)	融資成本(附註9)	-	-	-	-	39,681
Dividends (note 14)	股息(附註14)	-	-	-	19,057	-
Other (note)	其他(附註)	-	(105,000)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	1,009,000	225,297	1,066,617	-	203

Note: The amount represented the offset of transferred trade receivables against liabilities associated with transferred trade receivables to the extent of the settlement by the ultimate end user of the equipment.

47. 收購附屬公司(續)

收購相關成本不屬重大，且已在綜合全面收益表中確認。

於截至二零一七年十二月三十一日止年度的年內溢利包括人民幣207,001,000元，該筆款項來自已收購的汽車零部件實體所產生的額外業務。於截至二零一七年十二月三十一日止年度的年內收入包括來自已收購的汽車零部件實體的人民幣2,789,265,000元。

倘已收購的汽車零部件實體的業務合併於二零一七年一月一日已生效，本集團的收入會為人民幣7,957,591,000元，而年內溢利會為人民幣371,280,000元。備考資料僅供說明用途，並不一定為本集團在收購於二零一七年一月一日完成的情況下能達到的收入及經營業績的指標，亦不擬用作未來業績的預測。

48. 融資活動所產生的負債及權益的對賬

下表詳述本集團於融資活動所產生的負債及權益變動，包括現金及非現金變動。融資活動所產生的負債指引致現金流量或未來現金流量於本集團綜合現金流量表中已分類或將分類為融資活動所產生的現金流量的該等負債。

附註：金額為已劃轉的貿易應收款項相關的負債抵銷已劃轉的貿易應收款項，以設備終端用戶結付者為限。

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49. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of debts and equity attributable to owners of the Company, comprising share capital, share premium and other reserves.

The management of the Company reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

49. 資本風險管理

本集團管理其資本，以確保本集團內的實體將可繼續持續經營，而股東亦可透過優化債務及權益結餘取得最大回報。本集團之整體策略維持不變。

本集團的資本架構包括債務以及本公司擁有人應佔權益，當中包括股本、股份溢價及其他儲備。

本公司管理層每年審閱資本架構。作為該項審閱的其中一環，管理層會考慮資本成本及與每類資本有關的風險。根據管理層的建議，本集團將透過支付股息、發行新股、籌措新債務或償還現有債務平衡其整體資本架構。

50. Financial instruments

(a) Categories of financial instruments

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值物)	8,925,888	8,368,302
AFS investments	可供出售投資	50,580	36,669
Derivative instruments	衍生工具	-	71,020
Total	合計	8,976,468	8,475,991
Financial liabilities:	金融負債：		
Amortised costs	攤銷成本	5,349,507	1,781,933
Obligation to acquire non-controlling interests	收購非控股權益的責任	1,066,617	-
		6,416,124	1,781,933

50. 金融工具

(a) 金融工具分類

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50. Financial instruments (Continued)

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include loan receivables from associates and a joint venture, other financial assets, finance lease receivables, long-term receivables, debt investment, trade and other receivables, derivative instruments, pledged bank deposits, cash and bank balances, trade and other payables, borrowings, obligation to acquire non-controlling interests, transferred trade receivables and liabilities associated with transferred trade receivables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

The primary economic environment in which the company and its principal subsidiaries operate is the PRC and their functional currency is RMB. However, certain transactions of the Company and its principal subsidiaries including sales and purchases of goods are denominated in foreign currencies. In addition, the Company entered into an equity transfer agreement during the year (notes 29 and 39), and a large portion of the consideration may be payable in EUR equivalent.

The management of the Group monitors foreign exchange exposure by closely monitoring the foreign exchange risk profile and will consider hedging significant foreign currency exposure should the need arise.

50. 金融工具(續)

(b) 金融風險管理目標及政策

本集團主要金融資產及負債包括應收聯營公司及一間合營企業貸款、其他金融資產、財務租賃應收款項、長期應收款項、債務投資、貿易及其他應收款項、衍生工具、已抵押銀行存款、現金及銀行結餘、貿易及其他應付款項、借貸、收購非控股權益的責任、已劃轉的貿易應收款項及與已劃轉的貿易應收款項有關的負債。該等金融工具詳情於各自附註披露。有關該等金融工具的風險及如何降低該等風險的政策載列如下。管理層管理並監控該等風險，以確保及時有效採取適當措施。

市場風險

本集團業務使其主要承受貨幣風險、利率風險及其他價格風險。本集團承受的該等風險以及管理及計量風險的方式概無變動。

(i) 貨幣風險

本公司及其主要附屬公司營運的主要經濟環境為中國，而其功能貨幣為人民幣。然而，本公司及其主要附屬公司的若干交易(包括買賣商品)乃以外幣列值。此外，本公司於年內訂立了一份股權轉讓協議(附註29及39)，代價的一大部份可能以等值歐元支付。

本集團管理層透過密切監察外匯風險組合監控外匯風險，並將於有需要時考慮對沖重大外匯風險。

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50. Financial instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of each Reporting Period are as follows:

		USD 美元	Liabilities 負債
		Assets 資產	RMB'000 人民幣千元
		RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2017	於二零一七年十二月三十一日	204,941	28,597
As at 31 December 2016	於二零一六年十二月三十一日	624,091	231

		EUR 歐元	Liabilities 負債
		Assets 資產	RMB'000 人民幣千元
		RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2017	於二零一七年十二月三十一日	46,030	31,028
As at 31 December 2016	於二零一六年十二月三十一日	36,303	36,551

		HKD 港元	Liabilities 負債
		Assets 資產	RMB'000 人民幣千元
		RMB'000 人民幣千元	RMB'000 人民幣千元
As at 31 December 2017	於二零一七年十二月三十一日	398,013	-
As at 31 December 2016	於二零一六年十二月三十一日	511,677	-

The Group is mainly exposed to the foreign currency risk between USD/RMB, EUR/RMB and HKD/RMB.

50. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

於各報告期末，本集團以外幣列值的貨幣資產及負債如下：

本集團主要承擔美元／人民幣、歐元／人民幣及港元／人民幣的外匯風險。

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50. Financial instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the relevant foreign currencies against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each Reporting Period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit for the year and a negative number below indicates a decrease in post-tax profit for the year where the relevant foreign currencies change 5% against RMB.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
USD impact	美元影響		
if USD strengthens against RMB	倘美元兌人民幣升值	8,703	26,514
if USD weakens against RMB	倘美元兌人民幣貶值	(8,703)	(26,514)
EUR impact	歐元影響		
if EUR strengthens against RMB	倘歐元兌人民幣升值	638	250
if EUR weakens against RMB	倘歐元兌人民幣貶值	(638)	(250)
HKD impact	港元影響		
if HKD strengthens against RMB	倘港元兌人民幣升值	16,916	21,746
if HKD weakens against RMB	倘港元兌人民幣貶值	(16,916)	(21,746)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposure.

(ii) Interest risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits, variable-rate bank balances and variable-rate borrowings (see notes 34 and 36 for details). Currently, the Group does not have a specific policy to manage its interest rate risk, but the management will closely monitor interest rate exposures and consider hedging significant interest rate risk should the need arise.

50. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

下表載列本集團對有關外幣兌人民幣升值及貶值5%的敏感度詳情。5%乃向主要管理人員內部呈報外匯風險的敏感度比率，並代表管理層對匯率合理可能變動的評估。敏感度分析僅包括以外幣列值的尚未支付貨幣項目，並於各報告期末以匯率變動5%作匯兌調整。下列正數反映有關外幣兌人民幣變動5%時，年內除稅後溢利增加，而下列負數反映年內除稅後溢利減少。

本公司董事認為，由於年結日風險不能反映風險，故敏感度分析不能代表固有外匯風險。

(ii) 利率風險

本集團就浮息已抵押銀行存款、浮息銀行結餘及浮息借貸(詳情參見附註34及36)承受現金流量利率風險。目前，本集團並無特定政策管理其利率風險，惟管理層將密切留意利率風險並在有需要時考慮對沖重大利率風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

50. Financial instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments (including pledged bank deposits, bank balances and borrowings) at the end of each Reporting Period and the expected changes in interest rates taking place at the beginning of the financial year and being held constant throughout the Reporting Period in the case of pledged bank deposits and bank balances.

A 10 basis point increase or decrease in interest rates on variable-rate pledged bank deposits and bank balance is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If the interest rates on variable-rate pledged bank deposits and bank balances had been 10 basis points higher and all other variables were held constant, the post-tax profit for the year would have increased by:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Increase in post-tax profit for the year	年內除稅後溢利增加	1,568	2,211

The post-tax profit for the year would have decreased by the same amount as mentioned above if the interest rates on variable-rate pledged bank deposits and bank balances had been 10 basis points lower and all other variables were held constant.

If the interest rates on variable-rate borrowings had been 100 basis points higher and all other variables were held constant, post-tax profit for the year would have decreased by:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Decrease in post-tax profit for the year	年內除稅後溢利減少	(8,577)	-

The post-tax profit for year the would have increased by the same amount as mentioned above if the interest rates on variable-rate borrowings had been 100 basis points lower and all other variables were held constant.

50. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

敏感度分析

以下敏感度分析乃根據金融工具(包括已抵押銀行存款、銀行結餘及借貸)於各報告期末的利率風險以及財政年度初出現的利率預期變動(就已抵押銀行存款及銀行結餘而言,於整個報告期維持不變)釐定。

浮息已抵押銀行存款及銀行結餘利率上升或下降10個基點乃於向主要管理人員內部呈報利率風險時使用,並為管理層對利率合理可能變動的評估。倘浮息已抵押銀行存款及銀行結餘的利率上升10個基點,而所有其他變數不變,則年內除稅後溢利將增加:

倘浮息已抵押銀行存款及銀行結餘的利率下降10個基點,而所有其他變數不變,則年內除稅後溢利將按上述相同金額減少。

倘浮息借貸的利率上升100個基點,而所有其他變數不變,則年內除稅後溢利將減少:

倘浮息借貸的利率下降100個基點,而所有其他變數不變,則年內除稅後溢利將按上述相同金額增加。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

50. Financial instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

As at 31 December 2017 and 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to bills receivable endorsed by the Group with full recourse as disclosed in note 46.

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

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

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

The Group has concentration of credit risk as 4.67% (2016: 11.28%) and 15.74% (2016: 29.33%) of the total trade receivables was due from the Group's largest customer and the five largest customers, respectively.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except for finance lease receivables. Credit risks associated with the finance lease receivables are mitigated because the finance lease receivables are secured over the leased storage equipment. The carrying amounts of the finance lease receivables as at 31 December 2017 amounted to RMB69,951,000 (2016: RMB90,628,000).

50. 金融工具(續)

(b) 金融風險管理目標及政策(續)

信貸風險

於二零一七年及二零一六年十二月三十一日，本集團的最大信貸風險將由於交易對手違約而導致本集團蒙受財務損失，乃由以下各項產生：

- 綜合財務狀況表所述各自己確認金融資產的賬面值；及
- 於附註46所披露與本集團具有全面追索權之已背書應收票據相關的或然負債金額。

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

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

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

本集團之貿易應收款項總額中，分別有4.67% (二零一六年：11.28%) 乃應收最大客戶及15.74% (二零一六年：29.33%) 乃應收五大客戶，故此承受集中信貸風險。

除融資租賃應收款項外，本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關之信貸風險提供保障。與融資租賃應收款項相關之信貸風險減低，乃由於融資租賃應收款項以租賃貯存設備作抵押。於二零一七年十二月三十一日，融資租賃應收款項之賬面值為人民幣69,951,000元(二零一六年：人民幣90,628,000元)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

50. Financial instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

50. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動資金風險

於管理流動資金風險時，本集團會監控及維持管理層認為足夠撥付本集團營運所需的一定水平現金及現金等值物，減輕現金流量波動的影響。管理層亦會監控銀行借貸的使用，以確保遵守貸款契約。

下表載列本集團非衍生金融負債根據協定價還條款的餘下合約到期日。該表格乃根據基於本集團可被要求支付的最早日期的金融負債未折現現金流量編製。該表格包括利息及本金現金流量。

		Weighted average interest rate 加權 平均利率	On demand or less than 3 months 按要求或少 於3個月 RMB'000 人民幣千元	3 months to 1 year 3個月 至1年 RMB'000 人民幣千元	1 year to 2 years 1年 至2年 RMB'000 人民幣千元	2 years to 5 years 2年 至5年 RMB'000 人民幣千元	Total undiscounted cashflows 未折現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
The Group	本集團							
As at 31 December 2017	於二零一七年十二月三十一日							
Trade and other payables	貿易及其他應付款項	-	3,132,619	982,591	-	-	4,115,210	4,115,210
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關之負債	-	225,297	-	-	-	225,297	225,297
Borrowings	借貸	4.54	120,402	111,373	116,497	744,390	1,092,662	1,009,000
Obligation to acquire non-controlling interests	收購非控股權益的責任	10	-	106,662	1,173,278	-	1,279,940	1,066,617
			3,478,318	1,200,626	1,289,775	744,390	6,713,109	6,416,124
As at 31 December 2016	於二零一六年十二月三十一日							
Trade and other payables	貿易及其他應付款項	-	1,320,446	281,165	-	-	1,601,611	1,601,611
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關之負債	-	180,322	-	-	-	180,322	180,322
			1,500,768	281,165	-	-	1,781,933	1,781,933

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

50. Financial instruments (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the Reporting Period.

In addition to the above, the Group is also exposed to liquidity risk in the next six months from each reporting date in relation to the maximum loss and cash outflows that may result from the Group's endorsed bills receivable with full recourse should the issuing banks of these bills fail to honour their obligations, please refer to note 46 for details.

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each Reporting Period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets 金融資產	Fair value as at 31 December 2017 於二零一七年十二月三十一日 之公平值	Fair value hierarchy 公平值等級	Valuation technique and key input
Listed AFS investments 上市可供出售投資	Listed equity securities in Hong Kong – Coal industry RMB49,124,000 (2016: RMB35,834,000) 於香港的上市股本證券 – 煤炭行業 人民幣49,124,000元 (二零一六年： 人民幣35,834,000元)	Level 1 第1級	Quoted bid prices in an active market 於活躍市場所報之買盤價

50. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動資金風險(續)

倘浮動利率與報告期末釐定的估計利率有所差異，則上述的非衍生金融負債浮動利率工具金額可予變動。

除上文所述外，本集團自各報告日期起未來六個月亦承受流動資金風險，因本集團具有全面追索權的已背書應收票據，倘該等票據發出之銀行未能履行其責任，可能產生的最大虧損及現金流出。詳情請參閱附註46。

(c) 金融工具之公平值計量

此附註提供本集團如何釐定多項金融資產及金融負債公平值之資料。

根據經常性基準按公平值計量之本集團金融資產及金融負債之公平值

本集團部分金融資產及金融負債於各報告期末按公平值計量。下表所載資料說明該等金融資產及金融負債公平值之釐定方式(尤其是所用之估值方法及輸入數據)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

50. Financial instruments (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets 金融資產	Fair value as at 31 December 2017 於二零一七年十二月三十一日 之公平值	Fair value hierarchy 公平值等級	Valuation technique and key input 估值方法及重要輸入數據
Derivative financial instruments 衍生金融工具	Forward foreign exchange contracts – Nil (2016: RMB71,020,000) 遠期外匯合同 – 無(二零一六年： 人民幣71,020,000元)	Level 2 第2級	Discounted cash flow. Future cash flows are estimated base on forward exchange rate (from observable forward exchange rates at the end of the reporting date) and contracted forward rate, discounted at a rate that reflects the credit risk of various counterparties 已折現現金流量。 未來現金流的估算乃根據遠期匯率(來自報告期末的可觀察遠期匯率)及合約遠期利率，再按可反映多個對手方的信貸風險的比率折現。
Obligation to acquire non-controllings interest 收購非控股權益的責任	RMB1,066,617,000 人民幣1,066,617,000元	Level 3 第3級	Discounted cash flow. Future cash flows are estimated base on present value of discounted using the entity's cost of debt expected payment is determined by considering the fair value at the time of exit 已折現現金流量。 未來現金流乃利用實體的債務成本，根據已折現的現值估算。預期付款透過考慮退出時的公平值釐定。

There were no transfers between Level 1 and 2 in the year.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

50. 金融工具(續)

(c) 金融工具之公平值計量(續)

根據經常性基準按公平值計量之本集團金融資產及金融負債之公平值(續)

Financial assets 金融資產	Fair value as at 31 December 2017 於二零一七年十二月三十一日 之公平值	Fair value hierarchy 公平值等級	Valuation technique and key input 估值方法及重要輸入數據
Derivative financial instruments 衍生金融工具	Forward foreign exchange contracts – Nil (2016: RMB71,020,000) 遠期外匯合同 – 無(二零一六年： 人民幣71,020,000元)	Level 2 第2級	Discounted cash flow. Future cash flows are estimated base on forward exchange rate (from observable forward exchange rates at the end of the reporting date) and contracted forward rate, discounted at a rate that reflects the credit risk of various counterparties 已折現現金流量。 未來現金流的估算乃根據遠期匯率(來自報告期末的可觀察遠期匯率)及合約遠期利率，再按可反映多個對手方的信貸風險的比率折現。
Obligation to acquire non-controllings interest 收購非控股權益的責任	RMB1,066,617,000 人民幣1,066,617,000元	Level 3 第3級	Discounted cash flow. Future cash flows are estimated base on present value of discounted using the entity's cost of debt expected payment is determined by considering the fair value at the time of exit 已折現現金流量。 未來現金流乃利用實體的債務成本，根據已折現的現值估算。預期付款透過考慮退出時的公平值釐定。

年內第1級與第2級之間並無轉撥。

並非根據經常性基準按公平值計量之本集團金融資產及金融負債之公平值

董事認為，於綜合財務報表內按攤銷成本確認之金融資產及金融負債的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

51. Events after the Reporting Period

As described in note 29 and 39, the Company, together with other investors, entered into a shares purchase agreement to acquire the entire issued share capital (the "Sale Share Interests") of SG Holding. In January 2018, the registration of the change of shareholders in respect of the Sale Share Interests have been completed. Upon completion of the change of registration, the Group could exercise its power as SG Holding's shareholder with no limitation and therefore has obtained control over SG Holding.

This acquisition will be accounted for using the acquisition method. Group recognised the goodwill to the extent that the purchase consideration exceeds the fair value of the identifiable assets and liabilities of SG Holding. In addition, the Group will apply consistent accounting policies, principal assumptions and valuation method to assess impairment of goodwill in subsequent Reporting Periods in accordance with the requirements under IAS 36. Upon completion of this acquisition, the Company has expanded its business in the auto parts market.

Up to the date of this consolidated financial statements, the preparation of financial information of SG Holding as at the acquisition date and the valuations of the acquisitions is still in process, the disclosure as required by IFRS 3 could not be made.

51. 報告期後事項

誠如附註29及39所述，本公司連同其他投資者訂立了購股協議，以收購SG控股的全部已發行股本（「銷售控股權益」）。於二零一八年一月，銷售控股權益的股東變更登記手續已辦理完成。變更登記完成後，本集團可無限制地行使其作為SG控股的股東的權力，因此取得SG控股的控制權。

此收購將使用收購會計法列賬。本集團確認商譽以收購代價高於SG控股可識別資產及負債之公平值的金額為準。此外，本集團將根據國際會計準則第36號的要求，採納一貫會計政策、主要假設及估值方法，以評估於其後報告期間的商譽減值。此收購完成後，本公司已拓展其業務至汽車零部件市場。

截至本綜合財務報表日期，SG控股於收購日期的財務資料的編製及收購的估值仍未完成，故未能作出國際財務報告準則第3號要求的披露。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

52. Particular of principal subsidiaries of the company

General information of subsidiaries

Details of the Company's subsidiaries as at 31 December 2017 and 2016 are as follows.

52. 本公司主要附屬公司之詳情

附屬公司之一般資料

於二零一七年及二零一六年十二月三十一日，本公司附屬公司之詳情如下。

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2017 二零一七年 %	2016 二零一六年 %
<i>Directly held:</i> 直接持有：					
鄭州煤機液壓電控有限公司(附註a) Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. (note a)	Manufacture of hydraulic products 生產液壓產品	The PRC 中國	RMB15,000,000 人民幣15,000,000元	100.00	100.00
鄭州煤機綜機設備有限公司(附註a) Zhengzhou Coal Mining machinery Comprehensive Equipment Co., Ltd. (note a)	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB100,000,000 人民幣100,000,000元	68.89	68.89
鄭州煤礦機械集團物資供銷有限公司 (附註a) Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd. (note a)	Trading of raw materials and products 原料及產品貿易	The PRC 中國	RMB10,000,000 人民幣10,000,000元	100.00	100.00
鄭州煤機長壁機械有限公司(附註a) Zhengzhou Coal Mining Longwall Face Machinery Co., Ltd. (note a)	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB50,000,000 人民幣50,000,000元	53.21	53.21
鄭煤機集團潞安新疆機械有限公司 (附註a) Zhengzhou Coal Mining Machinery Group Lu An Xinjiang Co., Ltd. (note a)	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB50,000,000 人民幣50,000,000元	54.00	54.00
鄭煤機西伯利亞有限責任公司(附註b) Zhengzhou Coal Mining Machinery Siberia Co., Ltd. (note b)	Aftermarket service of mining machinery 採礦機械售後服務	Russia 俄羅斯	USD100,000 100,000美元	100.00	100.00

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

52. Particular of principal subsidiaries of the company (Continued)

General information of subsidiaries (Continued)

52. 本公司主要附屬公司之詳情(續)

附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2017 二零一七年 %	2016 二零一六年 %
鄭煤機國際貿易(香港)有限公司 ZMJ International Trading (Hong Kong) Co., Ltd.	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Hong Kong 香港	USD7,500,000 7,500,000美元	100.00	100.00
ZMJ Germany GmbH (附註c) (note c)	Sale and purchase of mining machinery/ research and development of mining products 銷售及採購採礦 機械/研發 採礦產品	German 德國	EUR1,000,000 1,000,000歐元	100.00	100.00
鄭煤機(美洲)有限公司(附註f) ZMJ America, Inc. (note f)	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Canada 加拿大	CAD100 100加元	100.00	100.00
鄭煤機(澳大利亞)有限公司(附註g) ZMJ Australia Pty Ltd (note g)	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Australia 澳大利亞	USD200,000 200,000美元	100.00	100.00
亞新科工業技術(北京)有限公司	Sale and purchase of auto parts and components 銷售及採購汽車零部件	The PRC 中國	RMB10,000,000 人民幣10,000,000元	100.00	100.00
CACG LTD. I (「CACG I」) (「CACG I」)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB418,970 人民幣418,970元	100.00	N/A 不適用

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

52. Particular of principal subsidiaries of the company (Continued)

52. 本公司主要附屬公司之詳情(續)

General information of subsidiaries (Continued)

附屬公司之一般資料(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2017 二零一七年 %	2016 二零一六年 %
<i>Indirectly held:</i> 間接持有：					
鄭州煤機鑄鍛有限公司(附註a及d) Zhengzhou Coal Mining Zhu Duan Co., Ltd. (notes a and d)	Sale of molding and metal material 模具及金屬材料銷售	The PRC 中國	RMB30,000,000 人民幣30,000,000元	51.93	51.93
鄭煤機格林材料有限公司 (「鄭煤機格林材料」)(附註a及e) Zhengzhou Coal Mining Machinery Gelin Material Technology Co., Ltd. ("ZMJ Gelin Material") (notes a and e)	Sale of molding and metal material 模具及金屬材料銷售	The PRC 中國	RMB50,000,000 人民幣50,000,000元	55.26	55.26
亞新科凸輪軸(儀征)有限公司 (「亞新科凸輪軸」)(附註h) ASIMCO Camshaft (Yizheng) Co., Ltd ("ASIMCO Camshaft") (Note h)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB118,043,007 人民幣118,043,007元	63.00	N/A 不適用
儀征亞新科雙環活塞環有限公司 (「亞新科雙環」)(附註h) ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd ("ASIMCO Shuanghuan") (Note h)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB180,000,000 人民幣180,000,000元	63.00	N/A 不適用
儀征亞新科鑄造有限公司 (「亞新科鑄造」)(附註h) ASIMCO Foundry (Yizheng) Co., Ltd. ("ASIMCO Foundry") (Note h)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB49,687,431 人民幣49,687,431元	70.00	N/A 不適用
亞新科國際鑄造(山西)有限公司 (「亞新科山西」)(附註h) ASIMCO International Casting Co., Ltd. (Shanxi) ("ASIMCO Shanxi") (Note h)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB420,362,000 人民幣420,362,000元	100.00	N/A 不適用
亞新科噪聲與振動技術(安徽) 有限公司(「亞新科NVH」)(附註h) ASIMCO NVH Technologies Co., Ltd (Anhui) ("ASIMCO NVH") (Note h)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB252,200,000 人民幣252,200,000元	100.00	N/A 不適用
鄭州聖吉機電設備有限公司 (「鄭州聖吉」)(附註i) Zhengzhou Shengji Mechanical and Electrical Equipment Company Limited ("Zhengzhou Shengji") (Note i)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB2,450,000,000 人民幣2,450,000,000元	75.51	N/A 不適用

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

52. Particular of principal subsidiaries of the company (Continued)

General information of subsidiaries (Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

- (a) All these subsidiaries are enterprises established in the PRC as companies with limited liability. The English names of these companies represent management's best efforts to translate the Chinese names of these companies as no English names have been registered.
- (b) Zhengzhou Coal Mining Machinery Siberia Co., Ltd. was established by the Company on 2 June 2011 in Russia. The English name of this company represents management's best effort to translate the Russian name of this company as no English name has been registered.
- (c) ZMJ Germany GmbH was established by the Company on 20 August 2013 in Germany. The English name of this company represents management's best effort to translate the German name of this company as no English name has been registered.
- (d) Zhengzhou Coal Mining Zhu Duan Co., Ltd. was established by the Company (38.60%) and the Company's subsidiaries including ZMJ Comprehensive Equipment (13.33%) and other non-controlling interests in 2011 in the PRC.
- (e) ZMJ Gelin Material was established by Zhengzhou Coal Mining Zhu Duan Co., Ltd., a non-wholly owned subsidiary of the Company, on 28 January 2013.
- (f) ZMJ America, Inc. was established by the Company on 3 February 2015 in Canada.
- (g) ZMJ Australia Pty Ltd was established by the Company on 10 September 2015 in Australia.
- (h) The entities are acquired from third parties and completed the transfer of the interests during the year.
- (i) Zhengzhou Shengji was established by the Company on 17 April 2017.

None of the subsidiaries had issued any debt securities at the end of the year.

52. 本公司主要附屬公司之詳情(續)

附屬公司之一般資料(續)

董事認為上表所列者為對本集團業績或資產有主要影響的本集團附屬公司。董事認為提供其他附屬公司的詳細資料會導致詳情部份過長。

附註：

- (a) 該等附屬公司均為在中國設立之有限公司。該等公司的英文名稱為管理層盡力對該等公司的中文名稱作出的翻譯，因該等公司概無註冊英文名稱。
- (b) 鄭煤機西伯利亞有限責任公司為本公司於二零一一年六月二日在俄羅斯成立。該公司的英文名稱為管理層盡力對該公司的俄羅斯名稱作出的翻譯，因該公司並無註冊英文名稱。
- (c) ZMJ Germany GmbH為本公司於二零一三年八月二十日在德國成立。該公司的英文名稱為管理層盡力對該公司的德國名稱作出的翻譯，因該公司並無註冊英文名稱。
- (d) 鄭州煤機鑄鍛有限公司為本公司(38.60%)與本公司附屬公司(包括鄭煤機綜機(13.33%))及其他非控股權益於二零一一年在中國成立。
- (e) 鄭煤機格林材料為本公司一家非全資附屬公司鄭州煤機鑄鍛有限公司於二零一三年一月二十八日成立。
- (f) 鄭煤機(美洲)有限公司為本公司於二零一五年二月三日在加拿大成立。
- (g) 鄭煤機(澳大利亞)有限公司為本公司於二零一五年九月十日在澳大利亞成立。
- (h) 該等實體收購自第三方，並於本年度內完成股權轉讓。
- (i) 鄭州聖吉為本公司於二零一七年四月十七日成立。

於本年末，概無附屬公司發行任何債務證券。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

53. Information about the statement of financial position of the Company

53. 有關本公司財務狀況表之資料

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT ASSETS			
	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,151,065	1,067,721
Prepaid lease payments	預付土地租賃款項	217,182	222,418
Investment properties	投資物業	44,009	45,598
Intangible assets	無形資產	1,495	2,069
Investments in subsidiaries	於附屬公司之投資	2,629,331	153,201
Investments in associates	於聯營公司之投資	438,601	412,305
Prepayment for acquisition of a subsidiary	收購一家附屬公司預付款項	2,307,286	-
AFS investments	可供出售之投資	415	835
Deferred tax assets	遞延稅項資產	168,641	188,143
Finance lease receivables	融資租賃應收款項	38,476	51,482
Long term receivables	長期應收款項	152,354	46,782
Loan receivables from subsidiaries	應收附屬公司貸款	71,876	76,307
		7,220,731	2,266,861
CURRENT ASSETS			
	流動資產		
Prepaid lease payments	預付土地租賃款項	5,236	5,236
Inventories	存貨	1,072,039	691,605
Loan receivables from an associate	應收一家聯營公司貸款	24,000	64,000
Loan receivables from subsidiaries	應收附屬公司貸款	150,000	-
Trade and other receivables	貿易及其他應收款項	3,683,350	3,456,836
Transferred trade receivables	已劃轉的貿易應收款項	225,297	180,322
Finance lease receivables	融資租賃應收款項	31,475	39,146
Long term receivables	長期應收款項	141,857	131,726
Tax recoverable	可收回稅項	17,374	-
Derivative financial assets	衍生金融資產	-	71,020
Debt investments	債務投資	-	416,631
Other financial assets	其他金融資產	-	1,085,000
Pledged bank deposits	已抵押銀行存款	768,691	235,193
Bank balances and cash	銀行結餘及現金	1,491,020	2,592,005
		7,610,339	8,968,720

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

53. Information about the statement of financial position of the Company (Continued)

53. 有關本公司財務狀況表之資料(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	2,579,609	1,432,312
Advances from customers	客戶按金	684,988	211,763
Tax liabilities	稅項負債	–	6,220
Borrowings	借貸	80,000	–
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關之負債	225,297	180,322
		3,569,894	1,830,617
NET CURRENT ASSETS	流動資產淨值	4,040,445	7,138,103
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	11,261,176	9,404,964
NON-CURRENT LIABILITIES	非流動負債		
Other non-current liabilities	其他非流動負債	35,789	4,000
Borrowings	借貸	818,000	–
		853,789	4,000
NET ASSETS	資產淨值	10,407,387	9,400,964
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	1,732,471	1,621,122
Share premium	股份溢價	4,199,421	3,409,354
Reserves (Note)	儲備(附註)	4,475,495	4,370,488
Equity attributable to owners of the Company	本公司股東應佔權益	10,407,387	9,400,964

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

53. Information about the statement of financial position of the Company (Continued)

53. 有關本公司財務狀況表之資料(續)

Note:

附註：

Reserves

儲備

		Statutory Surplus Reserve 法定盈餘 儲備 RMB'000 人民幣千元	Cash flow hedging reserve 現金流量 對沖儲備 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Balance at 1 January 2016	於二零一六年一月一日之結餘	525,072	-	77,902	3,395,031	3,998,005
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	274,670	274,670
Other comprehensive income for the year	年內其他全面收入	-	71,020	19,787	-	90,807
Contribution from the parent of the Company	本公司母公司出資	-	-	20,000	-	20,000
Transfer	轉撥	27,467	-	-	(27,467)	-
Dividends (note 14)	股息(附註14)	-	-	-	(12,969)	(12,969)
Others	其他	-	-	(25)	-	(25)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	552,539	71,020	117,664	3,629,265	4,370,488
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	172,355	172,355
Other comprehensive expense for the year	年內其他全面開支	-	(71,020)	22,729	-	(48,291)
Contribution from the parent of the Company	本公司母公司出資	-	-	-	-	-
Transfer	轉撥	17,236	-	-	(17,236)	-
Dividends (note 14)	股息(附註14)	-	-	-	(19,057)	(19,057)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	569,775	-	140,393	3,765,327	4,475,495

Summary Financial Information

財務信息摘要

		2017 二零一七年 RMB millions 人民幣百萬元	2016 二零一六年 RMB millions 人民幣百萬元	2015 二零一五年 RMB millions 人民幣百萬元	2014 二零一四年 RMB millions 人民幣百萬元	2013 二零一三年 RMB millions 人民幣百萬元
Revenue and profit: 收入和利潤：						
Revenue	收入	7,546.70	3,628.53	4,510.86	6,124.46	8,055.31
Profit before tax	稅前利潤	423.03	37.39	30.37	232.58	1,003.67
Income tax expense	所得稅開支	(82.87)	(0.74)	(19.76)	(39.25)	(166.69)
Profit for the year	本年度利潤	340.16	36.65	10.61	193.33	836.98
Profit for the year attributable to:	本年度利潤歸屬：					
Owners of the Company	本公司擁有人	284.25	62.00	42.20	205.19	866.71
Non-controlling interests	非控股權益	55.91	(25.35)	(31.59)	(11.86)	(29.73)
Earnings per share (RMB cents)	每股盈利(人民幣分)	16.67	3.82	2.60	12.67	53.46
Assets and liabilities:	資產與負債：					
Non-current assets	非流動資產	8,503.19	2,520.49	3,245.32	3,135.66	2,661.52
Current assets	流動資產	10,948.14	9,407.69	8,804.16	9,060.22	9,989.92
Current liabilities	流動負債	5,804.82	2,164.90	2,412.24	2,594.92	2,948.77
Net current assets	流動資產淨額	5,143.32	7,242.79	6,391.92	6,465.30	7,041.16
Total assets less current liabilities	總資產減流動負債	13,646.51	9,763.28	9,637.24	9,600.96	9,702.68
Non-current liabilities	非流動負債	2,071.20	4.75	14.78	17.16	20.49
Net assets	淨資產	11,575.31	9,758.53	9,622.46	9,583.80	9,682.18
Total equity attributable to owners of the Company	本公司股東應佔權益總額	10,800.21	9,674.17	9,502.57	9,432.32	9,518.85
Non-controlling interests	非控股權益	775.10	84.36	119.89	151.48	163.33



ZMJ

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