



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

(Incorporated in Bermuda with limited liability)

(在百慕達註冊成立的有限公司)

(Stock Code: 581)

(股份代號: 581)

## ANNUAL REPORT 年報 2017



\* For identification purposes only  
僅供識別



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# Financial Highlights 財務摘要

## FINANCIAL SUMMARY

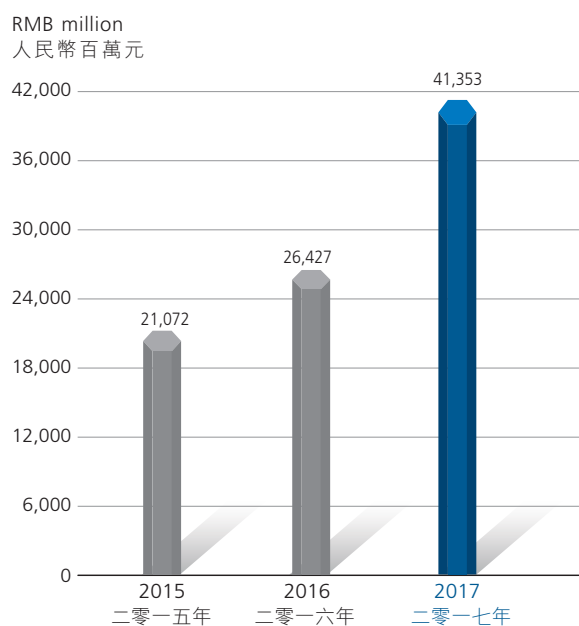
## 財務摘要

		2015 二零一五年 (RMB million) (人民幣百萬元)	2016 二零一六年 (RMB million) (人民幣百萬元)	2017 二零一七年 (RMB million) (人民幣百萬元)
Revenue	收入	21,072	26,427	41,353
Gross Profit	毛利	357	2,674	7,292
EBITDA <sup>1</sup>	扣除所得稅、財務淨收入/ (成本)、折舊及攤銷前溢利 <sup>1</sup>	1,151	3,022	7,474
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)	(890)	1,055	6,408
Profit/(Loss) for the year	年度溢利/(虧損)	(936)	531	4,883
Profit/(Loss) attributable to owners of the Company	本公司權益持有者 應佔溢利/(虧損)	(767)	722	4,839
Basic earnings/(losses) per Share (RMB)	每股基本收益/(虧損) (人民幣元)	(0.26)	0.25	1.39
Net Assets	淨資產	8,912	9,365	14,105
Total Assets	總資產	22,364	21,049	24,405
Net Assets value per Share (excluding non-controlling interests) (RMB)	每股淨資產值(豁除非控 制性權益) (人民幣元)	2.90	3.16	3.94

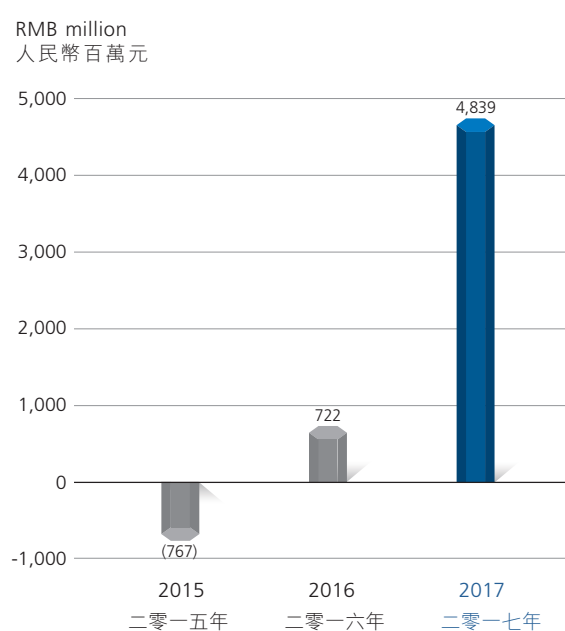
1 China Oriental Group Company Limited (the “Company”) defines EBITDA as profit for the year before finance income/(costs) – net, income tax expense, amortisation of intangible assets, amortisation of leasehold land and land use rights, depreciation and non-recurring items. During the year, there are no adjustments of non-recurring items in the calculation.

1 中國東方集團控股有限公司(「本公司」)對EBITDA的定義為扣除財務淨收入/(成本)、所得稅費用、無形資產攤銷、租賃土地及土地使用權攤銷、折舊及非經常發生的項目前之年度溢利。於年內，沒有非經常性項目的調整包括在計算內。

**Revenue**  
收入



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







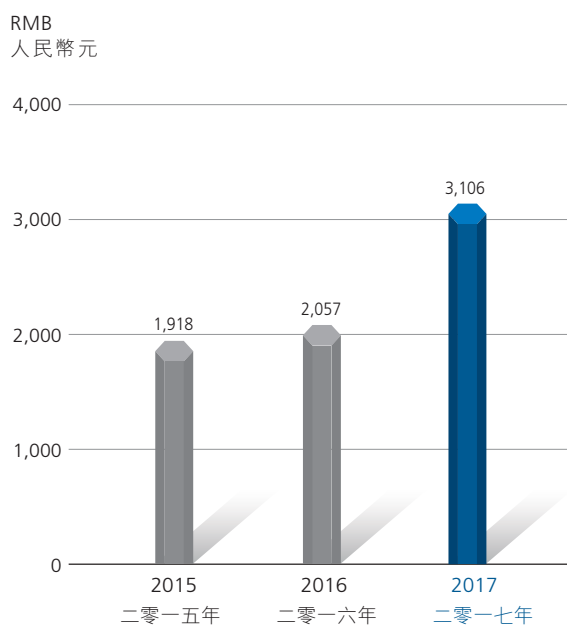
## Financial Highlights 財務摘要

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

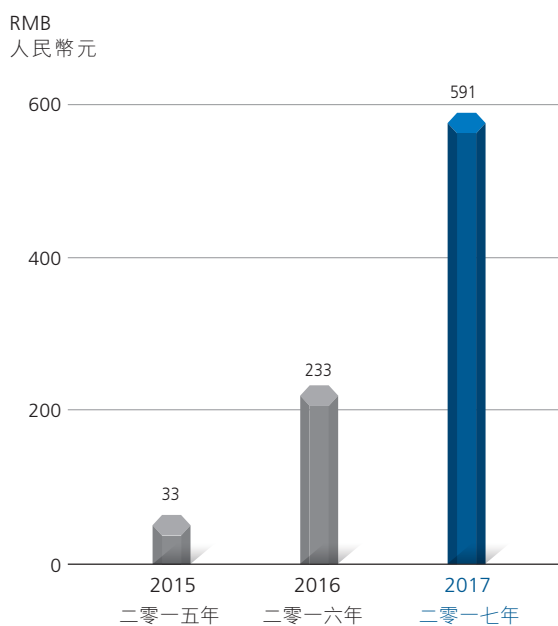
自行生產的鋼鐵產品每噸平均銷售單價  
與毛利/(毛虧)

		2015 二零一五年 (RMB) (人民幣元)	2016 二零一六年 (RMB) (人民幣元)	2017 二零一七年 (RMB) (人民幣元)
Average Selling Price per Tonne	每噸平均銷售單價	1,918	2,057	<b>3,106</b>
Gross Profit/(Loss) per Tonne	每噸毛利/(毛虧)			
H-section steel products	H型鋼產品	64	258	<b>579</b>
Strips and strip products	帶鋼及帶鋼類產品	50	319	<b>666</b>
Billets	鋼坯	(135)	49	<b>352</b>
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	(196)	205	<b>111</b>
Rebar	螺紋鋼	41	127	<b>682</b>
Sheet piling	鋼板樁	182	321	<b>641</b>
Combined	綜合	33	233	<b>591</b>

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



**Gross Profit per Tonne**  
每噸毛利





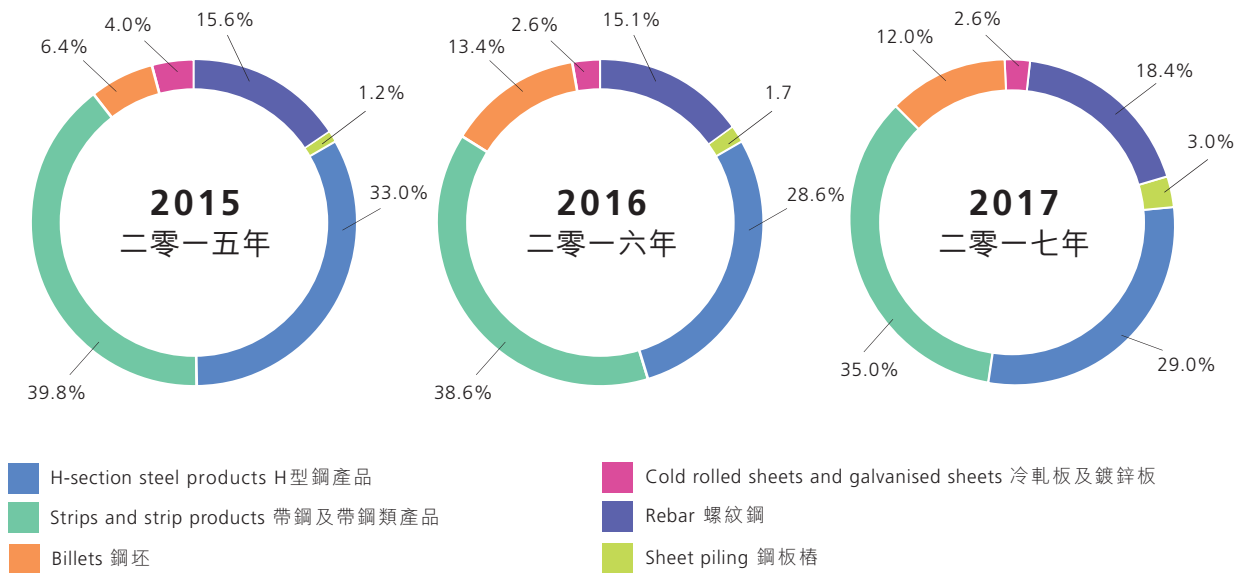
## Financial Highlights 財務摘要

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

### 自行生產的鋼鐵產品按產品種類劃分之銷售量

		2015 二零一五年 ('000 tonnes) (千噸)	2016 二零一六年 ('000 tonnes) (千噸)	2017 二零一七年 ('000 tonnes) (千噸)
H-section steel products	H型鋼產品	3,278	3,247	<b>3,413</b>
Strips and strip products	帶鋼及帶鋼類產品	3,952	4,381	<b>4,111</b>
Billets	鋼坯	638	1,526	<b>1,407</b>
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	398	291	<b>306</b>
Rebar	螺紋鋼	1,545	1,712	<b>2,158</b>
Sheet piling	鋼板樁	119	200	<b>359</b>
Total	合計	9,930	11,357	<b>11,754</b>

Sales Volume of Self-manufactured Steel Products  
自行生產的鋼鐵產品的銷售量





## Corporate Information 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

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

Mr. Zhu Jun

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

Mr. Shen Xiaoling

Mr. Zhu Hao

Mr. Han Li

(*Deputy General Manager and Chief Financial Officer*)

#### Non-executive Director

Mr. Ondra Otradovec

#### Independent Non-executive Directors

Mr. Wong Man Chung, Francis

Mr. Wang Tianyi

Mr. Wang Bing

### COMPOSITION OF BOARD COMMITTEE

#### AUDIT COMMITTEE

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

Mr. Wang Tianyi

Mr. Wang Bing

### 董事局

#### 執行董事

韓敬遠先生 (*董事局主席兼首席執行官*)

朱軍先生

(*常務副總經理兼首席運營官*)

沈曉玲先生

朱浩先生

韓力先生

(*副總經理兼首席財務官*)

#### 非執行董事

Ondra Otradovec 先生

#### 獨立非執行董事

黃文宗先生

王天義先生

王冰先生

### 董事局委員會架構

#### 審核委員會

黃文宗先生 (*主席*)

王天義先生

王冰先生



## Corporate Information 公司資料

### **NOMINATION COMMITTEE**

Mr. Han Jingyuan (*Chairman*)  
Mr. Wong Man Chung, Francis  
Mr. Wang Tianyi  
Mr. Wang Bing

### **REMUNERATION COMMITTEE**

Mr. Wong Man Chung, Francis (*Chairman*)  
Mr. Han Jingyuan  
Mr. Wang Tianyi  
Mr. Wang Bing

### **AUTHORISED REPRESENTATIVE**

Mr. Zhu Hao  
Mr. Lam Pak Kan

### **COMPANY SECRETARY**

Mr. Lam Pak Kan

### **REGISTERED OFFICE**

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### **提名委員會**

韓敬遠先生(*主席*)  
黃文宗先生  
王天義先生  
王冰先生

### **薪酬委員會**

黃文宗先生(*主席*)  
韓敬遠先生  
王天義先生  
王冰先生

### **授權代表**

朱浩先生  
林柏勤先生

### **公司秘書**

林柏勤先生

### **註冊辦事處**

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda



## Corporate Information 公司資料

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### 香港主要營業地點

香港灣仔  
港灣道23號  
鷹君中心9樓901-2及10室

### BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

### 百慕達主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

### 股份過戶登記處香港分處

卓佳證券登記有限公司

### AUDITOR

PricewaterhouseCoopers

### 核數師

羅兵咸永道會計師事務所

### COMPANY'S WEBSITE

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

### 公司網址

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

### LIST OF PRINCIPAL BANKERS (IN ALPHABETICAL ORDERS)

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

### 主要往來銀行(按英文次序排列)

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





## Chairman's Statement 主席報告

Profit of the Group for the year reached approximately RMB 4.88 billion, which is the highest annual profit since listing of the Group in 2004.

本集團的年度溢利達到約人民幣48.8億元，此乃本集團自二零零四年上市以來最高的年度溢利。



### REVIEW OF YEAR 2017

#### OPERATING ENVIRONMENT

Looking back 2017, it was a year full of opportunities for the PRC steel industry. The industry continued the recovery of 2016, and stayed optimistic throughout the year. Under the execution of Chinese government's "Supply-Side-Reform" Policy and reduction of overcapacity in the steel industry, plus complete crackdown of "Illegal Sub-Standard Steel" Policy, and also multiple environmental protection policies including winter production restriction policy, further solid achievement was crystallised and the supply and demand in the steel industry were further strengthened, resulted in structural reform in the steel industry. The production and operation of steel industry clearly improved. On the other hand, continued investment in infrastructure construction, positive sales in the real estate, etc., lead to inventory of the steel industry continually remained at relatively low level, resulted in continuous increase in steel prices. At the same time, benefited from structural reform, raw material prices had not followed steel prices' increase. Hence, steel industry's overall gross profit and net profit were able to substantially improve.

With this background, the Company and its subsidiaries (the "Group") continued to strive for optimisation in production cost, environmental protection and product mix, thereby enhancing the profit margin and sustainability of the operation. In this regard, the Group's results refreshed the best record since the Group's listing and achieved very substantial growth. The revenue was approximately RMB 41.4 billion for the year ended

### 二零一七年回顧

#### 經營環境

回顧二零一七年對中國鋼鐵行業是充滿機遇的一年，行業延續了二零一六年的復甦，並全年一直保持正面。在中國政府的「供給側改革」政策及減低鋼鐵行業產能過剩，加上全面取締「地條鋼」的政策，以至多項環保政策包括冬季限產的政策實行下，已實現進一步的實際成果及鋼鐵行業的供求關係達到進一步的鞏固，造成鋼鐵行業的結構性改革，鋼鐵行業的生產及經營明顯好轉。另一方面，基礎建設的持續投資、房地產的正面銷售等，使鋼鐵行業的庫存持續維持在較低水平，造成鋼鐵價格的持續上升；與此同時，受惠於結構性改革，原材料的價格並沒有跟隨鋼鐵價格上漲，因此，鋼鐵行業的整體毛利及利潤得以大幅改善。

在此背景下，本公司及其附屬公司（「本集團」）繼續致力於優化生產成本、環保及產品組合，從而提升營運的利潤率及可持續性。因此，本集團的業績刷新了本集團自上市以來最佳的紀錄及實現了非常重大的增長，於截至二零一七年十二月三十一日止年度錄得收入約人民





## Chairman's Statement 主席報告



### OPERATING ENVIRONMENT *(continued)*

31 December 2017, representing an increase of approximately 56.5% as compared with last year. Comparing with last year, the average selling price of self-manufactured steel products increased by approximately 51.0% to RMB 3,106 per tonne. The gross profit of the Group increased by approximately 172.7% to approximately RMB 7.29 billion. Profit of the Group for the year reached approximately RMB 4.88 billion, representing an increase of approximately 819.6% over last year of approximately RMB 531 million, which is the highest annual profit since listing of the Group in 2004. EBITDA of the Group also further improved from approximately RMB 3.02 billion of last year to approximately RMB 7.47 billion. Basic earnings per share reached RMB 1.39 per share (2016: RMB 0.25 per share).

### 經營環境(續)

幣414億元，較去年增加約56.5%。與去年相比，自行生產鋼鐵產品的平均銷售單價上升約51.0%至每噸人民幣3,106元，本集團的毛利上升約172.7%至約人民幣72.9億元，而本集團的年度溢利達到約人民幣48.8億元，較去年的約人民幣5.31億元的溢利增加約819.6%，此乃本集團自二零零四年上市以來最高的年度溢利。本集團的扣除所得稅、財務淨收入／(成本)、折舊及攤銷前溢利，也從去年的約人民幣30.2億元進一步增加至約人民幣74.7億元，每股基本收益達到每股人民幣1.39元(二零一六年：每股人民幣0.25元)。





## Chairman's Statement 主席報告

### OPERATING ENVIRONMENT (continued)

During the year, the Company was awarded rank 241<sup>st</sup> in the top 2017 Fortune China 500 companies. In February 2018, the Group's subsidiary, Hebei Jinxi Iron and Steel Group Company Limited ("**Jinxi Limited**"), was elected by Government of Tangshan City as one of the three leading steel enterprises in Tangshan City.

Based on the operating results of 2017 and the Group's future development requirements, and for sharing the outstanding results of the Group with the shareholders of the Company (the "**Shareholders**"), the board (the "**Board**") of the directors of the Company (the "**Directors**") proposed the distribution of 2017 final dividend of HK\$0.22 per share and a special dividend of HK\$ 0.11 per share.

With respect to the steel business, the Group continued to invest substantial resources to and endeavored to enhance the competitiveness and economic efficiency of its products as well as environmental protection. These efforts include improving production facilities to enhance efficiency, developing diverse and high-end products, increasing the share of products with high added-value and investing in various projects to reduce emissions. The Group's section steel production volume was leading nationwide since 2009, and the Group continually participated in drafting the country's section steel standards previously. Apart from developing and optimising the new categories of the existing products, such as strips and section steel, the Group has also developed new products of sheet piling, steel pole for contact system of electrified railway, angles steel for electric tower, H-section steel for bracket of solar photovoltaic system, etc., which greatly enhanced the Group's competitiveness and profitability. At the same time, through conducting benchmarking analysis with overseas and nationwide corporations, the Group continually optimised product quality and production techniques. In addition, the Group has also been investing in its production facilities, energy recycling management and reusing, etc., in order to reduce energy consumption in the steel production process and satisfy emission requirements, and at the meantime increasing the Group's cost efficiency and also further carrying out its social responsibility.

### 經營環境(續)

於年內，本公司獲得2017年財富中國500強排名第241位。於二零一八年二月，本集團之附屬公司河北津西鋼鐵集團股份有限公司(「**津西鋼鐵**」)獲唐山市政府選為唐山市三家鋼鐵龍頭企業之一。

基於二零一七年之經營業績和本集團未來發展需要，以及為與本公司股東們(「**股東們**」)分享本集團優秀業績的成果，本公司董事局(「**董事局**」)董事(「**董事(們)**」)建議派發2017年末期股息每股0.22港元及特別股息每股0.11港元。

就鋼鐵業務而言，本集團持續投放大量資源並致力提高產品的競爭力、經濟效益以及環境保護，這些努力包括改善生產設備以提高效能、開發多元化及高端產品、加大高附加值產品比例及投入多項項目以減低排放。本集團之型鋼產量自二零零九年起一直位列全國領導位置，並且本集團過去一直參與起草國家的型鋼標準。除開發及優化現有產品的新種類外，例如帶鋼和型鋼，本集團亦同時開發出鋼板樁、電氣化鐵路接觸支柱鋼、電塔用角鋼、太陽能光伏支架用H型鋼等的新產品，大幅增強了本集團的競爭力及盈利能力。與此同時，本集團亦通過與海外及全國企業進行對標分析，持續優化產品質量及生產技術。此外，本集團亦繼續投放資源在其生產設施、能源回收管理控制及循環使用等，以減低在生產鋼鐵過程中的能源消耗及符合減排規定，並同時增加本集團成本效益，亦進一步履行社會責任。







## Chairman's Statement 主席報告

### OPERATING ENVIRONMENT (continued)

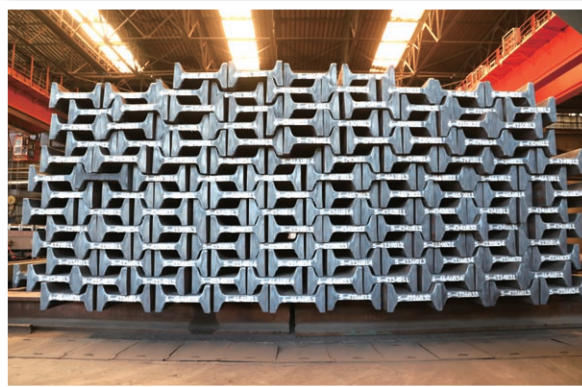
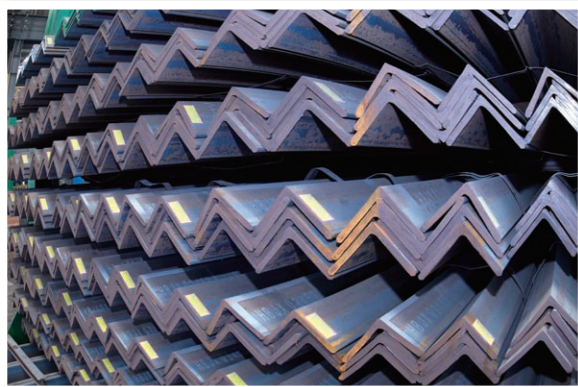
The Group made its first investment in an upgrading project for sheet piling and ultra-large H-section steel products since 2016. It was designed to have an annual capacity of approximately 1.0 million tonnes and investment amount was expected to be approximately RMB 1.0 billion to RMB 1.5 billion. The primary products of the project are U sheet piling of 500mm, 600mm, 750mm, and up to a maximum of 900mm and Z sheet piling of 500mm, 600mm, 750mm, and up to a maximum of 850mm as well as ultra-large H-section steel of ultra-thick, ultra-heavy, applying to super-high steel structure construction with a plate width reaching 1,100mm, so as to further optimise the product mix, and fill the gap in domestic market for the high-end section steel products categories which were relying on imports. It commenced pilot production by the end of the fourth quarter of 2017. The sheet piling products are highly-efficient materials internationally widely applied in works of construction, irrigation, ports, dams, temporary support cofferdam, railway, etc.. The application in China is still in the start-up stage. Sheet piling earned its wide notice and recognition due to its advantages of simple structure, high construction efficiency, firm engineering, good watertightness and reusability.

On 27 June 2017, in accordance to the opinions and negotiation results with the Government of Tangshan City and the Group, Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Company Limited, a non-wholly owned subsidiary of the Group, completed the shut down of the remaining production facilities, representing 0.6 million tonnes of the ironmaking and steelmaking production capacities respectively (the “**Final Shut Down**”). As the Group had made impairment provision of approximately RMB 810 million in 2016 primarily for property, plant and equipment which had been or would be shut down due to overcapacity policies, the Final Shut Down did not have material impacts to the results of 2017. The annual steelmaking capacity of the Group is approximately 11 million tonnes. During 2017, the Group sold approximately 3.41 million tonnes of self-manufactured H-section steel products and continued to secure its leading position in the H-section steel market of Mainland China.

### 經營環境(續)

本集團自二零一六年開始投資鋼板樁及超大H型鋼產品的升級項目，年產能規模約100萬噸，預計投資額約人民幣10-15億元，項目主導產品為500mm、600mm、750mm，及最大到900mm的U型鋼板樁和500mm、600mm、750mm，及最大到850mm的Z型鋼板樁以及超厚、超重、用於超高層鋼結構建築鋼板寬度達到1,100mm的超大規格H型鋼，以進一步優化產品結構，及填補國內市場一直倚賴進口的高端型鋼品種的缺口，於二零一七年第四季末已開始投入試產。鋼板樁產品是國際上廣泛應用於建築、水利、碼頭、堤壩、臨時支護圍堰、鐵路等工程的高效材料，在中國應用尚屬起步階段，鋼板樁以其結構簡單、施工效率高、工程牢固、良好水密性、可重複使用的優勢，受到廣泛關注和認可。

於二零一七年六月二十七日，本集團的非全資附屬公司河北津西鋼鐵集團正達鋼鐵有限公司已按本集團與唐山市政府的協商結果，完成關停餘下生產設備，即鐵及鋼各約60萬噸之產能(「**最終關停**」)，由於本集團在二零一六年已對主要因化解過剩產能政策影響而對一些已關停或將關停的生產線的物業、廠房及設備進行約人民幣8.10億元的減值撥備，該最終關停對二零一七年的業績沒有重大的影響。本集團的鋼材年產能約為1,100萬噸。而於二零一七年內，本集團共銷售自行生產的H型鋼產品約341萬噸，並繼續穩佔中國H型鋼市場的領導者位置。





## Chairman's Statement 主席報告

### OPERATING ENVIRONMENT *(continued)*

With respect to the real estate business, the Group was dedicated in promoting green structural development construction besides developing traditional real estate projects. Most of the construction work of Phase 3 of the Donghu Bay project in Tangshan City, Hebei Province, of the Group has been completed during the first half of 2017, and started delivery. The sales and delivery of the Donghu Bay project in Tangshan City, commercial and office projects of Xintiandi and the Meishu Hall project in Suzhou continued in 2017, recorded a substantial increase in revenue and profit contribution, and facilitated the stable development of the real estate business of the Group and brought sustainable income. For the year ended 31 December 2017, the Group recorded revenue and operating profit from real estate business of approximately RMB 1,138 million and RMB 95 million respectively.

For the year ended 31 December 2017, the revenue and gross profit arising from trading of steel products and iron ore of the Group were approximately RMB 2.82 billion (2016: approximately RMB 2.21 billion) and approximately RMB 129 million (2016: gross loss of approximately RMB 20 million) respectively.

In order to diversify its business, the Group has also set up Dongfang Jingyuan Electron Limited (previously identified as "Oriental Jingyuan Science Technology (Beijing) Co. Ltd.") ("Dongfang Jingyuan") and related subsidiaries to develop core technologies for semiconductor chip design and manufacturing process optimisation/equipment. Government grant from the Chinese government has been obtained in 2017. The Group would continue to explore the development potential of this project.

Finally, with the new highs of annual results of the Group, the Board would like to take this opportunity to express the heartfelt gratitude to the shareholders of the Company for the continuous support, as well as appreciation to the staffs for the dedication and contribution. The Company will diligently create greater value for its shareholders.

### 經營環境 *(續)*

就房地產業務而言，本集團除發展傳統地產項目外，亦致力推動使用綠色結構發展建築。本集團位於河北省唐山市的東湖灣項目第三期大部份工程已於二零一七年上半年竣工，並已開始交付。唐山市的東湖灣項目、蘇州的新天地之商業及辦公室項目及美墅館項目於二零一七年內繼續銷售及交付，並錄得大幅度的收入增長以及溢利貢獻，有助本集團房地產業務的穩定發展及帶來持續收入。截至二零一七年十二月三十一日止年度，本集團錄得房地產業務收入及經營溢利分別約人民幣11.38億元及人民幣9,500萬元。

截至二零一七年十二月三十一日止年度，鋼鐵產品及鐵礦石貿易帶來的收入和毛利分別為約人民幣28.2億元(二零一六年：約人民幣22.1億元)及約人民幣1.29億元(二零一六年：毛虧約人民幣2,000萬元)。

為使本集團業務多元化，本集團亦設立了東方晶源微電子科技(北京)有限公司(「東方晶源」)及相關附屬公司，以開發半導體晶片設計及製造工序優化/設備的核心技術，於二零一七年已獲得中國政府的資助，本集團將繼續探索這項目的發展潛力。

最後，藉著本集團全年業績創立新高之際，董事局希望借此機會對本公司股東們一如既往的支持表示衷心感謝，也對全體員工的努力付出和貢獻表示感謝，本公司將持續不懈為股東們創造更大價值。



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

## BUSINESS REVIEW

Sales analysis on self-manufactured steel products

### Sales Volume

In 2017, the total sales volume was 11,754,000 tonnes (2016: 11,357,000 tonnes), representing an increase of approximately 3.5%.

The sales volume breakdown during the year was as follows:

## 業績回顧

自行生產的鋼鐵產品之銷售分析

### 銷售量

二零一七年總銷售量為11,754,000噸(二零一六年:11,357,000噸)，增加約3.5%。

於有關年度銷售量明細如下：

		2017 二零一七年 Sales volume 銷售量 ('000 tonnes) (千噸)		2016 二零一六年 Sales volume 銷售量 ('000 tonnes) (千噸)		Changes in Sales volume 銷售量變化 Increase/ (Decrease) 增加/(減少)
H-section steel products	H型鋼產品	3,413	29.0%	3,247	28.6%	5.1%
Strips and strip products	帶鋼及帶鋼類產品	4,111	35.0%	4,381	38.6%	(6.2%)
Billets	鋼坯	1,407	12.0%	1,526	13.4%	(7.8%)
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	306	2.6%	291	2.6%	5.2%
Rebar	螺紋鋼	2,158	18.4%	1,712	15.1%	26.1%
Sheet piling	鋼板樁	359	3.0%	200	1.7%	79.5%
Total	合計	11,754	100%	11,357	100%	3.5%

During the year of 2017, the Group's production capacity was approximately 11 million tonnes per annum.

於二零一七年年內，本集團的年產能約1,100萬噸。





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

## BUSINESS REVIEW (continued)

### Sales analysis on self-manufactured steel products (continued)

#### Revenue

Revenue in 2017 was RMB 36,504 million (2016: RMB 23,367 million), representing an increase of approximately 56.2%. Export to foreign countries contributed revenue of RMB 923 million (2016: RMB 2,220 million), representing approximately 2.5% (2016: 9.5%) of revenue from sales of self-manufactured steel products.

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

		2017 二零一七年		2016 二零一六年		Changes 變化	
		Average selling Revenue	Average selling price	Revenue	Average selling price	Revenue	Average selling price
		收入	平均 銷售單價	收入	平均 銷售單價	收入	平均 銷售單價
		(RMB million)	(RMB/tonne)	(RMB million)	(RMB/tonne)	Increase	Increase
		(人民幣百萬元)	(人民幣元/噸)	(人民幣百萬元)	(人民幣元/噸)	增加	增加
H-section steel products	H型鋼產品	10,673	3,127	7,121	2,193	49.9%	42.6%
Strips and strip products	帶鋼及帶鋼類產品	12,454	3,030	8,735	1,994	42.6%	52.0%
Billets	鋼坯	3,954	2,810	2,785	1,826	42.0%	53.9%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	1,239	4,049	929	3,189	33.4%	27.0%
Rebar	螺紋鋼	6,801	3,151	3,231	1,887	110.5%	67.0%
Sheet piling	鋼板樁	1,383	3,847	566	2,834	144.3%	35.7%
Total/combined	合計/綜合	36,504	3,106	23,367	2,057	56.2%	51.0%

The increase in revenue from self-manufactured steel products was primarily due to the increase in the average selling price of the Group's products by 51.0% to RMB 3,106 per tonne in 2017 from RMB 2,057 per tonne in 2016 and an increase in the sales volume of the Group's products by 3.5% to approximately 11.8 million tonnes in 2017 from approximately 11.4 million tonnes in 2016. The increase in average selling price and sales volume of the Group's products were mainly due to the improved supply and demand in the PRC steel industry during 2017.

## 業績回顧(續)

### 自行生產的鋼鐵產品之銷售分析(續)

#### 收入

二零一七年收入為人民幣365.04億元(二零一六年：人民幣233.67億元)，增加約56.2%。出口至海外國家貢獻的收入為人民幣9.23億元(二零一六年：人民幣22.20億元)，佔自行生產的鋼鐵產品之銷售收入約2.5%(二零一六年：9.5%)。

年內產品的銷售明細及平均銷售單價(不含增值稅)如下：

自行生產的鋼鐵產品收入增加主要由於本集團產品平均銷售單價由二零一六年每噸人民幣2,057元增加51.0%至二零一七年每噸人民幣3,106元及本集團產品銷量由二零一六年約1,140萬噸增加3.5%至二零一七年約1,180萬噸。本集團產品平均銷售單價及銷量增加主要由於中國鋼鐵行業在二零一七年供求關係改善所致。



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

## BUSINESS REVIEW (continued)

Sales analysis on self-manufactured steel products (continued)

### Cost of Sales and Gross Profit

The consolidated gross profit in 2017 was RMB 6,946 million (2016: RMB 2,650 million), representing an increase of approximately 162.1%.

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

		2017 二零一七年			2016 二零一六年		
		Average unit cost 平均 成本單價 (RMB/tonne) (人民幣元/噸)	Gross profit per tonne 每噸毛利 (RMB) (人民幣元)	Gross profit margin 毛利率	Average unit cost 平均 成本單價 (RMB/tonne) (人民幣元/噸)	Gross profit per tonne 每噸毛利 (RMB) (人民幣元)	Gross profit margin 毛利率
H-section steel products	H型鋼產品	2,548	579	18.5%	1,935	258	11.8%
Strips and strip products	帶鋼及帶鋼類產品	2,364	666	22.0%	1,675	319	16.0%
Billets	鋼坯	2,458	352	12.5%	1,777	49	2.7%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	3,938	111	2.7%	2,984	205	6.4%
Rebar	螺紋鋼	2,469	682	21.6%	1,760	127	6.7%
Sheet piling	鋼板樁	3,206	641	16.7%	2,513	321	11.3%
Combined	綜合	2,515	591	19.0%	1,824	233	11.3%

In 2017, gross profit per tonne of the Group's products increased to RMB 591 from RMB 233 in 2016, reflecting an increase of 153.6%. In 2017, gross profit margin increased to 19.0% from 11.3% in 2016. The increase in gross profit margin was primarily due to the increase in the average selling price greater than the increase in the average unit cost and increase in sales volume of the Group's steel products in 2017.

## 業績回顧(續)

自行生產的鋼鐵產品之銷售分析(續)

### 銷售成本及毛利

二零一七年的合併毛利為人民幣69.46億元(二零一六年：人民幣26.50億元)，增加約162.1%。

於有關年度每噸平均成本單價、每噸毛利及毛利率如下：

於二零一七年，本集團產品的每噸毛利由二零一六年的人民幣233元增加至人民幣591元，增加153.6%。於二零一七年，毛利率由二零一六年的11.3%增加至19.0%。毛利率增加主要是因為二零一七年本集團鋼鐵產品的平均銷售單價上升大於平均成本單價上升幅度以及銷售量增加。



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

## BUSINESS REVIEW (continued)

### Property Development

In 2017, the Group had completed Gross Floor Area (“GFA”) of 85,952 m<sup>2</sup>. The status of the completed GFA by project is set out as follow:

No. 序號	City 城市	Property project 物業項目	Phase of project 項目階段	Total GFA 總建築面積 (m <sup>2</sup> ) (平方米)
1	Tangshan 唐山	Donghu Bay 東湖灣	Phase 3 三期	85,952

For the year ended 31 December 2017, the revenue from real estate business of the Group amounted to approximately RMB 1,138 million. The GFA of properties delivered was 141,648 m<sup>2</sup>. The average selling price of properties delivered was approximately RMB 8,000 per m<sup>2</sup>.

As at 31 December 2017, the Group had the following project under construction with a GFA of approximately 8,900 m<sup>2</sup>:

No. 序號	City 城市	Property project 物業項目	Phase of project 項目階段	GFA under Construction 在建建築面積 (m <sup>2</sup> ) (平方米)	Estimate time of completion 預計竣工時間
1	Tangshan 唐山	Donghu Bay 東湖灣	Phase 3 三期	8,917	December 2018 二零一八年十二月

The above projects is expected to be completed in 2018 and will contribute stable revenue and profits to our Group.

## 業績回顧(續)

### 房地產開發

於二零一七年，本集團已竣工建築面積（「建築面積」）為85,952平方米。以下為各項目的已竣工建築面積情況：

截至二零一七年十二月三十一日止年度，本集團房地產業務收入約人民幣11.38億元，已交付物業的建築面積為141,648平方米。已交付物業的平均售價為每平方米約人民幣8,000元。

於二零一七年十二月三十一日，本集團有下列在建項目，在建的建築面積約8,900平方米：

上述項目預期將於二零一八年內完成，並將為本集團帶來穩定收入及溢利。



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

## FINANCIAL REVIEW

### Liquidity and Financial Resources

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

As at 31 December 2017, the Group had unutilised banking facilities of approximately RMB 2.0 billion (2016: RMB 1.0 billion).

As at 31 December 2017, the current ratio of the Group, representing current assets divided by current liabilities, was 1.5 (2016: 1.1) and the gearing ratio, representing total liabilities divided by total assets, was 42.2% (2016: 55.5%).

As at 31 December 2017, the cash and cash equivalents of the Group amounted to approximately RMB 2,766 million (2016: approximately RMB 1,290 million).

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

### Capital Structure

As at 31 December 2017, borrowings of RMB 1,882 million of the Group bore fixed interest rates ranged from 1.77% to 6.00% per annum and borrowings of RMB 244 million of the Group bore floating rates of 4.75% per annum. The Group's exposure to changes in market interest rates was considered to be limited. The Group did not use any derivatives to hedge its exposure to interest rate risk for the year ended 31 December 2017 and 2016.

The Group monitors its capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by total capital. Total debt includes current and non-current borrowings, other long-term payables and loans from related parties. The Group regards its non-current borrowings, non-current portion of other long-term payables, non-current portion of loan from a related party and its equity attributable to owners of the Company as its total capital. As at 31 December 2017, the debt-to-capital ratio of the Group was 16.9% (2016: 25.8%).

## 財務回顧

### 資金流動性及財務資源

本集團密切監察資金流動性及財政資源，以保持穩健的財政狀況。

於二零一七年十二月三十一日，本集團的未使用銀行授信額度為約人民幣20億元(二零一六年：人民幣10億元)。

於二零一七年十二月三十一日，本集團的流動比率(流動資產除以流動負債)為1.5倍(二零一六年：1.1倍)及資產負債比率(總負債除以總資產)為42.2%(二零一六年：55.5%)。

於二零一七年十二月三十一日，本集團的現金及現金等價物為約人民幣27.66億元(二零一六年：約人民幣12.90億元)。

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

### 資本結構

於二零一七年十二月三十一日，本集團的人民幣18.82億元的借款為年利率介乎1.77%至6.00%的固定利率，而本集團的人民幣2.44億元的借款為年利率4.75%的浮動利率。本集團對市場利率變化的風險被認為屬有限。本集團截至二零一七年及二零一六年十二月三十一日止年度並無使用衍生工具對沖其利率風險。

本集團根據債項與資本比率監察資本狀況。該比率為債項總額除以總資本，而債項總額包括流動及非流動借款、其他長期應付賬款及關聯方貸款。本集團將其非流動借款、其他長期應付賬款非流動部份、關聯方貸款非流動部份及歸屬於本公司權益持有者的權益視為本集團的總資本。於二零一七年十二月三十一日，本集團的債項與資本比率為16.9%(二零一六年：25.8%)。



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

## FINANCIAL REVIEW (continued)

### Capital Structure (continued)

The consolidated interest expenses and capitalised interest in 2017 amounted to RMB 101 million (2016: RMB 180 million). The interest coverage (divide profit for the year before finance income/(costs) – net and income tax expense by total interest expenses) was 63.4 times (2016: 6.3 times).

### Commitments

As at 31 December 2017, the Group had total commitments of RMB 1,025 million (2016: RMB 1,558 million). It is estimated the commitments will be financed by the Group's internal resources and unutilised banking facilities.

### Guarantee and Contingent Liabilities

As at 31 December 2017, the Group had no contingent liabilities (2016: The Group's contingent liabilities amounted to approximately RMB 11 million, which was the provision of guarantee for bank borrowings in favor of a third party).

### Pledge of Assets

As at 31 December 2017, the net book value of the Group's leasehold land and land use rights amounting to approximately RMB 54 million (2016: RMB 56 million), property, plant and equipment amounting to approximately RMB 859 million (2016: RMB 975 million), inventories amounting to approximately RMB 74 million (2016: approximately RMB 69 million), notes receivable amounting to approximately RMB 307 million (2016: approximately RMB 358 million) and restricted bank balances amounting to approximately RMB 417 million (2016: approximately RMB 891 million) had been pledged as security for the Group's notes payable issuing, banking borrowings and letter of credit issuing.

## 財務回顧(續)

### 資本結構(續)

二零一七年合併利息支出及資本化利息共人民幣1.01億元(二零一六年：人民幣1.80億元)。利息盈利倍數(扣除財務淨收入/(成本)及所得稅支出前之年度溢利除以總利息支出)為63.4倍(二零一六年：6.3倍)。

### 承擔

於二零一七年十二月三十一日，本集團的總承擔為人民幣10.25億元(二零一六年：人民幣15.58億元)。此承擔預計將由本集團內部資源及未使用銀行授信額度作為融資。

### 擔保及或然負債

於二零一七年十二月三十一日，本集團沒有或然負債(二零一六年：本集團的或然負債為約人民幣1,100萬元，為替一名第三方作銀行借款擔保)。

### 資產抵押

於二零一七年十二月三十一日，本集團賬面淨值約人民幣5,400萬元(二零一六年：人民幣5,600萬元)的租賃土地及土地使用權、約人民幣8.59億元(二零一六年：人民幣9.75億元)的物業、廠房及設備、約人民幣7,400萬元(二零一六年：約人民幣6,900萬元)的存貨、約人民幣3.07億元(二零一六年：約人民幣3.58億元)的應收票據及約人民幣4.17億元(二零一六年：約人民幣8.91億元)的受限制銀行結餘，已為本集團發出的應付票據、銀行借款及開具信用證作抵押。



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

## FINANCIAL REVIEW (continued)

### Exchange Risks

Foreign exchange risk is the risk to the Group's financial conditions and results of operations arising from movements of foreign exchange rates. The Group mainly operates in the Mainland China with most of the transactions denominated and settled in RMB. The Group's foreign exchange risk primarily arises from the procurement of iron ores and the relevant products from overseas suppliers, which is denominated and settled in USD. Foreign exchange rates fluctuate in reaction to the macro-economic performance of different countries and fund flows between countries arising from trade or capital commitments. In view of the continuous fluctuation of the RMB exchange rate against USD, during the year ended 31 December 2017, the Group has entered into certain foreign currency forward contracts so as to reduce the impact of the volatility of the RMB exchange rate against USD. The Group also reviewed and rearranged its monetary assets to mitigate the impact from the change of RMB to USD exchange rate.

### Iron Ore Swaps

In view of the continuous fluctuation of iron ore price in 2017, the Group has been cautious in entering into iron ore swap contracts so as to reduce the risk of potential negative impact of the iron ore swap contracts.

### Dividend

The Board proposed a final dividend of HK\$ 818.9 million (approximately RMB 655.3 million), representing HK\$ 0.22 per ordinary share and a special dividend of HK\$ 409.5 million (approximately RMB 327.7 million), representing HK\$ 0.11 per ordinary share in respect of the year ended 31 December 2017 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 12 June 2018. The final dividend and special dividend, payable on or around Friday, 29 June 2018 are subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Company (the "AGM") to be held on Friday, 1 June 2018.

## 財務回顧(續)

### 匯率風險

外匯風險指匯率變動對本集團財務狀況及營運業績構成之風險。本集團主要在中國大陸境內經營，大多數交易均以人民幣計值及結算。本集團之外匯風險主要由於向海外供應商購入鐵礦石和相關產品均以美元計值及結算。匯率波動受不同國家宏觀經濟表現以及貿易或資本動向帶來國家之間資金流動所影響。鑒於人民幣兌美元匯率持續波動，截至二零一七年十二月三十一日止年度，本集團已訂立若干外幣遠期合約，以減低人民幣兌美元匯率波動的影響。本集團亦已審核及重新調配其貨幣資產以減低人民幣兌美元匯率變動產生的影響。

### 鐵礦石掉期

鑒於二零一七年鐵礦石價格持續波動，為了降低鐵礦石掉期合約的潛在負面影響的風險，本集團已謹慎訂立鐵礦石掉期合約。

### 股息

就有關截至二零一七年十二月三十一日止年度，董事局建議向在二零一八年六月十二日(星期二)辦公時間結束時名列於本公司股東名冊上之本公司股東派發末期股息8.189億港元(約人民幣6.553億元)(即每股普通股0.22港元)及特別股息4.095億港元(約人民幣3.277億元)(即每股普通股0.11港元)。末期股息及特別股息須待將於二零一八年六月一日(星期五)舉行應屆的本公司之股東週年大會(「股東週年大會」)上獲股東批准後方可作實，並將於二零一八年六月二十九日(星期五)或前後支付。





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

## FINANCIAL REVIEW (continued)

### Post Balance Sheet Events

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

### Use of Proceeds from Shares Placing

On 27 January 2017, the Company completed the placing of 586,284,000 new ordinary shares under general mandate to not less than six places at a price of HK\$1.30 per placing share. The placing price of HK\$1.30 represents a premium of approximately 12.07% to the closing price of HK\$1.16 per Share as quoted on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 28 April 2014, being the last trading date of the date of placing agreement. The net proceeds of the aforesaid placing were approximately RMB 653 million (after deducting relevant placing commission, professional fees and all related expenses). As at 31 December 2017, 100% of proceeds were utilised. Among the net proceeds used, (i) approximately RMB 457 million was utilised for capital expenditure; and (ii) approximately RMB 196 million was utilised for general working capital of the Group. The purpose of capital utilisation is consistent with the intended use of the placing.

The placing were being undertaken to supplement the Group’s funding of its expansion and growth plan. The Directors (other than Mr. Ondra OTRADOVEC) considered the placing will provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company. Further, following the completion of the placing and placing of 64,314,000 shares by Wellbeing Holdings Limited, the controlling shareholder of the Company, the public float of the Company was restored and the Company met the minimum prescribed percentage of shares being held by public shareholders in accordance with Rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”).

## 財務回顧(續)

### 結算日後事項

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

### 股份配售所得款項用途

於二零一七年一月二十七日，本公司完成根據一般授權以每股配售股份1.30港元配售586,284,000股新普通股予不少於六名承配人，配售價1.30港元較於二零一四年四月二十八日(即配售協議日期的最後交易日)在香港聯合交易所有限公司(「**聯交所**」)所報收市價每股1.16港元溢價約12.07%，上述配售所得款項淨額為約人民幣6.53億元(經扣除相關配售佣金、專業費用和所有相關開支後)，於二零一七年十二月三十一日，已動用全部所得款項。已使用之所得款項淨額有：(i)用於資本開支的資金約人民幣4.57億元；及(ii)用於本集團一般營運資金的資金約人民幣1.96億元。資金使用目標與配售計劃用途一致。

該配售事項乃為本集團的擴張及增長計劃補充資金。董事們(不包括Ondra OTRADOVEC先生)認為，該等配售事項為本公司提供了機會，可籌集更多資金，同時擴大股東基礎及資本基礎。此外，於完成該配售及本公司的控股股東Wellbeing Holdings Limited 64,314,000股股份的配售後，本公司的公眾持股量已予恢復，且本公司已符合聯交所證券上市規則(「**上市規則**」)第8.08條規定的公眾股東最低持股百分比。



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

### FINANCIAL REVIEW (continued)

#### Litigation

As disclosed in the announcements of the Company dated 27 January 2017, 19 May 2017 and 29 May 2017, on 19 May 2017, the Company received an originating summons (the “Summons”) filed by ArcelorMittal and ArcelorMittal Holdings AG as the plaintiffs (collectively, the “Plaintiffs”) under an action number HCMP 1163 of 2017 in the Court of First Instance of the High Court of Hong Kong Special Administrative Region of the PRC (the “Court”) against (i) the Company; (ii) Mr. Han Jingyuan; (iii) Mr. Han Li; (iv) Mr. Zhu Jun; (v) Mr. Shen Xiaoling; (vi) Mr. Zhu Hao; (vii) Mr. Wong Man Chung, Francis; (viii) Mr. Wang Tianyi; and (ix) Mr. Wang Bing as defendants (collectively, the “Defendants”). Defendants (ii)-(ix) are Directors. Pursuant to the Summons, the Plaintiffs applied to the Court for an order pursuant to section 740 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) that the Defendants disclose and allow inspection of certain documents relating to the completion of placing of the shares of the Company on 27 January 2017 (the “Placing”).

The Directors (other than Mr. Ondra OTRADOVEC) would like to emphasise to the shareholders of the Company and investors that the Placing, the restoration of the public float so as to avoid a delisting of the Company’s shares and the resumption of trading of the Company’s Shares at 9:00 a.m. on Wednesday, 1 February 2017 was conducted in the best interests of the Company and its shareholders as a whole, and any claim to the contrary is without merit and groundless. The Directors (other than Mr. Ondra OTRADOVEC) will vigorously defend against any action that is founded on the basis that the Directors (other than Mr. Ondra OTRADOVEC) did not act properly and in the best interest of the Company and its shareholders as a whole.

On 14 March 2018, hearing was held in the Court and the Company is pending for the ruling from the judge. The Company will keep its shareholders and investors informed by separate announcement of any material development as and when appropriate.

### 財務回顧(續)

#### 訴訟

誠如本公司日期為二零一七年一月二十七日、二零一七年五月十九日及二零一七年五月二十九日之公告所披露，於二零一七年五月十九日，本公司接獲 ArcelorMittal 及 ArcelorMittal Holdings AG 為原告(統稱「該等原告」)入稟中國香港特別行政區高等法院原訟法庭(「該法庭」)向(i)本公司；(ii)韓敬遠先生；(iii)韓力先生；(iv)朱軍先生；(v)沈曉玲先生；(vi)朱浩先生；(vii)黃文宗先生；(viii)王天義先生；及(ix)王冰先生為被告(統稱「該等被告」)的一張原訴傳票(「該傳票」，訴訟編號二零一七年HCMP 1163)。該等被告(ii)-(ix)為董事們。根據該傳票，該等原告已向該法庭申請一項根據公司條例(香港法例第622章)第740條的命令要求該等被告披露及給予檢查若干有關於二零一七年一月二十七日完成配售股份(「該配售」)的文件。

董事們(不包括 Ondra OTRADOVEC 先生)在此向本公司股東及投資者強調，該配售、恢復公眾持股量致使避免本公司之股份除牌及本公司的股份於二零一七年二月一日(星期三)上午九時正起恢復買賣是在本公司及其股東之整體最佳利益進行，而任何相反的指控都是毫無根據和憑空的。董事們(不包括 Ondra OTRADOVEC 先生)將強烈地抗辯就任何對董事們(不包括 Ondra OTRADOVEC 先生)基於行事不當及沒有為本公司及其股東之整體最佳利益行事的指控。

於二零一八年三月十四日，聆訊已於該法庭舉行及本公司正等待法官的判決。本公司將於適當時候另作公告以通知其股東及投資者任何重大進展。



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

## FINANCIAL REVIEW (continued)

### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2017, the Group held financial assets at fair value through profit or loss of approximately RMB 2,766.2 million, particulars of which are set out below:

#### Money Market Funds

Name of the financial assets 金融資產名稱	Number of Units held as at 31 December 2017 於2017年 12月31日 持有之單位 數量 (’000) (千)	Investment cost as at 31 December 2017 於2017年 12月31日 之 投資成本 (RMB’000) (人民幣千元)	Fair value as at 31 December 2017 於2017年 12月31日 之 公允價值 (RMB’000) (人民幣千元)	Total amount of purchase(s) made during the year 於年內 購入之 總金額 (RMB’000) (人民幣千元)	Total amount of disposal(s) made during the year 於年內 出售之 總金額 (RMB’000) (人民幣千元)	Realised investment income/ (loss) for the year 年度 已變現的 投資 收入/(虧損) (RMB’000) (人民幣千元)
	Harvest Express Monetary Market Fund 嘉實快綫貨幣市場基金	499,321	499,321	501,284		
Harvest HuoQiBao Monetary Market Fund 嘉實活期寶貨幣市場基金	168,560	168,560	168,560	9,725,583	9,140,698	29,400
Harvest ZengYiBao Monetary Market Fund 嘉實增益寶貨幣市場基金	121,662	121,662	121,789			
Harvest Monetary Market Fund 嘉實貨幣市場基金	10,000	10,000	10,072			
CCB Jianxin Cash TianLi Monetary Market Fund 建設銀行－建信現金添利貨幣市場基金	N/A 不適用	2,700	2,700	2,700	-	-
CCB YiFangDa TianTianZengLi A Monetary Market Fund 建設銀行－易方達天天增利貨幣市場基金A	N/A 不適用	3,000	3,000	3,000	-	-
CCB YiFangDa TianTianZengLi B Monetary Market Fund 建設銀行－易方達天天增利貨幣市場基金B	N/A 不適用	40,000	40,000	40,000	-	-
Huaxia CaiFuBao Monetary Market Fund 華夏財富寶貨幣市場基金	61,156	61,156	61,156	1,064,681	1,003,525	2,338
ZhongRong Cash Zengli Monetary Market Fund 中融現金增利貨幣市場基金	390,632	390,632	390,632	957,170	566,538	320

## 財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產

於二零一七年十二月三十一日，本集團持有的按公允價值計量且其變動計入損益表之金融資產約人民幣27.662億元，其中詳情載列如下：

#### 貨幣市場基金



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

### FINANCIAL REVIEW (continued)

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

##### Money Market Funds (continued)

##### Investment strategies of money market funds

Harvest Express Monetary Market Fund (嘉實快綫貨幣市場基金) tracks and analyses changes in market funds and investors trading behaviors and combines macro and micro studies to formulate its investment strategies. It seeks to achieve higher current returns while satisfying safety and liquidity needs.

Harvest HuoQiBao Monetary Market Fund (嘉實活期寶貨幣市場基金) determines the average remaining period (long/medium/short) and distribution of its portfolio assets according to macroeconomic indicators (including mainly market capital supply and demand levels, interest rate levels and market expectations, inflation rates, GDP Growth rates, money supplies, employment rates, international market interest rates, exchange rate, etc.). It determines the investment ratios of each investment assets in the portfolio based on the liquidity nature of each asset (including mainly daily trading volume, trading platforms, holdings of institutional investors, amount of repurchases and pledges, etc.). It determines portfolio risk level based on investment assets' credit rating and collaterals provided.

Harvest ZengYiBao Monetary Market Fund (嘉實增益寶貨幣市場基金) tracks and analyses changes in market funds and investors trading behaviors and combines macro and micro studies to formulate its investment strategies. It seeks to achieve higher current returns while satisfying safety and liquidity needs.

Harvest Monetary Market Fund (嘉實貨幣市場基金) determines the remaining period (long/medium/short) and distribution of its portfolio assets according to macroeconomic indicators (including mainly interest rate levels, inflation rates, GDP Growth rates, money supplies, employment rates, international market interest rates, exchange rate, etc.). It determines the investment ratios of each investment assets in the portfolio based on the liquidity nature of each asset (including mainly daily trading volume, trading platforms, holdings of institutional investors, amount of repurchases and pledges, subdivision and conversion progress, etc.). It determines portfolio risk level based on bonds' credit rating and collaterals provided.

### 財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

##### 貨幣市場基金(續)

##### 貨幣市場基金的投資策略

嘉實快綫貨幣市場基金是跟蹤分析市場資金面及投資者交易行為變化，結合宏觀和微觀研究制定投資策略，謀求在滿足安全性、流動性需要的基礎上，實現較高的當期收益。

嘉實活期寶貨幣市場基金是根據宏觀經濟指標(主要包括：市場資金供求、利率水平和市場預期、通貨膨脹率、國內生產總值增長率、貨幣供應量、就業率水平、國際市場利率水平、匯率等)，決定組合的平均剩餘期限(長/中/短)和比例分佈。本基金按各類資產的流動性特徵(主要包括：平均日交易量、交易場所、機構投資者持有情況、回購抵押數量等)，決定組合中各類資產的投資比例。本基金根據各類資產的信用等級及擔保狀況，決定組合的風險級別。

嘉實增益寶貨幣市場基金是跟蹤分析市場資金面及投資者交易行為變化，結合宏觀和微觀研究制定投資策略，謀求在滿足安全性、流動性需要的基礎上，實現較高的當期收益。

嘉實貨幣市場基金是根據宏觀經濟指標(主要包括：利率水平、通貨膨脹率、國內生產總值增長率、貨幣供應量、就業率水平、國際市場利率水平、匯率等)，決定債券組合的剩餘期限(長/中/短)和比例分佈。本基金按各類資產的流動性特徵(主要包括：平均日交易量、交易場所、機構投資者持有情況、回購抵押數量、分拆轉換進程)，決定組合中各類資產的投資比例。本基金根據債券的信用等級及擔保狀況，決定組合的風險級別。



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

### FINANCIAL REVIEW (continued)

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

##### Money Market Funds (continued)

##### Investment strategies of money market funds (continued)

CCB Jianxin Cash TianLi Monetary Market Fund (建設銀行－建信現金添利貨幣市場基金) adopts active investment strategies, such as individual bond selection and interest rate strategy, to explore and utilise investment opportunities arising from market imbalances to achieve portfolio value added subject to strict risk control.

Each of CCB YiFangDa TianTianZengLi A Monetary Market Fund (建設銀行－易方達天天增利貨幣市場基金A) and CCB YiFangDa TianTianZengLi B Monetary Market Fund (建設銀行－易方達天天增利貨幣市場基金B) actively manages its asset portfolio. Based on its in-depth study of the macroeconomic trends in China and abroad, the trend of monetary policy, and the supply and demand situation of market funds, it will comprehensively consider the profitability, liquidity, and risk characteristics of various investment categories, and strive to achieve higher than performance benchmark returns.

Huaxia CaiFuBao Monetary Market Fund (華夏財富寶貨幣市場基金) determines its fund asset spread between bonds and bank deposits and other assets based on the comprehensive judgment of the macroeconomic operating conditions, policy situation, credit ratings, interest rate trends, changes in capital supply and demand, etc., as well as the liquidity characteristics, risk income, and valuation level characteristics of various assets. It will also make dynamic adjustments whenever appropriate.

ZhongRong Cash Zengli Monetary Market Fund (中融現金增利貨幣市場基金) follows the macroeconomic trends, monetary policy, short-term capital market conditions and other factors, and dynamically adjust the average residual maturity of the fund's investment portfolio based on interest rate expectations, and strives to achieve higher profitability while satisfying security and liquidity needs.

### 財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

##### 貨幣市場基金(續)

##### 貨幣市場基金的投資策略(續)

建設銀行－建信現金添利貨幣市場基金採取個券選擇策略、利率策略等積極投資策略，在嚴格控制風險的前提下，發掘和利用市場失衡提供的投資機會，實現組合增值。

建設銀行－易方達天天增利貨幣市場基金A及建設銀行－易方達天天增利貨幣市場基金B將對基金資產組合進行積極管理，在深入研究國內外的宏觀經濟走勢、貨幣政策變化趨勢、市場資金供求狀況的基礎上，綜合考慮各類投資品種的收益性、流動性和風險特徵，力爭獲得高於業績比較基準的投資回報。

華夏財富寶貨幣市場基金根據宏觀經濟運行狀況、政策形勢、信用狀況、利率走勢、資金供求變化等的綜合判斷，並結合各類資產的流動性特徵、風險收益、估值水平特徵，決定基金資產在債券、銀行存款等各類資產的配置比例，並適時進行動態調整。

中融現金增利貨幣市場基金根據宏觀經濟走勢、貨幣政策、短期資金市場狀況等因素對利率走勢進行綜合判斷，並根據利率預期動態調整基金投資組合的平均剩餘期限，力求在滿足安全性、流動性需要的基礎上實現更高的收益率。



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

## FINANCIAL REVIEW (continued)

## 財務回顧(續)

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(continued)

按公允價值計量且其變動計入損益表之  
金融資產(續)

Financial Investment Products

金融投資產品

Name of the financial assets	Number of Units held as at 31 December 2017 (Note 1)	Investment cost as at 31 December 2017	Fair value as at 31 December 2017	Total amount of purchase(s) made during the year	Total amount of disposal(s) made during the year	Realised investment income/ (loss) for the year
金融資產名稱	於2017年 12月31日 持有之單位 數量(註1)	於2017年 12月31日 之 投資成本	於2017年 12月31日 之 公允價值	於年內 購入之 總金額	於年內 出售之 總金額	已變現的 投資 收入/(虧損)
	('000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
	(千)	(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)
William Funds	-	-	-	230,000	230,000	700
威廉金控併購25號及威廉金控併購43號投資基金						
Mingsheng Bank – Feifan Asset Management ZengZengRiShang Financial Investment Product	N/A 不適用	427,500	427,500	427,500	-	-
民生銀行－非凡資產管理天溢金對公機構A款						
Mingsheng Bank – Feifan Asset Management TianYiJin Financial Investment Product A	N/A 不適用	130,000	130,000	130,000	-	-
民生銀行－非凡資產管理天溢金對公機構A款						
CCB QianYuan TianTianYing Financial Investment Product	N/A	68,200	68,200	2,214,050	2,258,350	1,760
建設銀行－乾元－天天盈開放式資產組合型人民幣理財產品	不適用					
CCB QianYuan ZhouZhouLi Financial Investment Product	N/A	28,101	28,101	39,801	11,700	35
建設銀行－乾元－周周利開放式資產組合型保本人民幣理財產品	不適用					
Bank of Communications RiZengLi Financial Investment Product	N/A	780,000	780,000	2,485,000	1,705,000	1,513
交通銀行－蘊通財富·日增利人民幣理財產品	不適用					
Bank of Communications JiuJiuRiYing Financial Investment Product	-	-	-	-	23,300	269
交通銀行－蘊通財富·久久養老日盈人民幣理財產品						
Taoyuan Fund	-	-	-	-	37,000	14,471
桃園一號私募投資基金						

Note:

註：

1. Due to the nature of this type of financial assets, investment in financial investment products is presented by way of fair value instead of units.

1. 因此類金融資產的性質，在金融投資產品內的投資以公允價值方式呈列而非以單位呈列。





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

### FINANCIAL REVIEW (continued)

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

#### Financial Investment Products (continued)

#### Investment strategies of financial investment products

William Funds (威廉金控併購25號及威廉金控併購43號投資基金) strive to realize a long-term and stable appreciation of fund assets through investments in secondary markets and bridge loans under the premises of strict risk control.

Each of Mingsheng Bank – Feifan Asset Management ZengZengRiShang Financial Investment Product (民生銀行 – 非凡資產管理增增日上收益遞增理財產品對公款) and Mingsheng Bank – Feifan Asset Management TianYiJin Financial Investment Product A (民生銀行 – 非凡資產管理天溢金對公機構A款) adopts investments strategies with priority in security and liquidity while pursuing an appropriate level of returns. Accordingly, in order to meet safety and liquidity requirements, it will invest in interbank bond market circulation bonds, money market funds, bond funds in asset allocations, funds with investment target in bonds or broker-oriented asset management plans, deposits, bond repurchases, etc.. On this basis, it will conduct reasonable allocations of debt assets, equity assets, other assets or asset combinations that comply with regulatory requirements, so as to further increase the return level.

CCB QianYuan TianTianYing Financial Investment Product (建設銀行乾元 – 天天盈開放式資產組合型人民幣理財產品) will invest in financial instruments such as PBOC bills, debentures, bank notes and trust financing interests on the interbank bond market, so as to enable funds to realise higher returns than that of deposits.

CCB QianYuan ZhouZhouLi Financial Investment Product (建行銀行乾元 – 周周利開放式資產組合型保本人民幣理財產品) will invest in government bonds, financial bonds, PBOC bills, corporate short-term financing bills, ultra-short-term financing bills, medium-term notes, enterprise bonds, corporate bonds, private bonds, bonds reverse repurchases, money lending, borrowing and depositing bonds and other bonds and money market instrument assets, debt assets, as well as other assets in compliance with relevant regulatory requirements.

### 財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

#### 金融投資產品(續)

#### 金融投資產品的投資策略

威廉金控併購 25 號及威廉金控併購 43 號投資基金在嚴格控制風險的前提下，基金通過投資於二級市場及過橋貸款，力爭實現資金的長期穩健增值。

民生銀行 – 非凡資產管理增增日上收益遞增理財產品對公款及民生銀行 – 非凡資產管理天溢金對公機構 A 款各自所採用的投資策略以安全性及流動性優先，追求適度收益的投資策略，因此，本產品主要投資銀行間債券市場流通債券、貨幣市場基金、債券基金、投資方向為債券的基金專戶或券商定向資產管理計劃、銀行存款、債券回購等，以滿足安全性和流動性要求，在此基礎上通過合理配置符合監管要求的債權類資產、權益類資產、其他資產或資產組合，進一步提高收益水平。

建設銀行 – 乾元 – 天天盈開放式資產組合型人民幣理財產品投資於銀行間債券市場的央行票據、債券、銀行票據、信託融資受益權等金融工具，從而使賬戶資金獲得高於存款收益。

建設銀行 – 乾元 – 周周利開放式資產組合型保本人民幣理財產品投資於國債、金融債、中國人民銀行票據、企業短期融資券、超短期融資券、中期票據、企業債、公司債、私募債、債券逆回購、資金拆借、存放同業等債券和貨幣市場工具類資產，債權類資產，以及其他符合監管要求的資產。



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

### FINANCIAL REVIEW (continued)

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

##### Financial Investment Products (continued)

##### Investment strategies of financial investment products (continued)

Bank of Communications RiZengLi Financial Investment Product (交通銀行-蘊通財富•日增利人民幣理財產品) adopts an investment strategy that prioritizes safety and liquidity with consideration given to profitability. Its asset portfolio comprises a majority of assets such as bonds and money market instruments that have high liquidity and high investment grades. It strives to achieve stable returns through portfolio management.

Bank of Communications JiuJiuRiYing Financial Investment Product (交通銀行-蘊通財富•久久養老日盈人民幣理財產品) adopts an investment strategy that prioritizes safety and liquidity with consideration given to profitability. Its asset portfolio comprises a majority of assets such as bonds and money market instruments that have high liquidity and high investment grades with a portion of investments in trust schemes and other assets that enjoy a relatively higher return. It strives to achieve stable returns through portfolio management.

Taoyuan Fund (桃園一號私募投資基金) adopts an investment strategy with three key components, being core investment categories, sector allocation and position matching. The fund manager will constantly optimize the investment portfolio on the premises of core investment strategies. It will apply different investment trading strategies according to different types of investment targets.

### 財務回顧(續)

#### 按公允價值計量且其變動計入損益表之金融資產(續)

##### 金融投資產品(續)

##### 金融投資產品的投資策略(續)

交通銀行-蘊通財富•日增利人民幣理財產品採用安全性、流動性優先，兼顧收益率的投資策略，在資產配置中較大比例配置流動性高、投資級別高的債券、貨幣市場工具等資產，通過組合管理實現穩健收益。

交通銀行-蘊通財富•久久養老日盈人民幣理財產品採用安全性、流動性優先，兼顧收益率的投資策略，在資產配置中較大比例配置流動性高、投資級別高的債券、貨幣市場工具等資產，並配置一部份較高收益的信託計劃及其他資產，通過組合管理實現穩健收益。

桃園一號私募投資基金採用的投資策略之主要三個原素為核心品種、板塊配置及倉位匹配，以核心品種為基礎，基金經理將核心投資策略不斷地優化組合，本基金不同類型的投資標的適合不同的交易策略。



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

## FINANCIAL REVIEW (continued)

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS  
(continued)

Bond Market Funds

Name of the financial assets 金融資產名稱	Number of Units held as at 31 December 2017 於2017年 12月31日 持有之單位 數量 (’000) (千)	Investment cost as at 31 December 2017 於2017年 12月31日 之 投資成本 (RMB’000) (人民幣千元)	Fair value as at 31 December 2017 於2017年 12月31日 之 公允價值 (RMB’000) (人民幣千元)	Total amount of purchase(s) made during the year 於年內 購入之 總金額 (RMB’000) (人民幣千元)	Total amount of disposal(s) made during the year 於年內 出售之 總金額 (RMB’000) (人民幣千元)	Realised investment income/ (loss) for the year 年度 已實現的 投資 收入/(虧損) (RMB’000) (人民幣千元)
	Value Partners Greater China High Yield Income Fund 惠理大中華高收益債券基金	481	33,243	33,243	33,243	-

### Investment strategies of Bond Market Funds

Value Partners Greater China High Yield Income Fund seeks to provide capital appreciation for investors. In addition, in respect of the distribution classes, it also intends to pay monthly dividends equal to all or substantially all of the net income attributable to each of the distribution classes.

Value Partners Greater China High Yield Income Fund invest in a broadly diversified portfolio of debt securities with no fixed duration, term structure or industry sector weightings in the allocation of assets in Greater China. Selection of investments will be determined by the availability of attractive investment opportunities. It aims to achieve its investment objective by investing not less than 70% of its non-cash assets in a portfolio of debt securities issued by or fully guaranteed by (i) listed or unlisted corporations with their main operations (or majority of assets) in, or have their majority of their income derived from the Greater China Region, and (ii) governments and/or government related entities in Greater China Region. The debt securities in which the Fund may invest shall include, but are not limited to, convertible and non-convertible debt securities, fixed and floating rate bonds and high-yield bonds.

## 財務回顧(續)

按公允價值計量且其變動計入損益表之  
金融資產(續)

債券市場基金

### 債券市場基金的投資策略

惠理大中華高收益債券基金旨在為投資者提供資本增值。此外，就分派類別而言，該基金亦擬每月派付相等於全部或絕大部份各分派類別應佔淨收入的股息。

惠理大中華高收益債券基金將廣泛投資於多元化的債務證券組合，於分配大中華地區的資產上並無固定期間、期限結構或行業比重。投資選擇將根據投資機遇的吸引力釐定。該基金旨在透過將其非現金資產不少於70%投資於(i)其主要業務(或大部份資產)位於或其大部份收入來自大中華地區的上市或非上市企業；及(ii)大中華地區政府及/或政府相關實體所發行或全面擔保的債務證券組合，以達致其投資目標。該基金可投資的債務證券包括但不限於可轉換及不可轉換債務證券、固定及浮動利率債券及高收益債券。



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

### FINANCIAL REVIEW (continued)

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

##### Investment Strategy and Future Prospects

The Group's investments in financial assets at fair value through profit or loss have been conducted on the premises that such investments would not affect the working capital of the Group or the daily operation of the Group's principal business. Such investments are conducive to improving the capital usage efficiency and generating investment return from the Group's temporarily idle funds. Giving top priority to prevention of excessive risk, the Company implemented control and made prudent decisions in respect of such investments on the principle of protecting the interests of shareholders as a whole and the Company. On one hand, the Company is able to generate a relatively higher return from such investments than fixed-term bank deposits, while at the same time the Company is still able to retain flexibility in redeeming the Investments whenever it foresees there is a cash need.

Subject to the any unforeseeable changes in China's and global economic, political and social conditions, the Company currently expects that the Group will continue to make such investments as and where appropriate pursuant the investment strategy mentioned above. It is currently expected that barring any unforeseeable circumstances, such investments would continue to generate additional return for the Group.

### 財務回顧(續)

#### 按公允價值計量且其變動計入損益表之金融資產(續)

##### 投資策略及未來展望

本集團進行於按公允價值計量且其變動計入損益表之金融資產內的投資，前提是該等投資不會影響本集團的營運資金或本集團主要業務的日常運作，此等投資有利改善資金使用效益及為本集團暫時閒置的資金賺取投資回報，以防止過度風險為首要重點，本公司已就相關的投資進行控制及作出謹慎決策以保障本公司及其股東之整體利益為原則。另一方面，本公司自該等投資可產生相對於銀行定期存款較高的回報，本公司可以保留在預計出現現金需求時贖回該等投資的靈活性。

在中國及環球的經濟、政治及社會環境有任何不可預期之變動的規限下，本公司現時預期本集團將於合適時繼續進行以上所述的投資策略的投資。目前預期，除非出現不可預見的情況，該等投資仍會繼續為本集團賺取額外回報。



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

### ACCREDITATION FOR THE COMPANY AND ITS MANAGEMENT

For the year ended 31 December 2017, the Company was awarded rank 241<sup>st</sup> in the top 2017 Fortune China 500 companies; Jinxi Limited, a subsidiary of the Company is awarded the “2016 Mega Tax Payer of Tangshan City”, the “Leading Enterprises in Cultural Establishment of Chinese Private Enterprises” and was elected as rank 27<sup>th</sup> in the top 50 “Belt and Road” enterprises in the 《“Belt and Road” Big Data Report (2017)》 by the State Information Center of China, and also awarded “A” grade super competitive enterprise in the “2017 Steel Enterprises Comprehensive Competitiveness Ratings” by the China Metallurgical Industry Planning and Research Institute.

In February 2018, Jinxi Limited, was elected by the Government of Tangshan City as one of the three leading steel enterprises in Tangshan City.

### DIVIDEND POLICY

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

### INVESTOR RELATIONS

The Company maintained close contact with its investors during the year of 2017. The Company not only made timely disclosures of the Company's information through the website of the Stock Exchange for increasing the transparency of the Company, but also held meetings and conferences with investors, updating them on the Group's business development and industrial trend.

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

### 公司及管理層取得的榮譽

截至二零一七年十二月三十一日止年度，本公司獲得2017年財富中國500強排名第241位；本公司的附屬公司，津西鋼鐵，榮膺「唐山市2016年度納稅大戶」、「中國民營企業文化建設先進單位」，並榮獲中國國家信息中心於《「一帶一路」大數據報告(2017)》中評選為「一帶一路」企業影響力50強第27位，以及獲得冶金工業規劃研究院發佈的「2017年鋼鐵企業綜合競爭力評級」評為「A」級競爭力特強企業。

於二零一八年二月，津西鋼鐵獲唐山市政府選為唐山市三家鋼鐵龍頭企業之一。

### 股息政策

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

### 投資者關係

本公司在二零一七年度內與投資者維持緊密的溝通，本公司除適時透過聯交所網站發放本公司信息以增強本公司的透明度，同時亦與投資者會面及會議，更新本集團的業務發展及行業趨勢。

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





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

## HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had a workforce of approximately 9,700 and temporary staff of approximately 2,500. The staff cost included basic salaries and benefits. Staff benefits included discretionary bonus, medical insurance plans, pension scheme, unemployment insurance plan, maternity insurance plan and the fair value of the share options, etc.. Effective from July 2008, the Group implemented a workers' injury insurance scheme and contributed 1.5% of the workers' wages to the Social Insurance Bureau. According to the Group's remuneration policy, employees' package is based on productivity and/or sales performance, and is consistent with the Group's quality control and cost control targets.

## FUTURE PROSPECTS

Looking into 2018, steel prices will continue to fluctuate but with momentum for increases. According to the 2018 Government work report published by the State Council of the PRC ("**Chinese Government**"), there were reduction of steel production capacity of over 50 million tonnes in 2017. There will be further reduction of steel production capacity by approximately 30 million tonnes in 2018. According to "Adjustment and Upgrading Plan for the Iron and Steel Industry (2016-2020)" issued by the National Development and Reform Commission of China ("**NDRC**"), the crude steel production capacity should be net reduced by 100 to 150 million tonnes during 2016-2020. In 2016 and 2017, China completed steel production capacity cut of 115 million tonnes, and 140 million tonnes of "Illegal Sub-Standard Steel" production capacity has been completely eliminated in 2017. Coupling with the background of environmental protection policy such as "Air Pollution Prevention and Control Action Plan in Beijing, Tianjin, Hebei and Surrounding Regions for 2017-2018 Autumn and Winter Seasons" and continuous tightening of environmental protection emission standards, etc., strictly regulating of production capacity replacement and strictly prohibiting addition of new production capacity, the overall steel industry will be stepping into a healthier development, continuously bringing along structural reform for China's steel industry. At the meantime, although there are uncertainty shown in infrastructure construction and real estate sector investment at the beginning of 2018, it is expected that the steel prices will fluctuate but the overall operating environment would stay optimistic. The steel industry will still stay positive.

## 人力資源及薪酬政策

於二零一七年十二月三十一日，本集團僱用員工約9,700人及臨時工人約2,500人。職工成本包括基本薪金及福利。僱員福利包括酌情發放的花紅、醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃及購股權的公允價值等。自二零零八年七月起，本集團推行工傷保險並按員工發放工資的1.5%上繳社保部門。根據本集團的薪酬政策，僱員的整套福利與生產力及／或銷售業績掛鉤，與本集團質量控制及成本控制目標一致。

## 未來展望

展望二零一八年，鋼材價格將繼續波動但整體仍會平穩向好。按中國中央人民政府（「**中國政府**」）發佈的二零一八年政府工作報告，於二零一七年已完成壓減鋼鐵產能5,000萬噸以上，二零一八年將再壓減鋼鐵產能約3,000萬噸；按照中國國家發展和改革委員會（「**發改委**」）發放的《鋼鐵工業調整升級規劃（2016-2020年）》，計劃於二零一六至二零二零年鋼鐵粗鋼產能應淨減少1.0-1.5億噸，於二零一六年及二零一七年，中國已完成鋼鐵去產能1.15億噸，及1.40億噸的「地條鋼」產能已於二零一七年全面出清，加上《京津冀及周邊地區二零一七至二零一八年秋冬季大氣污染綜合治理攻堅行動方案》以及不斷提高之環保排放標準等環保政策、嚴格規管產能置換和嚴禁新增產能的背景下，整體鋼鐵行業將會迎來一個更健康之發展，為中國鋼鐵行業持續帶來結構性改革。與此同時，縱然基建及房地產投資於二零一八年年初展現出不確定性，預料鋼材價格將波動但整體經營環境保持正面，鋼鐵行業仍將穩定向好。





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

### FUTURE PROSPECTS (continued)

Under such backdrop, the Group will proactively follow Chinese Government's policy, and plan to maintain its competitiveness and gain a prominent position in the industry by continuous improvement in production efficiency, developing and increasing the number of high value-added products, reducing production and operating cost, reducing inventory, expanding market share, enhancing internal management and optimising the utilisation of internal resources, continuously improving the environmental protection equipment, etc.. In addition, regarding the development of the "Xiongan New Area", it is expected for bringing new opportunities to the Group in the medium to long term. The Group believes the overall business environment will improve continuously, bringing stable demands for the Group.

The Group will continue to focus on the development of high-end section steel products in 2018, completing different standards of H-section steel development certifications, gradually completing angles steel and channel steel product series and specifications, further consummating sheet piling products categories, developing U, Z and Hat-type sheet piling products series of 600\*210mm to 750\*220mm. At the same time, the Group will also develop hot-rolled round steel, hot-rolled anchor blot and screws-thread steel bar, etc., with reference to market situation.

The Group also plans, apart from routine capital expenditure, investing approximately RMB 1.0 billion to RMB 1.5 billion in environmental protection and related production equipment transformation in 2018 with its internal resources, including sintering, iron-marking, steel-making, hot-rolling as well as the plant area, etc., so as to further promote environmental protection emission standards, response to China's emphasis on the environmental protection, enhance the Group's core competitiveness and carry out the corporate's social responsibility.

### 未來展望(續)

在此背景下，本集團將積極跟進中國政府政策，並計劃透過持續改善生產效率、開發及增加高附加值產品、縮減生產及營運成本、減低存貨、拓展市場份額、加強內部管理及優化內部資源運用、持續提升環保設備等以維持其競爭力，並爭取行業中前列的位置。此外，就鄰近的「雄安新區」的發展，預期將為本集團於中長期的時間帶來新機遇。本集團相信整體營商環境將會持續改善，為本集團帶來穩定的需求。

本集團於二零一八年將繼續著力開發高端型鋼鐵產品，完善不同標準的H型鋼開發認證，逐步完善角鋼及槽鋼的產品系列及規格，進一步完善鋼板樁產品種類，開發600\*210mm到750\*220mm系列U型、Z型及帽型鋼板樁產品，同時，本集團亦會按市場狀況開發熱軋圓鋼、熱軋錨杆鋼及精軋螺紋鋼等產品。

本集團亦計劃於二零一八年，除一般資本開支外，以內部資源投放約人民幣10-15億元於環保及生產設備改造，包括燒結、煉鐵、煉鋼、軋鋼以至廠區等，以進一步提升環保排放標準，響應中國對環境保護之重視，提升集團的核心競爭力以及履行企業之社會責任。



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

### FUTURE PROSPECTS *(continued)*

Since its listing in 2004, the Group has continued to expand its business, diversify its steel product categories and business portfolio. During the last 14 years (since being listed), the Group's overall steel production capacity has reached approximately 11.0 million tonnes per annum from approximately 3.1 million tonnes per annum at the time of the listing. The steel products include H-section steel products, sheet piling products, strips and strip products, billets, cold rolled sheets and galvanised sheets and rebars. The Group is constantly developing products of different series and specifications to meet market needs. Moreover, the H-section steel products of the Group maintains its leading position in China. The Group will continue to develop its business towards the direction of the largest section steel production base in the world, and to explore expanding through upstream and downstream integration. The Group will strive to take full advantage of the current solid financial condition and efficient management to intensify the continuous development of the Group and to maximise the Company's shareholders' value.

### APPRECIATION

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

By order of the Board

**China Oriental Group Company Limited**

**HAN Jingyuan**

*Chairman and Chief Executive Officer*

Hong Kong, 28 March 2018

### 未來展望<sup>(續)</sup>

而本集團自二零零四年上市以來，不斷擴展其業務規模、擴闊鋼鐵產品種類和業務組合。在過去十四年間(自上市以來)，本集團的整體鋼鐵年產能已由上市時的約310萬噸提升至現時的約1,100萬噸。鋼材產品種類包括：H型鋼產品、鋼板樁產品、帶鋼及帶鋼類產品、鋼坯、冷軋板及鍍鋅板和螺紋鋼，本集團不斷開發不同系列及規格的產品以迎合市場需要。此外，由本集團生產的H型鋼產品在中國保持著領先的地位。本集團的業務將繼續朝著世界最大型的型鋼生產基地方向發展，以及探索在本行業實行上、下游伸延。本集團將致力有效運用其現有的穩健財政狀況和高效的管理模式，推動本集團的持續發展，以實現股東價值最大化。

### 感謝

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

承董事局命

**中國東方集團控股有限公司\***

**韓敬遠**

*董事局主席兼首席執行官*

香港，二零一八年三月二十八日



## Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

### EXECUTIVE DIRECTORS

**Mr. Han Jingyuan**, aged 61, is the Chairman and Chief Executive Officer of the Company (appointed on 13 November 2003), and also serves as a director of certain subsidiaries of the Company. Mr. Han graduated from the People's University in 1994 with a degree in management. Mr. Han began his career in Metallurgy in 1984 when he was employed as a deputy mine manager and mine manager of Han'erzhuang Iron Mine. Mr. Han has in-depth industry knowledge and 32 years of extensive operational and managerial experience in the iron and steel industry. Mr. Han was awarded the honorary title of "Hebei Metallurgy Top Ten Man", "Outstanding Entrepreneur of Hebei Province", "Excellent Privately-owned Enterprises Entrepreneur in Hebei Province" and "Economic Top Ten Men of Honesty and Credibility in China", etc.. Mr. Han is the Vice Chairman of the Metallurgy Chamber of All-China Federation of Industry and Commerce, the Honorary Chairman of Hong Kong Tong San Chamber of Commerce and the Vice Chairman of Tangshan Charity Federation. Mr. Han was also the 9<sup>th</sup> and 11<sup>th</sup> representative of the People's Congress of Hebei Province, PRC. Mr. Han is a director and the controlling shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company. Mr. Han Jingyuan is the father of Mr. Han Li, the Executive Director, Deputy General Manager and Chief Financial Officer of the Company.

**Mr. Zhu Jun**, aged 54, is an Executive Director (appointed on 23 December 2003), Executive Deputy General Manager and Chief Operating Officer of the Company and also a director of certain subsidiaries of the Company. Mr. Zhu graduated in 2001 from a graduate programme of the Communist Party School in Hebei Province with a diploma in management. Prior to working in the steel industry, Mr. Zhu worked for 10 years as deputy director of Qianxi County Chemical Fertilizer Factory which was based in Qianxi County, Hebei Province. Mr. Zhu joined Jinxi Iron Factory in 1992 and later served as deputy director. Mr. Zhu has 24 years of working experience in the iron and steel industry. Mr. Zhu is a director and minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

### 執行董事

**韓敬遠先生**，六十一歲，為本公司的董事局主席兼首席執行官（於二零零三年十一月十三日獲委任），亦為本公司若干附屬公司的董事。彼於一九九四年在人民大學畢業取得管理學位。韓先生於一九八四年在漢兒庄鐵礦出任副礦長及礦長職務開始其冶金事業。韓先生擁有深入的行業知識，並在鋼鐵業擁有三十二年的豐富運營和管理經驗。韓先生曾獲「河北冶金十大年度人物」、「河北省傑出企業家」、「河北省優秀民營企業家」及「中國經濟十大誠信人物」等殊榮。韓先生為中華全國工商業聯合會冶金業商會副會長、香港唐山商會名譽會長及唐山市慈善總會副會長。韓先生亦曾任第九屆及第十一屆中國河北省人民代表大會代表。韓先生為本公司的控股股東 Wellbeing Holdings Limited 的一位董事及控股股東。韓敬遠先生為本公司執行董事、副總經理兼首席財務官韓力先生的父親。

**朱軍先生**，五十四歲，本公司的執行董事（於二零零三年十二月二十三日獲委任）、常務副總經理兼首席運營官，亦為本公司若干附屬公司的董事。彼於二零零一年在中共河北省委黨校畢業，持有管理文憑。在從事鋼鐵業前，朱先生在河北省遷西縣的遷西縣化肥廠擔任副廠長達十年之久。彼於一九九二年加盟津西鐵廠，其後出任副廠長之職。朱先生在鋼鐵業累積二十四年經驗。朱先生為本公司控股股東 Wellbeing Holdings Limited 的一位董事及少數股東。



## Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

### EXECUTIVE DIRECTORS (continued)

**Mr. Shen Xiaoling**, aged 57, is an Executive Director (appointed on 1 July 2005) of the Company, Chairman of Supervisory Board of Jinxi Limited and also serves as a director of certain subsidiaries of the Company. He obtained a diploma in management from the Hebei Province Communist Party School in 2001. Before joining the Group, Mr. Shen was the head of China Construction Bank Luanxian Sub-branch. Mr. Shen also had 5 years experience acting as the Head of China Construction Bank Qianxi Sub-branch and more than 6 years of experience as the deputy head of Bank of China Qianxi Sub-branch. Mr. Shen has been the deputy general manager of Jinxi Limited during the period January 2002 to October 2015. Mr. Shen was redesignated as the Chairman of Supervisory Board of Jinxi Limited since October 2015. Mr. Shen is a director and minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

**Mr. Zhu Hao**, aged 51, is an Executive Director of the Company (appointed on 21 November 2007). Mr. Zhu graduated at Tianjin Nankai University and obtained his Master degree in accounting from the University of New South Wales in Australia. Mr. Zhu is a senior economist in China.

**Mr. Han Li**, aged 30, is an Executive Director (appointed on 7 February 2012), Deputy General Manager and Chief Financial Officer of the Company. Mr. Han joined the Group in 2009 as the assistant to the Financial Controller of the Company. He was the executive assistant to Chief Executive Officer of the Company and also currently serves as a director of certain subsidiaries of the Company. He also assists the Chief Executive Officer and Chief Operating Officer of the Company managing the daily operations of the Group. Currently, Mr. Han is the 12<sup>th</sup> and 13<sup>th</sup> representative of the People's Congress of Hebei Province, PRC, vice chairman of the 11<sup>th</sup> Committee of Hebei Youth Federation and 17<sup>th</sup> representative of People's Congress of the Communist Youth League of China; he was awarded 企業品牌建設特殊貢獻人物 (Enterprise Brand Special Contribution Character) and 和諧中國2012年度影響力人物 – 中國節能環保領域十大創新標兵 (The Harmonious China 2012 Influential People's Award in Energy Saving). Mr. Han is the son of Mr. Han Jingyuan, the Chairman and Chief Executive Officer and the substantial shareholders (within the meaning of the Part XV of the SFO) (holding approximately 35.58% of the issued shares of the Company as at 31 December 2017) of the Company.

### 執行董事(續)

**沈曉玲先生**，五十七歲，本公司的執行董事(於二零零五年七月一日獲委任)、津西鋼鐵監事會主席及本公司若干附屬公司的董事。彼於二零零一年在中共河北省委黨校取得管理文憑。在加盟本集團前，沈先生為中國建設銀行灤縣支行行長，亦曾擔任中國建設銀行遷西支行行長達五年及中國銀行遷西支行副行長逾六年。沈先生在二零零二年一月至二零一五年十月間擔任津西鋼鐵的副總經理，自二零一五年十月起調職為津西鋼鐵監事會主席。沈先生為本公司控股股東 Wellbeing Holdings Limited 的一位董事及少數股東。

**朱浩先生**，五十一歲，本公司的執行董事(於二零零七年十一月二十一日獲委任)，朱先生於天津南開大學畢業並取得澳洲新南威爾斯大學會計學碩士學位。朱先生為中國高級經濟師。

**韓力先生**，三十歲，本公司的執行董事(於二零一二年二月七日獲委任)、副總經理兼首席財務官。韓先生於二零零九年加入本集團並於當時任職本公司的財務總監助理，彼曾為本公司的首席執行官的行政助理，亦現為本公司若干附屬公司的董事，彼亦協助本公司的首席執行官及首席運營官管理本集團的日常工作。韓先生為中國河北省第十二屆及第十三屆人大代表、河北省青年聯合會第十一屆委員會副主席及共青團第十七次全國代表大會代表；彼曾榮獲「企業品牌建設特殊貢獻人物」及「和諧中國2012年度影響力人物—中國節能環保領域十大創新標兵」之榮譽稱號。韓先生為本公司董事局主席兼首席執行官及根據證券及期貨條例第XV部屬本公司主要股東韓敬遠先生(於二零一七年十二月三十一日其持有本公司已發行股份約35.58%)的兒子。





## Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

### NON-EXECUTIVE DIRECTOR

**Mr. Ondra Otradovec**, aged 49, is a Non-executive Director of the company (re-appointed on 16 January 2015). Mr. Otradovec graduated from State University of New York in Stony Brook with a Bachelor's degree in Finance. Mr. Otradovec is the Global Head of Mergers & Acquisitions at ArcelorMittal (a substantial shareholder of the Company). Previously he worked at HSBC Investment Bank, and was responsible for corporate finance transactions in emerging markets. Since 2003, Mr. Otradovec has been involved in mergers & acquisitions at ArcelorMittal and has completed a large number of acquisitions, mergers and divestments undertaken by the company. Mr. Otradovec was involved in the merger of Mittal Steel with Arcelor as well as many other major transactions including acquisitions of Nova Hut in Czech Republic, Polskie Huty Stali in Poland, Kryvorizhstal in Ukraine, Hunan Valin Steel Company Limited ("**Valin Group**") in China (he was served as a director of Hunan Valin Iron and Steel Company Limited, a subsidiary of Valin Group and listed in Shenzhen Stock Exchange), and Sicartsa in Mexico. More recently, he was in charge of acquisitions of ThyssenKrupp Steel plant in Calvert, USA, Votorantim Steel in Brazil and ILVA in Italy. Mr. Otradovec acted as a Non-executive Director of the Company from 2 January 2009 to 15 July 2013.

### 非執行董事

**Ondra Otradovec** 先生，四十九歲，本公司的非執行董事（於二零一五年一月十六日獲再度委任）。Otradovec 先生畢業於紐約州立大學石溪分校並獲得金融學士學位。Otradovec 先生為 ArcelorMittal（本公司的主要股東）的收購與合併部之環球主管。此前，彼曾任職滙豐銀行的投資銀行，並負責新興市場的企業融資交易工作。自二零零三年起，Otradovec 先生已參與 ArcelorMittal 的收購與合併並完成該公司大量收購、合併及撤資業務，Otradovec 先生亦曾參與 Mittal Steel 與 Arcelor 的合併工作以及多項其他主要交易，包括收購捷克共和國之 Nova Hut、波蘭之 Polskie Huty Stali、烏克蘭之 Kryvorizhstal、中國的湖南華菱鋼鐵集團有限責任公司（「**華菱集團**」）（彼曾出任湖南華菱鋼鐵股份有限公司，華菱集團的一間附屬公司，並於深圳證券交易所上市之公司的董事），以及墨西哥之 Sicartsa，而近期，其主管收購美國 Calvert 市的 ThyssenKrupp 鋼鐵廠房、巴西之 Votorantim 鋼鐵及意大利的 ILVA。Otradovec 先生於二零零九年一月二日至二零一三年七月十五日曾出任為本公司的非執行董事。



## Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. WONG Man Chung, Francis**, aged 53, is a Certified Public Accountant (Practising) and has over 29 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring and liquidation, family trust and wealth management. He is currently an Independent Non-executive Director (“INED”) and chairman of the audit committee and remuneration committee and member of nomination committee of the Company. Mr. Wong is also an INED of Digital China Holdings Limited, Wai Kee Holdings Limited, Integrated Waste Solutions Group Holdings Limited, Greenheart Group Limited, GCL-Poly Energy Holdings Limited, Kunming Dianchi Water Treatment Co., Ltd, China New Higher Education Group Limited (appointed on 20 March 2017), Hilong Holding Limited (appointed on 24 March 2017), and the shares of these companies are listed on the Main Board of the Stock Exchange. Mr. Wong is the managing director of Union Alpha C.P.A. Limited and a director of Union Alpha CAAP Certified Public Accountants Limited, both are professional accounting firms, and a Founding Director and member of Francis M. C. Wong Charitable Foundation Limited, a charitable institution. Previously, Mr. Wong worked for KPMG, an international accounting firm for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants, the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, a certified tax adviser of the Taxation Institute of Hong Kong, and a fellow member of the Society of Chinese Accountants & Auditors. Mr. Wong holds a master degree in management (管理學碩士) conferred by Guangzhou Jinan University (廣州暨南大學), the PRC. Mr. Wong will retire from the office of full-time director of two Certified Public Accountant firms founded by him (i.e. Union Alpha C.P.A. Limited and Union Alpha CAAP Certified Public Accountants Limited) in April 2018, redesignate as the non-executive chairman of Union Alpha C.P.A. Limited and non-executive director of Union Alpha CAAP Certified Public Accountants Limited, so as to contribute more time to the duties of independent non-executive director of listed companies and handle charitable work.

### 獨立非執行董事

黃文宗先生，五十三歲，為一名資深執業會計師，於審計、稅務、公司內部監控及管治、收購及財務顧問、企業重組及清算、家族信託及財富管理方面積累逾二十九年經驗。黃先生現為本公司之獨立非執行董事(「獨立非執行董事」)及審核委員會和薪酬委員會主席及提名委員會之成員。黃先生亦為神州數碼控股有限公司、惠記集團有限公司、綜合環保集團有限公司、綠心集團有限公司、保利協鑫能源控股有限公司、昆明滇池水務股份有限公司、中國新高教集團有限公司(於二零一七年三月二十日獲委任)、海隆控股有限公司(於二零一七年三月二十四日獲委任)(均為聯交所主板上市之公司)之獨立非執行董事。黃先生現為才匯會計師事務所有限公司董事總經理及中審亞太才匯會計師事務所有限公司之董事，彼亦為黃文宗慈善基金有限公司之創辦董事及成員。在此之前，黃先生曾於畢馬威(KPMG)國際會計師事務所審計部工作逾六年，並於香港中央結算有限公司監察科工作兩年。黃先生為英國特許公認會計師公會、英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員、香港稅務學會之註冊稅務師及香港華人會計師公會資深會員。黃先生持有中國廣州暨南大學管理學碩士學位。黃先生將於二零一八年四月退任其創辦兩所會計師事務所(即才匯會計師事務所有限公司及中審亞太才匯會計師事務所有限公司)的全職董事工作，改任為才匯會計師事務所有限公司之非執行主席及中審亞太才匯會計師事務所有限公司之非執行董事，以便投入更多時間在上市公司獨立非執行董事的職務和處理慈善工作。



## Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

### INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

**Mr. Wang Tianyi**, aged 71, is an Independent Non-executive Director of the Company (appointed on 7 February 2012). He is currently the executive vice president of The Chinese Society For Metals. Mr. Wang has over 44 years of extensive experience in the steel industry. Mr. Wang studied metallurgical machinery in 北京鋼鐵學院 (Beijing Institute of Iron and Steel Engineering) (now known as 北京科技大學 University of Science and Technology of Beijing) from 1965 and graduated in 1970. He then worked at 邯鄲鋼鐵集團有限責任公司 (Handan Iron and Steel Group Company Limited) ("Handan IS Group") from 1970 to 1995 and held various management and professional positions, included the position of a technician, deputy factory manager and executive deputy general manager. From 1995 to 2008, Mr. Wang re-designated and worked at 唐山鋼鐵集團有限責任公司 (Tangshan Iron and Steel Group Company Limited) ("Tangshan IS Group") as the chairman and managing director. From 2005 to 2011, he was also the deputy chairman and managing director of 首鋼京唐鋼鐵聯合有限責任公司 (Shougang Jingtang Iron and Steel Company Limited). From July 2008 to August 2011, he acted as the vice chairman of 河北鋼鐵集團有限責任公司 (Hebei Iron and Steel Group Company Limited) ("HBIS Group"). HBIS Group was established after the merger of Tangshan IS Group and Handan IS Group on 30 June 2008.

**Mr. Wang Bing**, aged 52, is an Independent Non-executive Director of the Company (appointed on 15 July 2016). Mr. Wang graduated from Peking University with a Bachelor degree in Law in 1986 and obtained a Doctor degree in International Law from the Research Institute of Hiroshima University in 1995. Mr. Wang has over 22 years of experience in practicing law. In 1986, Mr. Wang joined Ministry of Human Resources and Social Security of the People's Republic of China, then worked for the Policy Research Office. He worked at Zhong Lun Law Firm from July 1995 to May 1998. Mr. Wang joined Beijing W&H Law Firm since May 1998 and currently, he is the Senior Partner of Beijing W&H Law Firm. Mr. Wang is qualified to practice law in PRC. Mr. Wang was once the independent director of Shanxi Lanhua Sci-tech Venture Company Limited from May 2003 to May 2009 and Fujian Guanhong Holding Company Limited from May 2009 to May 2011. He is currently an independent director of Shanxi Tianji Coal Chemical Group Company Limited since May 2008 and Shangdong SINO-AGRI United Biotechnology Company Limited since January 2016. In addition, Mr. Wang acted an external director of Beijing Fashion Holdings Company Limited (formerly known as "Beijing Textile Holding Company Limited") which is a wholly-owned company of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality since February 2015.

### 獨立非執行董事(續)

**王天義先生**，七十一歲，本公司的獨立非執行董事(於二零一二年二月七日獲委任)，彼現任中國金屬學會常務副理事長。王先生在鋼鐵行業擁有超過四十四年豐富經驗。王先生於一九六五年開始就讀於北京鋼鐵學院(現稱北京科技大學)修讀冶金機械專業及於一九七零年畢業。彼於一九七零年至一九九五年在邯鄲鋼鐵集團有限責任公司(「邯鋼集團」)工作並曾出任多個管理及專業職位，包括技術人員、副廠長及常務副總經理。於一九九五年至二零零八年期間，王先生調任至唐山鋼鐵集團有限責任公司(「唐鋼集團」)，分別擔任過董事長及總經理，在二零零五年至二零一一年期間，彼亦曾擔任首鋼京唐鋼鐵聯合有限責任公司的副董事長兼總經理，並於二零零八年七月至二零一一年八月期間出任河北鋼鐵集團有限責任公司(「河北鋼鐵集團」)的副董事長，河北鋼鐵集團於二零零八年六月三十日由唐鋼集團及邯鋼集團合併而成。

**王冰先生**，五十二歲，本公司的獨立非執行董事(於二零一六年七月十五日獲委任)。王先生於一九八六年在北京大學法律系畢業取得法學學士學位，並於一九九五年在日本廣島大學研究生院取得國際法學博士學位。王先生具有二十二年以上的法律執業經驗。於一九八六年，王先生加入中華人民共和國人力資源和社會保障部，其後於政策研究室工作，彼在一九九五年七月至一九九八年五月期間於中倫律師事務所工作，王先生於一九九八年五月開始加入北京市煒衡律師事務所及現為該所的高級合夥人。王先生擁有中華人民共和國律師執業資格。王先生曾於二零零三年五月至二零零九年五月擔任山西蘭花科技創業股份有限公司及於二零零九年五月至二零一一年五月擔任福建冠宏股份有限公司的獨立董事，其目前自二零零八年五月擔任山西天脊煤化工集團股份有限公司及自二零一六年一月擔任山東中農聯合股份有限公司的獨立董事，此外，王先生自二零一五年二月起擔任北京市人民政府國有資產監督管理委員會的國有獨資企業，北京時尚控股有限責任公司(前稱為「北京紡織控股有限責任公司」)的外部董事。



## Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

### SENIOR MANAGEMENT

**Mr. Yu Lifeng**, aged 41, is the deputy chairman, legal representative and general manager of Jinxi Limited. Mr. Yu began his career in 1995 when he was employed as the sales supervisor of Han' erzhuang Iron Mine, and joined the Group in 1996. Mr. Yu has been awarded the honorary title of "Hebei labor model's charity star of the year" 「河北年度勞模愛心公益明星」 and "Outstanding Entrepreneur for Culture Establishment of China Private Enterprises" 「中國民營企業文化建設優秀企業家」 in 2017.

**Mr. Yu Jianshui**, aged 50, is the general manager of Hebei Jinxi Iron and Steel Group Special Steel Company Limited and was the general manager of Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Company Limited. Mr. Yu was graduated at Hebei Polytechnic University in steel metallurgy and obtained a MBA from University of Northern Virginia in June 2009. He joined the Group after graduation until May 2005 and was employed as the deputy general executive manager of Shanxi Province Xiaoyi City Chengcai Iron and Steel Company in May 2005. He then re-joined the Group in April 2006. He has been awarded County Technological Selected Talent (縣科技拔尖人才), Ten Outstanding Youths in the County (縣十大傑出青年), Outstanding Youth in Post of Tangshan City (唐山市青年崗位能手), Workers' Model in Hebei Province (河北省勞動模範), The First Class Honour of Technological Improvement in Tangshan City (唐山市科技進步一等獎), The Third Class Honour of Technological Improvement in Hebei Province (河北省科技進步三等獎).

**Mr. Lam Pak Kan**, aged 38, is the Financial Controller and Company Secretary of the Company. Mr. Lam graduated from the Hong Kong University of Science and Technology with a Bachelor's degree of Business Administration in Accounting in 2001. Mr. Lam is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst (CFA) charterholder. Mr. Lam has over 17 years experience of auditing and financial management in accounting firm, asset management company and listed companies.

### 高級管理人員

于利峰先生，四十一歲，現為津西鋼鐵的副董事長、法人代表及總經理。于先生於一九九五年任職漢兒庄鐵礦的銷售科長開展其事業，並於一九九六年加入本集團。于先生於二零一七年獲得「河北年度勞模愛心公益明星」及「中國民營企業文化建設優秀企業家」等榮譽稱號。

于建水先生，五十歲，現任河北津西鋼鐵集團特鋼有限公司總經理及曾任河北津西鋼鐵集團正達鋼鐵有限公司總經理。于先生畢業於河北理工大學鋼鐵冶金專業，二零零九年六月取得北弗吉尼亞大學的工商管理碩士學位。彼於畢業後在本集團工作至二零零五年五月，及後於二零零五年五月任職山西省孝義市城財鋼鐵公司常務副總經理。他其後於二零零六年四月重新加盟本集團。彼曾獲得「縣科技拔尖人才」、「縣十大傑出青年」、「唐山市青年崗位能手」、「河北省勞動模範」、「唐山市科技進步一等獎」、「河北省科技進步三等獎」等稱號。

林柏勤先生，三十八歲，本公司的財務總監及公司秘書。林先生於二零零一年畢業於香港科技大學，獲得工商管理學士學位，主修會計。林先生為特許公認會計師公會及香港會計師公會會員，彼亦為特許財務分析師。林先生曾任職於多家會計師事務所、資產管理公司及上市公司並擁有逾十七年審核及財務管理經驗。





## Corporate Governance Report 企業管治報告

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

### CODE ON CORPORATE GOVERNANCE PRACTICES SET OUT IN APPENDIX 14 OF THE LISTING RULES ("CG CODE")

In the opinion of the Directors, the Company has complied the Principles and Code Provisions with the CG Code throughout the year ended 31 December 2017, except for the deviations regarding Code Provisions A.2.1 and A.4.2 with explanation disclosed below.

### BOARD OF DIRECTORS (THE "BOARD")

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

#### Executive Directors

Mr. Han Jingyuan (*Chairman and Chief Executive Officer*)  
Mr. Zhu Jun (*Executive Deputy General Manager and Chief Operating Officer*)  
Mr. Shen Xiaoling  
Mr. Zhu Hao  
Mr. Han Li (*Deputy General Manager and Chief Financial Officer*)

#### Non-executive Director

Mr. Ondra Otradovec

#### Independent Non-executive Directors

Mr. Wong Man Chung, Francis  
Mr. Wang Tianyi  
Mr. Wang Bing

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

### 上市規則附錄十四所載之企業管治常規守則(「企業管治守則」)

除下文所披露關於企業管治守則之守則條文第A.2.1及A.4.2條的偏離和說明外，於截至二零一七年十二月三十一日止整個年度，董事們認為本公司已遵守企業管治守則之原則及守則條文。

### 董事局(「董事局」)

於回顧年度內，董事局包括以下董事，其組成載列如下：

#### 執行董事

韓敬遠先生(*董事局主席兼首席執行官*)  
朱軍先生(*常務副總經理兼首席運營官*)  
沈曉玲先生  
朱浩先生  
韓力先生(*副總經理兼首席財務官*)

#### 非執行董事

Ondra Otradovec 先生

#### 獨立非執行董事

黃文宗先生  
王天義先生  
王冰先生



# Corporate Governance Report 企業管治報告

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

### ROLES AND RESPONSIBILITIES

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

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

### BOARD COMPOSITION

The composition of the Board is reviewed regularly to ensure that it has a good balance of expertise, skills and experience, which can meet the requirements of the business of the Group. The Directors’ biographical information is set out on pages 34 to 38.

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

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

## 董事局(「董事局」)(續)

### 職務及職責

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

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

### 董事局架構

董事局定期檢討其成員架構，務求平衡各方的專業知識、技術及資歷，以符合本集團的業務要求。董事履歷資料載列於第34至38頁。

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

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



# Corporate Governance Report 企業管治報告

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

### RELATIONSHIP BETWEEN THE BOARD MEMBERS

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

### DIRECTORS' ATTENDANCE AND TIME COMMITMENT

The Board authorises the management to carry out the strategy that have been approved. During the year under review, six Board meetings were held and the principal business transacted included approving interim and annual results and reports, assessing business development and business performance and implementation of proposal to restore public float. The attendance record of each Director of Board and Board Committees meetings for the year ended 31 December 2017 is set out as follows:

#### Board 董事局

		Board 董事局		Number of Meeting Attended/Eligible Attended 會議出席/ 有資格出席次數			
		Regular 定期	Ad Hoc 特別	Audit Remuneration Committee 審核委員會		Nomination Committee 提名委員會	General Meeting 股東大會
					Committee 薪酬委員會		
Mr. Han Jingyuan	韓敬遠先生	3/4	2/2	-	3/3	1/1	1/1
Mr. Zhu Jun	朱軍先生	4/4	2/2	-	-	-	0/1
Mr. Shen Xiaoling	沈曉玲先生	4/4	1/2	-	-	-	0/1
Mr. Zhu Hao	朱浩先生	4/4	2/2	-	-	-	1/1
Mr. Han Li	韓力先生	4/4	2/2	-	-	-	1/1
Mr. Ondra Otradovec	Ondra Otradovec 先生	1/4	1/2	-	-	-	1/1
Mr. Wong Man Chung, Francis	黃文宗先生	4/4	2/2	4/4	3/3	1/1	1/1
Mr. Wang Tianyi	王天義先生	2/4	2/2	2/4	3/3	1/1	0/1
Mr. Wang Bing	王冰先生	4/4	2/2	4/4	3/3	1/1	0/1

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

## 董事局(「董事局」)(續)

### 董事局成員間之關係

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

### 董事之出席情況及時間投入

董事局授權管理層履行已批准的策略。於回顧年度內，董事局共召開六次會議，已處理之主要事項包括批准中期及年度業績和報告、評估業務發展和表現及落實方案以恢復公眾持股量。各董事於截至二零一七年十二月三十一日止年度之董事局及董事局委員會會議出席情況如下：

Number of Meeting Attended/Eligible Attended 會議出席/ 有資格出席次數				Audit Remuneration Committee 審核委員會	Committee 薪酬委員會	Nomination Committee 提名委員會	General Meeting 股東大會
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所有董事均可與公司秘書保持聯繫，而公司秘書負責確保董事局之運作符合程序及遵守所有適用規則及規例。



## Corporate Governance Report 企業管治報告

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

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

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

#### A. Chairman and Chief Executive Officer

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

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

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

#### B. Independent Non-executive Directors

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

### 董事局(「董事局」)(續)

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

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

#### A. 董事局主席和首席執行官

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

韓敬遠先生擔任本公司的董事局主席兼首席執行官。董事局相信無需要立即分離董事局主席和首席執行官職務，因為本公司主要及實際營運的附屬公司的首席執行官／總經理已由其他人士擔任。

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

#### B. 獨立非執行董事

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



# Corporate Governance Report 企業管治報告

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

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

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

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

Under code provision A.4.2 of the CG Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Article 86(2) of the Bye-laws of the Company (the “Bye-laws”) provides that, amongst other things, the directors shall have the power from time to time and at any time to appoint any person as a director, either to fill a casual vacancy on the Board, or, subject to authorisation by the shareholders in general meeting, as an addition to the existing Board. Any director so appointed by the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. In light of the Bye-laws, any director so appointed as aforesaid shall hold office until the next annual general meeting. This constitutes as a deviation from code provision of A.4.2 of the CG Code. Given the time between filling a casual vacancy and the next general meeting was generally too short to require a re-election, therefore the Company adopts the re-election to take place at the next annual general meeting instead. The Company believes that it is in the best interest of the Company’s shareholders to transact this ordinary course of business in the annual general meeting.

## 董事局(「董事局」)(續)

### B. 獨立非執行董事(續)

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

### C. 委任、重選和撤換董事

根據企業管治守則之守則條文第A.4.2條，所有獲委任以填補臨時空缺的董事們，均應在獲委任後的首次股東大會上膺選連任，及每位董事(包括有指定任期者)均須最少每三年輪值告退一次。

本公司之章程細則(「章程細則」)之細則第86(2)條規定，除其他事項外，董事們應有權不時及隨時委任任何人士為董事，以填補董事局臨時空缺或待股東於股東大會上授權後作為現有董事局新增成員。任何就此獲董事局委任之董事須任職至下屆本公司股東週年大會為止及應隨後有資格於該大會上重選連任。鑑於章程細則，任何董事如上述獲委任應任職至下屆股東週年大會。是項規定構成偏離企業管治守則之守則條文第A.4.2條。鑒於填補臨時空缺與下一屆股東大會之間隔時間一般是太短時間內要求重選，因此，本公司採納於下一屆股東週年大會進行重選連任。本公司相信於股東週年大會上進行此普通業務過程符合本公司股東之最佳利益。





## Corporate Governance Report 企業管治報告

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

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

Article 87(1) of the Bye-laws provides that, at each annual general meetings of the Company, one third of the directors for the time being (or, if the number is not a multiple of three, the number nearest to but not greater than one third), including the independent non-executive directors, shall retire from office by rotation, provided that the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. This constitutes as a deviation from Code Provision of A.4.2 of the CG Code. Taking the Code Provision A.4.2 of the CG Code, Mr. Han Jingyuan, the Chairman of the Board and Chief Executive Officer of the Company, is willing to retire at the forthcoming annual general meeting and being eligible, offer himself for re-election. The Company will consider amending the Bye-laws to comply with the Code Provision A.4.2 of the CG code in the future.

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

In accordance to the Bye-laws 87 of the Company and the Code Provision A.4.2 of the CG Code, Mr. Han Jingyuan, Mr. Zhu Hao and Mr. Ondra Otradovec will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

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

### 董事局(「董事局」)(續)

#### C. 委任、重選和撤換董事(續)

章程細則之細則第87(1)條規定，於每次本公司之股東週年大會上，三分之一的在任董事(或倘數量並不是三的倍數，則取最接近但不能超過三分之一之人數)(包括獨立非執行董事)均須輪值告退，但本公司之董事局主席及／或董事總經理，於其任職期間，不須輪值告退或於釐定每年退任董事人數時被考慮在內。是項規定構成偏離企業管治守則之守則條文第A.4.2條。考慮到企業管治守則之守則條文第A.4.2條，本公司董事局主席兼首席執行官韓敬遠先生，願意在應屆股東週年大會上退任，並符合資格重選。於未來，本公司將考慮修改章程細則以符合企業管治守則第A.4.2條守則條文。

本公司所有董事之委任均有指定任期及須接受重選。目前，韓敬遠先生、朱軍先生、沈曉玲先生、朱浩先生及韓力先生為執行董事均以指定任期獲委任，為期三年，Ondra Otradovec先生為非執行董事以指定任期獲委任，為期兩年。所有獨立非執行董事包括黃文宗先生、王天義先生及王冰先生以指定任期一年獲委任。所有董事均需根據本公司章程細則及企業管治守則輪席告退及於本公司股東週年大會重選。

根據本公司的章程細則第87條及企業管治守則第A.4.2條守則條文，韓敬遠先生、朱浩先生及Ondra Otradovec先生將於應屆股東週年大會上輪席告退，彼等並符合資格和願意於應屆股東週年大會上重選。

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



# Corporate Governance Report 企業管治報告

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

### D. Responsibilities of Directors and Company Secretary

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

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

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

### E. Directors’ and Officers’ liability

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

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

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

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

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

## 董事局(「董事局」)(續)

### D. 董事及公司秘書責任

所有董事均充分了解彼等作為本公司董事之角色及職責。

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

公司秘書負責向全體董事發放上市規則及其他相關監管要求之最新資料。

### E. 董事及高級職員之責任

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

### F. 董事及公司秘書之培訓及支持

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

如有需要，董事亦獲安排提供持續簡報及專業發展，費用由本公司承擔。

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



## Corporate Governance Report 企業管治報告

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

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

The Directors are committed to comply with the Code Provision A.6.5 of the CG Code. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant for the year ended 31 December 2017. The Company will arrange internally-facilitated briefings for Directors and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2017, the Company has provided reading materials on corporate governance matters and update on the Listing Rules to all Directors for their reference and studying. Besides, Mr. Ondra Otradovec and Mr. Wong Man Chung, Francis also attended other seminars and training sessions arranged by other professional firms/institutions. Record of training of each Director for the year ended 31 December 2017 were kept by the Company.

The individual training record of each Director received for the year ended 31 December 2017 is summarised as below:

#### *Participation in Continuous Professional Development Programme in 2017*

### 董事局(「董事局」)(續)

#### F. 董事及公司秘書之培訓及支持(續)

董事承諾遵守企業管治守則第A.6.5條的守則條文。截至二零一七年十二月三十一日止年度，全體董事均已參與發展及更新彼等知識及技能之持續專業發展，以確保繼續在具備全面資訊及切合所需的情況下向董事局作出貢獻。本公司將會於適當時為董事安排內部用簡報，並就有關主題刊發閱讀材料。本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。

截至二零一七年十二月三十一日止年度內，本公司已向全體董事提供有關企業管治事宜的閱讀材料及上市規則更新的簡報，以供彼等參考及細閱。此外，Ondra Otradovec先生及黃文宗先生亦參與其他專業公司／機構安排的其他研討會及培訓課程。本公司已保存截至二零一七年十二月三十一日止年度各董事的培訓記錄。

各董事於截至二零一七年十二月三十一日止年度所接受培訓之個別記錄概述如下：

#### *於二零一七年參與持續專業培訓計劃*



# Corporate Governance Report 企業管治報告

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

## 董事局(「董事局」)(續)

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

### F. 董事及公司秘書之培訓及支持(續)

Directors		Reading regulatory updates	Attending training/ briefing on regulatory development, directors' duties or other relevant topics
董事		閱讀監管規定的更新資料	出席有關監管變動、董事責任或其他相關題材的培訓/簡報會
<b>Executive Directors</b>	<b>執行董事</b>		
Mr. Han Jingyuan	韓敬遠先生	✓	
Mr. Zhu Jun	朱軍先生	✓	
Mr. Shen Xiaoling	沈曉玲先生	✓	
Mr. Zhu Hao	朱浩先生	✓	
Mr. Han Li	韓力先生	✓	
<b>Non-executive Director</b>	<b>非執行董事</b>		
Mr. Ondra Otradovec	Ondra Otradovec 先生	✓	✓
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>		
Mr. Wong Man Chung, Francis	黃文宗先生	✓	✓
Mr. Wang Tianyi	王天義先生	✓	
Mr. Wang Bing	王冰先生	✓	

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

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

### G. Directors' Securities Transactions

### G. 董事之證券交易

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

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的守則。

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

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



# Corporate Governance Report 企業管治報告

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

### H. Board Committees

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

#### (1) Audit Committee

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

During the year ended 31 December 2017, the Audit Committee comprised three Independent Non-executive Directors. Mr. Wong Man Chung, Francis as the Chairman of the Audit Committee during the year under review and Mr. Wang Tianyi and Mr. Wang Bing as the members of the Audit Committee, in compliance with Rule 3.21 of the Listing Rules.

For the year ended 31 December 2017, four meetings of Audit Committee were held.

## 董事局(「董事局」)(續)

### H. 董事委員會

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

#### (1) 審核委員會

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

於截至二零一七年十二月三十一日止年度內，審核委員會包括三名獨立非執行董事，於回顧年度內之審核委員會主席為黃文宗先生以及審核委員會成員為王天義先生及王冰先生，並遵守上市規則3.21條。

截至二零一七年十二月三十一日止年度，審核委員會共舉行四次會議。





# Corporate Governance Report 企業管治報告

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

### H. Board Committees (continued)

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

The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2017 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the consolidated financial statements have been prepared in accordance with the applicable accounting standard, the Listing Rules and the statutory requirements and that adequate disclosures have been made in this annual report.

#### (2) Remuneration Committee

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

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

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (1) 審核委員會(續)

審核委員會已審閱本集團截至二零一七年十二月三十一日止年度之合併財務報表，亦已討論內部監控事宜、本集團所採納之會計原則及慣例。審核委員會認為，有關合併財務報表乃按適用會計準則、上市規則及法定規定編製，並已於本年報內作出充足披露。

#### (2) 薪酬委員會

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

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



## Corporate Governance Report 企業管治報告

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

#### H. Board Committees (continued)

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

During the year under review, the Remuneration Committee comprised Independent Non-executive Director of the Company, Mr. Wong Man Chung, Francis, as the chairman of the Remuneration Committee, Chairman and Chief Executive Officer of the Company, Mr. Han Jingyuan and the remaining Independent Non-executive Directors of the Company namely, Mr. Wang Tianyi and Mr. Wang Bing as the members of the Remuneration Committee in compliance with the Rule 3.25 of the Listing Rules.

For the year ended 31 December 2017, three meetings of Remuneration Committee were held.

Details of the remuneration of each Director for the year ended 31 December 2017 are set out in the Note 46 to the consolidated financial statements in this annual report.

### 董事局(「董事局」)(續)

#### H. 董事委員會(續)

##### (2) 薪酬委員會(續)

於回顧年度內，薪酬委員會包括本公司獨立非執行董事黃文宗先生(薪酬委員會主席)、本公司董事局主席兼首席執行官韓敬遠先生及本公司其餘的獨立非執行董事，即王天義先生及王冰先生，均為薪酬委員會成員，符合上市規則第3.25條之規定。

截至二零一七年十二月三十一日止年度，薪酬委員會共舉行三次會議。

各董事於截至二零一七年十二月三十一日止年度之薪酬詳情載列於本年報合併財務報表附註46。



# Corporate Governance Report 企業管治報告

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

### H. Board Committees (continued)

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

The biographies of members of the senior management team at the date of this annual report are disclosed in the section headed “Directors’ and Senior Management’s Biographical Information” in this annual report. Pursuant to the Code Provision B.1.5 of the CG Code, the emoluments of the senior management (excluding Directors) for the year ended 31 December 2017 are within the following bands:

HK\$1 to HK\$1,000,000 (approximately RMB1 – RMB865,210)	1港元至1,000,000港元 (約人民幣1元至人民幣865,210元)	-	2
HK\$1,000,001 to HK\$1,500,000 (approximately RMB865,211 – RMB1,297,815)	1,000,001港元至1,500,000港元 (約人民幣865,211元至人民幣1,297,815元)	-	1
HK\$2,500,001 to HK\$3,000,000 (approximately RMB2,163,026 – RMB2,595,630)	2,500,001港元至3,000,000港元 (約人民幣2,163,026元至人民幣2,595,630元)	1	-
HK\$3,000,001 to HK\$3,500,000 (approximately RMB2,595,631 – RMB3,028,235)	3,000,001港元至3,500,000港元 (約人民幣2,595,631元至人民幣3,028,235元)	1	-
HK\$4,000,001 to HK\$4,500,000 (approximately RMB3,460,841 – RMB3,893,445)	4,000,001港元至4,500,000港元 (約人民幣3,460,841元至人民幣3,893,445元)	1	-

#### (3) Nomination Committees

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

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

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (2) 薪酬委員會(續)

於本年報日期的高級管理層成員的履歷於本年報「董事及高級管理人員的履歷資料」一節內披露。根據企業管治守則之守則條文第B.1.5條所載，截至二零一七年十二月三十一日止年度支付予高級管理層(不包括董事)的薪酬介乎以下範圍：

Number of individuals 人數		2017 二零一七年	2016 二零一六年
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HK\$1 to HK\$1,000,000 (approximately RMB1 – RMB865,210)	1港元至1,000,000港元 (約人民幣1元至人民幣865,210元)	-	2
HK\$1,000,001 to HK\$1,500,000 (approximately RMB865,211 – RMB1,297,815)	1,000,001港元至1,500,000港元 (約人民幣865,211元至人民幣1,297,815元)	-	1
HK\$2,500,001 to HK\$3,000,000 (approximately RMB2,163,026 – RMB2,595,630)	2,500,001港元至3,000,000港元 (約人民幣2,163,026元至人民幣2,595,630元)	1	-
HK\$3,000,001 to HK\$3,500,000 (approximately RMB2,595,631 – RMB3,028,235)	3,000,001港元至3,500,000港元 (約人民幣2,595,631元至人民幣3,028,235元)	1	-
HK\$4,000,001 to HK\$4,500,000 (approximately RMB3,460,841 – RMB3,893,445)	4,000,001港元至4,500,000港元 (約人民幣3,460,841元至人民幣3,893,445元)	1	-

#### (3) 提名委員會

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

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



# Corporate Governance Report 企業管治報告

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

### H. Board Committees (continued)

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

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

During the year under review, the Nomination Committee comprised the Chairman and Chief Executive Officer of the Company, Mr. Han Jingyuan, as the chairman of the Nomination Committee and the Independent Non-executive Directors of the Company namely, Mr. Wong Man Chung, Francis, Mr. Wang Tianyi and Mr. Wang Bing as the members of the Nomination Committee in compliance with Code Provision A.5.1 of the CG Code.

For the year ended 31 December 2017, one meeting of Nomination Committee were held.

## BOARD DIVERSITY POLICY

The Company has adopted the board diversity policy (the “Board Diversity Policy”) on 30 August 2013 with a view to achieving a sustainable and balanced development of the Group. The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

## 董事局(「董事局」)(續)

### H. 董事委員會(續)

#### (3) 提名委員會(續)

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

於回顧年度內，提名委員會包括本公司董事局主席兼首席執行官韓敬遠先生(提名委員會主席)及本公司的獨立非執行董事，即黃文宗先生、王天義先生及王冰先生，均為提名委員會成員且符合企業管治規則之守則條文第A.5.1條之規定。

截至二零一七年十二月三十一日止年度，提名委員會舉行一次會議。

## 董事局成員多元化政策

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

在設定董事局成員組合時，會從多個方面考慮董事局成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事局所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事局成員多元化的裨益。



## Corporate Governance Report 企業管治報告

### BOARD DIVERSITY POLICY (continued)

#### Measurable Objectives

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

#### Monitoring and Reporting

The Nomination Committee will review the Board's composition under diversified perspectives and monitor the implementation of the Board Diversity Policy annually. During the year under review, the Nomination Committee has reviewed the Board's composition (including the gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) which has been disclosed on pages 34 to 38 in this annual report and considered the current Board's composition is appropriate.

### CORPORATE GOVERNANCE

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

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

### 董事局成員多元化政策(續)

#### 可計量目標

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

#### 監察及匯報

提名委員會將每年檢討董事局在多元化層面之組成，並監察董事局成員多元化政策之執行。於回顧年度內，提名委員會已審閱在本年報的第34頁至第38頁內披露的董事局之組成(包括性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期)，並認為現時的董事局組成是恰當的。

#### 企業管治

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

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





# Corporate Governance Report 企業管治報告

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

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

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

### Risk Management and Internal Controls

For the year ended 31 December 2017, the Board conducted an annual review of the effectiveness of the Group's risk management and internal control systems based on the confirmation made by the senior management and inputs from the Audit Committee. The Board considered that the risk management and internal control systems of the Group, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, are effective and adequate during the year.

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

## 問責和核數

### 財務匯報

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

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

### 風險管理及內部監控

截至二零一七年十二月三十一日止年度，根據高級管理層作出的確認及來自審核委員會的意見，董事局對本集團風險管理及內部監控系統的有效性進行年度檢討。董事局考慮的範疇包括資源的充足性、員工資歷及經驗、培訓計劃及本集團會計、內部審計及財務報告職能之相關預算，認為年內本集團的風險管理及內部監控系統是有效及充足的。

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



# Corporate Governance Report 企業管治報告

## ACCOUNTABILITY AND AUDIT (continued)

### Risk Management and Internal Controls (continued)

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

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

## 問責和核數(續)

### 風險管理及內部監控(續)

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

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



## Corporate Governance Report 企業管治報告

### ACCOUNTABILITY AND AUDIT (continued)

#### Risk Management and Internal Controls (continued)

Under code provision C.2.5 and the related notes of the CG Code, the Company should have an internal audit function which generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. The Company's internal audit function is merged with the finance function during the year ended 31 December 2017. During the year, the Group conducted a review on the need for setting up an independent internal audit department. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient internal control and risk management for the Group. The Audit Committee and the Board regularly review the effectiveness of the internal control systems and the risk management of the Group. The Board will review the need to set up an independent internal audit function on an annual basis.

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

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

### 問責和核數(續)

#### 風險管理及內部監控(續)

根據企業管治守則之守則條文第C.2.5條及相關附註規定，本公司應設立內部審核功能，其普遍是對本集團的風險管理及內部監控系統是否足夠和有效作出分析及獨立評估。本公司於截至二零一七年十二月三十一日止年度內的內部審核功能是與財務功能合併。於本年內，本集團已作出成立獨立內部審核部門的需要之檢討。經計及本集團營運之規模及複雜程度，本公司認為現行組織架構及管理層緊密監察可為本集團提供足夠之內部監控及風險管理。審核委員會及董事局定期檢討本集團內部監控系統及風險管理之成效。董事局將每年檢討是否需要設立獨立內部審核功能。

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

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



## Corporate Governance Report 企業管治報告

### ACCOUNTABILITY AND AUDIT (continued)

#### External Auditor

The Directors are responsible for preparing the financial statements for the financial year ended 31 December 2017 to reflect a true and fair view of the Company's and the Group's financial position and financial performance and cash flows for the year.

In preparing the financial statements for the year ended 31 December 2017, the generally accepted accounting principles in Hong Kong, Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards are adopted, with consistent use of appropriate accounting policies, for making reasonable and prudent judgments and estimates. The financial statements for the year ended 31 December 2017 were prepared on a going concern basis.

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

For the year ended 31 December 2017 and up to the date of this report, the external auditor of the Group is PricewaterhouseCoopers. Fees of auditing services and non-auditing services (including interim review and taxation services) provided by PricewaterhouseCoopers and its member firms of the same international network for the year ended 31 December 2017 were approximately RMB 4.04 million and RMB 0.14 million respectively.

For the year ended 31 December 2017 and up to the date of this report, PricewaterhouseCoopers and its member firms of the same international network provided non-audit services mainly on interim review and taxation services. These non-audit services are engaged only as they are more effective or economical than those available from other service providers and will not constitute adverse impact on the independence of the external auditor. The nature and ratio of annual fees to external auditor for non-audit services and for audit services in 2017 have been scrutinised by the Audit Committee.

### 問責和核數(續)

#### 外聘核數師

董事負責編製截至二零一七年十二月三十一日止財政年度的財務報表，以真實公平反映本公司和本集團的財務狀況及該年度的財務表現與現金流。

編製截至二零一七年十二月三十一日止年度的財務報表時，已採納香港一般公認的會計準則，香港財務報告準則及香港會計準則，並貫徹運用合適的會計政策，做出合理審慎的判斷及估計。截至二零一七年十二月三十一日止年度的財務報表乃按持續經營基準編製。

核數師之報告職責已載於本年報之獨立核數師報告。

截至二零一七年十二月三十一日止年度及截至本報告日期，本集團外聘核數師為羅兵咸永道會計師事務所。截至二零一七年十二月三十一日止年度，羅兵咸永道會計師事務所及其同一國際網絡下的成員機構提供審核與非審核服務之費用(包括中期審閱及稅務服務)分別為約人民幣404萬元及人民幣14萬元。

截至二零一七年十二月三十一日止年度及截至本報告日期，羅兵咸永道會計師事務所及其同一國際網絡下的成員機構提供非審核服務主要涉及中期審閱及稅務服務。該等非審核服務只可在較其他服務供應商所提供的服務更為有效或更合乎經濟原則，且不會對外聘核數師的獨立性構成不利影響的情況下，方可使用。外聘核數師於二零一七年全年就非審核服務及審核服務所收費用的性質及比率已由審核委員會詳細審閱。



## Corporate Governance Report 企業管治報告

### SHAREHOLDERS' RIGHTS

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

### 股東權利

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





## Corporate Governance Report 企業管治報告

### SHAREHOLDERS' RIGHTS (continued)

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

### IMPACT ON NEW LEGISLATION, POLICY AND PROCEDURES

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

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

### COMMUNICATION WITH SHAREHOLDERS

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

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

### 股東權利(續)

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

### 新法例、政策及程序之影響

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

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

### 與股東之溝通

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

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



## Corporate Governance Report 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS (continued)

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

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

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

Separate resolutions are proposed at the general meetings for substantial separate issues, including re-election of retiring Directors. The Company's notice to Shareholders for the 2017 AGM was sent to Shareholders at least 20 clear business days before the meeting and notices of other general meetings were sent to Shareholders at least 10 clear business days before the meetings. The Chairman, the chairman of the Board Committees and the external auditor were available at the 2017 AGM to answer questions from the Shareholders.

The forthcoming annual general meeting will be held on 1 June 2018.

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

### 與股東之溝通(續)

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

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

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

獨立事宜(包括重選退任董事)均會於股東大會上提呈個別決議案。本公司就2017股東週年大會致股東之通告已於大會舉行前最少足20個營業日向股東發送，而就其他股東大會而言，則在該大會舉行前最少足10個營業日向股東發送有關通知。主席及董事局委員會主席以及外聘核數師均有出席2017股東週年大會，以解答股東所提出之疑問。

應屆股東週年大會將於二零一八年六月一日舉行。

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



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

## ABOUT THIS REPORT

China Oriental Group Company Limited and its subsidiaries (collectively, the Group) are always committed to performing its corporate social responsibilities. Apart from strictly abiding by national laws and regulations, the Group has reduced emissions and energy consumption in the steel production process by continuously investing resources into production facilities, so as to minimise the environmental impact of the production process and strive for being an environmentally friendly enterprise.

The Group issues this Environmental, Social and Governance (“ESG”) Report in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) in Appendix 27 to the Listing Rules, to demonstrate the Group’s performance and practice for social responsibility to all the stakeholders from both environmental and social areas.

The Board of the Company is responsible for the Group’s environmental, social and government strategies and reporting. The Board evaluates and determines the Group’s ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Management of the Group provides a confirmation to the Board on the effectiveness of these systems.

## REPORTING SCOPE

This report covers the period from 1 January 2017 to 31 December 2017.

Currently, the Group’s revenue is mainly from the steel business which is dominated by sales of self-manufactured steel products. Production of such steel products is mainly conducted by its subsidiaries such as Hebei Jinxi Iron and Steel Group Company Limited (“Jinxi Limited”), Hebei Jinxi Iron and Steel Group Special Steel Company Limited (“Jinxi Special Steel”), Tianjin Oriental Jiangtian Section Steel Sales Company Limited (“Oriental Jiangtian”), Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Company Limited and Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited. The content and disclosure in this report below is mainly about the two major subsidiaries, Jinxi Limited and Jinxi Special Steel.

## 關於本報告

中國東方集團控股有限公司及其附屬公司(統稱本集團)一直堅持發揮企業的社會責任,除緊守國家法規外,本集團一直透過持續投入資源於生產設備以減少鋼鐵生產過程中的排放及能源消耗,從而盡力降低生產過程對環境的影響及努力建設環境友好型企業。

本集團依照上市規則附錄27的《環境、社會及管治報告指引》(「《環境、社會及管治報告指引》」),編製了本環境、社會及管治報告,從環境和社會兩個範疇,向各利益相關方介紹本集團在企業社會責任方面的績效和實踐。

本公司董事局負責本集團的環境、社會及管治的策略及匯報。董事局評估及釐定本集團有關環境、社會及管治的風險,並確保本集團設立合適及有效的環境、社會及管治風險管理及內部監控系統。本集團的管理層負責向董事局提供有關環境、社會及管治系統是否有效的確認。

## 報告範圍

本報告的涵蓋期間為二零一七年一月一日至二零一七年十二月三十一日。

本集團目前的主要收入來自鋼鐵業務,當中以銷售自行生產的鋼鐵產品為主,有關鋼鐵產品的生產主要由河北津西鋼鐵集團股份有限公司(「津西鋼鐵」)、河北津西鋼鐵集團特鋼有限公司(「津西特鋼」)、天津市東方江天型鋼銷售有限公司(「東方江天」)、河北津西鋼鐵集團正達鋼鐵有限公司及佛山津西金蘭冷軋板有限公司等子公司進行,以下報告內容及披露的環境類關鍵績效指標主要針對津西鋼鐵和津西特鋼兩家主要的子公司。

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

## 1. ENVIRONMENTAL

### 環境

In strict compliance with laws and regulations including the “Environment Protection Law of the People’s Republic of China”, the Group formulated management systems such as the “Environmental Protection Responsibility System”, the “Management Measures of Environmental Supervision and Management Personnel” and the “Management Measures of Environmental Protection Training”, and established an environmental management system which has been certified by a third party to comply with ISO 14001 standards, effectively reducing the pollutant discharge and resource consumption resulting from production and operation.

為嚴格遵守法律法規包括《中華人民共和國環境保護法》，本集團制定了《環境保護責任制》、《環境監督管理人員管理辦法》和《環保培訓管理辦法》等管理制度及建立了符合ISO 14001標準的環境管理體系，並獲得了一名第三方認證，有效減少了生產及經營活動帶來的污染排放和資源消耗。



ISO 14001 certification

ISO 14001 證書

### 1.1 Emissions

#### 1.1.1 Sewage discharge

Waste water generated by the Group consists of production waste water and household water from factory area. Complying with laws and regulations as well as relevant standards including the “Law of the People’s Republic of China on Prevention and Control of Water Pollution” and the “Discharge Standard of Water Pollutants for Iron and Steel Industry”, the Group formulated management systems such as the “Procedures for Prevention and Control of Water Pollution” to ensure effective control and management of waste water.



Sewage treatment station  
污水處理站

The Group built two sewage treatment stations with maximum daily treatment capacity of 50,000 tons and one sewage treatment station with maximum daily treatment capacity of 10,000 tons in Jinxi Limited and Jinxi Special Steel respectively, which are used for centralised treatment of sewage. All the post-treatment water which meets the standard is reused in the production, as an effort to achieve comprehensive use and zero discharge of sewage.

During the reporting period and within the reporting scope, the Group realised comprehensive use of the sewage generated, with no external discharge of sewage.

### 1.1 排放物

#### 1.1.1 廢水排放

本集團的廢水主要包括生產廢水和廠區的生活廢水。針對這些廢水，本集團遵守《中華人民共和國水污染防治法》及《鋼鐵工業水污染物排放標準》等法律法規和相關標準，制定了《水污染防治控制程序》等管理制度，以確保對廢水的有效控制和管理。

本集團於津西鋼鐵及津西特鋼分別建設了兩座日處理能力最高達50,000噸的污水處理站以及一座日處理能力最高達10,000噸的污水處理站，對污水進行集中處理，將處理達標後的水全部回用於生產，從而實現廢水綜合利用，達到廢水零排放。

於本報告期間及報告範圍內，本集團產生的廢水實現了綜合利用，無廢水外排。



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

## 1. ENVIRONMENTAL (continued)

### 1.1 Emissions (continued)

#### 1.1.2 Exhaust emissions

The exhaust emissions of the Group mainly comprise particulate matters, nitrogen oxides (NO<sub>x</sub>) and sulphur dioxide (SO<sub>2</sub>) generated from production. In strict compliance with laws and regulations as well as relevant standards including the “Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution”, the “Emission Standard of Air Pollutants for Iron and Steel Industry in Hebei”, the “Emission Standard of Air Pollutants for Ironmaking Industry”, the “Emission Standard of Air Pollutants for Steelmaking Industry”, the “Emission Standard of Air Pollutants for Sintering and Pelletizing from Iron and Steel Industry” and the “Emission Standard of Air Pollutants for Steel Rolling Industry”, etc., the Group actively allocates resources to improve its production environment and facilities, and equips various in-operation production facilities with environmental protection equipment, to ensure strict control on environmental pollution caused by exhaust. The major control measures include:

- To set up an entirely confined stock ground to eliminate dust pollution and fugitive emissions of pollutants from the stock ground;
- To set up wind breaker and dust filter net in the stock ground and clean them periodically;
- To set up dust removal equipment; repair and maintain the equipment on a regular basis, to ensure efficient operation of all equipment;
- To have vehicles equipped with special sweeping and precipitators and sprinkling cars sweep and clean continuously all sub-zone passages of the material field and the main transport roads, to prevent dust pollution caused by the rolling over of the delivery vehicles of the material field onto the roads;
- To desulfurize and denitrate the sintering process, and provide online monitoring of particulate matters, sulphur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>).

## 1. 環境(續)

### 1.1 排放物(續)

#### 1.1.2 廢氣排放

本集團的廢氣排放主要包括生產過程中產生的顆粒物、氮氧化物(NO<sub>x</sub>)及二氧化硫(SO<sub>2</sub>)等，針對這些廢氣污染物，為嚴格遵守《中華人民共和國大氣污染防治法》、《河北省鋼鐵工業大氣污染物排放標準》、《煉鐵工業大氣污染物排放標準》、《煉鋼工業大氣污染物排放標準》、《鋼鐵燒結、球團工業大氣污染物排放標準》和《軋鋼工業大氣污染物排放標準》等法律法規和相關標準，本集團主動調配資源改善生產環境及設備，並為各種運行中的生產設備配置環保治理設施，以確保嚴格控制廢氣對環境造成的污染，其中主要的控制措施包括：

- 設立全封閉料場，減少粉塵污染及料場污染物的無組織排放；
- 在原料場設置擋風抑塵網並定期沖洗清潔；
- 設置除塵治理設施，並定期進行設施的維護及保養，確保各項設施有效運行；
- 配備專用清掃吸塵車和灑水車，對料場各分區通道和主要運輸道路持續進行清掃保潔，防止料場運輸車輛運載時所造成的揚塵污染；
- 對燒結工藝進行脫硫脫硝改造，配套顆粒物、二氧化硫(SO<sub>2</sub>)及氮氧化物(NO<sub>x</sub>)的在線監測等。





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

## 1. ENVIRONMENTAL (continued)

### 1.1 Emissions (continued)

#### 1.1.2 Exhaust emissions (continued)

During the reporting period, exhaust emissions of the Group are detailed as below.

A1.1	Emissions 排放量	Unit 單位
Particulate matters 顆粒物	814	tons 噸
Nitrogen Oxides 氮氧化物	5,493	tons 噸
Sulphur Dioxide 二氧化硫	2,613	tons 噸

## 1. 環境(續)

### 1.1 排放物(續)

#### 1.1.2 廢氣排放(續)

於報告期內，本集團廢氣排放情況詳見下表。

### Topic: Exhaust gas treatment of Jinxi Limited

#### 專題：津西鋼鐵廢氣治理

In 2017, Jinxi Limited actively promoted exhaust gas treatment in accordance with “2013-2017 Air Pollution Prevention and Control Action Plan for Tangshan City” as well as the “Procedures for Prevention and Control of Air Pollution” formulated in-house. The major projects include:

- To retrofit desulfurization facilities for sintering machines by adding wet electrostatic precipitators;
- To retrofit desulfurization facilities for vertical furnaces by adding wet electrostatic precipitators;
- To upgrade electrostatic precipitators at the tail of sintering machines to high-efficiency bag precipitators;
- To upgrade electrostatic precipitators for feeding system of blast furnaces to high-efficiency bag precipitators.

於二零一七年，津西鋼鐵按照《唐山市2013-2017年大氣污染防治攻堅行動實施方案》等文件，按照內部制定的《大氣污染防治控制程序》，積極推進廢氣治理，開展的主要項目如下：

- 改造燒結機脫硫設施，增加濕法電除塵器；
- 改造豎爐脫硫設施，增加濕法電除塵器；
- 對燒結機機尾除塵器進行升級改造，將靜電除塵器升級為高效布袋除塵器；
- 對高爐上料除塵器進行升級改造，將靜電除塵器升級為高效布袋除塵器等。



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

## 1. ENVIRONMENTAL (continued)

### 1.1 Emissions (continued)

#### 1.1.2 Exhaust emissions (continued)

## 1. 環境(續)

### 1.1 排放物(續)

#### 1.1.2 廢氣排放(續)

#### Topic: Exhaust gas treatment of Jinxi Special Steel

#### 專題：津西特鋼廢氣治理

In 2017, Jinxi Special Steel carried out a series of exhaust gas treatment projects, effectively reducing the emission of waste gas pollutants. The major projects include:

於二零一七年，津西特鋼開展了一系列的廢氣治理項目，有效減少了廢氣污染物的排放，其中開展的主要項目如下：

- To transform precipitators at the tail of sintering machines to bag precipitators;  
燒結機機尾除塵器改造為布袋除塵器；
- To transform precipitators of blast furnaces and casting houses;  
改造高爐和出鐵場的除塵器；
- To transform bag precipitator under the trough of blast furnace No. 3;  
改造三號高爐槽下布袋除塵器；
- To transform precipitators of crushing and feeding system;  
改造破碎上料系統除塵器；
- To build a new sintering material field.  
新建燒結礦料場。



New sintering material field  
新建燒結礦料場

#### 1.1.3 Greenhouse gas emissions

Greenhouse gas emissions generated by the Group are mainly from:

- Scope 1: direct emissions, including fuel and raw materials used in production process, such as cleaned coal, anthracite, soft coal, coke, limestone, dolomite and silicon manganese alloy, etc.; as well as fuel used by vehicles, such as gasoline and diesel;
- Scope 2: energy indirect emissions, mainly including purchased electricity used.

#### 1.1.3 溫室氣體排放

本集團的溫室氣體排放主要來自於：

- 範疇一：直接排放，包括生產過程中使用的燃料及原材料，包括洗精煤、無煙煤、煙煤、焦炭、石灰石、白雲石及矽錳合金等；以及車輛使用的燃料，如汽油及柴油；
- 範疇二：能源間接排放，主要包括使用的外購電。



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

## 1. ENVIRONMENTAL (continued)

### 1.1 Emissions (continued)

#### 1.1.3 Greenhouse gas emissions (continued)

The Group actively conducted energy conservation transformation by recycling energy such as thermal energy and gas generated in blast furnace during production to reduce consumption of fuel and purchased electricity, which resulted in effective reduction of greenhouse gas emissions.

During the reporting period, the amount and the intensity of greenhouse gas emissions of the Group are as below:

		Emissions (tCO <sub>2</sub> e) 排放量 (tCO <sub>2</sub> e)	Total emissions (tCO <sub>2</sub> e) 總排放量 (tCO <sub>2</sub> e)	Emission intensity (tCO <sub>2</sub> e/ton of steel) 排放密度 (tCO <sub>2</sub> e/噸鋼)
A1.2				
Scope 1: direct emissions	範疇一：直接排放	14,817,061	16,712,911	1.75
Scope 2: energy indirect emissions	範疇二：能源間接排放	1,895,850		

#### 1.1.4 Solid waste discharge

Solid waste generated by the Group mainly includes non-hazardous wastes from production process such as wastes containing iron, etc., water slag, steel slag, desulfurized gypsum and refractory materials, household garbage in factory area, as well as hazardous wastes such as oil cotton yarn, oil drum and waste oil, etc..

In accordance with the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes”, the Group formulated management systems including the “Procedures for Prevention and Control of Solid Waste Pollution” and the “Management Measures of Waste Solids”, the Group performs proper management of non-hazardous and hazardous wastes, so as to prevent the environmental pollution. The Group has effectively reduced solid waste discharge through enhancing management of wastes and increasing recycling of recyclable wastes.

## 1. 環境(續)

### 1.1 排放物(續)

#### 1.1.3 溫室氣體排放(續)

本集團積極進行節能改造，透過回收生產過程中產生的熱能和高爐煤氣等可利用的能源，降低燃料和外購電消耗，從而有效降低溫室氣體排放。

於報告期內，本集團溫室氣體排放量及排放密度披露如下：

#### 1.1.4 廢棄物排放

本集團的固體廢棄物主要是生產過程中產生的無害廢棄物如含鐵廢棄物、水渣、鋼渣、脫硫石膏及耐火材料等和廠區生活垃圾，以及有害廢棄物包括油棉紗、油桶和廢油等。

根據《中華人民共和國固體廢物污染環境防治法》的要求，本集團制定了包括《固體廢物污染防治控制程序》及《固體廢物管理辦法》等管理制度，本集團對無害廢物和有害廢物進行妥善管理，防止污染環境。本集團通過加強對廢棄物的管理及增加對可回收廢棄物的再利用以有效減少固體廢棄物排放。



Storage room of hazardous wastes of Jinxi Special Steel  
津西特鋼危害廢物儲存間



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

## 1. ENVIRONMENTAL (continued)

### 1.1 Emissions (continued)

#### 1.1.4 Solid waste discharge (continued)

The Group conducts separate collection and disposal of non-hazardous wastes, where wastes containing iron are recycled, water slag and steel slag are sold to cement plants for recycling, and household garbage is disposed of properly according to local regulations.

To handle hazardous wastes, the Group properly identifies, collects, stores, transports and disposes them in accordance with the “National Catalogue of Hazardous Wastes” and other relevant laws and regulations, by storing them in separate storage rooms and entrusting qualified entity to properly dispose them.

During the reporting period, waste emissions in quantity and intensity of the Group are as below:

Indicator 指標	Emissions (tons) 排放量 (噸)	Emission intensity (ton/ton of steel) 排放密度 (噸／噸鋼)
A1.3 Hazardous wastes A1.3 有害廢棄物	9.82	1.029*10 <sup>-6</sup>
A1.4 Non-hazardous wastes A1.4 無害廢棄物	3,453,554	0.362

## 1. 環境(續)

### 1.1 排放物(續)

#### 1.1.4 廢棄物排放(續)

本集團對無害廢棄物進行分類收集處置，將含鐵的廢棄物回收再用，將水渣、鋼渣等廢棄物出售給水泥廠回收利用，並按照當地的法規妥善處置生活垃圾。

對於有害廢棄物，本集團按照《國家危險廢物名錄》及其他相關法律法規的要求，進行妥善識別、收集、貯存、運輸和處置，設置單獨的儲存間進行儲存，並委託合資格的單位進行妥善處置。

於報告期內，本集團廢棄物排放量及排放密度披露如下：



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

## 1. ENVIRONMENTAL (continued)

### 1.2 Use of resources

#### 1.2.1 Energy saving

Energy used by the Group mainly comprises cleaned coal, anthracite, soft coal and coke used in production, as well as gasoline and diesel used by vehicles. Besides, the Group provided heating for residents of Jinxi County in winter.

In compliance with laws and regulations such as the “Law of the People’s Republic of China on Conserving Energy”, the Group established management systems including the “Regulations on Enhancing Management of Energy Use”, the “Procedures for Control of Energy Evaluation”, the “Procedures for Control of Energy Operation” and the “Regulations on Enhancing Management of Energy Measurement”, to implement, control and manage the use of all kinds of energy. It sought to save energy through regular energy statistics and analysis, and increased the efficiency of energy use by constant optimisation of production equipment and energy saving transformation.

The Group included energy-saving management in the scope of management appraisal, directly linking the performance with the objectives. It monitored through the economic indicators, consumption indicators, etc. to improve the production and reduce consumption.

## 1. 環境(續)

### 1.2 資源使用

#### 1.2.1 節約能源

本集團使用的能源主要包括生產所用的精煤、無煙煤、煙煤、焦炭以及車輛使用的汽油和柴油等。此外，本集團在採暖季為津西縣的全縣市民提供採暖季供暖。

本集團遵守《中華人民共和國節約能源法》等法律法規，建立了《關於加強能源使用管理的規定》、《能源評審控制程序》、《能源運行控制程序》和《關於加強能源計量管理的規定》等管理制度，實施、控制和管理各類能源的使用，定期開展能源統計分析以尋找節能機會及不斷優化各生產設備，開展節能改造，提高能源利用效率。

本集團將節能管理納入管理考核範圍，將主管績效跟節能目標直接掛鉤。通過對經濟指標、消耗指標等的監察提升生產水平及減少消耗。





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

## 1. ENVIRONMENTAL (continued)

## 1. 環境(續)

### 1.2 Use of resources (continued)

### 1.2 資源使用(續)

#### 1.2.1 Energy saving (continued)

#### 1.2.1 節約能源(續)

### Topic: Whole-process technical energy saving and energy management optimisation

#### 專題：全工序技術節能與能源管理優化

Keeping up with cutting-edge technology for energy saving and consumption reducing in iron and steel industry, the Group stuck to the path of continuous improvement which combines whole-process technical energy saving with energy management optimisation. The adoption of quite a few advanced technologies such as waste heat recovery, coal gas recovery as well as systemic energy conservation and optimisation, has effectively cut down energy consumption.

本集團密切追蹤鋼鐵行業節能降耗的尖端技術，堅持全工序技術節能與能源管理優化相結合的持續改善路徑，採用了一大批餘熱回收利用、煤氣回收利用、系統性節能優化先進技術，有效降低了能源消耗。

Process 工序	Key energy saving technology 關鍵節能技術
Sintering process 燒結工序	Recovery of waste heat of sintering fuel gas 燒結煙氣餘熱回收
	Power generation by recovery of waste heat of sintering fuel gas 燒結煙氣餘熱回收發電
	Provision of urban area heating by waste heat of sintering fuel gas 燒結煙氣餘熱城區供暖
	Mini-pellet sintering and deep-bed sintering 小球燒結和厚料層技術
	Low-temperature sintering 低溫燒結技術
Ironmaking process 煉鐵工序	Blast furnace gas recovery 高爐煤氣回收
	Blast furnace gas recovery and power generation 高爐煤氣回收發電
	Top pressure recovery turbine (TRT) 爐頂餘壓發電 (TRT)
	Recovery of waste heat of hot air stove 熱風爐燒爐餘熱回收
	Heat exchange by slag water to provide urban area heating 渣水換熱城區供暖
	Dual-regenerative hot air stove 熱風爐雙蓄熱技術
	Variable frequency regulation technology 變頻調節技術
	Oxygen-enriched coal spray technology 富氧噴煤技術



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

## 1. ENVIRONMENTAL (continued)

### 1.2 Use of resources (continued)

#### 1.2.1 Energy saving (continued)

## 1. 環境(續)

### 1.2 資源使用(續)

#### 1.2.1 節約能源(續)

Process 工序	Key energy saving technology 關鍵節能技術
Steelmaking process 煉鋼工序	Converter gas recovery 轉爐煤氣回收
	Converter gas recovery and power generation 轉爐煤氣回收發電
	Recovery of steam from converter vaporization cooling 轉爐汽化冷卻蒸汽回收
	Power generation by recovery of steam from converter vaporization cooling 轉爐汽化冷卻蒸汽回收發電
	Regenerative baking 蓄熱式烤包技術
Steel rolling process 軋鋼工序	Power generation by recovery of waste heat of heating furnace 加熱爐餘熱回收發電
	Regenerative heating furnace 蓄熱式加熱爐
	Hot-charging and hot-transportation 熱裝熱送技術
Energy management 能源管理	Energy management & control centre 能源管控中心
	Balance of power usage during peak, valley and flat periods 峰谷平用電平衡
	Energy-saving pump application 節能型水泵應用
	Oxygen enrichment before blower 機前富氧技術
	Variable frequency regulation technology 變頻調節技術
	TRT performance optimisation technology TRT 性能優化技術



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

## 1. ENVIRONMENTAL (continued)

### 1.2 Use of resources (continued)

#### 1.2.1 Energy saving (continued)

During the reporting period, energy consumption in total and intensity of the Group are as below:

## 1. 環境(續)

### 1.2 資源使用(續)

#### 1.2.1 節約能源(續)

於報告期內，本集團總能源消耗量及消耗密度披露如下：

Energy 能源	Consumption 消耗量	Unit 單位	Power consumption (GWh) 耗能量(GWh)
Diesel 柴油	5	10 <sup>3</sup> tons 千噸	62
Gasoline 汽油	250	tons 噸	3
Cleaned coal 精煤	322	10 <sup>3</sup> tons 千噸	2,354
Anthracite 無煙煤	787	10 <sup>3</sup> tons 千噸	4,440
Soft coal 煙煤	525	10 <sup>3</sup> tons 千噸	2,857
Coke 焦炭	3,968	10 <sup>3</sup> tons 千噸	31,351
Purchased electricity 外購電力	2,144	GWh	2,144
Energy consumption in total 總能耗量			43,210,437 MWh
Energy consumption intensity 能耗密度			4.5 MWh/ton of steel 4.5 MWh/噸鋼



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

## 1. ENVIRONMENTAL (continued)

### 1.2 Use of resources (continued)

#### 1.2.2 Water saving

In compliance with laws regulations such as the “Water Law of the People’s Republic of China”, the Group formulated the “Provisions and Assessment Measures for Water Management”, and strengthened management of water control devices including water supply pipe and valve, faucet, bath and water tank, to prevent overflow and water running for a long time. With reasonable use of primary water and secondary water in strict compliance with production water standards, it effectively reduced water consumption.

During the reporting period, total water consumption by the Group is 18,937,789 tons, with an intensity of 1.985 tons/ton of steel.

## 1. 環境(續)

### 1.2 資源使用(續)

#### 1.2.2 節約用水

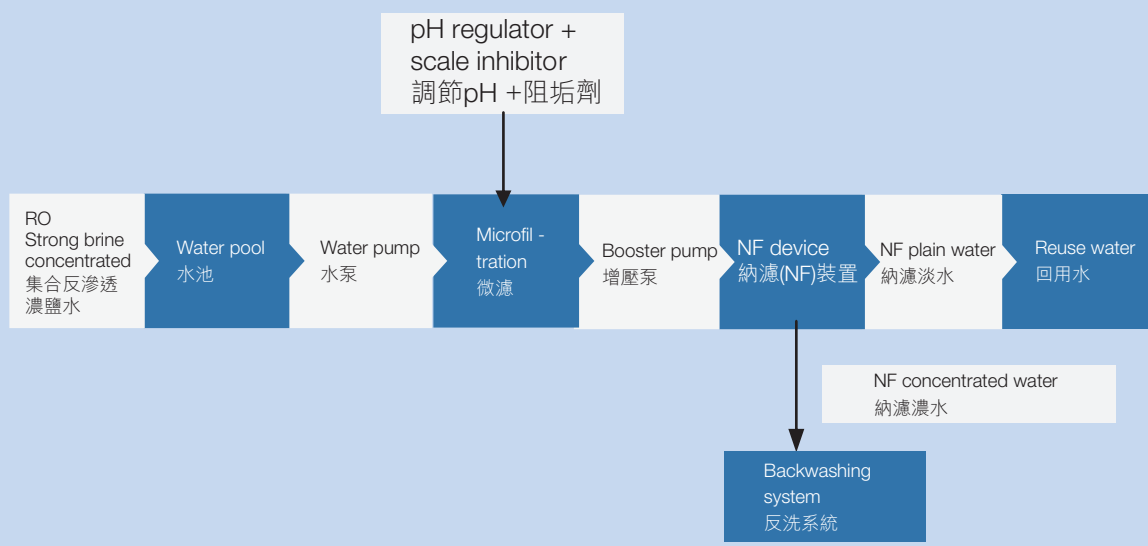
本集團遵守《中華人民共和國水法》等法律法規，制定了《用水管理規定及考核辦法》，加強對供水管路和閥門、水龍頭以及浴池、水箱等用水控制裝置的管理，防止溢流和長流水現象；嚴格按生產用水標準合理使用一及二次水，有效減少水資源的消耗。

於報告期內，本集團總用水量為18,937,789噸，用水密度為1.985噸／噸鋼。

### Case: Treatment and reuse system for reverse osmosis (“RO”) strong brine of Jinxi Limited

#### 案例：津西鋼鐵反滲透 (“RO”) 濃鹽水回用處理系統

In 2017, Jinxi Limited completed the treatment and reuse system for reverse osmosis strong brine with a capacity of 150m<sup>3</sup>/h, which uses nanofiltration (“NF”) device to re-treat the strong brine after reverse osmosis treatment at sewage treatment station, and then imports the plain water treated to water-consuming system or other water-consuming units for reuse, significantly reducing the consumption of fresh water. The process used is as follows:  
於二零一七年，津西鋼鐵完成了150m<sup>3</sup>/h的反滲透濃鹽水回用處理系統工程，使用(納濾)裝置(「NF」)將污水處理站反滲透處理後的濃鹽水再次處理，再將處理後的淡水導入至回用水系統或其他用水單元再利用，從而大量減少了對新鮮用水的消耗。該項目所用工藝如下：





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

## 1. ENVIRONMENTAL (continued)

### 1.2 Use of resources (continued)

#### 1.2.2 Water saving (continued)

## 1. 環境(續)

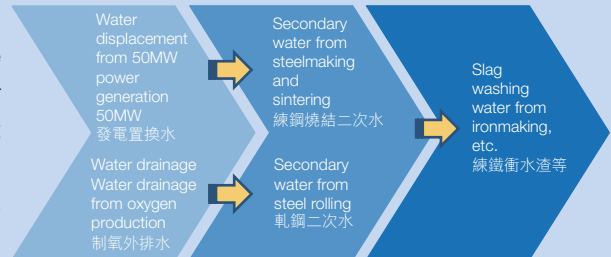
### 1.2 資源使用(續)

#### 1.2.2 節約用水(續)

### Case: 3-level water usage transformation of Jinxi Special Steel

#### 案例：津西特鋼三級用水改造

In 2017, to optimise water usage management, Jinxi Special Steel completed 3-level water usage transformation, covering transformation of existing water pipeline, proper control of fresh water replenishment based on indicators and hierarchical management of water usage by various organisations, which has decreased fresh water consumption per ton of steel.



於二零一七年，為優化用水管理，津西特鋼完成了三級用水改造項目，包括對現有用水管道進行改造、按指標合理控制新水補水量、對各單位用水進行分級管理等，從而減少了噸鋼耗新水用量。

#### 1.2.3 Packaging materials

The Group's products mainly are steel products such as section steel, strips, billet, rebar and sheet piling, which use relatively small amount of packaging materials during sales, primarily includes packing strap used by Jinxi Limited to sell products.

During the reporting period, the Group used 4,820 tons of packing strap in total.

### 1.3 Environment and natural resources

The Group has been focusing on the potential impact of production activities on the environment and natural resources. It has been carrying out research and development on its product upgrades, accelerating the pace of product structure adjustment and optimising the production processes, so as to further raise the level of energy saving and environmental protection.

#### 1.2.3 包裝材料

本集團的產品主要包括型鋼、帶鋼、鋼坯、螺紋鋼及鋼板樁等鋼鐵類產品，出售產品時所使用的包裝材料較少，主要包括津西鋼鐵出售產品時所使用的打包帶。

於報告期內，本集團共使用打包帶4,820噸。

### 1.3 環境及天然資源

本集團一直關注生產活動對環境及自然資源帶來的潛在影響，透過對產品升級進行研發、不斷加快產品結構調整步伐及優化生產環節以持續提升節能環保水平。





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

## 1. ENVIRONMENTAL (continued)

### 1.3 Environment and natural resources (continued)

#### 1.3.1 Noise control

On top of the aforesaid generated emissions and use of resources, the Group actively reduced other impact on the environment, including the noises during the production operation. In order to strengthen the control and reduce the impact brought by noises, and to meet the requirements of the “Emission Standard for Ambient Noise” and the “Emission Standard for Noise at Boundary of Industrial Enterprises”, the Group has taken various measures to strictly control ambient noise level at boundary. The specific measures include:



Blow-off silencer for converter drum of Jinxi Special Steel  
津西特鋼轉爐汽包放散消間器

- To set up factories for all types of large facilities and workshops;
- To install noise reduction facilities for production facilities and devices with loud noises, such as oxygen production module and electricity generation module, etc.;
- To install sound-proof doors for electricity generation modules, hot air stove blowers, and oxygen production workshops which generate relatively loud noises, etc.;
- To install shock reduction and shock insulation equipment for blowers and water pumps, etc. which generate relatively loud noises;
- To use totally closed settings for the transfer of raw materials using closed transfer corridor and feeder, etc.;
- To add sound-proof shield for saw machine;
- To hire professional environmental inspection company to carry out on-site noise detection.

## 1. 環境(續)

### 1.3 環境及天然資源(續)

#### 1.3.1 噪聲控制

除上述產生的排放物及資源使用外，本集團積極減低其他對環境的影響，包括生產運行時的噪聲。為加強控制及減少噪聲帶來的影響，達到《環境噪聲排放標準》和《工業企業廠界環境噪聲排放標準》等相關標準的要求，本集團採取各項措施嚴格控制廠界環境噪聲水平，具體措施包括：

- 為各類大型設備車間建設廠房；
- 對噪聲大的生產設備裝置如制氧機組和發電機組等設置消聲設施；
- 對各發電機組、熱風爐鼓風機及制氧車間等產生噪音較大的車間設置了隔聲門；
- 為產生噪音較大的風機、水泵等安裝減振隔振設施；
- 將原料輸送所用的封閉輸送廊道及落料等環節設置為全封閉；
- 增設鋸機隔音罩；
- 通過聘請專業環境檢測公司對噪音進行現場檢測。



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

## 1. ENVIRONMENTAL *(continued)*

### 1.3 Environment and natural resources *(continued)*

#### 1.3.2 Resolving overcapacity

In 2016, the Chinese government issued the “Opinion of the State Council on solving the overcapacity and overcoming difficulties and achieving development for the iron and steel industry”, the “Adjustment and upgrade plan for the iron and steel industry (2016-2020)”, the “Notice of the State Council on the publication of the “Thirteen Five-year Plan” energy saving and emission reduction integrated working proposal” and other documents. The Group actively cooperated with the resolving of overcapacity. On 27 June 2017, in accordance to the negotiation results with the Government of Tangshan City, Zhengda Iron and Steel, an indirectly non-wholly owned subsidiary of the Group, completed the shutdown of the remaining production facilities, representing respectively 0.6 million tons of the ironmaking and steelmaking production capacities (the “Final Shut Down”).

## 2. SOCIAL

### 2.1 Employment

#### 2.1.1 Recruitment and termination

The Group attracted talents under the principles of fairness and objectiveness, using internet recruitment, campus recruitment, recruitment in the labour market and specialist recruitment firms, etc.

The Group strictly abided by the relevant labour laws and regulations such as the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China” and the “Regulations on Work-related Injury Insurance”. It entered into, updated and terminated labour contracts with formal employees in accordance with laws and regulations, which specify contractual rights and obligations, as well as the conditions and procedures for terminating labour contracts.

## 1. 環境(續)

### 1.3 環境及天然資源(續)

#### 1.3.2 化解過剩產能

於二零一六年，中國政府下達了《國務院關於鋼鐵行業化解過剩產能實現脫困發展的意見》、《鋼鐵工業調整升級規劃(2016-2020年)》、《國務院關於印發「十三五」節能減排綜合工作方案的通知》及其他文件。本集團積極配合化解過剩產能，於二零一七年六月二十七日，本集團的間接非全資子公司正達鋼鐵已按與唐山市政府協商的結果，已完成關停餘下的生產設備，即煉鐵及煉鋼各約60萬噸的產能(「最終關停」)。

## 2. 社會

### 2.1 僱傭

#### 2.1.1 招聘及解聘

本集團本著公平客觀、擇優錄取的原則，採用網絡招聘、校園招聘、人才市場招聘及獵頭公司等多種招聘方式吸納人才。

本集團嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《工傷保險條例》等相關勞動法律法規，依法訂立、更新及終止勞動合約與正式員工簽訂勞動合同，規定了合同的權利與義務，以及解除勞動合同的條件及程序。



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

### 2. SOCIAL (continued)

#### 2.1 Employment (continued)

##### 2.1.2 Remuneration and benefits

The Group established a remuneration system which reflects the value and contribution of individuals, and formulated management systems such as the “Interim Measures for Remuneration Management”, which state that employee remuneration is composed of basic salary, annual allowance, performance bonus and company prizes, so as to give full play to the initiative and creativity of employees.

The Group paid all kinds of social insurances (including medical insurance scheme, pension scheme, unemployment insurance scheme, maternity insurance scheme, etc.) in a full and timely manner, in accordance with the national requirements. Since July 2008, the Group introduced the work injury insurance and has been paying 1.5% of the wages paid to the staff to the social insurance department.

##### 2.1.3 Position and promotion

While strictly following the “Labour Law of the People’s Republic of China”, the Group developed basic framework for system, classification, name and level of positions and established a sound position system, providing a clear promotion path for employees.

### 2. 社會 (續)

#### 2.1 僱傭 (續)

##### 2.1.2 薪酬福利

本集團建立了體現個人價值和貢獻的薪酬體系，制定了《薪酬管理暫行辦法》等管理制度，規定了員工薪酬包括基本工資、年度補貼、績效獎金和單位獎勵，從而充分發揮員工的積極性和創造性。

本集團依照國家規定，按時足額為員工繳納各項社會保險費（包含醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃等）。自二零零八年七月起，本集團推行工傷保險並按員工發放工資的1.5%上繳社保部門。

##### 2.1.3 崗位與晉升

本集團嚴格遵守《中華人民共和國勞動法》，制定了崗位職系、崗位等別、崗位名稱和崗位職級等基本架構，建立了完善的崗位體系，為員工晉升提供明確的晉升路徑。



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

## 2. SOCIAL (continued)

### 2.1 Employment (continued)

#### 2.1.3 Position and promotion (continued)

## 2. 社會(續)

### 2.1 僱傭(續)

#### 2.1.3 崗位與晉升(續)

Topic: Ranking system 專題：崗位體系		
Classification of position 崗位職系	Level of position	崗位等別
Production management 生產管理職系	Level A of production management	生產管理A職等
	Level B of production management	生產管理B職等
	Level C of production management	生產管理C職等
Operation 崗位操作職系	Core technical post	核心技術崗位職等
	Foreman	班長職等
	Key technical post	重點技術崗位職等
	Ordinary technical post	普通技術崗位職等
	Ordinary operation post	普通操作崗位職等
	Simple operation post	簡單操作崗位職等
Administration 行政科員職系	Production service level	生產服務職等
	Administrative level	行政管理職等
	Logistical support level	後勤保障職等



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

## 2. SOCIAL (continued)

### 2.1 Employment (continued)

#### 2.1.3 Position and promotion (continued)

With increasingly strengthened performance appraisal and improved selection through competition, the Group enhanced the human resources management principle of selecting the superior and eliminating the inferior as well as preparing for both promotion and demotion, and established the incentive and assessment mechanism which linked the performance of employees with their remuneration, using performance evaluation to optimise human resources policy. In the event of any vacancy of cadre post or engineer, the Group, according to the regulations of the “Administrative Measures for Cadres below Middle Level (Provisional)” and the “Administrative Measures for Professional and Technical Talents (Provisional)”, had leadership team of cadre administration and management team of professional and technical talents to organise open competition respectively based on actual demands, offering a equal, fair and open competition platform for qualified staff.

#### 2.1.4 Working hours and holidays

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

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

## 2. 社會(續)

### 2.1 僱傭(續)

#### 2.1.3 崗位與晉升(續)

本集團不斷加大績效考評力度，完善競聘選拔工作，強化優勝劣汰、能上能下的人力資源管理原則，建立員工業績及薪酬掛鈎的市場化激勵考核機制，以績效評估優化人力資源政策。在幹部崗位和工程師出現空缺時，本集團按照《中層以下幹部管理辦法(試行)》和《專業技術人才管理辦法(試行)》等管理制度的規定，分別由幹部管理工作領導小組和專業技術人才管理小組基於實際需求組織公開競聘，為符合條件的員工提供公平、公正及公開的競爭平台。



Open competition for business executives of procurement department of Jinxi Limited  
津西鋼鐵採購部業務主管公開競聘會

#### 2.1.4 工作時間及假期

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

本集團員工享有依照國家法律規定的公休假日，以及當地法律法規規定的其他假期。





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

## 2. SOCIAL (continued)

### 2.1 Employment (continued)

#### 2.1.5 Equality and anti-discrimination

The Group provided equal, fair and reasonable employment opportunities for employees. The recruitment, wages, benefits and promotion depended on the work capabilities of the employees concerned. It treated all the employees equally, regardless their genders, ages, races, bloodlines, colors, nationalities, political status, religious beliefs, marital status, number of children, disabilities or not or any other factors not related to the work. If a discriminatory behaviour was found, the Group would investigate the nature of the problem, and would take disciplinary action to the person(s) with such discriminatory behaviour.

#### 2.1.6 Staff care

The Group organised a series of recreational and sports activities and provided assistance and support for employees in straitened circumstances, to give great impetus to corporate cultural construction, enrich staff's spare life and further enhance cohesion.

## 2. 社會(續)

### 2.1 僱傭(續)

#### 2.1.5 平等與反歧視

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

#### 2.1.6 員工關愛

本集團組織了一系列文體活動，為困難員工提供幫助和支持，從而大力推進企業文化建設，豐富員工公餘生活，進一步提升凝聚力。

### Topic: Staff activities

#### 專題：員工活動



Patriotism education to celebrate the Army Day (August 1)  
迎「八一」愛國主義教育活動



Granting relief fund to staff troubled with critical serious illness or extreme poverty, to address their difficulties in life  
發放特大病特困救助金，解決員工生活困難

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

## 2. SOCIAL (continued)

### 2.1 Employment (continued)

#### 2.1.6 Staff care (continued)

## 2. 社會(續)

### 2.1 僱傭(續)

#### 2.1.6 員工關愛(續)

### Topic: Staff activities

專題：員工活動



"Innovation Cup" basketball match to celebrate the National Day  
迎國慶「創新盃」籃球賽



Youth Day (May 4) event, which saw more than 40 young participants from 14 Youth League branches  
「五•四」青年節活動，共有14個團支部40餘名團員青年參加



Female staff mountain-climbing competition to celebrate the International Women's Day (March 8)  
「慶三八」女員工登山比賽



20-21 April, table tennis match to celebrate the International Labour Day (May 1)  
四月二十日至二十一日「五一」國際勞動節乒乓球賽



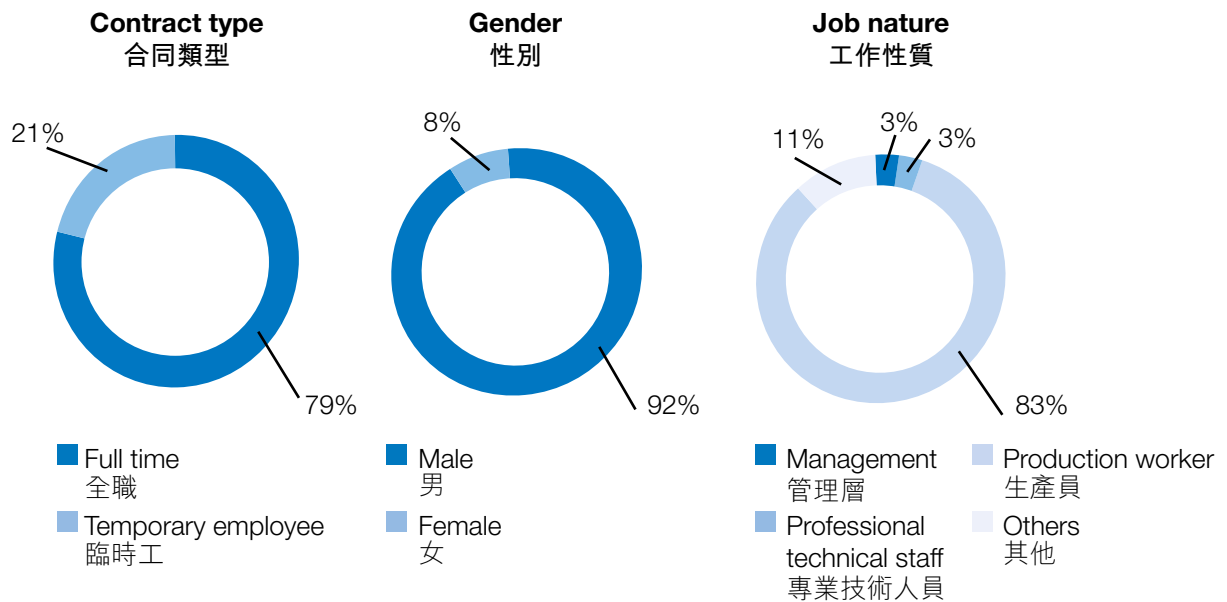
# Environmental, Social and Governance Report 環境、社會及管治報告

## 2. SOCIAL (continued)

### 2.1 Employment (continued)

#### 2.1.7 Staff situation

The ratios of employees in 2017 by contract type, gender and job nature are as follows:



## 2. 社會(續)

### 2.1 僱傭(續)

#### 2.1.7 員工概況

於二零一七年，本集團按合同類別、性別及工作性質劃分的員工比例如下：

## 2.2 Health and safety

Upholding the people-oriented policy of safe production featured by “safety first, prevention as priority and comprehensive governance”, the Group followed laws and regulations such as the “Labour Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Safe Production” and the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases”, and strictly performed corporate responsibilities for safe production, providing a safe and healthy working environment for employees.



## 2.2 健康與安全

本集團堅持「安全第一、預防為主、綜合治理」的以人為本的安全生產方針，執行《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》等法律法規，嚴格落實企業安全生產責任，為員工提供安全健康的工作環境。



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

## 2. SOCIAL (continued)

### 2.2 Health and safety (continued)

#### 2.2.1 Safe production

In compliance with the “Law of the People’s Republic of China on Safe Production”, the “Interim Regulations on Investigation and Control of Hidden Peril of Production Accident” (State Administration of Work Safety, Order 16) and the relating local laws and regulations, the Group established and improved the responsibility system for safe production, management system for safe production and safe operation rules. With a series of rules and regulations formulated, including the “Responsibility System for Safe Production”, the “General Rules for Assessment on Implementation of Safe Production Responsibilities”, the “Management System for Emergency Plan of Safety Incidents” and the “Management System for Education and Training on Safe Production”, the Group has established a sound safety management system. In addition, it actively strengthened management and control on investigation of safety hazards, regularly conducted safety training for staff, carried out surprise inspection, identified sources of danger by levels and conducted periodic investigations, so as to realise pre-identification, pre-control and proper management of vulnerabilities. Moreover, subsidiaries of the Group proactively enhanced standardisation of safe production, for instance, Jinxi Limited has obtained a series of certificates for safe production standardisation, including metallurgical coal gas, ironmaking, oxygen production, and sintering and pelletizing, etc..

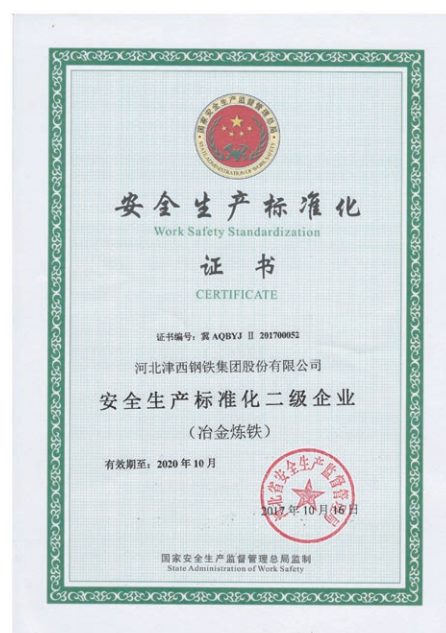
Work safety standardisation certificate of Jinxi Limited (metallurgical ironmaking)  
津西鋼鐵安全生產標準化證書(冶金煉鐵)

## 2. 社會(續)

### 2.2 健康與安全(續)

#### 2.2.1 安全生產

本集團根據《中華人民共和國安全生產法》、《安全生產事故隱患排查治理暫行規定》(安監總局第16號令)以及相關地當地律法規的要求，制定並完善了安全生產責任制、安全生產管理制度及安全操作規程等管理制度，制定了包括《安全生產責任制度》、《關於落實安全生產主體責任的考核通則》、《安全事故應急預案管理制度》和《安全生產教育培訓管理制度》在內的一系列規章制度，建立了完善的安全管理體系，加大對安全隱患的排查管理及控制，定期開展員工安全培訓，不定期開展突擊檢查，分等級識別危險源並定期排查，以實現對不安全因素的預知預控和妥善管理。此外，本集團各子公司積極加強安全生產標準化建設，如津西鋼鐵獲得了包括冶金煤氣、冶金煉鐵、制氧及燒結球團等一系列安全生產標準化證書。







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

## 2. SOCIAL (continued)

### 2.2 Health and safety (continued)

#### 2.2.2 Occupational health

In compliance with the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases” and relevant laws and regulations, the Group formulated a series of management systems of occupational health and safety including the “Responsibility System for Prevention and Control of Occupational Hazards”, the “Warning and Notification System for Occupational Hazards” and the “Management System for Routine Monitoring and Evaluation of Occupational Hazards”, passed the occupational health and safety management system certification, carried out prevention, control and elimination of occupational hazards, to protect employee’s safety and health.

## 2. 社會(續)

### 2.2 健康與安全(續)

#### 2.2.2 職業健康

本集團遵守《中華人民共和國職業病防治法》及相關法律法規，制定了《職業病危害防治責任制度》、《職業病危害警示與告知制度》、《職業病危害日常監測及評價管理制度》等一系列關於職業健康及安全的管理制度，通過了職業健康安全管理体系認證，開展了預防、控制和消除職業病危害的工作，防止職業病，保護員工健康安全。

## Occupational health management

### 職業健康管理

#### Management policy

##### 管理制度

- Occupational health management system  
職業健康管理制度
- Rules for operations involving dust, noise, coal gas, high temperature, assay and radiation  
粉塵、噪音、煤氣、高溫、化驗及放射類操作規程

#### Emergency management

##### 应急管理

- To develop emergency plan and “Fire-fighting Management system”, to conduct accident case education and emergency rescue drill on a regular basis  
制定應急預案、《消防管理制度》等制度，定期進行事故案例教育和應急救援演練

#### Personnel protection equipment (“PPE”)

##### 勞保用品

- To implement the “Regulations on Enhancing Management of PPE” and provide earplugs  
執行《關於加強勞保用品管理的有關規定》及提供耳塞
- To guide staff to properly wear and use occupational health protection product  
指導員工佩戴合適和使用職業衛生防護用品

#### Training and promotion

##### 培訓宣導

- To develop safety training system and plan  
制定安全培訓制度和計劃
- To establish safety training and appraisal mechanism  
建立安全培訓和考核機制
- To publicise laws and regulations, operation rules and knowledge about occupational disease prevention and control, via pre-shift meeting, bulletin board and training, and etc.  
利用班前會、公告板、培訓學習等形式宣傳法律法規、操作規程、職業病防治知識

#### Occupational hazard detection

##### 職業危害檢測

- To organise occupational hazard detection regularly, so as to identify and control occupational hazard factors in workplace  
定期組織職業危害檢測，以識別和控制工作場所職業病危害因素

#### Occupational health monitoring

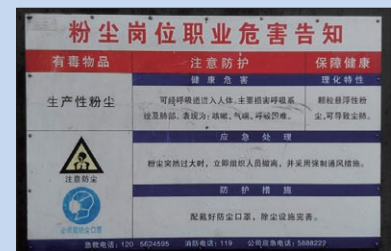
##### 職業健康監護

- To establish occupational health archive for staff  
為每一個員工建立職業健康檔案
- To organise occupational health examination annually for posts exposed to dust, noise and high temperature  
每年組織粉塵、噪音及高溫崗位職業衛生體檢

#### Hazard warning

##### 危害警示

- To standardise warning and notification of occupational hazards  
對職業病危害警示與告知進行規範
- To identify warning signs periodically  
定期進行警示標識識別





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

## 2. SOCIAL (continued)

### 2.2 Health and safety (continued)

#### 2.2.2 Occupational health (continued)

## 2. 社會(續)

### 2.2 健康與安全(續)

#### 2.2.2 職業健康(續)

#### Topic: Efforts on health and safety

#### 專題：健康與安全工作

In 2017, subsidiaries of the Group actively implemented various measures for safe production as well as occupational health, which achieved good results. These measures mainly include:

於二零一七年，本集團各子公司積極落實安全生產和職業健康的各項措施，並取得了良好成效，主要包括：

#### Jinxi Limited:

#### 津西鋼鐵：

- It made solid progress in special rectification of safe production, and supervised all factories to conduct self-inspection and self-correction according to the "Checklist of Metallurgical Enterprises", in which more than 850 issues were identified and corrected;

紮實推進安全生產專項整治工作，督導各工廠根據《冶金企業對照檢查表》開展自查自改工作，共自查自改各類問題850餘項；

- While conducting daily management and control on major sources of danger, it properly investigated and eliminated potential safety hazards in 2017, with 137 potential hazards found out for coal gas system, 57 for high-temperature molten liquid, 29 for explosive dust system, 257 for crane lifting and rigging system, 491 for safe use of electricity, 88 for pressure vessel system, 38 for belt system and 20 for safety interlock device, 131 personnel violations and 1,401 other potential hazards, all of which have been remedied.

做好重大危險源點的日常管控，妥善排查各項安全隱患，於二零一七年累計查出煤氣系統隱患137項，高溫熔融液體隱患57項、粉塵涉爆系統隱患29項，起重吊索具系統隱患257項、安全用電隱患491項、壓力容器系統隱患88項、皮帶系統隱患38項、安全聯鎖裝置隱患20項，人員違規隱患131人次及其他隱患1,401項，這些問題均已落實整改。

- It carried out various activities during the 15th promotion week of the "Law on Prevention and Control of Occupational Diseases" from 25 April to 1 May, to publicise the theme of "Healthy China, occupational health to lead the way";

四月二十五日至五月一日，在第15屆《職業病防治法》宣傳周期間開展各類活動，宣傳「健康中國，職業健康先行」主題；

- It organised various staff safety trainings and fire emergency drills.

組織多項員工安全培訓和火災應急演練。



Safe production training of Jinxi Limited  
津西鋼鐵安全生產培訓



Emergency drill for furnace-front fire in physical and chemical measuring workshop of Jinxi Limited  
津西鋼鐵理化計量車間爐前火災應急演練



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

## 2. SOCIAL (continued)

### 2.2 Health and safety (continued)

#### 2.2.2 Occupational health (continued)

## 2. 社會(續)

### 2.2 健康與安全(續)

#### 2.2.2 職業健康(續)

#### Topic: Efforts on health and safety (continued)

#### 專題：健康與安全工作(續)

#### Jinxi Special Steel:

#### 津西特鋼：

- It formulated the “Prevention and Control Plan of Occupational Diseases and Implementation Scheme in 2017” and the “Occupational Health Monitoring Plan in 2017”; 制定了《2017年職業病防治計劃和實施方案》和《2017年職業健康監護工作計劃》；
- It organised annual occupational health examination for 1,302 employees exposed to occupational disease hazards in June; 六月份組織了1,302名職業病危害崗位職工進行年度職業健康體檢；
- From 28 to 30 June, it invited qualified occupational hazard detection company to conduct on-site detection for 64 posts involving high temperature, dust, noise and coal gas and issued inspection report; 六月二十八日至三十日，邀請合資格的職業危害檢測公司對涉及到的高溫、粉塵、噪音、煤氣等64個崗位進行了現場檢測，並出具了檢測報告；
- It organised emergency drills for fire, flood and coal gas accident, and safe production training, to improve staff's responsiveness, emergency response skills and safety knowledge. 組織各項火災、防汛、煤氣事故應急演練和安全生產培訓，加強員工反應能力、應急技能及安全知識。



Emergency drill for gas poisoning of Jinxi Special Steel  
津西特鋼煤氣中毒事故演練



Flood drill of Jinxi Special Steel  
津西特鋼防汛演練



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

### 2. SOCIAL (continued)

#### 2.3 Development and training

With focus on personal and professional development of staff, the Group developed management systems such as the “Administrative Measures for Staff Training”. All subsidiaries have established three-level training management system composed of training management committee, training organisation committee and training work group, set up training centre and established full-time and part-time teaching team dominated by engineers, technicians and senior technicians, so as to practically improve overall quality of staff members.

The Group adopted a variety of training modes. It provided training on management knowledge for cadres at all levels via systematic training, expert lecture and web-based instruction. Training on technical expertise was conducted in a way that combines theory with practice, to give full play to the role of engineers. There were rich and varied staff training activities such as centralised training, on-the-job training, on-site teaching, case-based teaching, daily question, anti-accident drill, “master-prentice mentoring”, “one helps one” and training via WeChat platform. The Group develops annual staff training plan at the beginning of each year and requires all subsidiaries to actively conduct training activities according to such plan.

### 2. 社會(續)

#### 2.3 發展與培訓

本集團注重員工的個人及專業發展，制定了《員工培訓工作管理辦法》等管理制度，各子公司成立了由培訓工作管理委員會、培訓工作組織委員會和培訓工作小組構成的三級培訓管理體系，設立培訓中心，建立以工程師、技師及高級技師為主體的全、兼職教師隊伍，著實提高員工隊伍的整體素質。

本集團開展多種多樣的培訓模式，通過系統培訓、專家講座及網絡教學等形式為各級幹部提供管理知識培訓；採用理論與實踐相結合的方式進行專業技術培訓，充分發揮各級工程師的作用，通過集中培訓、在職培訓、現場教學、案例教學、每日一題、反事故演練、「師帶徒」、「一幫一」及微信平台等形式開展豐富多彩的員工培訓。本集團每年年初制定年度員工培訓計劃，並要求各子公司按照培訓計劃積極開展培訓活動。



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

### 2. SOCIAL (continued)

#### 2.3 Development and training (continued)

### 2. 社會(續)

#### 2.3 發展與培訓(續)

#### Topic: Innovative training of Jinxi Limited

#### 專題：津西鋼鐵創新培訓

In 2017, Jinxi Limited continued to deepen innovation of training modes including “Stepping out, Bringing in, Settling down”, to implement the training goals and strive to improve working quality of cadres and employees. It conducted 498 training sessions in the whole year, with more than 60,000 trainees.

於二零一七年，津西鋼鐵持續深化培訓模式創新，以「走出去，請進來，沉下去」等多種培訓方式，全面落實培訓目標，努力提升幹部員工的工作質素。全年累計舉辦各類培訓498期，培訓幹部員工60,000餘人次。

- Stepping out: it assigned outstanding cadres and employees to institutions of higher learning, scientific research institutes, etc. for further study, enabling them to expand horizons, change ideas, learn from advanced experience and improve working capability;

走出去：借助高等院校、科研院所等教育培訓資源，選派優秀幹部員工外出深造學習，使他們開闊視野、轉變觀念、學習借鑒先進經驗，著實改善工作能力；



- Bringing in: it invited well-known experts and professors to give instructions on vulnerabilities during production and operation by way of special lecture, seminar, etc., to strongly promote training on technical expertise;

請進來：通過邀請知名專家、教授，運用專題講座、學習研討等形式，針對員工在生產操作中遇到的薄弱環節進行授課，強力推進專業技術培訓；



- Settling down: for internal training, it stuck to the principle of putting theory into practice and adopted multiple training modes, to make employees “immerse in” practising, with the aim to lay a solid foundation, increase capability, enhance training on management knowledge and technical expertise for cadres and employees and improve quality and profession of all members, so as to cultivate a professional and skilled talent team.

沉下去：在內部培訓上，堅持學用統一原則，採取多種培訓模式，使員工「沉下去」鍛煉，夯實基礎，提升能力，強化幹部員工管理知識和專業技術培訓，改善全員質素和專業水平，培養專業型和技能型人才隊伍。

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

## 2. SOCIAL (continued)

## 2. 社會(續)

### 2.3 Development and training (continued)

### 2.3 發展與培訓(續)

#### Case: Occupational skill appraisal examination

#### 案例：職業技能鑒定考試

From 25 to 26 August, according to the national regulations on occupational training, skills appraisal and social examinations, the standards for occupational skills appraisal and the “Administrative Measures for Professional Technicians” formulated in-house, Jinxi Limited organised occupational skill examinations for 10 jobs including



fine ore sintering worker, shaft kiln pellet roasting worker, blast furnace ironmaking operator, converter steelmaker, continuous casting

worker, roller, maintenance electrician, mechanical maintenance fitter, welder and hoisting machinery operator (craneman), in Jinxi training base and Qianxi vocational and technical education centre, with total participants of 463.

八月二十五日至二十六日，津西鋼鐵根據國家職業培訓、技能鑒定社會化考評工作要求、職業技能鑒定標準及津西鋼鐵制定的《專業技術人員管理辦法》等法律法規和相關制度，在

津西培訓基地、遷西縣職業技術教育中心組織了包括粉礦燒結工、豎窯球團焙燒工、高爐煉鐵操作工、轉爐煉鋼工、連鑄工、軋鋼工、維修電工、機修鉗工、焊工、起重機械操作工(天車工)的10個工種職業技能鑒定考試，共有463名幹部員工參加。





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

## 2. SOCIAL (continued)

### 2.3 Development and training (continued)

#### Case: Leadership training for senior executives

##### 案例：高管領導力培訓

From 17 to 18 June, the Group held special training on leadership for senior executives in Ji County, Tianjin. This training, themed at “Unifying Objective, Leading Transformation”, was guided by experts. Well-known experts from McKinsey gave lectures to the participating Senior executives, with focus on core points about transformation and organisational health, enabling participating trainees to have deeper understanding of transformation, organisational health and leadership.

六月十七日至十八日，本集團在天津薊縣舉辦了集團高管領導力專題培訓。此次培訓以「統一目標，引領變革」為主題，由麥肯錫知名專家對參訓高管授課，採取專家引領的培訓方式，重點圍繞關於變革和組織健康的核心觀點，使參訓人員在變革、組織健康、領導力等方面有了更深層次的理解和認識。



### 2.4 Labour standards

The Group abided by the “Labour Law of the People’s Republic of China” and the “Labour Contract Law of the People’s Republic of China”, which prohibited the recruitment of child labour and forced labour. The “Administrative Regulations on Standardising Labour Employment System (Revised)” of Jinxi Limited stipulated that, newly recruited employees must be at least 18 years old, seasonal workers for common jobs must be at least 18 years old, and seasonal workers for technical jobs must be at least 22 years old.

In 2017, the Group employed no child labour or forced labour.

## 2. 社會(續)

### 2.3 發展與培訓(續)

### 2.4 勞工準則

本集團依照《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等法律法規，杜絕聘用童工或強制勞工。津西鋼鐵的《關於規範勞動用工制度的管理規定(修訂)》規定，新錄用的員工必須年滿18歲，普通工種季節工必須年滿18歲，技術工種季節工必須年滿22歲。

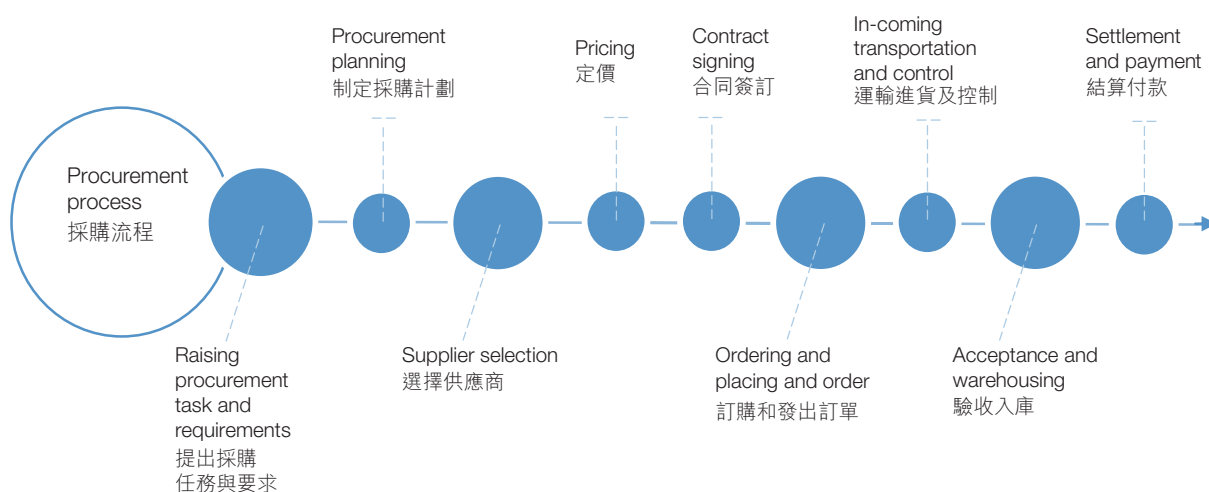
於二零一七年內，本集團不存在使用童工或強制勞工的現象。

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

## 2. SOCIAL (continued)

### 2.5 Supply chain management

The Group cooperated with suppliers which strived for higher and higher quality, indicated environmental protection endeavors and stuck to business ethics, and also expected its suppliers to pay attention to the environment and social responsibilities. In compliance with the “Bidding and Tendering Law of the People’s Republic of China” and the “Regulations on the Implementation of the Bidding and Tendering Law of the People’s Republic of China”, the Group set up management policies including the “Regulations on Standardising Procurement Process”, to have strict control over internal procurement process:



The Group formulated the “Supplier Management Policy” to continuously improve its supplier management system and enhance its quality supervision of suppliers. It requested suppliers to provide certificates of quality, environment and safety systems when reviewing suppliers’ access conditions, conducted regular assessment of suppliers and prepared electronic files of suppliers.

The Group formulated the “Administrative Measures for Procedure by Online Invitation of Tender” and set up an online bidding platform for sourcing and purchasing, to carry out online procurement and bidding activities in line with the principle of publicity, fairness, equality, integrity and honesty.

## 2. 社會 (續)

### 2.5 供應鏈管理

本集團與精益求精、環保、具商業道德的供貨商合作，並期望供貨商注重環境及社會責任。本集團遵守國家《招標投標法》、《招標投標法實施條例》等法律法規，制定了《關於對規範採購工作流程標準的規定》等管理制度，嚴格控制內部採購流程：

本集團制定了《供貨商管理制度》等制度，不斷提升供貨商管理水平及加強供貨商質量監察力度，在審核供貨商准入條件時，要求供貨商提供質量、環境、安全等體系的認證證書，並對供貨商進行定期評估，建立供貨商電子檔案。

本集團制定了《網上招標採購管理辦法》，建立了網上招標採購平台，遵循公開、公平、公正和誠實信用的原則，開展網上物資採購和招標活動。



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

## 2. SOCIAL (continued)

### 2.5 Supply chain management (continued)

The Group developed the “Administrative Measures for Registration System of Suppliers on Blacklist” to promote the establishment of supplier credit rating system, to punish defaulting or dishonest suppliers. It signed contract with a supplier together with the “Integrity Agreement”, which prohibits dishonest behaviour of the supplier in its transactions with the Group.

### 2.6 Product responsibility

#### 2.6.1 Product quality

With a great emphasis on control of product quality, the Group’s subsidiaries have set up quality management system meeting requirements of ISO 9001:2008 and measurement management system meeting requirements of ISO 10022:2003 respectively, which have obtained third-party certification. With multiple international certifications including KS certification (South Korea) and KAN certification (Indonesia), the Group’s product quality have been widely recognised internationally. Through constantly deepening quality standardisation, the Group was awarded “Outstanding Organisation for Standardisation Innovation in Tangshan City” in November 2017.



## 2. 社會(續)

### 2.5 供應鏈管理(續)

本集團制定了《供應商黑名單登記制度管理規定》，推進供應商信用評價體系建設，懲戒違約失信的供應商；在與供應商簽訂合同的同時，與供應商同時簽訂《誠信協議》，要求供應商在與本集團的業務往來過程中，禁止出現不誠信的行為。

### 2.6 產品責任

#### 2.6.1 產品質量

本集團非常注重產品質量，各子公司分別建立了符合 ISO 9001: 2008 要求的質量管理體系，以及符合 ISO 10022: 2003 要求的測量管理體系，並獲得了第三方認證；本集團的各項產品獲得了包括南韓KS認證和印度尼西亞KAN認證在內的多項國際產品認證，產品質量獲得國際普遍認可。本集團不斷深化質量標準化建設，於二零一七年十一月被授予「唐山市標準化創新突出單位」的稱號。



KS certificate for H-section steel  
H型鋼KS認證證書



SNI certificate for H-section steel  
H型鋼SNI認證證書



Quality management system certificate  
質量管理體系證書



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

### 2. SOCIAL (continued)

#### 2.6 Product responsibility (continued)

##### 2.6.1 Product quality (continued)

The Group prepared quality manual, developed relating quality inspection system and control procedures such as the “Procedures for Monitoring and Measurement Control of Products”, and the Group took many measures for all processes according to a series of internal control standards on raw materials, semi-finished products and finished products, to verify quality characteristic values of products for compliance with regulations, so as to ensure product quality in the whole production procedure.

The Group continued to strengthen entire staff’s emphasis on quality of work of production process, and encouraged them to discover and address problems, to realise continuous improvement of product quality. With the Group’s establishment of “Regulations on Implementing Special Rewards for Continuous Quality Improvement of Steel Products”, it awarded those cadres and employees who have contributed to improvement of product quality or elimination of potential quality hazards.

### 2. 社會(續)

#### 2.6 產品責任(續)

##### 2.6.1 產品質量(續)

本集團編製了質量手冊，制定了《產品的監視和測量控制程序》等相關質量檢驗制度和控制程序，並根據本集團內部關於原材料、半製成品和成品的一系列內控標準，在各工序上採取多種措施，驗證產品各類質量特性值是否符合規定，保證各個生產環節的產品質量。

本集團不斷提高全體員工對生產工序工作質量的重視程度，鼓勵發現並解決問題，實現對產品質量的持續改進，本集團制定了《關於實施鋼後產品質量持續改進專項獎勵的規定》等管理制度，對提升產品質量或消除潛在質量隱患做出貢獻的幹部員工進行獎勵。



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

## 2. SOCIAL (continued)

### 2.6 Product responsibility (continued)

#### 2.6.1 Product quality (continued)

## 2. 社會(續)

### 2.6 產品責任(續)

#### 2.6.1 產品質量(續)

#### Topic: Quality control for processes

#### 專題：各工序質量控制

##### Sintering process

燒結工序

- To ensure sinter component approaches set value, and keep stable moisture of mixture;  
保證燒結礦成分趨近於設定值及保持混合料水分的穩定；
- To enhance quality tracking of fuel and flux, and intensify particle size to ensure stability of components and production;  
加強對燃料和熔劑質量的跟蹤及粒度的強化，確保成分及生產的穩定；
- To evaluate on an irregular basis, stability of dispensing equipment, granulation effect of granulator and operating condition of ventilation system, as well as air leakage of sintering machine, condition of single-roll breaker and circular cooler;  
不定期評估配料設備的穩定性、制粒機制粒效果、抽風系統的運行狀態以及燒結機漏風、單輥破碎和環冷等設備的情況；
- To stabilise parameters before furnace with reference to operation procedures.  
參照作業文件，穩定控制爐前參數。

##### Ironmaking process

煉鐵工序

- To strengthen blast furnace operation and tapping, and reduce fluctuation of furnace condition;  
加強高爐操作和出鐵組織，減少爐況波動；
- To focus on sinter quality, coke feeding management and changes of pulverized coal composition, to remove adverse factors affecting the blast furnace;  
關注燒結礦質量、焦炭上料管理及煤粉配比變化，以消除影響高爐不利因素；
- To focus on inspection of the site in front of blast furnace and usage of equipment, correctness of reports, water spraying of furnace feed and quality of molten iron;  
重點檢查高爐爐前現場及設備的使用，各類報表的準確性，入爐料打水和鐵水質量；
- To enhance process investigation.  
強化工藝排查。





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

## 2. SOCIAL (continued)

### 2.6 Product responsibility (continued)

#### 2.6.1 Product quality (continued)

## 2. 社會(續)

### 2.6 產品責任(續)

#### 2.6.1 產品質量(續)

Topic: Quality control for processes 專題：各工序質量控制	
<b>Steelmaking and steel rolling processes</b> 煉鋼和軋鋼工序	<ul style="list-style-type: none"> <li>To monitor and measure the quality of raw fuel such as sinter, pellet and coke as well as blast furnace molten iron, through sampling analysis; 通過取樣分析，監視和測量燒結礦、球團礦、焦炭等原燃料及高爐鐵水的質量；</li> <li>To check overall dimensions and surface quality of billet, and conduct performance tests; 檢查鋼坯外形尺寸和表面質量，進行各項性能試驗；</li> <li>To inspect the rolled finished steel strip according to the “Operation Procedures for Inspection of Steel Strip”; 按照《鋼帶檢驗操作規程》檢驗卷好的成品鋼帶；</li> <li>Factory 1 of H-section steel to control and monitor the production process according to the “Administrative Measures for Quality Control of H-section Steel”. H型鋼一廠依據《H型鋼質量控制管理辦法》對生產過程進行控制和監測。</li> </ul>



Various technical indexes ranked first nationwide  
 多項技術指標名列全國第一

According to the rankings of major technical indexes of key large and medium-sized steel companies provided by China Iron and Steel Industry Association, in August 2017, Jinxi Limited and Jinxi Special Steel had 40 and 16 technical indicators which ranked top 10 in China respectively, 14 and 7 of which ranked the first, respectively, for production process and products.

根據中鋼協統計的全國重點大中型鋼鐵企業主要技術指標排序數據顯示，按照生產工藝及產品分類排序，於二零一七年八月份，津西鋼鐵及津西特鋼分別累計有40項及16項技術指標進入全國行業前十位，其中分別有14項及7項名列第一。



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

## 2. SOCIAL (continued)

### 2.6 Product responsibility (continued)

#### 2.6.2 Formulation and revision of standards

The Group highly values the standardisation of work and regards standards as a key to improve enterprise's core competitiveness. Since 2007, the Group has been actively participating in and undertaking the formulation and revision of national (industrial) and local standards, to transform its enterprise standards with proprietary intellectual property rights into local, industrial or national standards. In May 2017, GB/T 11263-2017 "Hot rolled H and certain T Section Steel" for which the Group participated in revision was officially issued; in August, GB/T33814-2017 "Welding H-section Steel" for which the Group participated in drafting was officially issued. During the process of promoting formulation and revision of standards, the Group was constantly increasing equipment standard, improving product quality, enhancing product brand image and raising service standard, making its products reach international advanced level.

**Accumulatively participated in drafting 44 national (industrial) and provincial standards, in some of which it took a leading role**  
**累計參與起草並部分主導國家(行業)及省級標準 44項**

#### 2.6.3 Product innovation

Devoted to "building world-class section steel production base", the Group encouraged original innovation, in a market-oriented way to demonstrate its characteristics. In 2017, the Group was granted 9 practical new model patents, including "A mill scale purging device for cogging and rough rolling of blank for section steel" and "A purging device for straightening roll sheet during straightening of section steel" etc., which fully embodied the Group's technical innovation capabilities and its pursuit of higher quality.

## 2. 社會(續)

### 2.6 產品責任(續)

#### 2.6.2 標準制修

本集團高度重視標準化工作，視標準為提升企業核心競爭力的關鍵。自二零零七年起，本集團就積極參與和承擔國家(行業)標準、地方標準制定和修訂工作，將具有自主知識產權的企業標準轉化成地方標準、行業標準或國家標準。於二零一七年五月，本集團參與起草修訂的GB/T 11263-2017《熱軋H型鋼和部分T型鋼》正式發佈；八月，本集團參與起草的GB/T33814-2017《焊接H型鋼》正式發佈。在推進標準制定和修訂過程中，本集團不斷提高裝備水平、提升產品質量、提高產品品牌形象、提高服務標準，使本集團的產品達到了國際化先進水平。

#### 2.6.3 產品創新

本集團致力於「打造世界一流的型鋼生產基地」，鼓勵原始創新，以市場為導向，做出特色。於二零一七年，本集團共獲9項實用新型專利，包括：《一種型鋼開坯粗軋坯料氧化鐵皮吹掃裝置》和《一種型鋼矯直過程中的矯直軋片吹掃裝置》等，充分體現了本集團的技術創新能力和對更高質量的追求。





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

### 2. SOCIAL (continued)

#### 2.6 Product responsibility (continued)

##### 2.6.4 Customer relationship

The Group has established the “Administrative Measures for Monitoring Customer Satisfaction of Sales Company”, the “Administrative Measures for Customer Relationship of Sales Company” and the “Administrative Measures for Handling Objections about Product Quality”, to standardise customer relationship management, handling of complaints about product quality and monitoring of customer satisfaction, so as to improve service quality, and improve brand reputation, popularity and loyalty.

In strict compliance with the “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests”, the Group highly emphasised on protection of consumers’ information and privacy, keeping the private information of customers strictly confidential.

##### 2.6.5 Advertising and trademark management

The Group designed and published advertisement in line with the principle of authenticity, simplicity, sociality and innovation, to rigorously observe the “Advertising Law of the People’s Republic of China” and the “Price Law of the People’s Republic of China” as well as the regulations on prohibited use of extreme words and sensitive words. It also formulated the “Administrative Regulations on Advertising Management System Design”, to manage advertisement in a centralised way.

In accordance with the “Trademark Law of the People’s Republic of China” and its detailed rules, the Group established standardised trademark management system, to ensure proper use of trademark and ensure the exclusive right to use trademark.

### 2. 社會 (續)

#### 2.6 產品責任 (續)

##### 2.6.4 客戶關係

本集團建立了《銷售公司顧客滿意程度監測管理辦法》、《銷售公司客戶關係管理辦法》及《關於處理產品質量異議的管理辦法》等管理制度，規範客戶關係管理、產品質量異議處理及顧客滿意監測工作，從而提高服務質量，提升品牌的美譽度、知名度和忠誠度。

本集團高度重視消費者資料和隱私保障，嚴格遵守《中華人民共和國消費者權益保護法》，客戶隱私信息一律不外泄。

##### 2.6.5 廣告和商標管理

本集團在廣告設計和發佈時，按照真實性、簡明性、社會性及創新性的原則，使其符合《中華人民共和國廣告法》、《中華人民共和國價格法》等法律法規及其對極限用詞、敏感詞的禁用規定，並制定了《廣告管理制度設計的管理規定》，對廣告進行統一管理。

本集團按照《中華人民共和國商標法》及其實施條例，建立了規範的商標管理制度，保證商標的正確使用，保護商標專用權。



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

## 2. SOCIAL (continued)

### 2.7 Anti-corruption

While strictly following the “Company Law of the People’s Republic of China”, the “Bidding and Tendering of the People’s Republic of China”, the “Law of the People’s Republic of China against Unfair Competition” and the “Interim Provisions on Banning Commercial Bribery”, the Group set up a supervision committee and built a three-level supervision and monitoring network. It developed and improved the “Certain Regulation on Honest and Clean Conduct of Senior Executives”, the “Suggestions on Implementing Integrity Assessment of Middle-level Cadres (Including Assistant)” and the “Regulations on Punishment of Cadres and Employees Violating Rules and Disciplines” as well as supporting supervision system covering one post with dual duties, inspection tour, admonishment meeting and accountability. It also provided sound and smooth reporting channels, and strengthened anti-corruption and self-discipline education and training of cadres and employees. In addition, through regular and ad hoc inspections, business approval at all levels and publicity of anti-corruption, the Group enhanced punishment of internal violations of rules and disciplines, to create an upright and clean corporate development environment.

In 2017, the Group did not have any corruption or bribery case.

### 2.8 Community investment

The Group has been actively engaged in social welfare and charity causes by caring vulnerable groups, advocating a healthy lifestyle and sponsoring recreational and sports activities, contributing to the well-being of society. The Group formulated the “System for Public Benefit Activities”, carried out social welfare activities in an orderly manner, and managed the public benefit foundation set up by it.

## 2. 社會(續)

### 2.7 反貪污

本集團嚴格遵守《中華人民共和國公司法》、《中華人民共和國招標投標法》、《中華人民共和國反不正當競爭法》和《關於禁止商業賄賂行為的暫行規定》等法律法規，成立監事委員會，組建三級監事監察網絡，制定完善了《關於高管人員廉潔從業的若干規定》、《關於對中層幹部(含助理級)廉潔考核的實施意見》、《關於違規違紀幹部員工的處分規定》以及廉潔一崗雙責、巡視、約談、問責等配套監察制度，健全暢通舉報渠道，強化幹部員工廉潔自律教育和培訓，並通過定期及不定期檢查、業務層層審批、反腐倡廉宣導，加大對違法違規內部人員的懲戒力度，營造風清氣正的企業發展環境。

於二零一七年，本集團沒有發生貪污或賄賂等案件。

### 2.8 社區投資

本集團積極投身社會公益和慈善事業，關愛弱勢群體，倡導健康生活，贊助文體活動，力求為社會帶來福祉。本集團制定了《公益活動制度》，有序開展社會公益活動，並對本集團設立的公益基金進行管理。

## 2. SOCIAL (continued)

## 2. 社會(續)

### 2.8 Community investment (continued)

### 2.8 社區投資(續)



### Serious disease relief 大病救助

The Group helped 106 persons in 2017 with relief fund of RMB 278,000 granted to those suffered with serious disease or extreme poverty, including 21 family members of staff, to whom relief fund of RMB 32,000 was granted.

於二零一七年，本集團共救助106人，發放特病大病特困救助款人民幣278,000元。其中救助員工家屬21人，發放救助款人民幣32,000元。



### Voluntary service 志願服務

On the morning of 20 May 2017, the event of “Ten thousands of volunteers together in voluntary service in two cities” was officially launched at the square of Qianxi Chestnut Museum. More than 70 volunteers from the Group participated in the launching ceremony and voluntary service.

二零一七年五月二十日上午，在遷西板栗博物館廣場，全縣「萬名志願者雙城同創志願服務活動」正式啟動。本集團70餘名志願者參加了啟動儀式暨志願服務活動。



### Caring for the elderly 關愛老人

On 15 June 2017, Jinxi love and volunteer service team visited home for the elderly.

二零一七年六月十五日津西愛心志願服務隊探訪敬老院老人。







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

## 2. SOCIAL (continued)

## 2. 社會(續)

### 2.8 Community investment (continued)

### 2.8 社區投資(續)



### Helping and supporting bridge construction 幫扶建橋

On 19 December 2017, the Group donated RMB 50,000 to support bridge construction in Gaowopu Village, Luanping County.

於二零一七年十二月十九日，本集團為灤平縣高窩鋪村幫扶建橋捐款人民幣5萬元。



### Blood donation 義務獻血

The Group organises staff blood donation every year.

每年本集團組織員工義務獻血。



### Visiting troubled teachers 慰問困難教師

The Group offered financial aid worth of RMB 20,000 to 20 troubled teachers on Teacher's Day.

本集團在教師節為20名困難教師發放慰問金人民幣20,000元。



## Directors' Report 董事局報告

The Board presents their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2017.

### INCORPORATION AND LISTING OF THE COMPANY

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

### PRINCIPAL ACTIVITIES

For the year ended 31 December 2017, the Company's principal activities are investment holding and trading of steel products and iron ore. The principal activities of the Group are manufacture and sales of iron and steel products, trading of steel products and iron ore and real estate business.

### SEGMENT INFORMATION

Approximately 90% of the Group's consolidated sales and contribution to results are derived from the PRC and mainly from the production and sales of iron and steel products and real estate business for the year ended 31 December 2017 and are set out in Note 5 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The Group's consolidated statement of profit or loss for the year ended 31 December 2017 and its consolidated balance sheet as at that date are set out in the financial statements on pages 133 to 136. The balance sheet of the Company as at 31 December 2017 is set out in Note 45 to the consolidated the financial statements.

At a Board meeting held on 28 March 2018, The Board proposed a final dividend of HK\$ 818.9 million (approximately RMB 655.3 million), representing HK\$ 0.22 per ordinary share and a special dividend of HK\$ 409.5 million (approximately RMB 327.7 million), representing HK\$ 0.11 per ordinary share in respect of the year ended 31 December 2017 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 12 June 2018. The final dividend and special dividend, payable on or around Friday, 29 June 2018 are subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Company (the "AGM") to be held on Friday, 1 June 2018.

董事局謹此提呈其年報及本集團截至二零一七年十二月三十一日止年度的經審核合併財務報表。

### 本公司之註冊成立和上市

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

### 主要業務

截至二零一七年十二月三十一日止年度，本公司的主要業務為投資控股及鋼鐵產品及鐵礦石貿易。本集團的主要業務為製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。

### 分部資料

截至二零一七年十二月三十一日止年度，本集團的合併銷售額及業績貢獻有約90%源自中國，且主要來自製造及銷售鋼鐵產品及房地產業務，並載於合併財務報表附註5。

### 業績及股息

本集團截至二零一七年十二月三十一日止年度的合併損益表及其於該日的合併資產負債表載於第133至第136頁的財務報表。本公司於二零一七年十二月三十一日的資產負債表載於合併財務報表的附註45。

於二零一八年三月二十八日舉行的董事局會議上，就有關截至二零一七年十二月三十一日止年度，董事局建議向在二零一八年六月十二日(星期二)辦公時間結束時名列於本公司股東名冊上之本公司股東派發末期股息8.189億港元(約人民幣6.553億元)(即每股普通股0.22港元)及特別股息4.095億港元(約人民幣3.277億元)(即每股普通股0.11港元)。末期股息及特別股息須待將於二零一八年六月一日(星期五)舉行應屆的本公司之股東週年大會(「股東週年大會」)上獲股東批准後方可作實，並將於二零一八年六月二十九日(星期五)或前後支付。



## Directors' Report 董事局報告

### BUSINESS REVIEW

A review of the business of the Group during the year, an analysis of the Group's performance during the year using financial key performance indicators, a discussion on the Group's future business development and description of possible risks and uncertainties that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis on pages 8 to 12 and pages 13 to 33 of this annual report respectively. The financial risk management objectives and policies of the Group can be found in note 3 to the consolidated financial statements. In addition, discussions on the Group's environment, society and governance, relationship with employees, customers and suppliers and compliance with laws and regulations which have a significant impact on the Group are contained on pages 123 to 124 of the Directors' Report of this annual report.

### CLOSURE OF REGISTER OF MEMBERS

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

The register of members of the Company will be closed from Tuesday, 29 May 2018 to Friday, 1 June 2018 (both days inclusive), during which period no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 28 May 2018.

### 業務審視

有關本集團年內業務的審視、以財務關鍵表現指標分析本集團年內表現的集團財務摘要、對集團未來業務發展的論述及有關本集團可能面對的風險及不明朗因素的描述均載於本年報第8頁至第12頁的主席報告及第13頁至第33頁的管理層討論及分析。本集團財務風險管理的目標及政策刊載於綜合財務報表附註3。此外，本集團的環境、社會及管治、與僱員、客戶及供應商之關係及對本集團有重大影響的法律及規例之遵守，刊載於本年報第123頁至第124頁的董事局報告中。

### 暫停辦理股份過戶登記

- (a) 釐定有權出席應屆股東週年大會及投票

本公司將由二零一八年五月二十九日(星期二)至二零一八年六月一日(星期五)止期間(首尾兩天包括在內)暫停辦理股份過戶登記手續，以釐定有權出席應屆股東週年大會及於會上投票之股東身份。為確保符合資格出席應屆的股東週年大會並於會上投票，所有股份過戶文件連同有關股票須於二零一八年五月二十八日(星期一)下午四時三十分前，送達本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)辦理股份過戶登記手續。



## Directors' Report 董事局報告

### CLOSURE OF REGISTER OF MEMBERS (continued)

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

The register of members of the Company will be closed from Friday, 8 June 2018 to Tuesday, 12 June 2018 (both days inclusive), during which period no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement for the proposed final dividend and special dividend. The record date for the proposed final dividend and special dividend shall be Tuesday, 12 June 2018. In order to qualify for the proposed final dividend and special dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 7 June 2018.

### SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated financial results and assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out on page 300.

### PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

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

### SHARE CAPITAL

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

### RESERVES

Details of the movements in the reserves of the Group during the year are set out in Consolidated Statement of Changes in Equity and Note 23 to the consolidated financial statements.

### 暫停辦理股份過戶登記(續)

- (b) 釐定有權享有末期股息及特別股息

本公司將由二零一八年六月八日(星期五)至二零一八年六月十二日(星期二)止期間(首尾兩天包括在內)暫停辦理股份過戶登記手續,以釐定有權享有建議的末期股息及特別股息之股東身份。享有建議的末期股息及特別股息之記錄日期為二零一八年六月十二日(星期二)。為確保有權收取建議的末期股息及特別股息,所有股份過戶文件連同有關股票須於二零一八年六月七日(星期四)下午四時三十分前,送達本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)辦理股份過戶登記手續。

### 財務資料概要

本集團截至前五個財政年度的合併財務業績及資產、負債與非控制性權益概要載於第300頁。

### 物業、廠房及設備以及投資物業

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

### 股本

本公司已發行股本於年內的變動詳情載於合併財務報表附註22。

### 儲備

本集團於年內的儲備變動詳情載於合併權益變動表及合併財務報表附註23。



## Directors' Report 董事局報告

### DISTRIBUTABLE RESERVES

At 31 December 2017, the Company's retained earnings amounted to RMB 56 million (2016: accumulated losses of RMB 604 million) and the Company has total distributable reserves amounted to RMB 462 million (2016: no distributable reserve). The Company will utilise the subsidiaries' retained earnings to distribute the proposed final dividend and special dividend (subject to the approval of the shareholders at the forthcoming AGM).

At 31 December 2017, the Group's retained earnings amounted to RMB 8,983 million (2016: RMB 5,049 million).

### PRE-EMPTIVE RIGHTS

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

### MAJOR CUSTOMERS AND SUPPLIERS

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

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

None of the Directors nor any of their close associates (as defined in the Listing Rules) nor any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the number of issued Shares) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

### 可分派儲備

於二零一七年十二月三十一日，本公司的留存收益為人民幣5,600萬元(二零一六年：累計虧損人民幣6.04億元)及本公司可分派儲備為人民幣4.62億元(二零一六年：無可分派儲備)。本公司將利用附屬公司之留存收益以分派建議的末期股息及特別股息(需待應屆股東週年大會上獲股東批准後方可作實)。

於二零一七年十二月三十一日，本集團的留存收益為人民幣89.83億元(二零一六年：人民幣50.49億元)。

### 優先認購權

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

### 主要客戶及供應商

本集團年內五大客戶所佔銷售額佔本集團的本年度合併總銷售額少於30%。

本集團年內五大供應商所佔採購額佔本集團的本年度合併採購總額少於30%。

年內，董事或彼等的任何緊密聯繫人(「如上市規則所列」)或任何股東(就董事所深知擁有已發行股份數目5%以上)概無於本集團五大客戶及/或五大供應商中擁有任何實益權益。





## Directors' Report 董事局報告

### DIRECTORS

The Directors during the year ended 31 December 2017 and up to the date of this report were as follows:

#### Executive Directors

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

#### Non-executive Director

Mr. Ondra Otradovec

#### Independent Non-executive Directors

Mr. Wong Man Chung, Francis  
Mr. Wang Tianyi  
Mr. Wang Bing

In accordance to the Bye-laws 87 of the Company and the Code Provision A.4.2 of the CG Code, Mr. Han Jingyuan, Mr. Zhu Hao and Mr. Ondra Otradovec will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Directors' fee specified in each of the existing service contracts of Mr. Han Jingyuan, Mr. Zhu Hao and Mr. Ondra Otradovec is HK\$600,000, HK\$400,000 and HK\$400,000 respectively. The basis of determining the Directors' fee was based on the mutual negotiation between level of the Directors with reference to the range of prevailing directors' fee for directors of listed companies in Hong Kong. Other than Mr. Han Jingyuan is the father of Mr. Han Li, the Executive Director, Deputy General Manager and Chief Financial Officer of the Company and Mr. Ondra Otradovec is the Global Head of Mergeres & Acquisitions at ArcelorMittal (a substantial shareholder of the Company), Mr. Zhu Hao does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

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

### 董事

於截至二零一七年十二月三十一日止年度內及直至本報告日期止的董事如下：

#### 執行董事

韓敬遠先生  
朱軍先生  
沈曉玲先生  
朱浩先生  
韓力先生

#### 非執行董事

Ondra Otradovec 先生

#### 獨立非執行董事

黃文宗先生  
王天義先生  
王冰先生

根據本公司的章程細則第87條及企業管治守則第A.4.2條守則條文，韓敬遠先生、朱浩先生及Ondra Otradovec先生將於應屆股東週年大會上輪席退任，彼等並符合資格和願意於應屆股東週年大會上重選。

韓敬遠先生、朱浩先生及Ondra Otradovec先生各自的現有服務合約的董事袍金分別為60萬港元、40萬港元及40萬港元。董事袍金的基準乃按與各董事共同磋商並且參考香港上市公司董事目前之董事袍金水平而釐定。除了韓敬遠先生為本公司的執行董事、副總經理兼首席財務官韓力先生的父親，以及Ondra Otradovec先生為ArcelorMittal(本公司的主要股東)的收購與合併部之環球主管，朱浩先生概無與本公司其他董事、高級管理人員、主要股東或控股股東有任何關係。

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



## Directors' Report 董事局報告

### DIRECTORS' INTERESTS IN CONTRACTS

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

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL INFORMATION

Biographical details of the Directors and senior management of the Company are set out on pages 34 to 39 in this annual report.

### DIRECTORS' SERVICE CONTRACTS

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

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

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

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, the interests of Directors in businesses which might compete with the Group for the year ended 31 December 2017 and as at 31 December 2017 were as follows:

### 董事的合約權益

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

### 董事及高級管理人員的履歷

本公司董事及高級管理人員的履歷詳情載於本年報第34至39頁。

### 董事的服務合約

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

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

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

### 董事於競爭業務上之權益

根據上市規則第8.10條，董事在截至二零一七年十二月三十一日止年度及於二零一七年十二月三十一日當天擁有與集團之業務可能構成競爭之業務權益如下：



## Directors' Report 董事局報告

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

(continued)

Mr. Han Jingyuan, Chairman and Chief Executive Officer of the Company, is a sole director and sole beneficial shareholder of King Mark International Limited and Avatar Integrated Systems, Inc. (both companies were incorporated during 2017), which engaged in provision of physical design software tools for the semiconductor chip design industry in United States, Japan and Taiwan. It is an upstream business of the Group's subsidiary, Dongfang Jingyuan.

As the Board is independent of the boards of the abovementioned entities and none of the above directors of the abovementioned entities can control the Board, the Group is therefore capable of carrying on its businesses independently of, and at arm's length from the businesses of these entities.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

### PERMITTED INDEMNITY

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

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2017, the interest and short positions of the Directors, chief executives and their associates of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules and adopted by the Company were as follows:

### 董事於競爭業務上之權益(續)

本公司主席及首席執行官韓敬遠先生為萬至國際有限公司及Avatar Integrated Systems, Inc. (兩間公司均於二零一七年成立)之唯一董事及唯一實益股東，其於美國、日本及台灣從事為半導體晶片設計行業提供物理設計軟件工具，為本集團之附屬公司東方晶源之上游業務。

由於董事局乃獨立於上述實體的董事局，且上述董事概無對董事局擁有控制權，故本集團能獨立於該等實體的業務及按公平基準經營其業務。

除上述披露外，除本集團業務以外，並無任何董事在與本集團直接或間接構成或可能構成競爭的業務中持有任何權益。

### 獲准許之彌償條文

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

### 董事於證券的權益及淡倉

於二零一七年十二月三十一日，各董事、本公司主要行政人員及其聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例「證券及期貨條例」第XV部)的股份、相關股份或債券中擁有(i)根據證券及期貨條例第XV部的第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例彼等被當作或視為擁有之權益或淡倉)；或(ii)根據證券及期貨條例第352條須列入該條所指登記冊內；或(iii)根據本公司已採納的上市規則附錄十所載的標準守則知會本公司及聯交所的權益及淡倉載列如下：



## Directors' Report 董事局報告

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

### 董事於證券的權益及淡倉 (續)

Interest in the Shares and underlying Shares of the Company:

於本公司股份和相關股份的權益：

	Interests in Shares 股份權益		Interests in underlying shares pursuant to share options 根據購股權 在相關股份 的權益	Percentage of the Company's issued share capital 佔本公司 已發行股本 的百分比	Long/Short position 好/淡倉
	Corporate Interest 公司權益	Personal Interest 個人權益			
Mr. Han Jingyuan (Note 1) 韓敬遠先生(備註1)	1,253,188,849	-	-	35.50%	Long (好)
	-	2,800,000	22,500,000	0.72%	Long (好)
Mr. Zhu Jun 朱軍先生	-	2,400,000	7,800,000	0.29%	Long (好)
Mr. Shen Xiaoling 沈曉玲先生	-	2,400,000	7,800,000	0.29%	Long (好)
Mr. Zhu Hao 朱浩先生	-	-	-	-	-
Mr. Han Li 韓力先生	-	-	5,400,000	0.15%	Long (好)
Mr. Ondra Otradovec Ondra Otradovec先生	-	-	-	-	-
Mr. Wong Man Chung, Francis 黃文宗先生	-	1,800,000	4,800,000	0.19%	Long (好)
Mr. Wang Tianyi 王天義先生	-	-	2,000,000	0.06%	Long (好)
Mr. Wang Bing 王冰先生	-	-	-	-	-



## Directors' Report 董事局報告

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

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

Note:

1. At 31 December 2017, Mr. Han Jingyuan beneficially owned 63.15% of the issued share capital of Wellbeing Holdings Limited ("Wellbeing Holdings") and held 16.09% of the issued share capital of Wellbeing Holdings on trust for the benefit of certain employees of the subsidiary of the Company. Wellbeing Holdings beneficially owned 1,191,535,124 Shares, representing approximately 33.75% of the issued share capital of the Company. Mr. Han also beneficially owns 100% of the issued share capital of Chingford Holdings Limited which beneficially owned 61,653,725 Shares, representing approximately 1.75% of the issued share capital of the Company.

At 31 December 2017, Mr. Han Jingyuan beneficially owns 2,800,000 Shares, representing approximately 0.08% of the issued share capital of the Company.

Save as disclosed above and in the section of "Equity-settled Share Option Scheme" below, at 31 December 2017, none of the Directors, chief executives and their associates of the Company had any interest and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### 董事於證券的權益及淡倉(續)

於本公司股份和相關股份的權益：(續)

備註：

1. 於二零一七年十二月三十一日，韓敬遠先生實益擁有 Wellbeing Holdings Limited (「Wellbeing Holdings」) 已發行股本 63.15% 的權益，並以信託方式就本公司附屬公司若干僱員的利益持有 Wellbeing Holdings 已發行股本的 16.09% 權益。Wellbeing Holdings 實益擁有 1,191,535,124 股股份，約佔本公司已發行股本的 33.75% 權益。韓先生亦實益擁有 Chingford Holdings Limited 的全部已發行股本，而實益擁有 61,653,725 股股份，約佔本公司已發行股本的 1.75%。

於二零一七年十二月三十一日，韓敬遠先生實益擁有 2,800,000 股股份，約佔本公司已發行股本的 0.08%。

除上文和下述的「以股權結算的購股權計劃」一節所披露外，於二零一七年十二月三十一日，概無董事、本公司主要行政人員及其聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)的股份、相關股份或債券中擁有需根據證券及期貨條例第 352 條所存置的股東名冊所記錄，或根據標準守則須知會本公司及聯交所的任何權益及淡倉。





## Directors' Report 董事局報告

### EQUITY-SETTLED SHARE OPTION SCHEME

The Company adopted three share option schemes approved by the Shareholders at the annual general meeting held on 17 May 2006 ("2006 Share Option Scheme"), approved by the Shareholders at the special general meeting held on 20 December 2010 ("2010 Share Option Scheme") and approved by the Shareholders at the special general meeting held on 15 May 2013 ("2013 Share Option Scheme") respectively (collectively referred to as "Share Option Schemes") for the purpose of providing incentives and rewards to eligible participants who are regarded as valuable human resources of the Group or who have contributed to the growth and success of the Group with their performance and other factors (e.g. their years of service with the Company and/or work experience and/or knowledge in the industry etc.) to contribute further to the Company. The 2006 Share Option Scheme was expired on 16 May 2016.

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

### 以股權結算的購股權計劃

本公司已採納的三個購股權計劃分別為於二零零六年五月十七日舉行的股東週年大會上由股東批准的購股權計劃(「二零零六年購股權計劃」)、在二零一零年十二月二十日舉行的股東特別大會上由股東批准的購股權計劃(「二零一零年購股權計劃」)及在二零一三年五月十五日舉行的股東特別大會上由股東批准的購股權計劃(「二零一三年購股權計劃」)(統稱為「購股權計劃」)已向合資格參與者授予購股權，目的旨在激勵及獎勵合資格參與者，彼等被視為本集團的寶貴人力資源或以彼等之表現及其他因素對本集團的發展和成功作出貢獻(例如彼等在本公司的服務年期及／或行內的工作經驗及／或知識等)，並對本公司作出更多貢獻。二零零六年購股權計劃已於二零一六年五月十六日到期。

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



## Directors' Report 董事局報告

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

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

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

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

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

The total number of Shares available for issue under the Share Option Schemes upon exercising of all outstanding share options granted and yet to be exercised is 192,360,000 Shares, representing approximately 5.45% of the issued share capital of the Company as at 31 December 2017.

Pursuant to the 2006 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2006 Share Option Scheme are 290,500,000 Shares, representing approximately 8.23% of the issued share capital of the Company as at 31 December 2017. Eligible participants of the 2006 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid). Details of the share options outstanding under 2006 Share Option Scheme were as follows:

### 以股權結算的購股權計劃(續)

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

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

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

在各購股權計劃下，接納授予承授人的購股權須支付代價為1.00港元。

於行使所有已授出但尚未行使的所有尚未行使購股權後，根據購股權計劃，可予以發行之股份總數為192,360,000股，佔本公司於二零一七年十二月三十一日已發行股本約5.45%。

根據二零零六年購股權計劃，本公司可授出購股權，以使根據二零零六年購股權計劃授出的所有購股權獲行使時可發行的股份總數為290,500,000股股份，佔本公司於二零一七年十二月三十一日的已發行股本約8.23%。二零零六年購股權計劃的合資格參與者包括本公司全體董事(無論執行董事或非執行董事及無論是否獨立)及本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員(無論全職或兼職)(不論其基於聘用或合約或榮譽或其他性質及是否受薪)。二零零六年購股權計劃下尚未行使的購股權詳情如下：



## Directors' Report 董事局報告

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

### 以股權結算的購股權計劃(續)

	Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2017	No. of options granted during the year ended 31 December 2017	No. of options exercised/ cancelled/ lapsed during the year ended 31 December 2017	No. of options outstanding at 31 December 2017	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
	授予日	可行使期間	行使價 HK\$ 港元	每股收市價 HK\$ 港元	購股權數目	的購股權數目	的購股權數目	購股權數目	
Mr. Han Jingyuan 韓敬遠先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,900,000	-	-	2,900,000	0.08%
Mr. Zhu Jun 朱軍先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.07%
Mr. Shen Xiaoling 沈曉玲先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,600,000	-	-	2,600,000	0.07%
Mr. Zhu Hao 朱浩先生	2009/2/24	2009/2/24 to 至 2019/2/23	1.39	1.24	2,600,000	-	(2,600,000) (Note 1) (備註1)	-	-
Mr. Han Li 韓力先生	2009/12/29	2010/3/29 to 至 2019/12/28	2.84	2.77	1,600,000	-	-	1,600,000	0.05%



## Directors' Report 董事局報告

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

### 以股權結算的購股權計劃(續)

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2017	No. of options granted during the year ended 31 December 2017	No. of options exercised/ cancelled/ lapsed during the year ended 31 December 2017	No. of options outstanding at 31 December 2017	Approximate shareholding percentage of the underlying Shares for the capital of the Company
授予日	可行使期間	行使價 HK\$ 港元	緊接 授予日前的 每股收市價 HK\$ 港元	購股權數目	於 二零一七年 一月一日 未行使的 購股權數目	於截至 二零一七年 十二月 三十一日止 年度內已行使/ 註銷/失效的 購股權數目	於 二零一七年 十二月 三十一日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
Mr. Wong Man Chung, Francis 黃文宗先生	2009/2/24 to 2019/2/23	1.39	1.24	2,000,000	-	(1,800,000) (Note 1) (備註 1)	200,000	0.01%
Employees 僱員	2009/2/24 to 2019/2/23	1.39	1.24	1,200,000	-	(1,200,000) (Note 1) (備註 1)	-	-
Employees 僱員	2009/12/29 to 2019/12/28	2.84	2.77	115,050,000	-	(21,120,000) (Note 1) (備註 1)	93,930,000	2.66%
Total 合計				130,550,000	-	(26,720,000)	103,830,000	2.94%

Note 1: During the year ended 31 December 2017, 6,000,000 options were exercised and 20,720,000 options were lapsed.

備註 1: 於截至二零一七年十二月三十一日止年度內，6,000,000份購股權已行使及20,720,000份購股權已失效。



## Directors' Report 董事局報告

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

Pursuant to the 2010 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2010 Share Option Scheme are 146,486,250 Shares, representing approximately 4.15% of the issued share capital of the Company as at 31 December 2017. Eligible participants of the 2010 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) and any person considered by the Directors to have contributions to any company in the Group or any entity in which any member of the Group holds an equity interest. Details of the share options outstanding under 2010 Share Option Scheme were as follows:

### 以股權結算的購股權計劃(續)

根據二零一零年購股權計劃，本公司可發行購股權，以使根據二零一零年購股權計劃將予授出的所有購股權獲行使時可發行的股份總數為146,486,250股股份，佔本公司於二零一七年十二月三十一日的已發行股本約4.15%。二零一零年購股權計劃的合資格參與者包括本公司全體董事（無論執行董事或非執行董事及無論是否獨立）、本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員（無論全職或兼職）（不論其基於聘用或合約或榮譽或其他性質及是否受薪）及董事認為對本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體作出貢獻的任何人士。二零一零年購股權計劃下尚未行使的購股權詳情如下：

	Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2017	No. of options granted during the year ended 31 December 2017	No. of options exercised/ cancelled/ lapsed during the year ended 31 December 2017	No. of options outstanding at 31 December 2017	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
Mr. Han Jingyuan 韓敬遠先生	2011/03/28	2011/04/27 to 2021/03/27	3.08	3.08	9,800,000	-	-	9,800,000	0.28%
Mr. Han Jingyuan 韓敬遠先生	2012/03/30	2012/05/30 to 2020/12/19	2.03	2.01	9,800,000	-	-	9,800,000	0.28%





## Directors' Report 董事局報告

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

### 以股權結算的購股權計劃(續)

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2017	No. of options granted during the year ended 31 December 2017	No. of options exercised/cancelled/lapsed during the year ended 31 December 2017	No. of options outstanding at 31 December 2017	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
授予日	可行使期間	行使價 HK\$ 港元	緊接 授予日前的 每股收市價 HK\$ 港元	於二零一七年 一月一日 未行使的 購股權數目	於截至 二零一七年 十二月 三十一日止 年度內授予 的購股權數目	於截至 二零一七年 十二月 三十一日止 年度內 已行使/ 註銷/失效的 購股權數目	於二零一七年 十二月 三十一日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
Mr. Zhu Jun 朱軍先生	2010/12/24 to 2020/12/19	3.182	3.17	2,600,000	-	-	2,600,000	0.07%
	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	-	2,600,000	0.07%
Mr. Shen Xiaoling 沈曉玲先生	2010/12/24 to 2020/12/19	3.182	3.17	2,600,000	-	-	2,600,000	0.07%
	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	-	2,600,000	0.07%
Mr. Zhu Hao 朱浩先生	2010/12/24 to 2020/12/19	3.182	3.17	2,600,000	-	(2,600,000) (Note 2) (備註2)	-	-
	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	(2,600,000) (Note 2) (備註2)	-	-
Mr. Han Li 韓力先生	2010/12/24 to 2020/12/19	3.182	3.17	1,200,000	-	-	1,200,000	0.03%



# Directors' Report 董事局報告

## EQUITY-SETTLED SHARE OPTION SCHEME (continued)

## 以股權結算的購股權計劃(續)

Date of grant	Exercisable period	Exercise price	Closing price per Share immediately before the date of grant	No. of options outstanding at 1 January 2017	No. of options granted during the year ended 31 December 2017	No. of options exercised/cancelled/lapsed during the year ended 31 December 2017	No. of options outstanding at 31 December 2017	Approximate shareholding percentage of the underlying Shares for the options in the share capital of the Company
授予日	可行使期間	行使價 HK\$ 港元	緊接 授予日前的 每股收市價 HK\$ 港元	於二零一七年 一月一日 未行使的 購股權數目	於截至 二零一七年 十二月 三十一日止 年度內授予 的購股權數目	於截至 二零一七年 十二月 三十一日止 年度內 已行使/ 註銷/失效的 購股權數目	於二零一七年 十二月 三十一日 未行使的 購股權數目	購股權相關 股份佔本公司 股本的股權 概約百分比
2012/03/30	2012/03/30 to 2020/12/19	2.03	2.01	2,600,000	-	-	2,600,000	0.07%
Mr. Wong Man Chung, Francis 黃文宗先生	2010/12/24 to 2020/12/19	3.182	3.17	2,300,000	-	-	2,300,000	0.07%
2012/03/30	2012/03/30 to 2020/12/19	2.03	2.01	2,300,000	-	-	2,300,000	0.07%
Mr. Wang Tianyi 王天義先生	2012/03/30 to 2020/12/19	2.03	2.01	2,000,000	-	-	2,000,000	0.06%
Employees 僱員	2010/12/24 to 2020/12/19	3.182	3.17	17,400,000	-	(2,600,000) (Note 2) (備註2)	14,800,000	0.42%
Employees 僱員	2012/03/30 to 2020/12/19	2.03	2.01	41,120,000	-	(7,790,000) (Note 2) (備註2)	33,330,000	0.94%
Total 合計				104,120,000	-	(15,590,000)	88,530,000	2.51%



## Directors' Report 董事局報告

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

Note 2: 6,500,000 options were exercised and 9,090,000 options were lapsed during the year ended 31 December 2017.

Pursuant to the 2013 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2013 Share Option Scheme are 146,571,250 Shares, representing 4.15% of the issued share capital of the Company as at 31 December 2017. Eligible participants of the 2013 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) and any person considered by the Directors to have contributions to any company in the Group or any entity in which any member of the Group holds an equity interest. As at 31 December 2017, no options were granted under the 2013 Share Option Scheme.

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

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

### CONTRACTS OF SIGNIFICANCE

Save as disclosed above and the transactions as disclosed in Note 43 to the consolidated financial statements, no controlling shareholder or any of its subsidiaries have any contract of significance with the Company or its subsidiaries during the year.

### 以股權結算的購股權計劃(續)

備註2：於截至二零一七年十二月三十一日止年度內，6,500,000份購股權已行使及9,090,000份購股權已失效。

根據二零一三年購股權計劃，本公司可發行購股權，以使根據二零一三年購股權計劃將予授出的所有購股權獲行使時可予發行的股份總數為146,571,250股股份，相當於本公司於二零一七年十二月三十一日已發行股本的4.15%。二零一三年購股權計劃的合資格參與者包括本公司全體董事(無論執行或非執行及無論是否獨立)、本集團任何成員公司或本集團任何成員公司擁有股本權益的任何實體的任何僱員(無論全職或兼職)(不論按聘用或合約或榮譽或以其他方式及是否受薪)以及董事認為對本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體作出貢獻的任何人士。於二零一七年十二月三十一日，概無根據二零一三年購股權計劃授出購股權。

以股權結算的購股權的會計政策於合併財務報表附註2中呈列。

### 董事認購股份或債券的權利

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

### 重大合約

除上文所披露外及合併財務報表附註43所披露的交易外，控股股東或其任何附屬公司於年內並無與本公司或其附屬公司訂立任何重大合約。



## Directors' Report 董事局報告

### SUBSTANTIAL SHAREHOLDERS

At 31 December 2017, the interests or short positions of every person, other than a Director or Chief Executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比	Long/Short Position
名稱	身份及權益性質	所持股份數目		好/淡倉
ArcelorMittal (Note 1) (備註1)	Beneficial interest and interest of controlled corporation 實益權益及受控制法團權益	1,377,491,891	39.02%	Long (好)
ArcelorMittal Holdings AG ("AM Holdings AG") (「AM Holdings AG」)	Beneficial interest 實益權益	867,711,151	24.58%	Long (好)
Wellbeing Holdings	Beneficial interest 實益權益	1,191,535,124	33.75%	Long (好)

Note:

(1) At 31 December 2017, Mr. Lakshmi Niwas Mittal and Mrs. Usha Mittal beneficially own 37.38% of the issued share capital of ArcelorMittal which beneficially owns 509,780,740 Shares, representing approximately 14.44% of the Company's issued share capital. As ArcelorMittal indirectly holds the entire equity interest in AM Holdings AG, ArcelorMittal is deemed to be interested in 867,711,151 Shares held by AM Holdings AG under Part XV of the SFO, and therefore owns in aggregate 1,377,491,891 Shares, representing approximately 39.02% of the issued share capital of the Company.

Saved as disclosed above and in Directors' Interests and Short Positions in Securities sections, at 31 December 2017, no person, other than a Director or Chief Executive of the Company, had interests or short positions in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### 主要股東

於二零一七年十二月三十一日，根據本公司按照證券及期貨條例第336條所存置的股東名冊所記錄，每名人士(本公司董事或主要行政人員除外)於本公司股份及相關股份擁有的權益或淡倉如下：

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比	Long/Short Position
名稱	身份及權益性質	所持股份數目		好/淡倉
ArcelorMittal (Note 1) (備註1)	Beneficial interest and interest of controlled corporation 實益權益及受控制法團權益	1,377,491,891	39.02%	Long (好)
ArcelorMittal Holdings AG ("AM Holdings AG") (「AM Holdings AG」)	Beneficial interest 實益權益	867,711,151	24.58%	Long (好)
Wellbeing Holdings	Beneficial interest 實益權益	1,191,535,124	33.75%	Long (好)

備註：

(1) 於二零一七年十二月三十一日，Lakshmi Niwas Mittal先生和Usha Mittal太太實益擁有ArcelorMittal(實益持有509,780,740股股份，代表約佔14.44%本公司已發行股本)已發行股本37.38%。因ArcelorMittal間接擁有AM Holdings AG全部股本權益，根據證券及期貨條例第XV部，ArcelorMittal被視為在AM Holdings AG持有的867,711,151股股份擁有權益，及實益總共擁有1,377,491,891股股份，約佔本公司已發行股本約39.02%權益。

除上文及董事於證券的權益和淡倉一節所披露外，於二零一七年十二月三十一日，根據本公司按照證券及期貨條例第336條所存置的股東名冊，概無人士(本公司董事或主要行政人員除外)於本公司股份及相關股份擁有權益或淡倉。



## Directors' Report 董事局報告

### CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company had conducted a review of the related party transactions of the Group and is satisfied that all connected transactions and continuing connected transactions have been properly reported and complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements and independent shareholders' approval, if necessary, had been made and obtained by the Company in accordance with Chapter 14A of the Listing Rules and disclosed in the Note 43 to the consolidated financial statements of the Company where applicable.

#### Continuing connected transactions

On 29 January 2016, Hebei Iron and Steel Group Company Limited ("Jinxi Limited") entered into a renewal framework agreement with Qianxi County Longba Charging Company Limited ("Longba Charging"), an associate of a substantial shareholder of a subsidiary of the Company, for the purchase of lime products from Longba Charging by Jinxi Limited and/or its subsidiaries for further three years ending 31 December 2018. The annual cap for this transaction for the year ended 31 December 2017 was RMB 130 million. The total amount of the aforesaid transaction for the year ended 31 December 2017 was RMB 50.6 million (excluding VAT).

On 29 January 2016, Jinxi Limited entered into a renewal framework agreement with Pingquan County Jinyin Charging Company Limited ("Pingquan County Jinyin"), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company, an associate of a substantial shareholder of a subsidiary of the Company, for the purchase of lime products from Pingquan County Jinyin by Jinxi Limited and/or its subsidiaries for the further three years ending 31 December 2018. The annual cap for this transaction for the year ended 31 December 2017 was RMB 7.5 million. The total amount of the aforesaid transaction for the year ended 31 December 2017 was nil.

### 關連交易及持續關連交易

於年內，本公司已進行檢討本集團之關聯方交易，且信納所有關連交易及持續關連交易均已妥為呈報及遵守上市規則第14A章之披露規定。按上市規則第14A章的規定，若干關連方(按上市規則定義)與本集團進行的下列交易經已訂立及/或持續進行，而本公司已作出相關公佈及獲得獨立股東批准(如需要)及於本公司合併財務報表附註43中已披露(如適用)。

#### 持續關連交易

於二零一六年一月二十九日，河北津西鋼鐵集團股份有限公司(「津西鋼鐵」)與遷西縣龍霸爐料有限責任公司(「龍霸爐料」，本公司附屬公司主要股東的聯繫人)，就津西鋼鐵及/或其附屬公司自龍霸爐料購買石灰產品訂立一份續訂框架協議至二零一八年十二月三十一日止三年。該交易於截至二零一七年十二月三十一日止年度的年度上限為人民幣1.30億元。上述交易於截至二零一七年十二月三十一日止年度的總額(不含增值稅)為人民幣5,060萬元。

於二零一六年一月二十九日，津西鋼鐵與平泉縣津銀爐料有限公司(「平泉縣津銀」，一間於中國成立的公司，為本公司的間接非全資附屬公司及本公司附屬公司主要股東的聯繫人)，就津西鋼鐵及/或其附屬公司自平泉縣津銀購買石灰產品訂立一份續訂框架協議至二零一八年十二月三十一日止三年。該交易於截至二零一七年十二月三十一日止年度的年度上限為人民幣750萬元。上述交易於截至二零一七年十二月三十一日止年度的總額為零。





## Directors' Report 董事局報告

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

#### Continuing connected transactions (continued)

On 4 June 2014, the Company entered into the iron and steel framework agreement with Oriental Sheet Piling Sdn. Bhd. ("Oriental Sheet Piling"), a subsidiary of ArcelorMittal, a substantial shareholder of the Company, in which the Company and/or its subsidiaries would sell steel products to Oriental Sheet Piling and/or its subsidiaries at prevailing market prices for the three years ending 31 December 2016.

On 6 January 2017, the Company entered into a renewal framework agreement with Oriental Sheet Piling for a further term of three years commencing from 1 January 2017 and expiring on 31 December 2019. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2017, 2018 and 2019 will not exceed RMB 150 million, RMB 150 million and RMB 150 million respectively. The annual cap for this transaction for the year ended 31 December 2017 was RMB 150 million. The total amount of the aforesaid transaction for the year ended 31 December 2017 was RMB 2.0 million (excluding VAT) (Note 43(b)).

On 2 December 2014, Jinxi Limited entered into a framework agreement with Qianxi Jin Zhao Lai Iron Ore Mine ("Jin Zhao Lai"), a company established in the PRC and wholly owned by Mr. Zhang Yugui who is the brother of Mr. Zhang Yuhai, a director of Tianjin Juli Trade Company Limited ("Juli Trade"), Hebei Jinxi Iron and Steel Group Special Steel Company Limited ("Jinxi Special Steel") and Qianxi Xinhaiyuan Trade Company Limited ("Xinhaiyuan"), and is a deemed connected person of the Company, for the purchase of iron powder and related products from Jin Zhao Lai and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for the three years ending 31 December 2016.

### 關連交易及持續關連交易(續)

#### 持續關連交易(續)

於二零一四年六月四日，本公司與 Oriental Sheet Piling Sdn. Bhd. (「Oriental Sheet Piling」)，本公司主要股東 ArcelorMittal 的附屬公司簽訂有關本公司及／或其附屬公司按一般市場價向 Oriental Sheet Piling 及／或其附屬公司銷售鋼鐵產品的鋼鐵框架協議至二零一六年十二月三十一日止三年。

於二零一七年一月六日，本公司與 Oriental Sheet Piling 已簽訂一份續訂框架協議，由二零一七年一月一日開始至二零一九年十二月三十一日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至二零一七年、二零一八年及二零一九年十二月三十一日止三年的年度上限分別為人民幣1.50億元、人民幣1.50億元及人民幣1.50億元。該交易於截至二零一七年十二月三十一日止年度的年度上限為人民幣1.50億元。上述交易於截至二零一七年十二月三十一日止年度的總額(不含增值稅)為人民幣200萬元(附註43(b))。

於二零一四年十二月二日，津西鋼鐵與遷西縣金兆來精選廠(「金兆來」)，一間於中國成立的公司，由張玉貴先生全資擁有，張玉貴先生為張玉海先生(張玉海先生現為天津聚利貿易有限公司(「聚利貿易」)、河北津西鋼鐵集團特鋼有限公司(「津西特鋼」)及遷西縣鑫海源商貿有限公司(「鑫海源」)的董事，被視為本公司的關連人士)的哥哥，就津西鋼鐵及／或其附屬公司自金兆來及／或其附屬公司購買鐵粉及相關產品訂立一份框架協議至二零一六年十二月三十一日止三年。



## Directors' Report 董事局報告

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

#### Continuing connected transactions (continued)

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

On 30 September 2016, Jinxi Limited entered into a framework agreement with Qianxi County Xinxuan Coal Company Limited ("Xinxuan Coal"), a company established in the PRC with limited liability and wholly owned by Mr. Zhang Xin who is the nephew of Mr. Zhang Yuhai who is a connected person of the Company by virtue of being a director of Juli Trade, Jinxi Special Steel and Xinhaiyuan, for the purchase of dolomite, iron powder, coke, lime and related products from Xinxuan Coal and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for the three years commencing on 30 September 2016 and expiring on 31 December 2018. The annual cap for this transaction for the year ended 31 December 2017 was RMB 108 million. The total amount of the aforesaid transaction incurred by Jinxi Limited and its subsidiaries for the year ended 31 December 2017 was RMB 44.4 million.

### 關連交易及持續關連交易(續)

#### 持續關連交易(續)

於二零一七年一月六日，津西鋼鐵與金兆來已簽訂一份續訂框架協議，由二零一七年一月一日開始至二零一九年十二月三十一日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至二零一七年、二零一八年及二零一九年十二月三十一日止三年的年度上限分別為人民幣3,000萬元、人民幣3,000萬元及人民幣3,000萬元。金兆來現時由劉翠紅女士全資擁有，劉翠紅女士為張玉貴先生的妻子而張玉貴先生屬於本公司之被視為關連人士是由於其為張玉海先生的哥哥(因張玉海先生為津西特鋼、聚利貿易及鑫海源之董事，此等均屬於本公司間接非全資擁有的附屬公司)。該交易於截至二零一七年十二月三十一日止年度的年度上限為人民幣3,000萬元。上述交易於截至二零一七年十二月三十一日止年度的總額為零。

於二零一六年九月三十日，津西鋼鐵與遷西縣鑫軒型煤有限公司(「鑫軒型煤」)，一間在中國註冊成立的有限公司，為張新先生全資擁有，張新先生為張玉海先生的姪兒(因張玉海先生是聚利貿易、津西特鋼及鑫海源的董事而屬於本公司的關連人士)，就津西鋼鐵及／或其附屬公司自鑫軒型煤及／或其附屬公司購買輕燒白雲石、鐵粉、焦炭、石灰和相關產品訂立一份框架協議由二零一六年九月三十日開始並於二零一八年十二月三十一日屆滿，為期三年。該交易截至二零一七年十二月三十一日止年度上限為人民幣1.08億元。由津西鋼鐵及其附屬公司產生的上述交易於截至二零一七年十二月三十一日止年度的總額為人民幣4,440萬元。



## Directors' Report 董事局報告

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

#### Continuing connected transactions (continued)

On 6 January 2017, Jinxi Limited entered into a framework agreement with Qianxi County Baojun Mining Company Limited ("Baojun Mining") for which Jinxi Limited and/or its subsidiaries has agreed to purchase iron powder and related products from Baojun Mining and/or its subsidiaries, for a term of three years commencing on 1 January 2017 and expiring on 31 December 2019. Baojun Mining is currently 91% owned by Mr. Zhang Yugui. Mr. Zhang Yugui is a deemed connected person of the Company as he is the brother of Mr. Zhang Yuhai who is a connected person of the Company by virtue of being a director of Jinxi Special Steel, Tianjin Juli and Xinhaiyuan, all being indirect non-wholly owned subsidiaries of the Company. Therefore, Mr. Zhang Yugui and accordingly Baojun Mining are connected persons of the Company. The annual cap for this continuing connected transactions contemplated under the framework agreement for each of the three years ending 31 December 2017, 2018 and 2019 will not exceed RMB 30 million, RMB 30 million and RMB 30 million respectively. The annual cap for this transaction for the year ended 31 December 2017 was RMB 30 million. The total amount of the aforesaid transaction incurred by Jinxi Limited and its subsidiaries for the year ended 31 December 2017 was nil.

### 關連交易及持續關連交易(續)

#### 持續關連交易(續)

於二零一七年一月六日，津西鋼鐵與遷西縣寶軍礦業有限公司(「寶軍礦業」)，就津西鋼鐵及／或其附屬公司同意向寶軍礦業及／或其附屬公司採購鐵粉及相關產品，簽訂一份框架協議，由二零一七年一月一日開始至二零一九年十二月三十一日屆滿，為期三年。張玉貴先生現時擁有寶軍礦業的91%權益，張玉貴先生屬於本公司之被視為關連人士是由於其為張玉海先生的哥哥(因張玉海先生為津西特鋼、天津聚利及鑫海源之董事，此等均屬於本公司間接非全資擁有的附屬公司)，因此，張玉貴先生及因此寶軍礦業屬於本公司的關連人士。框架協議下擬進行的持續關連交易截至二零一七年、二零一八年及二零一九年十二月三十一日止三年的年度上限分別為不超過人民幣3,000萬元、人民幣3,000萬元及人民幣3,000萬元。該交易於截至二零一七年十二月三十一日止年度上限為人民幣3,000萬元。由津西鋼鐵及其附屬公司產生的上述交易於截至二零一七年十二月三十一日止年度的總額為零。



## Directors' Report 董事局報告

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

#### Continuing connected transactions *(continued)*

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

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter confirming nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed by the Group on pages 119 to 123 of this annual report were not in compliance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

### ENVIRONMENT, SOCIETY AND GOVERNANCE

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

### 關連交易及持續關連交易 *(續)*

#### 持續關連交易 *(續)*

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

根據香港會計師公會發佈的香港核證業務準則第3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。核數師已就本年報第119至123頁所載本集團披露的持續關連交易，發出函件，確認其並無注意到任何事情，可使他們認為有關持續關連交易並不符合上市規則第14A.56條之規定。本公司已將核數師函件副本向聯交所提供。

### 環境、社會及管治

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



## Directors' Report 董事局報告

### ENVIRONMENT, SOCIETY AND GOVERNANCE (continued)

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

The Environmental, Social and Governance report are set out on pages 62 to 100 in this annual report.

### RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

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

### COMPLIANCE WITH LAWS AND REGULATIONS

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

### 環境、社會及管治(續)

特別是，投入運行的各類生產設備均配備了環保治理設施，致力降低排放的廢氣及達到有關國家標準。而本公司的生產及生活廢水全部作回收處理，處理後於水閉路迴圈使用。此外，採取過濾重複使用措施降低廢礦物油產生量，對於無法利用的廢礦物油，我們則按照國家環保要求委托給有相關資格及處理能力的專業廠家進行無害化處置。其他煉鐵工序冶煉過程中產生的冶煉渣及固體廢物等則銷售給其他水泥廠或作為其他生產工序的原料使用。經過上述綜合處理措施，減省對環境帶來的影響。

環境、社會及管治報告載於本年報第62至100頁。

### 與僱員、客戶及供應商之關係

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

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

### 遵守法律法規

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





## Directors' Report 董事局報告

### PUBLIC FLOAT

Trading in the shares of the Company had been suspended from 29 April 2014 due to insufficient public float. The public float was restored on 27 January 2017 through placing of new shares under general mandate by the Company and placing of existing shares by the controlling shareholder of the Company and trading was resumed on 1 February 2017. As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2017.

### AUDITOR

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

On behalf of the Board

**China Oriental Group Company Limited**

### HAN Jingyuan

*Chairman and Chief Executive Officer*

Hong Kong, 28 March 2018

\* *For identification purposes only*

### 公眾持股量

本公司之股份自二零一四年四月二十九日起因公眾持股量不足而暫停買賣，本公司已於二零一七年一月二十七日根據一般授權完成配售新股份及由本公司的控股股東配售現有股份以恢復公眾持股量，且於二零一七年二月一日已恢復買賣。基於公開予本公司查閱之資料及據董事所知悉，截至本報告日期為止，本公司一直維持上市規則所訂明並經與聯交所同意之公眾持股量。

### 購買、出售或贖回本公司上市證券

截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 核數師

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

謹代表董事局

**中國東方集團控股有限公司\***

### 韓敬遠

*董事局主席兼首席執行官*

香港，二零一八年三月二十八日

\* *僅供識別*



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



羅兵咸永道

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

致中國東方集團控股有限公司股東  
(於百慕達註冊成立的有限公司)

### OPINION

### 意見

#### What we have audited

#### 我們已審計的內容

The consolidated financial statements of China Oriental Group Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 133 to 299, which comprise:

中國東方集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第133至299頁的合併財務報表，包括：

- the consolidated balance sheet as at 31 December 2017;
  - the consolidated statement of profit or loss for the year then ended;
  - the consolidated statement of comprehensive income for the year then ended;
  - the consolidated statement of changes in equity for the year then ended;
  - the consolidated statement of cash flows for the year then ended; and
  - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一七年十二月三十一日的合併資產負債表；
  - 截至該日止年度的合併損益表；
  - 截至該日止年度的合併綜合收益表；
  - 截至該日止年度的合併權益變動表；
  - 截至該日止年度的合併現金流量表；及
  - 合併財務報表附註，包括主要會計政策概要。

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

## Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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

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

## Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

## KEY AUDIT MATTERS

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

Key audit matter identified in our audit is the recoverability of other receivables.

## 我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

## 意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

## 獨立性

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

## 關鍵審計事項

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

我們在審計中識別的關鍵審計事項為其他應收賬款的可回收性。



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

### Key Audit Matter

#### 關鍵審計事項

#### Recoverability of other receivables

##### 其他應收賬款的可回收性

Refer to Note 2.13 "Accounting policy-Impairment of financial assets carried at amortised cost", Note 4 (a) "Critical accounting estimates and judgements-Impairment of other receivables", Note 18 "Prepayments, deposits and other receivables" to the consolidated financial statements.

As at 31 December 2017, the Group had other receivables of RMB 644 million. The debtors of certain other receivables were in financial difficulties or have commenced bankruptcy proceedings. A provision of RMB 438 million was set aside by management against these other receivables.

請參閱合併財務報表附註2.13「會計政策－按攤銷成本列賬之金融資產減值」、附註4(a)「關鍵會計估計及判斷－其他應收賬款減值」、附註18「預付款項、按金及其他應收賬款」。

於二零一七年十二月三十一日，貴集團擁有其他應收賬款人民幣6.44億元。若干其他應收賬款的債務人面臨財務困難或已開始破產程序。管理層就該等貸款及其他應收賬款作出人民幣4.38億元的撥備。

### How our audit addressed the Key Audit Matter

#### 我們的審計如何處理關鍵審計事項

Our audit procedures on the recoverability of other receivables included:

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

我們對其他應收賬款之可收回性的審核程序包括：

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



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

### Key Audit Matter

#### 關鍵審計事項

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

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

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

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

### How our audit addressed the Key Audit Matter

#### 我們的審計如何處理關鍵審計事項

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

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

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

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





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

### OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

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

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

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

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

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

### 年報中的其他信息

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

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

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

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

### 董事及治理層就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的合併財務報表，並對其認為為使合併財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在編製合併財務報表時，董事須負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督貴集團的財務報告過程。



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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是根據核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。



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

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

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 28 March 2018

- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

出具本獨立核數師報告的審計項目合夥人是孟江峰。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一八年三月二十八日



# Consolidated Balance Sheet 合併資產負債表

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 於二零一七年十二月三十一日

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
ASSETS	資產	Note 附註	
<b>Non-current assets</b>	<b>非流動資產</b>		
Leasehold land and land use rights	租賃土地及土地使用權	6	187,311 193,123
Property, plant and equipment	物業、廠房及設備	7	8,160,582 8,038,406
Investment properties	投資物業	8	238,920 6,549
Intangible assets	無形資產	9	94,132 94,370
Investment in associates and a joint venture	於聯營公司及一間合營企業之投資	11	157,921 55,632
Available-for-sale financial assets	可供出售金融資產	15	432,111 489,555
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	18	– 13,000
Deferred income tax assets	遞延所得稅資產	29	179,339 155,880
			<b>9,450,316 9,046,515</b>
<b>Current assets</b>	<b>流動資產</b>		
Properties under development and held for sale	發展中及持作出售物業	14	282,019 1,419,113
Inventories	存貨	16	3,069,897 3,334,350
Trade receivables	應收貿易賬款	17	693,932 482,813
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	18	1,422,590 1,405,123
Amounts due from related parties	應收關聯方款項	43(c)	173,951 16,671
Prepaid current income tax	預付當期所得稅		80,101 28,814
Loan receivables	應收貸款	19	– 401,000
Notes receivable – bank acceptance notes	應收票據 – 銀行承兌匯票	17	3,282,570 2,339,669
Derivative financial instruments	衍生金融工具		209 6,220
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	20	2,766,237 387,458
Restricted bank balances	受限制銀行結餘	21	417,151 890,617
Cash and cash equivalents	現金及現金等價物	21	2,766,396 1,290,199
			<b>14,955,053 12,002,047</b>
<b>Total assets</b>	<b>總資產</b>		<b>24,405,369 21,048,562</b>
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>歸屬於本公司權益持有者的權益</b>		
Share capital	股本	22	364,762 311,853
Share premium	股份溢價	22	2,820,785 2,192,131
Other reserves	其他儲備	23	1,744,091 1,703,308
Retained earnings	留存收益		8,982,541 5,048,806
			<b>13,912,179 9,256,098</b>
<b>Non-controlling interests</b>	<b>非控制性權益</b>		<b>192,589 108,443</b>
<b>Total equity</b>	<b>權益合計</b>		<b>14,104,768 9,364,541</b>



## Consolidated Balance Sheet 合併資產負債表

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 於二零一七年十二月三十一日

		As at 31 December 於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
	Note 附註		
<b>LIABILITIES</b>			
			<b>負債</b>
<b>Non-current liabilities</b>			<b>非流動負債</b>
Borrowings	26	<b>235,500</b>	246,500
Other long-term payables	27	-	615,194
Deferred revenue	28	<b>111,664</b>	78,107
Amount due to a related party	43(c)	-	51,859
Deferred income tax liabilities	29	<b>38,805</b>	42,204
		<b>385,969</b>	1,033,864
<b>Current liabilities</b>			<b>流動負債</b>
Trade payables	24	<b>3,517,538</b>	5,425,323
Accruals, advances and other current liabilities	25	<b>3,301,480</b>	3,368,510
Amounts due to related parties	43(c)	<b>73,251</b>	27,266
Current income tax liabilities		<b>916,449</b>	122,918
Derivative financial instruments		<b>9,036</b>	15,669
Other long-term payables – current portion	27	<b>206,540</b>	551,392
Borrowings	26	<b>1,890,206</b>	1,134,507
Dividends payable		<b>132</b>	4,572
		<b>9,914,632</b>	10,650,157
<b>Total liabilities</b>		<b>10,300,601</b>	11,684,021
<b>Total equity and liabilities</b>		<b>24,405,369</b>	21,048,562
			<b>權益及負債合計</b>

The notes on pages 140 to 299 are an integral part of these financial statements.

The consolidated financial statements on pages 133 to 299 were approved by the Board of Directors on 28 March 2018 and were signed on its behalf.

第140至299頁的附註為該等財務報表的整體一部份。

第133至299頁的合併財務報表已於二零一八年三月二十八日經董事局批准並由以下董事代為簽署。

**Han Jingyuan**  
韓敬遠  
Chairman  
主席

**Han Li**  
韓力  
Director  
董事





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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度		
		2017	2016	
		二零一七年	二零一六年	
Revenue	收入	5	41,352,596	26,427,443
Cost of sales	銷售成本	32	(34,060,715)	(23,753,492)
<b>Gross profit</b>	<b>毛利</b>		<b>7,291,881</b>	2,673,951
Other income	其他收入	31	37,661	6,129
Distribution costs	分銷成本	32	(103,641)	(118,571)
Administrative expenses	行政費用	32	(886,541)	(782,289)
Other expenses	其他費用	32	(22,009)	(29,854)
(Losses)/gains from derivative financial instruments	衍生金融工具之 (虧損)/收益	37	(75,196)	35,832
Other gains/(losses) – net	其他收益/(虧損) – 淨額	30	163,040	(656,959)
<b>Operating profit</b>	<b>經營溢利</b>		<b>6,405,195</b>	1,128,239
Finance income	財務收入	34	81,001	109,893
Finance costs	財務成本	34	(78,855)	(182,162)
Finance income/(costs) – net	財務收入/(成本) – 淨額		2,146	(72,269)
Share of results of associates and a joint venture	應佔聯營公司及一間合營 企業業績		389	(1,022)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>6,407,730</b>	1,054,948
Income tax expense	所得稅費用	35	(1,524,566)	(523,936)
<b>Profit for the year</b>	<b>年度溢利</b>		<b>4,883,164</b>	531,012
<b>Profit attributable to:</b>	<b>溢利歸屬於：</b>			
Owners of the Company	本公司權益持有者		4,839,080	722,127
Non-controlling interests	非控制性權益		44,084	(191,115)
			<b>4,883,164</b>	531,012
<b>Earnings per share for profit attributable to owners of the Company</b> (expressed in RMB per share)	<b>本公司權益持有者 應佔溢利的每股收益</b> (每股人民幣元)			
– Basic earnings per share	– 每股基本收益	38	RMB 1.39	RMB 0.25
– Diluted earnings per share	– 每股稀釋收益	38	RMB 1.37	RMB 0.25

The notes on pages 140 to 299 are an integral part of these financial statements.

第 140 至 299 頁的附註為該等財務報表的整體一部份。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

			<b>Year ended 31 December</b>	
			<b>截至十二月三十一日止年度</b>	
	Note		<b>2017</b>	2016
	附註		<b>二零一七年</b>	二零一六年
<b>Profit for the year</b>		年度溢利	<b>4,883,164</b>	531,016
<b>Other comprehensive income:</b>		<b>其他綜合收益：</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		<i>其後或重分類至損益表的項目</i>		
Fair value (losses)/gains on available-for-sale financial assets		可供出售金融資產的公允價值(虧損)/收益	15	<b>(7,317)</b>
				1,521
<i>Item reclassified to profit or loss</i>		<i>重分類至損益表的項目</i>		
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of available-for-sale financial assets		於出售可供出售金融資產時將先前計入儲備的公允價值收益轉至損益表		<b>(1,259)</b>
				-
			<b>(8,576)</b>	1,521
<b>Total comprehensive income for the year</b>		<b>年度綜合收益合計</b>	<b>4,874,588</b>	532,533
<b>Attributable to:</b>		<b>歸屬於：</b>		
Owners of the Company		本公司權益持有者	<b>4,830,504</b>	723,648
Non-controlling interests		非控制性權益	<b>44,084</b>	(191,115)
			<b>4,874,588</b>	532,533

The notes on pages 140 to 299 are an integral part of these financial statements.

第140至299頁的附註為該等財務報表的整體一部份。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 歸屬於本公司權益持有者					Non-	Total
	Note	Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests 非控制性權益	equity 權益合計
	附註	股本	股份溢價	其他儲備	留存收益	總計	權益	權益合計
<b>Balance at 1 January 2016</b>	於二零一六年一月一日的結餘	311,853	2,192,131	1,670,302	4,340,142	8,514,428	397,734	8,912,162
<b>Comprehensive income</b>	綜合收益							
Profit or loss for the year	年度溢利或虧損	-	-	-	722,127	722,127	(191,115)	531,012
<b>Other comprehensive income</b>	其他綜合收益							
Fair value gains on available-for-sale financial assets	可供出售金融資產的公允價值收益	15	-	1,521	-	1,521	-	1,521
<b>Total comprehensive income</b>	綜合收益合計	-	-	1,521	722,127	723,648	(191,115)	532,533
<b>Transactions with owners</b>	與權益持有者的交易							
Profit appropriation to statutory reserves	向法定儲備作出的溢利分配	23	-	13,463	(13,463)	-	-	-
Capital reduction of a subsidiary	減少一間附屬公司資本		-	-	-	-	(20,000)	(20,000)
Disposal of subsidiaries with loss of control	出售附屬公司且失去控制權		-	-	-	-	4,111	4,111
Changes in ownership interests in a subsidiary without change of control	在不改變控制權的情況下變更於一間附屬公司的所有權權益		-	18,022	-	18,022	(82,287)	(64,265)
<b>Total transactions with owners</b>	與權益持有者的交易合計	-	-	31,485	(13,463)	18,022	(98,176)	(80,154)
<b>Balance at 31 December 2016</b>	於二零一六年十二月三十一日的結餘	311,853	2,192,131	1,703,308	5,048,806	9,256,098	108,443	9,364,541



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 歸屬於本公司權益持有者					Non-	Total	
	Note	Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	equity	
	附註	股本	股份溢價	其他儲備	留存收益	總計	非控制性權益	權益合計	
<b>Balance at 1 January 2017</b>	於二零一七年一月一日的結餘	311,853	2,192,131	1,703,308	5,048,806	9,256,098	108,443	9,364,541	
<b>Comprehensive income</b>	綜合收益								
Profit for the year	年度溢利	-	-	-	4,839,080	4,839,080	44,084	4,883,164	
<b>Other comprehensive income</b>	其他綜合收益								
Fair value losses on available-for-sale financial assets	可供出售金融資產的公允價值虧損	15	-	(7,317)	-	(7,317)	-	(7,317)	
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of available-for-sale financial assets	於出售可供出售金融資產時將先前計入儲備的公允價值收益轉至損益表		-	(1,259)	-	(1,259)	-	(1,259)	
<b>Total comprehensive income</b>	綜合收益合計	-	-	(8,576)	4,839,080	4,830,504	44,084	4,874,588	
<b>Transactions with owners</b>	與權益持有者的交易								
Profit appropriation to statutory reserves	向法定儲備作出的溢利分配	23	-	56,298	(56,298)	-	-	-	
Capital injection by non-controlling interests	非控制性權益注資	10(i)(ii)	-	-	-	-	59,000	59,000	
Establishment of a subsidiary	設立一間附屬公司	10(iii)	-	-	-	-	9,000	9,000	
Proceeds from shares issued	發行股份所得款項	22	51,839	600,773	-	652,612	-	652,612	
Exercise of employees share option scheme – issuance of shares	行使僱員購股權計劃 – 發行股份	22	1,070	27,881	(6,939)	22,012	-	22,012	
Dividend paid	已付股息		-	-	(849,047)	(849,047)	(27,938)	(876,985)	
<b>Total transactions with owners</b>	與權益持有者的交易合計		52,909	628,654	49,359	(905,345)	(174,423)	(134,361)	
<b>Balance at 31 December 2017</b>	於二零一七年十二月三十一日的結餘		364,762	2,820,785	1,744,091	8,982,541	13,912,179	192,589	14,104,768

The notes on pages 140 to 299 are an integral part of these financial statements.

第 140 至 299 頁的附註為該等財務報表的整體一部份。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

	Note 附註	Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年	2016 二零一六年
<b>Cash flows from operating activities</b>			
Cash generated from operations			
Interest received			
Interest paid			
Income tax paid			
Net cash generated from operating activities			
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment			
Investment in associates			
Proceeds/(payments) from sales of property, plant and equipment			
Interest income from loan receivables			
Proceeds from disposal of available-for-sale financial assets			
Purchases of available-for-sale financial assets			
Decrease/(increase) in deposits of procurement of derivative financial instruments			
Net outflows of financial assets at fair value through profit or loss			
Loans granted to related parties			
Loan receivables granted to a third party			
Loan receivables repaid by third parties			
Disposal of a subsidiary			
Acquisition of a subsidiary, net of cash acquired			
Other investing cash flow – net			
Net cash used in investing activities			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings			
Dividends paid to shareholders			
Proceeds from issuance of ordinary shares			
Employee share option scheme – issuance of share			
Capital injection by non-controlling interests			
Cash paid for sales and leaseback transaction			
Decrease in restricted bank balances pledged as security for current bank borrowings			
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents			
Effect of foreign exchange rate changes			
Cash and cash equivalents, beginning of year			
Cash and cash equivalents, end of year			

The notes on pages 140 to 299 are an integral part of these financial statements.

第 140 至 299 頁的附註為該等財務報表的整體一部份。





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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

## 1. GENERAL INFORMATION

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

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

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

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

These consolidated financial statements are presented in thousands of units of RMB, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors (the “Board”) on 28 March 2018.

## 1. 一般資料

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

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

本公司股份自二零零四年三月二日已在香港聯合交易所有限公司(「聯交所」)上市。

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

除另有指明外，本合併財務報表以人民幣千元呈列。本合併財務報表於二零一八年三月二十八日已獲董事局(「董事局」)批准刊發。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1 Basis of preparation

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

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

## 2. 重要會計政策摘要

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

### 2.1 編製基準

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

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



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures

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

The following new and amended standards are mandatory for the first time for the financial year beginning on 1 January 2017:

HKAS 7 (Amendments) Statement of cash flows

HKAS 12 (Amendments) Income taxes

HKFRS 12 (Amendment) Disclosure of interest in other entities

Amendments and interpretations as mentioned above are not expected to have a material effect on the Group's operating results, financial position or comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露的變化

###### (a) 本集團已採納的新訂及已修訂準則

下列新訂及已修訂準則強制性於二零一七年一月一日開始之財政年度首次採納：

香港會計準則 現金流量表  
第7號  
(修訂)

香港會計準則 所得稅  
第12號  
(修訂)

香港財務報告 於其他實體  
準則第12號 之權益的  
(修訂) 披露

預期上述修訂及詮釋不會對本集團的經營業績、財務狀況或綜合收益產生重大影響。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

## 2. 重要會計政策摘要(續)

### 2.1 Basis of preparation (continued)

### 2.1 編製基準(續)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

#### 2.1.1 會計政策及披露的變化(續)

(b) The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：

		Effective for annual periods beginning on or after 於下列日期起或之後 開始的年度期間生效
HKFRS 1 (Amendment) 香港財務報告準則第1號(修訂)	First time adoption of HKFRS 首次採納香港財務報告準則	1 January 2018 二零一八年一月一日
HKFRS 2 (Amendments) 香港財務報告準則第2號(修訂)	Classification and measurement of share-based payment transactions 以股份為基礎支付的交易的分類與計量	1 January 2018 二零一八年一月一日
HKFRS 4 (Amendments) 香港財務報告準則第4號(修訂)	Insurance contracts 保險合約	1 January 2018 二零一八年一月一日
HKFRS 9 (i) 香港財務報告準則第9號(i)	Financial instruments 金融工具	1 January 2018 二零一八年一月一日
HKFRS 15 (ii) 香港財務報告準則第15號(ii)	Revenue from contracts with customers 與客戶之間的合約產生的收入	1 January 2018 二零一八年一月一日
HK(IFRIC) 22 香港(國際財務報告詮釋委員會)第22號	Foreign currency transactions and advance consideration 外幣交易及預付代價	1 January 2018 二零一八年一月一日
HKAS 28 (Amendment) 香港會計準則第28號(修訂)	Investments in associates and joint ventures 於聯營公司及合營企業之投資	1 January 2018 二零一八年一月一日
HKAS 40 (Amendments) 香港會計準則第40號(修訂)	Transfers of investment property 轉讓投資物業	1 January 2018 二零一八年一月一日
HKFRS 16 (iii) 香港財務報告準則第16號(iii)	Leases 租賃	1 January 2019 二零一九年一月一日
HK(IFRIC) 23 香港(國際財務報告詮釋委員會)第23號	Uncertainty over income tax treatments 所得稅處理的不確定性	1 January 2019 二零一九年一月一日
HKFRS 10 and HKAS 28 (Amendments) 香港財務報告準則第10號及香港會計 準則第28號(修訂)	Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營或合營企業之間出售 或注入資產	To be determined 待定
HKFRS 17 香港財務報告準則第17號	Insurance contracts 保險合約	1 January 2021 or when apply HKFRS 15 and HKFRS 9 二零二一年一月一日或 香港財務報告準則第15號及 香港財務報告準則第9號應用時



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

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for the following set out below:

- (i) HKFRS 9 “Financial instruments”

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

### 2. 重要會計政策摘要 (續)

#### 2.1 編製基準 (續)

##### 2.1.1 會計政策及披露的變化 (續)

- (b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

此等新準則及準則的修訂預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：

- (i) 香港財務報告準則第9號「金融工具」

此項新準則針對金融資產和金融負債的分類、計量和終止確認，並引入對沖會計的新規定和金融資產的新減值模型。





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

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

**(b) The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

The Group has undertaken a preliminary assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (“AFS”) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (“FVOCI”) and hence there will be no change to the accounting for these assets. A FVOCI election is available for the equity instruments which are currently classified as AFS under historical cost convention.

## 2. 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露的變化 (續)

**(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：**  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

本集團已對金融資產的分類和計量進行初步評估，目前被分類為可供出售（「可供出售」）金融資產的債務票據似乎符合條件，可分類為按公允價值計量且其變動計入其他綜合收益（「按公允價值計量且其變動計入其他綜合收益」），因此該等資產的入賬並無改變。按公允價值計量且其變動計入其他綜合收益的選擇可供用於目前分類為以歷史成本計量的可供出售權益工具。



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

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

For the other financial assets held by the Group, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

### 2. 重要會計政策摘要 (續)

#### 2.1 編製基準 (續)

##### 2.1.1 會計政策及披露的變化 (續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

對於本集團持有的其他金融資產，本集團預期新指引會對其金融資產的分類和計量不會有重大影響。



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

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

**(b) The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss which are not relevant to the Group. The derecognition rules have been transferred from HKAS 39 “Financial Instruments: Recognition and Measurement” and have not been changed.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露的變化(續)

**(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：**  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

由於新規定僅影響被指定為按公允價值計量且其變動計入損益表的金融負債的會計法，對本集團並無相關性，這將不會對本集團的金融負債的會計處理有任何影響。終止確認規則引自香港會計準則第39號「金融工具：確認及計量」且無變動。



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

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group’s risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group does not have any eligible hedge instruments. Therefore, the Group does not expect any impact on the new hedge accounting.

## 2. 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

#### 2.1.1 會計政策及披露的變化 (續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

新對沖會計規則將調整對沖工具的會計處理以更緊密配合本集團的風險管理實務。作為一般性原則，因為準則引入更多原則為本的方針，所以更多對沖關係可能符合對沖會計條件。本集團並無任何符合的對沖工具。因此，本集團預期新對沖會計不會有任何影響。



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

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

**(b) The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 “Revenue from Contracts with Customers”, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect material change to the loss allowance for trade debtors.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

**(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：**  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

新減值模型要求按預期信貸損失(「預期信貸損失」)確認減值撥備，而非僅已發生的信貸損失(根據香港會計準則第39號)。其適用於按攤銷成本分類的金融資產、按公允價值計量且其變動計入其他綜合收益的債務工具、香港財務報告準則第15號「與客戶之間的合約產生的收入」下的合約資產、應收租賃款、貸款承擔和若干財務擔保合同。根據迄今進行的評估，本集團預期應收貿易賬款的虧損撥備並無重大變動。





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

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (i) HKFRS 9 “Financial instruments”  
(continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group’s disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

### 2. 重要會計政策摘要 (續)

#### 2.1 編製基準 (續)

##### 2.1.1 會計政策及披露的變化 (續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (i) 香港財務報告準則第9號「金融工具」(續)

新準則亦引進擴展了的披露規定和呈列的改變。預期將改變本集團有關其金融工具的披露性質和範圍，尤其是在新準則採納的年度內。

香港財務報告準則第9號必須於二零一八年一月一日或之後開始的財政年度起應用。根據香港財務報告準則第9號的過渡性條款，只容許就二零一五年二月一日前開始的年度報告期分階段提早採納。在該日後，新規則必須全數採納。本集團不打算在強制性日期前採納香港財務報告準則第9號。



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

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

### 2.1 Basis of preparation (continued)

#### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (ii) HKFRS 15 “Revenue from contracts with customers”

HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach. HKFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. HKFRS 15 replaces the previous revenue standards: HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related Interpretations on revenue recognition: HK (IFRIC) 13 “Customer Loyalty Programmes”, HK (IFRIC) 15 “Agreements for the Construction of Real Estate”, HK (IFRIC) 18 “Transfers of Assets from Customers” and HK (SIC) 31 “Revenue—Barter Transactions Involving Advertising Services”. HKFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018.

## 2. 重要會計政策摘要(續)

### 2.1 編製基準(續)

#### 2.1.1 會計政策及披露的變化(續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (ii) 香港財務報告準則第15號「與客戶之間的合約產生的收入」

香港財務報告準則第15號確立了一個綜合框架，用於確定何時確認收入以及通過五步驟方式確認多少收入。香港財務報告準則第15號對合約成本資本化及執照安排提供具體指引。其還包括對實體與客戶的合約產生的收入和現金流的性質、金額、時間和不確定性的一致性披露要求。核心原則是，一家公司應該確認收入以描述轉移給客戶承諾的貨物或服務，其金額反映了公司預期有權收取交換這些貨物或服務的代價。香港財務報告準則第15號取代以前的收入準則：香港會計準則第18號「收入」及香港會計準則第11號「工程合約」及有關收入確認的解釋：香港（國際財務報告詮釋委員會）第13號「客戶忠誠計劃」、香港（國際財務報告詮釋委員會）第15號「房地產建設協議」、香港（國際財務報告詮釋委員會）第18號「客戶資產轉讓」及香港（會計詮釋委員會）詮釋第31號「收入—涉及廣告服務的交換交易」。香港財務報告準則第15號自二零一八年一月一日起或之後開始的年度報告期生效。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (ii) HKFRS 15 “Revenue from contracts with customers” (continued)

Based on the assessments undertaken to date, management does not expect significant impact of applying the new standard on the Group’s financial statements.

### 2. 重要會計政策摘要 (續)

#### 2.1 編製基準 (續)

##### 2.1.1 會計政策及披露的變化 (續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (ii) 香港財務報告準則第15號「與客戶之間的合約產生的收入」(續)

根據迄今進行之評估，管理層預期應用新準則對本集團財務報表不會產生重大影響。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

- (ii) HKFRS 15 “Revenue from contracts with customers” (continued)

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露的變化(續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

- (ii) 香港財務報告準則第15號「與客戶之間的合約產生的收入」(續)

香港財務報告準則第15號強制性於二零一八年一月一日或之後開始的財政年度採納。目前，本集團預計不會在生效日期前採納此準則。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

(iii) HKFRS 16 “Leases”

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

### 2. 重要會計政策摘要 (續)

#### 2.1 編製基準 (續)

##### 2.1.1 會計政策及披露的變化 (續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

(iii) 香港財務報告準則第16號「租賃」

香港財務報告準則第16號於二零一六年一月頒佈。其將導致差不多所有租賃在資產負債表內確認，因經營與融資租賃的劃分已被刪除。根據該新準則，資產（該租賃項目的使用權）與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。

對出租人的會計處理將不會有重大改變。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

(iii) HKFRS 16 “Leases” (continued)

The standard will affect primarily the accounting for Group’s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of RMB319 million, see note 42(c). However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露的變化(續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

(iii) 香港財務報告準則第16號「租賃」(續)

此準則將主要影響本集團經營租賃的會計處理。於報告日，本集團有不可取消的經營租賃承擔人民幣3.19億元(見附註42(c))。然而，本集團仍未釐定該等承擔將導致資產和負債就未來付款確認的程度，以及將如何影響本集團的利潤和現金流的分類。





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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

(b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

(iii) HKFRS 16 “Leases” (continued)

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露的變化(續)

(b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

(iii) 香港財務報告準則第16號「租賃」(續)

若干承擔或會由短期和低價值租賃的豁免所涵蓋，同時根據香港財務報告準則第16號，部份承擔可能其有關於安排是並不符合租賃的定義。

此新準則強制性於二零一九年一月一日或之後開始的財政年度採納。目前，本集團預計不會在生效日期前採納此準則。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.1 Basis of preparation (continued)

##### 2.1.1 Changes in accounting policy and disclosures (continued)

- (b) **The following new standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1 January 2017 and have not been early adopted:**  
(continued)

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露的變化(續)

- (b) 下列已頒佈但於二零一七年一月一日起開始的財政年度尚未生效，且未獲提前採納的新準則及準則的修訂：  
(續)

沒有其他尚未生效的香港財務報告準則或香港(國際財務報告解釋委員會)詮釋預期會對本集團有重大影響。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

#### (a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

## 2. 重要會計政策摘要 (續)

### 2.2 附屬公司

#### 2.2.1 合併賬目

附屬公司是本集團有控制權的實體(包括結構性實體)。若本集團因參與有關實體而對可變回報承擔風險或享有權利，並能透過其在該實體的權力影響該等回報，本集團即對該實體具有控制權。附屬公司在控制權轉移至本集團之日起合併入賬，並在控制權終止之日起停止合併入賬。

集團內的交易、結餘及集團公司間交易的未確認收益予以對銷。未確認虧損亦予以對銷，除非交易提供所轉讓資產減值的證據。附屬公司的呈報金額已按需要調整，以確保與本集團的會計政策一致。

#### (a) 業務合併

本集團應用購買法將業務合併入賬。購買一家附屬公司所轉讓的代價為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的代價包括或然代價安排所產生的任何資產和負債的公允價值。在業務合併中所購買的可識別資產以及所承擔的負債及或然負債，首先以彼等於購買日期的公允價值計量。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.2 Subsidiaries (continued)

##### 2.2.1 Consolidation (continued)

###### (a) Business combinations (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

### 2. 重要會計政策摘要(續)

#### 2.2 附屬公司(續)

##### 2.2.1 合併賬目(續)

###### (a) 業務合併(續)

本集團按個別收購基準，確認在被收購方的任何非控制性權益。被收購方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔實體的淨資產，可按公允價值或按現時的擁有權權益應佔被收購方的可識別淨資產的確認金額比例計量。非控制性權益的所有其他組成部份按收購日期的公允價值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購的相關成本乃於產生時支銷。

倘業務合併分階段進行，收購方先前持有的被收購方股權的收購當日賬面值於收購當日重新計量為公允價值；由此產生的任何溢利或虧損於損益確認。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.2 Subsidiaries (continued)

##### 2.2.1 Consolidation (continued)

###### (a) Business combinations (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss (Note 2.10).

### 2. 重要會計政策摘要(續)

#### 2.2 附屬公司(續)

##### 2.2.1 合併賬目(續)

###### (a) 業務合併(續)

本集團所轉讓的任何或然代價將在收購當日按公允價值確認。被視為一項資產或負債的或然代價公允價值隨後變動，將按照香港會計準則第39號於損益確認。分類為權益的或然代價毋須重新計量，而其隨後結算於權益中入賬。

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股本權益於收購日期的公允價值超出所收購的可識別資產淨值的公允價值的部份以商譽列賬。如在議價購入的情況下，所轉讓代價、已確認非控制性權益與先前所持權益計量的總和低於所收購附屬公司資產淨值的公允價值，其差額則直接在損益表中確認(附註2.10)。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.2 Subsidiaries (continued)

##### 2.2.1 Consolidation (continued)

###### (b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

### 2. 重要會計政策摘要(續)

#### 2.2 附屬公司(續)

##### 2.2.1 合併賬目(續)

###### (b) 所有權權益變動

本集團將不導致喪失控制權的非控制性權益交易視作與本集團權益持有者的交易。擁有權權益變動導致控制性與非控制性權益賬面值的調整，以反映其於附屬公司的相關權益。非控制性權益調整金額與任何已付或已收代價之間的任何差額於本公司權益持有者應佔權益中的獨立儲備內確認。





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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.2 Subsidiaries (continued)

##### 2.2.1 Consolidation (continued)

###### (b) Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### 2. 重要會計政策摘要 (續)

#### 2.2 附屬公司(續)

##### 2.2.1 合併賬目(續)

###### (b) 所有權權益變動 (續)

當本集團因喪失控制權、共同控制權或重大影響力而停止合併入賬或按權益入賬一項投資時，於實體的任何保留權益重新按公允價值計量，而賬面值變動於損益確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公允價值為初始賬面值。此外，先前於其他綜合收益確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此意味先前在其他綜合收益確認之金額重新分類至損益或根據適用香港財務報告準則之規定／許可轉撥至另一類權益。

倘於一間合營企業或聯營公司的擁有權益減少但保留共同控制權或重大影響力，則先前於其他綜合收益確認的金額僅有一定比例份額重新分類至損益(如適用)。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.2 Subsidiaries (continued)

##### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs received of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill, if any, identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

### 2. 重要會計政策摘要(續)

#### 2.2 附屬公司(續)

##### 2.2.2 獨立財務報表

於附屬公司之投資按成本扣除減值入賬。成本亦包括投資直接應佔成本。本公司根據已收及應收的股息為基準，計算附屬公司的業績。

如附屬公司的投資所得股息高於期內附屬公司的綜合收益總額，或者在獨立財務報表中的投資賬面值高於合併財務報表中的被投資方淨資產(包括商譽)之賬面值時，則須對附屬公司的投資進行減值測試。

#### 2.3 聯營公司

聯營公司指本集團對其有重大影響力但無控制權的實體，通常附帶有20%至50%投票權的股權。投資在聯營公司是採用權益會計法入賬。根據該權益會計法，有關投資最初按成本確認，並會增減賬面值以確認收購日後投資者於被投資方的損益份額。本集團於聯營公司之投資包括於收購時識別的商譽(如有)。

倘於聯營公司所有權權益減少但仍保留重大影響，只有按比例將之前於其他綜合收益中確認的金額重分類至損益(如適當)。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.3 Associates (continued)

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of result of an associate' in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

### 2. 重要會計政策摘要(續)

#### 2.3 聯營公司(續)

本集團應佔收購後的溢利或虧損於損益表中確認，而應佔收購後其他綜合收益的變動(連同對投資賬面值作出的相應調整)則於其他綜合收益內確認。如本集團應佔聯營公司的虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收賬款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團於各報告日期釐定是否有客觀證據顯示於聯營公司之投資出現減值。如屬此情況，本集團會將減值金額作為聯營公司之可收回款額與其賬面值之差額計算，並將該金額在合併損益表「應佔聯營公司業績」中確認。

本集團與其聯營公司之間的上游及下游交易產生的溢利及虧損，只會限於無相關投資者佔聯營公司權益範圍在本集團的合併財務報表內確認。除非交易提供所轉讓資產減值的證據，否則未變現虧損會予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採納的政策符合一致。

於聯營公司的股權攤薄所產生的收益或虧損於合併損益表內確認。



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

#### 2.4 Joint arrangement

The Group has assessed the nature of its joint arrangement and determined it to be joint venture. A joint venture is accounted for using the equity method.

Under the equity method of accounting, interests in a joint venture are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investment in a joint venture include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (including any other unsecured receivables), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 2. 重要會計政策摘要(續)

#### 2.4 共同安排

本集團已評估其共同安排之性質，並將其共同安排界定為合營企業。合營企業採用權益法入賬。

根據權益會計法，於合營企業的權益乃按成本初步確認，其後予以調整以確認集團應佔收購後的損益及於其他綜合收益的變動。本集團於合營企業的投資包括就收購識別的商譽。收購於一間合營企業的擁有權權益後，合營企業成本與集團應佔合營企業的可識別資產及負債之公允價值淨值之間的差額入賬列作商譽。當本集團應佔合營企業虧損等於或超過其佔合營企業之權益時(包括任何其他無抵押應收賬款)，本集團不會確認進一步虧損，除非本集團代合營企業承擔負債或支付款項。

本集團與其合營企業交易的未變現收益與本集團於合營企業的權益對銷。未變現虧損亦予以對銷，除非交易時有證據表明所轉讓資產出現減值。合營企業會計政策已按需要作出改變，以確保與本集團所採納政策符合一致。



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

### 2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management committee (Note 5(b)) that makes strategic decisions.

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

## 2. 重要會計政策摘要(續)

### 2.5 分部報告

營運分部之報告方式須與首席營運決策人獲提供的內部報告之方式一致。作出決策的管理委員會(附註5(b))是首席營運決策人，其負責分配資源並且評核營運分部的表現。

### 2.6 外幣換算

#### (a) 功能及呈列貨幣

本集團各實體計入財務報表的項目乃採用實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計算。合併財務報表則以人民幣(「人民幣」)(本公司的功能貨幣及本集團的呈列貨幣)呈列。

#### (b) 交易及結餘

外幣交易按交易日的匯率或重新計量該等項目時之價值換算為功能貨幣。結算此等交易而產生以及將以外幣為單位的貨幣性資產與負債按年終的匯率換算而產生的外匯收益及虧損於合併損益表中確認。



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

#### 2.6 Foreign currency translation (continued)

##### (b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss within 'finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'other gains/(losses) – net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.6 外幣換算(續)

##### (b) 交易及結餘(續)

與借款相關之匯兌收益及虧損於合併損益表「財務成本」中列賬。所有其他匯兌收益及虧損均於合併損益表「其他收益／(虧損)－淨額」內列賬。

以外幣為單位及被分類為可供出售證券之債務證券之公允價值轉變將在其證券攤銷成本轉變衍生之匯兌差額及其他證券賬面值轉變之間予以分析。有關攤銷成本變動之匯兌差額會在損益表內確認，而其他賬面值之轉變則在其他綜合收益中確認。

非貨幣金融資產及負債(例如按公允價值計量且其變動計入損益表之權益)之匯兌差額在損益表內確認為公允價值盈虧的一部份。非貨幣金融資產(例如分類為可供出售的權益)之匯兌差額於其他綜合收益內列賬。





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

#### 2.6 Foreign currency translation (continued)

##### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.6 外幣換算(續)

##### (c) 集團公司

本集團旗下所有公司(當中沒有高通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣，其業績及財務狀況須按如下方式兌換為呈列貨幣：

- (i) 每份呈報的資產負債表所列資產及負債按其結算日之收市匯率換算；
- (ii) 每份損益表所列收入及開支按平均匯率換算，但若此平均匯率未能合理地反映各交易日之匯率所帶來的累積影響，則按照交易日之匯率折算此等收入和支出；及
- (iii) 所有由此而產生之貨幣匯兌差額均於其他綜合收益中確認。



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

### 2.7 Property, plant and equipment

Property, plant and equipment, comprising buildings, machinery, furniture and fixtures, vehicles, leasehold improvements and finance leased machinery are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Estimated useful life
Buildings	10-20 years
Machinery	5-10 years
Furniture and fixtures	3-10 years
Vehicles	4-10 years
Leasehold improvements	2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## 2. 重要會計政策摘要(續)

### 2.7 物業、廠房及設備

包括樓宇、機器設備、辦公設備、汽車、租賃物業裝修及融資租賃機器設備等物業、廠房及設備乃按歷史成本減折舊及減值列賬。歷史成本包括收購該項目直接應佔的開支。

其後成本僅於當與該項目有關的未來經濟利益很有可能會流入本集團，而項目的成本能夠可靠地計量，方會包括在資產的賬面值或確認為獨立資產(如適用)。作為獨立資產入賬的任何組件的賬面值於被更換時終止確認。所有其他維修及保養成本於產生的財務期間自合併損益表扣除。

物業、廠房及設備的折舊乃採用以下估計可使用年期將其成本按直線法分攤至剩餘價值計算，如下：

	估計可使用年期
樓宇	10-20年
機器設備	5-10年
辦公設備	3-10年
汽車	4-10年
租賃物業裝修	2-5年

資產的剩餘價值及可使用年期於每個報告期末獲審閱及調整(如適用)。



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

### 2.7 Property, plant and equipment (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) – net' in the consolidated statement of profit or loss.

Construction-in-progress ("CIP") represents buildings, plant and machinery under construction or pending installation and is stated at historical cost less accumulated impairment losses, if any. Historical cost includes the costs of construction, acquisition and borrowing. No provision for depreciation is made on CIP until such time as the relevant assets are completed and available for intended use. When the assets concerned are ready for their intended use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

### 2.8 Leasehold land and land use rights

All land in the PRC is state-owned or collectively-owned. There is no individual land ownership right. The Group acquired the right to use certain land. The premiums paid for such right and the improvements related to the land are treated as prepayment for operating lease and recorded as 'leasehold land and land use rights', which are amortised over the lease periods using the straight-line method. The leasehold land and land use rights are stated at historical cost less accumulated amortisation and impairment losses.

## 2. 重要會計政策摘要(續)

### 2.7 物業、廠房及設備(續)

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額(附註2.11)。

出售盈虧乃對比所得款項與賬面值後釐定，並於合併損益表「其他收益／(虧損)－淨額」中確認。

在建工程(「在建工程」)指正在興建或有待安裝的樓宇、廠房及機器設備，並按歷史成本減累計減值虧損(如有)列賬。歷史成本包括興建、收購及借款成本。概無就在建工程的折舊計提撥備，直至有關資產竣工及可用作擬定用途為止。當有關資產按其既定用途使用，成本會轉撥至物業、廠房及設備，並根據上述政策予以折舊。

### 2.8 租賃土地及土地使用權

中國的所有土地均為國有或集體擁有，個人並無獨立的土地所有權。本集團取得使用若干土地的權利。就該權利支付的價款及有關該土地的裝修視作預付經營租賃並以「租賃土地及土地使用權」列賬，按租期以直線法攤銷。租賃土地及土地使用權按歷史成本減去累計攤銷及減值虧損列賬。



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

### 2.9 Investment property

The property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as 'investment property'.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at depreciated cost less accumulated impairment.

Depreciation of investment properties is calculated using the straight-line method to allocate cost to their residual value over their estimated useful lives of 20 years.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

## 2. 重要會計政策摘要(續)

### 2.9 投資物業

持作長期租金收益或資本增值或此兩種用途，而並非由本集團的各實體佔用的物業分類為「投資物業」。

投資物業按成本(包括相關交易成本)初始計量。初始確認後，投資物業按已折舊成本減累計減值列賬。

投資物業的折舊乃採用其估計可使用年期(20年)將成本按直線法分攤至其剩餘價值計算。

其後開支僅於當與該項目有關的未來經濟利益很有可能會流入本集團，而項目的成本能夠可靠地計量，方會包括在資產的賬面值。所有其他維修及保養成本於產生的財務期間自合併損益表扣除。

倘投資物業成為業主自用，則重新分類為物業、廠房及設備，而就會計目的而言，於重新分類當日的賬面值為其成本。

倘物業、廠房及設備的某個項目因其用途改變而成為投資物業，則該轉撥並無改變所轉撥物業的賬面值，亦無改變該物業的成本作計量或披露用途。



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

#### 2.10 Intangible assets

##### (a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

##### (b) Computer software

Computer software costs recognised as assets are amortised using the straight-line method over their estimated useful lives of 3-5 years.

### 2. 重要會計政策摘要(續)

#### 2.10 無形資產

##### (a) 商譽

收購附屬公司的商譽列入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件出現或情況變動顯示其可能出現減值時，進行更頻密減值測試，並按成本減去累計減值損失列示。出售實體的收益及虧損包括與出售實體有關的商譽賬面值。

商譽會被分配至現金產生單位以進行減值測試。有關分配乃對預期將從商譽產生的業務合併中獲益的現金產生單位或現金產生單位組別作出。現金產生單位或現金產生單位組別乃就內部管理目的而於監察商譽的最低層次(即營運分部)確認。

##### (b) 計算機軟件

計算機軟件費用確認為資產，3至5年估計使用年期使用直線法作出攤銷。



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

#### 2.10 Intangible assets (continued)

##### (c) Unpatented and patented technology

Acquired unpatented and patented technology costs recognised as assets are amortised using the straight-line method over their estimated useful life of 8 years.

#### 2.11 Impairment of non-financial assets

Assets that have an indefinite useful life-for example, goodwill-are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.12 Financial assets

##### 2.12.1 Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### 2. 重要會計政策摘要(續)

#### 2.10 無形資產(續)

##### (c) 非專利及專利技術

已收購非專利及專利技術成本確認為資產於8年估計使用年期使用直線法作出攤銷。

#### 2.11 非金融資產減值

沒有確定可使用年期的資產(例如商譽)毋須攤銷，惟會每年進行減值測試，或當有事件出現或情況變動顯示其可能出現減值時，進行更頻密進行減值測試。無論在任何情況下當有事件或變動顯示賬面值可能無法收回時，則須進行攤銷的資產作減值檢討。減值虧損乃按資產賬面值高出其可收回金額的數額確認。可收回金額為資產公允價值減出售成本及使用價值兩者的較高者。就評估減值而言，資產乃按可獨立識別現金流量(現金產生單位)的最低層次組合。出現減值的非金融資產(商譽除外)會於每個報告日期作出可能撥回減值的檢討。

#### 2.12 金融資產

##### 2.12.1 分類

本集團將其金融資產分為以下類別：按公允價值計量且其變動計入損益表之金融資產、貸款及應收賬款及可供出售金融資產。分類視乎所收購的金融資產的目的而定。管理層會於初始確認時決定其金融資產分類。





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

#### 2.12 Financial assets (continued)

##### 2.12.1 Classification (continued)

###### (a) Financial assets at fair value through profit or loss

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, i.e. are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. The Group has not elected to designate any financial assets at fair value through profit or loss.

###### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise 'loan receivables', 'trade receivables', 'notes receivable – bank acceptance notes', 'other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 2.18 and 2.19 respectively).

### 2. 重要會計政策摘要 (續)

#### 2.12 金融資產 (續)

##### 2.12.1 分類 (續)

###### (a) 按公允價值計量且其變動計入損益表之金融資產

倘收購按公允價值計量且其變動計入損益表之金融資產的主要目的為在短期內出售，即撥歸為持作買賣。倘於報告期末後12個月內出售，則此類別資產作為流動資產呈列，否則作為非流動資產呈列。本集團並無選擇指定任何按公允價值計量且其變動計入損益表之金融資產。

###### (b) 貸款及應收賬款

貸款及應收賬款為非衍生工具金融資產，具有固定或可決定金額，惟並無在交投活躍的市場上報價。倘款項預期於一年內或更短期間內收回，則其分類為流動資產。反之則呈列為非流動資產。本集團的貸款及應收賬款包括列入資產負債表的「應收貸款」、「應收貿易賬款」、「應收票據—銀行承兌匯票」、「其他應收賬款」和「現金及現金等價物」(附註2.18及2.19)。



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

#### 2.12 Financial assets (continued)

##### 2.12.1 Classification (continued)

###### (c) Available-for-sale financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at FVPL, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

### 2. 重要會計政策摘要(續)

#### 2.12 金融資產(續)

##### 2.12.1 分類(續)

###### (c) 可供出售的金融資產

倘投資並無固定到期日及固定或可釐定款項，且管理層擬中長期持有該等投資，則其指定為可供出售金融資產。並非分類為任何其他類別(透過按公允價值計量且其變動計入損益表、貸款及應收賬款或持有至到期日之投資)之金融資產亦包含於可供出售類別。

除非其到期或管理層擬於報告期末起計12個月內出售金融資產，否則其呈列為非流動資產。



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

#### 2.12 Financial assets (continued)

##### 2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale assets of the Group include investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost less provision for impairment, if any.

### 2. 重要會計政策摘要(續)

#### 2.12 金融資產(續)

##### 2.12.2 確認及計量

金融資產之一般買賣於交易日(即本集團承諾購買或出售資產當日)確認。對於並非按公允價值計量且其變動計入損益表的金融資產投資初始按公允價值加交易成本確認。按公允價值計量且其變動計入損益表之金融資產初始按公允價值確認，而交易成本則於合併損益表中支銷。金融資產乃從收取現金流量的權利屆滿或轉讓，而本集團實質上轉移所有權的一切風險及回報時，投資即終止確認。可供出售金融資產及按公允價值計量且其變動計入損益表之金融資產其後按公允價值入賬。貸款及應收賬款其後以實際利率法按已攤銷成本入賬。本集團之可供出售資產包括沒有於活躍市場的市場報價及其公允價值無法可靠計量的權益工具的投資，其按成本減去減值撥備(如有)計量。



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

#### 2.12 Financial assets (continued)

##### 2.12.2 Recognition and measurement (continued)

Gains or losses arising from changes in the fair value of the derivative financial instruments are presented in the consolidated statement of profit or loss as a separate item in the period in which they arise. Gains or losses arising from changes in the fair value of other financial instruments in financial assets or liabilities at fair value through profit or loss category are presented in the consolidated statement of profit or loss within 'other gains/(losses) – net'.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss as 'other gains/(losses) – net'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

### 2. 重要會計政策摘要 (續)

#### 2.12 金融資產 (續)

##### 2.12.2 確認及計量 (續)

衍生金融工具公允價值變動產生的收益或虧損於合併損益表內呈列為產生期間的獨立項目。按公允價值計量且其變動計入損益表之金融資產或負債類別的其他金融工具公允價值變動產生的收益或虧損呈列於合併損益表的「其他收益／(虧損)－淨額」中。

可供出售貨幣及非貨幣證券的公允價值變動，在其他綜合收益中確認。

倘可供出售證券出售或減值，則於權益確認的累計公允價值調整計入合併損益表的「其他收益／(虧損)－淨額」。

使用實際利率法計算的可供出售證券的利息於合併損益表中確認為其他收入的一部份。可供出售權益工具產生的股息收入在本集團收取付款的權利確立時作為其他收入的一部份於合併損益表中確認。



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

#### 2.13 Impairment of financial assets

##### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### 2. 重要會計政策摘要 (續)

#### 2.13 金融資產減值

##### (a) 按攤銷成本列賬之資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該組金融資產之估計未來現金流構成可合理估計的影響，有關金融資產或一組金融資產才算出現減值及產生減值虧損。

減值的證據可能包括以下指標：債務人或一組債務人正處於重大財政困難、逾期或拖欠利息或本金付款、有可能彼等將進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量的減少，例如欠款變動或與逾期還款相關連的經濟狀況。



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

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

#### 2.13 Impairment of financial assets (continued)

##### (a) Assets carried at amortised cost (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

### 2. 重要會計政策摘要(續)

#### 2.13 金融資產減值(續)

##### (a) 按攤銷成本列賬之資產(續)

就貸款及應收賬款類別而言，虧損金額乃按資產賬面值與按金融資產原實際利率貼現之估計未來現金流現值(不包括尚未產生之未來信貸虧損)間的差額計量。資產賬面值會予以削減，而虧損金額會於合併損益表確認。倘貸款按浮動利率計息，則計量任何減值虧損之貼現率乃根據合約釐定之現行實際利率。在實際運作上，本集團於計量減值時可能採用可觀察之市場價格來釐定工具的公允價值。

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值後發生的事件有關連(例如債務人信貸評級改善)，則以往確認的減值虧損的撥回會於合併損益表中確認。





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

### 2.13 Impairment of financial assets (continued)

#### (b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

### 2.14 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of item being hedged.

For derivative financial instruments do not qualify for hedge accounting, changes in fair value are recognised immediately in the consolidated statement of profit or loss as a separate item.

## 2. 重要會計政策摘要 (續)

### 2.13 金融資產減值 (續)

#### (b) 分類為可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。倘股本投資被分類為可供出售，證券的公允價值出現重大或持續地低於其成本亦為一種表明其發生減值的證據。若可供出售金融資產存在此等證據，累計虧損按收購成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算，自權益中重新分類並在損益中確認。在合併損益表確認的權益工具減值虧損不會透過合併損益表撥回。

### 2.14 衍生金融工具及對沖活動

衍生工具於訂立衍生工具合約當日按公允價值初始確認，並按其後公允價值重新計量。確認所得盈虧的方法，取決於衍生工具是否界定為對沖工具，如是，則取決於被對沖項目的性質。

就不符合資格進行對沖會計處理的衍生金融工具而言，公允價值的變動即時於合併損益表內確認為單獨項目。



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

#### 2.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### 2.16 Inventories

Inventories are stated at the lower of cost and the net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 2.17 Properties under development and held for sale

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

### 2. 重要會計政策摘要(續)

#### 2.15 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

#### 2.16 存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本乃按加權平均法釐定。製成品及在製品的成本包括原材料、直接人工、其他直接成本及相關生產間接開支(依據正常營運能力)，不包括借款成本。可變現淨值為日常業務過程中的估計售價，減去適用的可變銷售支出。

#### 2.17 發展中及持作出售物業

發展中及持作出售物業以成本及可變現淨值兩者的較低者入賬。物業發展成本包括土地使用權費用、建築成本及在建期間產生的借款成本。竣工後，物業轉為已完成的持作出售物業。

可變現淨值考慮最終預計可變現價格，減去適用可變動銷售支出及預期竣工成本。



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

#### 2.17 Properties under development and held for sale (continued)

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

#### 2.18 Trade, notes and other receivables

Trade and notes receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade, notes and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade, notes and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. See Note 2.12.2 for further information about the Group's accounting for trade receivables and Note 2.13 for a description of the Group's impairment policies.

#### 2.19 Cash and cash equivalents

In the consolidated statement of cash flow, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities if three months or less.

### 2. 重要會計政策摘要(續)

#### 2.17 發展中及持作出售物業(續)

發展中及持作出售物業分類為流動資產，惟相關物業發展項目的建築工期預計超出正常經營周期者除外。

#### 2.18 應收貿易賬款、票據及其他應收賬款

應收貿易賬款及票據為在日常業務過程中就已銷售商品之應收客戶的款項。倘應收貿易賬款、票據及其他應收賬款預期可於一年或之內收款(或時間更長，則在業務的正常營運週期)，則分類為流動資產。如未能於一年或之內收款，則分類為非流動資產。

應收貿易賬款、票據及其他應收賬款初始按公允價值確認，而其後則採用實際利率法按已攤銷成本減去減值撥備計量。有關本集團應收貿易賬款列賬之進一步資料請參閱附註2.12.2及有關本集團之減值政策之說明請參閱附註2.13。

#### 2.19 現金及現金等價物

合併現金流量表中，現金及現金等價物包括現金、銀行活期存款(三個月或更短內到期)。



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

### 2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.21 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

## 2. 重要會計政策摘要(續)

### 2.20 股本

普通股分類為權益。與發行新股或購股權直接相關的新增成本於權益中列為所得款項的減少(扣除稅項)。

### 2.21 應付貿易賬款及其他應付賬款

應付貿易賬款為在日常業務過程中就自供應商採購商品或服務的付款責任。倘應付貿易賬款及其他應付賬款預期於一年或之內到期支付(或時間更長，則在業務的正常營運週期)，則分類為流動負債。如並非於一年或之內到期，則分類為非流動負債。

應付貿易賬款及其他應付賬款初始按公允價值確認，而其後則採用實際利率法按已攤銷成本計量。

### 2.22 借款

借款初始按公允價值(扣除已產生的交易成本)確認。借款其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間的任何差額於借款期使用實際利率法於合併損益表中確認。

借款於合約列明的責任獲解除、註銷或屆滿時自資產負債表中剔除。已失效或轉移至另一方之財務負債之賬面值與已付代價之差額(包括已轉讓的任何非現金資產或已承擔負債)於損益內確認為其他收入或財務成本。



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

#### 2.22 Borrowings (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### 2.23 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency/forward currency rates at the inception of the borrowings.

### 2. 重要會計政策摘要(續)

#### 2.22 借款(續)

除非本集團有無條件的權利延遲償還負債直至報告期末後最少12個月，否則借款分類為流動負債。

#### 2.23 借款成本

任何直接用於收購、建設或生產需較長時間方可用於其擬定用途或出售的合資格資產的一般及特定借款成本，乃加入該等資產的成本當中，直至資產已大致可作其擬定用途或銷售時為止。

所有其他借款成本則於其產生期間於損益表中確認。

借款成本包括利息開支、有關融資租賃之融資費用及外幣借貸產生且被視為屬於利息成本調整範圍內之匯兌差異。匯兌收益及虧損為利息成本之調整，包括倘實體按其功能貨幣借入資金將產生借款成本之利率差異，及外幣借款實際產生之借款成本。該款項按實體功能貨幣／借款成立時的遠期匯率基於類似借款之利率估計。



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

#### 2.23 Borrowing costs (continued)

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

#### 2.24 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 2. 重要會計政策摘要(續)

#### 2.23 借款成本(續)

當建立合資格資產需花費一個以上會計期間，合資格資本化的外匯差異金額基於利息開支的累計金額(該實體以其功能貨幣借款所產生)按累計方式釐定。外匯差異資本化總額不得超過報告期末按累計基準產生的外匯差異淨值總額。

#### 2.24 當期及遞延所得稅

期內稅項開支指當期及遞延稅項。稅項於合併損益表確認，惟倘與該等在其他綜合收益確認或直接在權益確認的項目有關者除外。在該情況下，稅項亦會分別於其他綜合收益確認或直接於權益確認。

##### (a) 當期所得稅

當期所得稅費用按本公司及其附屬公司及聯營公司從事業務經營並產生應課稅收入的所在國家在結算日已頒佈或實質上已頒佈的稅務法律計算。在適用的稅務法規有待解釋的情況下，管理層會定期評估申報的稅務狀況，必要時按預期向稅務機關繳納的稅額計提撥備。





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

#### 2.24 Current and deferred income tax (continued)

##### (b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

### 2. 重要會計政策摘要(續)

#### 2.24 當期及遞延所得稅(續)

##### (b) 遞延所得稅

遞延所得稅採用負債法按資產和負債的稅基與其在合併財務報表的賬面值兩者產生的暫時性差異確認。然而，倘遞延所得稅負債於首次確認商譽產生時並無確認，遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前生效或實質生效，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

有關按公允價值計量的投資物業的遞延稅項負債乃假設該物業將透過出售完全收回釐定。

遞延所得稅資產乃就有可能在未來應課稅溢利而就此可動用暫時性差異而確認。

倘本公司能控制撥回暫時性差異的時間及該等差異很可能不會於可見將來撥回，則不會就外國業務投資賬面值與稅基之間的暫時性差異確認遞延稅項負債及資產。



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

#### 2.24 Current and deferred income tax (continued)

##### (b) Deferred income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2. 重要會計政策摘要(續)

#### 2.24 當期及遞延所得稅(續)

##### (b) 遞延所得稅(續)

當有法定可執行權利將當期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有法定可執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債時，則當期稅項資產與稅項負債抵銷。

當期及遞延稅項於損益中確認，惟有關於其他綜合收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他綜合收益或直接於權益中確認。

##### (c) 抵銷

當有法定可執行權利將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。



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

#### 2.25 Employee benefits

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”). Under the MPF Scheme, the Group and its Hong Kong employees make monthly contributions to the MPF Scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation, subject to a cap per person per month and any excess contributions are voluntary (if any).

In accordance with the rules and regulations in the PRC, the Group has arranged for its PRC employees to join the defined contribution retirement benefit plans organised by PRC government. The PRC government undertakes to assume the retirement benefit obligations of all existing and future retired employees payable under the plan as set out in Note 33. The assets of this plan are held separately from those of the Group in an independent fund managed by the PRC government.

The Group’s contributions to the defined contribution retirement benefit plan are charged to the consolidated statement of profit or loss as incurred. The Group has no further payment obligations once the contributions have been paid.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

### 2. 重要會計政策摘要 (續)

#### 2.25 僱員福利

本集團已為其香港僱員安排參與強制性公積金計劃(「強積金計劃」)。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例按僱員收入5%每月向強積金計劃供款，按每人每月的供款上限及自願作出額外供款(如有)。

根據中國的規定及條例，本集團已安排於中國的僱員參與中國政府組織的定額供款統籌退休金計劃。中國政府承諾負擔按附註33所述的計劃向所有現時及未來退休的僱員支付退休金的責任。本計劃的資產撥入獨立於本集團，並由中國政府管理的獨立基金。

本集團向定額供款統籌退休金計劃繳交的供款於產生時在合併損益表列賬。本集團於供款付清後再無其他付款責任。

僱員享有之年假於彼等享有年假時確認。因僱員提供服務至結算日而須給予之估計年假均須計提撥備。

僱員享有之病假及產假須待正式休假時予以確認。



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

#### 2.26 Share-based payments

##### (a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

### 2. 重要會計政策摘要(續)

#### 2.26 購股權支出

##### (a) 以股權結算之購股權支出交易

本集團設有一項以股權結算、股份支付的薪酬計劃，據此實體以本集團的權益工具(購股權)作為代價取得僱員的服務。就僱員提供服務而授予的購股權的公允價值確認為支出。將列作支出的總金額乃參考所授購股權的公允價值釐定：

- 包括任何市場表現狀況(例如，實體的股份價格)；
- 不包括任何服務及非市場表現可行權條件(例如，盈利能力、銷售增長目標和該實體僱員在指定時期留任)之影響；及
- 包括任何非可行權條件(例如，僱員留任之要求)之影響。

在假定預期將授予的購股權數目時，非市場性質的表現及服務條件亦加入一併考慮。支出的開支總額於可行權期間內確認，該期間為所有特定可行權條件將獲達成的期間。



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

#### 2.26 Share-based payments (continued)

##### (a) Equity-settled share-based payment transactions (continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value).

##### (b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

### 2. 重要會計政策摘要(續)

#### 2.26 購股權支出(續)

##### (a) 以股權結算之購股權支出交易(續)

此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公允價值會予以估計，以確認服務開始期至授出日期之期間內的開支。

於各個報告期末，實體根據非市場性質的可行權條件調整對預期將授予的購股權數目所作出的估計，如有對原來估計產生影響，在合併損益表中對權益作出相應調整。

在購股權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(面值)。

##### (b) 集團實體間購股權支出交易

本公司授出之購股權超過本集團附屬公司業務僱員的權益工具，作為注資處理。已收取僱員服務的公允價值乃參考授出當日公允價值計量，於歸屬期確認為於附屬公司業務投資的增加，並計入相關母實體賬目之權益內。



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

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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

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

#### 2.27 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### 2. 重要會計政策摘要(續)

#### 2.27 撥備

環境整修、重建成本及法律索償的撥備乃於：本集團因已發生的事件而承擔法定或推定責任；可能須以資源流出清償該項責任；及責任的金額能可靠估計時須予以確認。概不就未來經營虧損確認撥備。

如有多項類似責任，則履行該等責任時將需要流出資源的可能性乃在整體考慮有關責任的類別後予以釐定。即使有關同一類別責任內任何一項責任出現流出的可能性很低，惟仍須確認撥備。

撥備採用稅前以預期清償該項責任的所需開支的現值計量，並反映市場目前對金錢的時間價值及責任特定的風險的評估。撥備因時間流逝的增加乃確認為利息費用。

#### 2.28 政府補貼

當本集團可合理確保將會收到補貼，且本集團將符合所有附帶條件時，政府補貼可按公允價值予以確認。

有關成本的政府補貼遞延入賬，並按擬補償的成本配合所需期間於損益表中確認。





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

#### 2.28 Government grants (continued)

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight-line basis over the expected lives of the related assets.

#### 2.29 Revenue recognition

##### (a) Sales of goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### 2. 重要會計政策摘要(續)

#### 2.28 政府補貼(續)

有關物業、廠房及設備的政府補貼按遞延政府補貼列入非流動負債，並按有關資產的預期可使用年期以直線法計入損益表。

#### 2.29 收入確認

##### (a) 貨品的銷售額

收入包括在本集團的日常業務過程中銷售貨品的已收或應收代價的公允價值。收入在扣除增值稅、退貨、回扣和折扣，以及對銷本集團內銷售額後列示。

就以下所述的本集團各項活動而言，在收入金額能可靠計量，而未來經濟利益將有可能流入實體以及符合特殊標準時，本集團將會確認收入。在所有與銷售有關的或然事件獲解決前，收入金額概不會被視作可予可靠計量。本集團對過往業績的估計的基礎乃已考慮到客戶的類別、交易的類型以及各項安排的特殊情況。



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

#### 2.29 Revenue recognition (continued)

##### (b) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet under current liabilities.

##### (c) Sales of services

The Group sells logistics transportation and customs declaration services. For sales of services, revenue is recognised when the related services are provided.

##### (d) Lease income

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

### 2. 重要會計政策摘要(續)

#### 2.29 收入確認(續)

##### (b) 物業的銷售額

出售物業的收入於物業的風險及回報轉讓至買方，即有關物業竣工後並根據銷售協議將物業交付買家，且能合理確保收取有關應收款時，方予確認。收入確認日之前已售物業收取之按金及分期付款將列賬於合併資產負債表流動負債項下。

##### (c) 銷售服務

本集團銷售物流運輸及報關服務。有關服務的銷售，收入於相關服務提供時確認。

##### (d) 租賃收入

經營租賃的租賃收入，在租賃期內按直線法確認為收入。



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

#### 2.30 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

#### 2.31 Dividend income

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

#### 2.32 Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

### 2. 重要會計政策摘要(續)

#### 2.30 利息收入

利息收入採用實際利率法確認。倘貸款及應收賬款出現減值，則本集團會將賬面值減至其按該等款項的原定實際利率的估計未來折現現金流量而設定的可收回金額，並繼續解除折現作為利息收入。已減值貸款的利息收入及應收賬款採用原定實際利率確認。

#### 2.31 股息收入

股息收入在收取股息的權利確立時確認。即使以收購前溢利支付仍適用。然而，投資將需要進行減值測試。

#### 2.32 租賃

本集團(作為承租人)實質上擁有所有權之全部風險及回報之物業、廠房及設備的租賃歸類為融資租賃。融資租賃按已租賃物業的公允價值或最低租賃付款的現值(以較低者為準)予以資本化。相應之租金責任(扣除融資費用)乃計入其他短期及長期應付賬款中。每期租賃付款分配為負債及融資成本。財務成本在租賃期內計入損益，以使各個期間就負債之餘額達致一個固定週期的利率。如無合理確定，本集團將於租賃期限完結時取得資產擁有權，根據融資租賃所購入之物業、廠房及設備於資產可使用年期或於資產可使用年期及租賃期兩者中之較短者予以折舊。



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

#### 2.32 Leases (continued)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease. If a sale and leaseback transaction results in a finance lease, any excess or deficit of sales proceeds over the carrying amount is deferred and amortised over the lease term.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

#### 2.33 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

### 2. 重要會計政策摘要(續)

#### 2.32 租賃(續)

擁有資產之風險及回報絕大部分由出租人保留之租賃，乃分類為經營租賃。根據經營租賃作出之付款(在扣除自出租人收取之任何獎勵金後)，於租賃期內以直線法在合併損益表扣除。倘一項出售及回租交易導致產生一項融資租賃，則出售所得款項超過賬面值的任何過剩或赤字按租賃期予以遞延及攤銷。

倘本集團為出租人，融資租賃產生的租金收入按直線基準於租賃期間確認為收入。已出租資產按其性質計入資產負債表。

#### 2.33 或然負債

或然負債指因已發生的事件而可能引起的責任，此等責任需就某一宗或多宗本集團不能完全控制會否實現的事件會否發生才能確認。或然負債亦可能是因已發生的事件引致的現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地計量而未有入賬。或然負債不會予以確認，但會在合併財務報表附註中披露。假若消耗資源的可能性改變導致可能出現資源消耗，則其將被列作撥備入賬。



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

#### 2.34 Dividends distribution

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### 2.35 Earnings per share

##### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, by weighted average number of ordinary shares outstanding during the financial year.

##### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### 2.36 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of third parties to secure loans.

### 2. 重要會計政策摘要(續)

#### 2.34 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內確認為負債。

#### 2.35 每股收益

##### (a) 每股基本收益

每股基本收益按本公司權益持有者應佔溢利除以該財政年度發行在外的普通股加權平均數計算。

##### (b) 每股稀釋收益

每股稀釋收益調整了用於釐定每股基本收益的數字，當中慮及利息所得稅的稅後效應及其他與具攤薄性潛在普通股有關的財務成本，以及假設就具攤薄性潛在普通股作無代價發行的股份的加權平均數。

#### 2.36 財務擔保合約

財務擔保合約是指發行人須就某指定債務人未能根據債務工具的條款支付到期債務時須向合約持有人支付指定款項以償付其損失的合約。該等財務擔保乃代表第三方授予銀行、金融機構及其他團體以擔保其貸款。



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

#### 2.36 Financial guarantee contracts (continued)

Financial guarantees are initially recognised in the consolidated financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. Any increase in the liability relating to guarantees is reported in the consolidated statement of profit or loss within other operating expenses.

### 3. FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 2. 重要會計政策摘要(續)

#### 2.36 財務擔保合約(續)

財務擔保在合併財務報表中初步按提供擔保日期的公允價值確認。由於所有擔保均以公平條款協定，而所協定的溢價價值與擔保責任的價值亦相符，因此財務擔保於簽訂時的公允價值為零。概不會確認未來溢價的應收款項。於初步確認後，本集團於該等擔保的負債按初步數額減根據香港會計準則第18號確認的費用攤銷，與需要結算該擔保數額的最佳估計兩者的較高者計量。此等估計根據類似交易及過往損失的經驗釐定，並附以管理層的判斷。與擔保有關的負債的任何增加於合併損益表其他經營開支內呈報。

### 3. 財務風險管理

#### 3.1 財務風險因素

本集團的活動承受多種財務風險：市場風險(包括公允價值利率風險、現金流量利率風險及外匯風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。





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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk

###### (i) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant float interest-bearing assets. The Group's interest rate risk mainly arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest risk which is partially offset by cash held at variable rates. Loan receivables issued at fixed rates exposed the Group to fair value interest rate risk. The maximum exposures to the interest rate risk have been disclosed in Notes 19 and 26 respectively.

The Group has not used any derivatives to hedge its exposure to interest rate risk for the years ended 31 December 2017 and 2016.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險

###### (i) 現金流量及公允價值利率風險

由於本集團並無任何重大浮動計息資產，故本集團的收入及經營現金流量基本上不受市場利率變動所影響。本集團的利率風險主要來自銀行借貸。按浮動利率發行的借款令本集團面臨現金流量利率風險，而該風險由按浮動利率持有的現金部份抵銷。按固定利率發行的應收貸款令本集團面臨公允價值利率風險。最大利率風險分別於附註19及26中披露。

截至二零一七年及二零一六年十二月三十一日止年度，本集團並無使用任何衍生工具對沖其利率風險。



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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

###### (ii) Foreign exchange risk

The major foreign exchange risk exposure arises from the Group's importing and exporting activities and the Group's borrowings, which are mostly denominated in United States Dollars (the "US\$"). The Group also has certain bank deposits, financial assets and financial liabilities that are denominated in foreign currencies, mainly US\$ and HK\$, which are exposed to foreign currency translation risk. The foreign exchange risk is reduced where the Group is in a position of receiving and paying the same currency. The Group also used foreign currency forward contract to hedge its exposure to foreign exchange risk for the year ended 31 December 2017. The maximum exposures to the foreign exchange risks are disclosed in Notes 17, 21, 24 and 26 respectively.

###### (iii) Summarised sensitivity analysis

The following table summarised the impact of increases/decreases of cash flow interest rate and foreign exchange rate on the Group's consolidated financial statements.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (ii) 外匯風險

外匯風險主要來自本集團進口及出口業務及本集團的借款，其中大部份均以美元(「美元」)計值。本集團有若干以外幣計值的銀行存款、金融資產及金融負債，主要計值貨幣是美元及港元，其面臨外幣匯兌風險。外匯風險降低因本集團收取及支付相同貨幣。截至二零一七年十二月三十一日止年度，本集團亦使用外幣遠期合約對沖其外匯風險。最高外匯風險的金額分別於附註17、21、24及26中披露。

###### (iii) 敏感度分析摘要

下表概述現金流量利率及外匯上升/下跌對本集團合併財務報表的影響。



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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

##### (iii) Summarised sensitivity analysis (continued)

The sensitivity analysis for the cash flow interest rate risk and foreign exchange risk is based on the assumption that:

- (a) Interest rate had been 15% lower/higher from the year end rates with all other variables held constant (for example, 11.5% or 8.5% instead of 10.0%);
- (b) RMB had weakened/strengthened by 10% against US\$ and HK\$ (pegged with US\$) with all other variables held constant.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (iii) 敏感度分析摘要(續)

現金流量利率風險及外匯風險的敏感度分析是基於以下假設：

- (a) 利率較年末下降／上升15%，而所有其他變量均保持不變（如：11.5%或8.5%，而非10.0%）；
- (b) 人民幣兌美元及港元（與美元掛鈎）貶值／升值10%，而所有其他變量均保持不變。



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

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## 3. FINANCIAL RISK MANAGEMENT (continued)

## 3. 財務風險管理 (續)

### 3.1 Financial risk factors (continued)

### 3.1 財務風險因素 (續)

#### (a) Market risk (continued)

#### (a) 市場風險 (續)

##### (iii) Summarised sensitivity analysis (continued)

##### (iii) 敏感度分析摘要 (續)

		Cash flow interest rate risk 現金流量利率風險				
		-15%		+15%		
	Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益	
<b>31 December 2017</b>	二零一七年十二月三十一日					
<b>Financial assets at floating interest rates</b>	按浮動利率計息的金融資產					
Cash and cash equivalents	現金及現金等價物	2,766,396	(3,057)	(3,057)	3,057	
Restricted bank balances	受限制銀行結餘	417,151	(461)	(461)	461	
<b>Financial liabilities at floating interest rates</b>	按浮動利率計息的金融負債					
Bank and other borrowings	銀行及其他借款	(243,500)	1,752	1,752	(1,752)	
<b>Total (decrease)/increase</b>	合共(減少)/增加		(1,766)	(1,766)	1,766	

		Foreign exchange risk 外匯風險				
		-10%		+10%		
	Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益	
<b>31 December 2017</b>	二零一七年十二月三十一日					
<b>Monetary assets</b>	貨幣資產					
Cash and cash equivalents	現金及現金等價物	628,354	62,835	62,835	(62,835)	
Trade receivables	應收貿易賬款	116,429	11,643	11,643	(11,643)	
Other receivables	其他應收賬款	1,644	164	164	(164)	
Amounts due from related parties	應收關聯方款項	121,751	12,175	12,175	(12,175)	
<b>Monetary liabilities</b>	貨幣負債					
Trade payables	應付貿易賬款	(170,557)	(17,056)	(17,056)	17,056	
Other payables	其他應付賬款	(10,309)	(1,031)	(1,031)	1,031	
Borrowings	借款	(897,606)	(89,761)	(89,761)	89,761	
Amount due to a related party	應付一名關聯方款項	(11,178)	(1,118)	(1,118)	1,118	
<b>Total (decrease)/increase</b>	合共(減少)/增加		(22,149)	(22,149)	22,149	



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

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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

##### (iii) Summarised sensitivity analysis (continued)

31 December 2016

##### Financial assets at floating interest rates

Cash and cash equivalents  
Restricted bank balances

##### Financial liabilities at floating interest rates

Bank and other borrowings

##### Total (decrease)/increase

二零一六年十二月三十一日

##### 按浮動利率計息的金融資產

現金及現金等價物  
受限制銀行結餘

##### 按浮動利率計息的金融負債

銀行及其他借款

##### 合共(減少)/增加

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (iii) 敏感度分析摘要(續)

Cash flow interest rate risk

現金流量利率風險

-15% +15%

Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
------------------------	--------------	--------------	--------------	--------------

31 December 2016

##### Financial assets at floating interest rates

Cash and cash equivalents  
Restricted bank balances

##### Financial liabilities at floating interest rates

Bank and other borrowings

##### Total (decrease)/increase

二零一六年十二月三十一日

##### 按浮動利率計息的金融資產

現金及現金等價物  
受限制銀行結餘

##### 按浮動利率計息的金融負債

銀行及其他借款

##### 合共(減少)/增加

Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
1,290,199	(3,236)	(3,236)	3,236	3,236
890,617	(2,234)	(2,234)	2,234	2,234
(646,500)	4,859	4,859	(4,859)	(4,859)
	(611)	(611)	611	611

Foreign exchange risk

外匯風險

-10% +10%

Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
------------------------	--------------	--------------	--------------	--------------

31 December 2016

##### Monetary assets

Cash and cash equivalents  
Restricted bank balances  
Trade receivables  
Deposits and other receivables

##### Monetary liabilities

Trade payables  
Other payables  
Borrowings

##### Total increase/(decrease)

二零一六年十二月三十一日

##### 貨幣資產

現金及現金等價物  
受限制銀行結餘  
應收貿易賬款  
按金及其他應收賬款

##### 貨幣負債

應付貿易賬款  
其他應付賬款  
借款

##### 合共增加/(減少)

Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
477,078	47,708	47,708	(47,708)	(47,708)
11,559	1,156	1,156	(1,156)	(1,156)
62,010	6,201	6,201	(6,201)	(6,201)
1,724	172	172	(172)	(172)
(56,267)	(5,627)	(5,627)	5,627	5,627
(7,759)	(776)	(776)	776	776
(369,507)	(36,951)	(36,951)	36,951	36,951
	11,883	11,883	(11,883)	(11,883)



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

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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (a) Market risk (continued)

##### (iii) Summarised sensitivity analysis (continued)

Profit represents consolidated profit post tax; equity represents total equity, including non-controlling interests.

Other payables include payables for purchase of property, plant and equipment, customer deposits and employee deposits as stated in Note 25.

##### (b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash and cash equivalents, restricted bank balances, financial assets at fair value through profit or loss, derivative financial instruments, available-for-sale financial assets, trade and notes receivables, deposits and other receivables, loan receivables and amounts due from related parties represent the Group's maximum exposure on credit risk in relation to financial assets. The Group does not have significant credit risks arising from off-balance sheet items. The Group's credit policy for the sales of products is mainly delivery either on cash or upon receipt of bank acceptance notes with maturity dates within six months. For bank and financial institutions, the Group has policies that deposits are placed with reputable banks. Credit quality of financial assets is further disclosed in Notes 13, 19 and 43(c) respectively.

### 3. 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (a) 市場風險 (續)

##### (iii) 敏感度分析摘要 (續)

溢利指除稅後合併溢利；權益指權益合計，包括非控制性權益。

其他應付賬款包括購買物業、廠房及設備之應付賬款、客戶按金及僱員按金(載於附註25)。

##### (b) 信貸風險

本集團並無重大集中的信貸風險。現金及現金等價物、受限制銀行結餘、按公允價值計量且其變動計入損益表之金融資產、衍生金融工具、可供出售金融資產、應收貿易賬款及票據、按金及其他應收賬款、應收貸款及應收關聯方款項的賬面值為本集團的金融資產在信貸風險方面的最高風險水平。本集團並無由資產負債表外項目產生的重大信貸風險。本集團產品銷售的信貸政策主要為於收取現金或到期日在六個月內的銀行承兌匯票時方會發貨。對於銀行及金融機構，本集團的政策是將存款存放於有信譽的銀行。金融資產的信貸質素分別在附註13、19和43(c)內進一步披露。





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

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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, together with adequate banking facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險

本集團的流動資金風險透過維持充足現金及現金等價物，以及足夠銀行信貸額度控制。

下表是本集團金融負債的分析。按結算日至合約到期日的剩餘期限，將金融負債分到相關的期限組別。表中披露的金額是約定的未折現現金流量。對於12個月內到期的餘額，因折現影響不大，該等餘額等於其賬面餘額。

		Between				Total 合計
		Less than 1 year 1年內	1 and 2 years 1至2年	2 and 5 years 2至5年	Over 5 years 5年以上	
<b>At 31 December 2017</b>	<b>於二零一七年 十二月三十一日</b>					
Borrowings	借款	1,890,206	235,500	-	-	2,125,706
Interests payable on borrowings (i)	借款應付利息(i)	45,390	7,713	-	-	53,103
Trade payables	應付貿易賬款	3,517,538	-	-	-	3,517,538
Other payables	其他應付賬款	692,271	-	-	-	692,271
Amounts due to related parties	應付關聯方款項	73,251	-	-	-	73,251
Finance lease liabilities	融資租賃負債	198,497	-	-	-	198,497
Interest payments on finance lease liabilities (ii)	融資租賃負債之 利息款項(ii)	11,688	-	-	-	11,688
Derivative financial instruments	衍生金融工具	9,036	-	-	-	9,036
		<b>6,437,877</b>	<b>243,213</b>	-	-	<b>6,681,090</b>



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

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## 3. FINANCIAL RISK MANAGEMENT (continued)

## 3. 財務風險管理 (續)

### 3.1 Financial risk factors (continued)

### 3.1 財務風險因素 (續)

#### (c) Liquidity risk (continued)

#### (c) 流動資金風險 (續)

		Less than 1 year 1年內	Between	Between	Over 5 years 5年以上	Total 合計
			1 and 2 years 1至2年	2 and 5 years 2至5年		
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>					
Borrowings	借款	1,134,507	-	246,500	-	1,381,007
Interests payable on borrowings (i)	借款應付利息(i)	43,687	11,709	11,548	-	66,944
Trade payables	應付貿易賬款	5,425,323	-	-	-	5,425,323
Other payables	其他應付賬款	479,273	-	-	-	479,273
Amounts due to related parties	應付關聯方款項	27,266	-	-	51,859	79,125
Finance lease liabilities	融資租賃負債	551,392	603,761	-	-	1,155,153
Interest payments on finance lease liabilities (ii)	融資租賃負債之 利息付款(ii)	40,563	34,301	-	-	74,864
Derivative financial instruments	衍生金融工具	15,669	-	-	-	15,669
Guarantee for bank borrowings of a third party	為一名第三方的銀行借款 出具擔保	10,960	-	-	-	10,960
		7,728,640	649,771	258,048	51,859	8,688,318

(i) The interest on borrowings is calculated based on borrowings held as at 31 December 2017 and 2016 without taking into account extension or refinancing of the borrowings in future. Floating-rate interest is estimated using current interest rate as at 31 December 2017 and 2016 respectively.

(ii) The interest on finance lease is calculated based on remaining balance of finance lease liability and the interest rate implicit in the lease as at 31 December 2017.

(i) 借款利息按二零一七年及二零一六年十二月三十一日持有的借款計算，不考慮未來延期或重新籌集借款。浮動利率分別按二零一七年及二零一六年十二月三十一日的當時利率估算。

(ii) 於二零一七年十二月三十一日，融資租賃利息按餘下融資租賃負債結餘及租賃隱含的利率計算。



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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by the total capital. Total debt includes current and non-current borrowings, other long-term payables and loans from related parties. Total capital includes non-current borrowings, non-current portion of other long-term payables, non-current portion of loan from a related party and equity attributable to owners of the Company.

Total debt	債項總額
Total capital	總資本
Debt-to-capital ratio	債項與資本比率

As at 31 December 2017, the ratio declined due to repayment of other long-term payables and increase in equity attributable to owners of the Company.

### 3. 財務風險管理(續)

#### 3.2 資金風險管理

本集團的資金管理目標，是保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有者的利益，並維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資本、發行新股或出售資產以減低債務。

本集團是根據債項與資本比率監察資本狀況。該比率為債項總額除以總資本。債項總額包括流動及非流動借款、其他長期應付賬款及關聯方貸款。總資本包括非流動借款、其他長期應付賬款非流動部份、一名關聯方貸款非流動部份及歸屬於本公司權益持有者的權益。

	2017 二零一七年	2016 二零一六年
Total debt	<b>2,392,657</b>	2,623,383
Total capital	<b>14,147,679</b>	10,169,651
Debt-to-capital ratio	<b>16.91%</b>	25.80%

於二零一七年十二月三十一日，比率下降因償還其他長期應付賬款及歸屬於本公司權益持有者的權益增加所致。



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

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## 3. FINANCIAL RISK MANAGEMENT (continued)

### 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2017 and 31 December 2016.

## 3. 財務風險管理 (續)

### 3.3 公允價值估計

下表透過估值法分析按公允價值計量的金融工具。不同級別界定如下：

- 相同資產或負債的活躍市場報價(未經調整)(第一級)。
- 除包含於第一級的報價外，資產或負債的可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定的資產或負債的輸入資料(即不可觀察的輸入資料)(第三級)。

下表呈列本集團於二零一七年十二月三十一日及二零一六年十二月三十一日按公允價值計量的資產及負債。

		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
<b>At 31 December 2017</b>	<b>於二零一七年 十二月三十一日</b>				
<b>Assets</b>	<b>資產</b>				
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				
– Money market funds (Note 20)	– 貨幣市場基金(附註20)	1,299,193	–	–	1,299,193
– Bond market funds (Note 20)	– 債券市場基金(附註20)	33,243	–	–	33,243
– Financial investment products (Note 20)	– 金融投資產品(附註20)	–	–	1,433,801	1,433,801
Available-for-sale financial assets	可供出售金融資產				
– Debt securities (Note 15)	– 債務證券(附註15)	92,506	–	–	92,506
Derivative financial instruments	衍生金融工具				
– Trading derivatives	– 買賣衍生工具	209	–	–	209
		1,425,151	–	1,433,801	2,858,952
<b>Liabilities</b>	<b>負債</b>				
Derivative financial instruments	衍生金融工具				
– Trading derivatives	– 買賣衍生工具	5,706	3,330	–	9,036



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

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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

##### At 31 December 2016

##### Assets

Financial assets at fair value through profit or loss	
– Money market funds (Note 20)	
– Financial investment products (Note 20)	
Available-for-sale financial assets	
– Debt securities (Note 15)	
Derivative financial instruments	
– Trading derivatives	

##### Liabilities

Derivative financial instruments	
– Trading derivatives	

##### 於二零一六年十二月三十一日

##### 資產

按公允價值計量且其變動計入損益表之金融資產	
– 貨幣市場基金(附註20)	
– 金融投資產品(附註20)	
可供出售金融資產	
– 債務證券(附註15)	
衍生金融工具	
– 買賣衍生工具	

##### 負債

衍生金融工具	
– 買賣衍生工具	

### 3. 財務風險管理(續)

#### 3.3 公允價值估計(續)

	Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
214,658	–	–	–	214,658
–	–	–	172,800	172,800
149,950	–	–	–	149,950
–	6,220	–	–	6,220
364,608	6,220	172,800	–	543,628
12,995	–	2,674	–	15,669

For the year ended 31 December 2017 and 2016, there are no transfers among levels of the fair value hierarchy used in measuring the fair value of financial instruments, and also no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

截至二零一七年及二零一六年十二月三十一日止年度，金融工具公允價值計量所使用公允價值層級間未有作出轉撥，且概無因變更該等資產目的或使用而改變金融資產的分類。



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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

##### 3.3.1 Fair value measurements using quoted prices (Level 1)

The Group's trading fund investments, classified as level 1 financial assets, are the money market funds acquired from certain financial institution whereby the Group is expecting to earn short-term gain from the funds. The fair values of the trading funds are determined based on the quoted market prices at the balance sheet date (Note 20).

The Group's bond market fund investments, classified as level 1 financial assets, mainly invest in debentures with fixed and floating interest rates whereby the Group is expecting to earn interests from the funds. The fair values are determined based on the quoted market prices at the balance sheet date (Note 20).

The Group's debt securities investments, classified as level 1 financial assets, are investments in debentures with fixed interest ranging from 3.250% to 5.375% and maturity date between November 2018 and June 2021. The fair values are determined based on the quoted market prices at the balance sheet date (Note 15).

### 3. 財務風險管理 (續)

#### 3.3 公允價值估計 (續)

##### 3.3.1 採用報價計量公允價值 (第一級)

本集團可交易的基金投資(分類為第一級金融資產)乃向若干金融機構購買的貨幣市場基金，據此，本集團預計自該等基金賺取短期收益。可交易基金的公允價值乃按結算日所報市價釐定(附註20)。

本集團的債券市場基金投資(分類為第一級金融資產)主要投資於固定及浮動利率的債券，據此，本集團預計自該等基金賺取利息。公允價值乃按結算日所報市價釐定(附註20)。

本集團的債務證券投資(分類為第一級金融資產)乃按介乎3.250%至5.375%的固定利率計息及到期日介乎二零一八年十一月至二零二一年六月的債權證之投資。公允價值乃按結算日所報市價釐定(附註15)。





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

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### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.3 Fair value estimation (continued)

##### 3.3.1 Fair value measurements using quoted prices (Level 1) (continued)

The Group's derivative financial instruments, classified as level 1 financial assets, are the iron ore swap contracts and iron ore and rebar future contracts entered into by the Group and certain financial institutions. The fair values are determined based on the prices on the Singapore Futures Exchange and the Shanghai Futures Exchange at the balance sheet date.

The Group's derivative financial instruments, classified as level 1 financial liabilities, are the iron ore and rebar future contracts entered into by the Group and certain financial institutions. The fair values are determined based on the prices on the Shanghai Futures Exchange at the balance sheet date.

##### 3.3.2 Valuation techniques used to derive fair values (Level 2)

The Group's derivative financial instruments, classified as level 2 financial liabilities, are the foreign currency forward contracts entered into by the Group and certain financial institutions. The fair values are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

The foreign currency forward contracts as at 31 December 2017 comprised contracts with notional principal amounts totalling USD 26 million (equivalent to approximately RMB 174 million).

### 3. 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### 3.3.1 採用報價計量公允價值(第一級)(續)

本集團衍生金融工具(分類為第一級金融資產)為本集團與若干金融機構訂立之鐵礦石掉期合約以及鐵礦石及螺紋鋼期貨合約。公允價值乃按結算日新加坡期貨交易所及上海期貨交易所的價格釐定。

本集團衍生金融工具(分類為第一級金融負債)為本集團與若干金融機構訂立之鐵礦石及螺紋鋼期貨合約。公允價值乃按結算日上海期貨交易所的價格釐定。

##### 3.3.2 用於計算公允價值之估值技巧(第二級)

本集團衍生金融工具(分類為第二級金融負債)為本集團與若干金融機構訂立之外幣遠期合約。於結算日之遠期匯率用於考慮外匯遠期合約之公允價值，產生之價值貼現回現值。

於二零一七年十二月三十一日，外幣遠期合約包括名義本金總額2,600萬美元(相等於約人民幣1.74億元)之合約。



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## 3. FINANCIAL RISK MANAGEMENT (continued)

## 3. 財務風險管理 (續)

### 3.3 Fair value estimation (continued)

### 3.3 公允價值估計 (續)

#### 3.3.3 Fair value measurements using significant unobservable inputs (Level 3)

#### 3.3.3 使用重大不可觀察輸入值之公允價值計量 (第三級)

The Group's financial investment products, classified as level 3 financial assets are issued by banks. Buyers of these products entrust the banks to make investment mainly in money market or bond market. Principals and returns of such products are not guaranteed. These products cannot be traded but can only be redeemed from the issuing banks. The fair values are determined using discounted cash flow model, the main inputs are the expected yield rates which are an unobservable data.

本集團金融投資產品(分類為第三級金融資產)由銀行發行。該等產品之買方委託銀行主要於貨幣市場或債券市場進行投資。該等產品的本金及回報不受擔保。該等產品不可交易，但僅可於發行銀行贖回。公允價值乃使用貼現現金流量模式釐定，主要輸入數據為預期回報率(不可觀察數據)。

#### Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

公允價值計量採用的主要不可觀察輸入數據(第三級)之定量資料

	Fair value at 31 December 2017 於二零一七年 十二月三十一日 之公允價值	Valuation Technique 估值技巧	Unobservable input 不可觀察輸入數據	Range (weighted average) 範圍(加權平均)
Financial investment products invested both in money market and bond market 投資於貨幣市場及債券市場之 金融投資產品	1,433,801	Discounted cash flow 貼現現金流	Expected yield rate 預期收益率	1.8%-4.8% (3.3%)

### 3.4 Fair value of financial assets and liabilities measured at amortised cost

### 3.4 按攤銷成本計量之金融資產及負債之公允價值

The fair value of the other financial assets and liabilities of the Group are disclosed in the relevant notes of these financial statements.

本集團的其他金融資產及負債的公允價值披露於該等財務報表相關附註。



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

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### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes judgements, estimates and assumptions concerning the future. The resulting accounting judgements and estimates will, by definition, seldom equal to the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Impairment of other receivables

As at 31 December 2017, the debtors of certain other receivables were in financial difficulties or have commenced bankruptcy proceedings. Impairments are recognised whenever there is objective evidence that the present value of estimated future cash flows measurable decreases and is lower than the carrying amount of other receivables. The recoverability of individually significant other receivables were assessed on an individual basis based on management's estimates of discounted future cash flows. Other receivable balances without objective evidence of impairment were grouped based on their credit risk characteristics for evaluation. The collective impairment provision was determined by management based on historical loss experience and aging analysis, taking into considerations of industry and other circumstances.

### 4. 關鍵會計估計及判斷

估計及判斷會被持續評估，並根據過往經驗和其他因素進行持續評估，包括在有關情況下相信為合理的對未來事件的預期。

本集團對未來作出判斷、估計及假設。所得的會計判斷及估計如其定義，很少會與其實際結果相同。很大風險導致下個財政年度的資產與負債的賬面值作出重大調整的判斷、估計及假設討論如下。

#### (a) 其他應收賬款減值

於二零一七年十二月三十一日，若干其他應收賬款的債務人面臨財務困難或已開始破產程序。於有客觀證據顯示估計未來可測量的現金流量現值下降且低於其他應收賬款之賬面值時，確認減值。個別重大其他應收款項的可收回性乃根據管理層對折現未來現金流量按個別基準評估。並無客觀證據顯示減值的其他應收賬款結餘按信貸風險特點進行組合。管理層根據歷史虧損經驗及賬齡分析，並考慮行業特點及其他情況釐定可收回減值撥備。



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

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### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (b) Current and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed.

#### (c) Impairment of property, plant and equipment

The Group reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policy stated in Note 2.11. The recoverable amount of a cash generating unit ("CGU") has been determined based on higher of value-in-use and fair value less costs to sell.

### 4. 關鍵會計估計及判斷(續)

#### (b) 當期及遞延所得稅

本集團須繳納眾多司法權區的所得稅。於釐定所得稅準備時需作出重要判斷。有許多交易及計算均難以確定最終稅項的釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜的責任。倘該等事宜的最終稅務結果與最初記錄的金額不同，有關差異會影響到有關釐定期間的當期及遞延所得稅資產及負債。

當管理層認為將來可能有應課稅溢利以抵扣暫時性差額或可使用稅務虧損時，有關若干暫時性差額及稅務虧損之遞延稅項資產予以確認。當預期與原來估計不同時，差額將影響對這些估計出現變動期間的遞延稅項資產及稅項之確認。

#### (c) 物業、廠房及設備減值

當在任何情況下有事件或變動顯示賬面值可能不會予以收回時，本集團則會根據附註2.11所述的會計政策檢討物業、廠房及設備的減值。一個現金產生單位(「現金產生單位」)的可收回金額已根據使用價值與公允價值減銷售成本兩者的較高者釐定。



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### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (c) Impairment of property, plant and equipment (continued)

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

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

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

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition as at the balance sheet date and the historical experience of manufacturing and selling products of similar nature.

### 4. 關鍵會計估計及判斷(續)

#### (c) 物業、廠房及設備減值(續)

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

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

#### (d) 存貨可變現淨值

存貨可變現淨值為日常業務過程中的估計售價減估計完成成本及銷售開支。該等估計乃根據於結算日的現時市況及製造和出售類似性質產品之過往經驗而作出。



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### 5. SALES AND SEGMENT INFORMATION

#### (a) Sales

The Group is principally engaged in the manufacture and sale of iron and steel products, trading of steel products and iron ore and real estate business. Sales recognised for the years ended 31 December 2017 and 2016 were as follows:

#### Sales

- Strips and strip products
- H-section steel products
- Rebar
- Billets
- Iron ore
- Sheet piling
- Cold rolled sheets and galvanised sheets
- Real estate
- Others

#### 銷售額

- 帶鋼及帶鋼類產品
- H型鋼產品
- 螺紋鋼
- 鋼坯
- 鐵礦石
- 鋼板樁
- 冷軋板及鍍鋅板
- 房地產
- 其他

### 5. 銷售額及分部資料

#### (a) 銷售額

本集團主要從事製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。截至二零一七年及二零一六年十二月三十一日止年度已確認的銷售額如下：

2017 二零一七年	2016 二零一六年
<b>12,454,251</b>	8,734,682
<b>10,771,405</b>	7,300,486
<b>6,801,032</b>	3,265,882
<b>4,006,271</b>	2,852,695
<b>2,458,149</b>	1,931,434
<b>1,475,948</b>	565,734
<b>1,357,813</b>	929,314
<b>1,138,091</b>	211,830
<b>889,636</b>	635,386
<b>41,352,596</b>	26,427,443





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### 5. SALES AND SEGMENT INFORMATION (continued)

#### (b) Segment information

The chief decision-maker has been identified as the management committee, which comprises all executive directors and top management. The chief decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources.

Based on these reports, the chief decision-maker considers the business from a business perspective. From a business perspective, the chief decision-maker assesses the performance of the iron and steel and the real estate segments.

- (i) Iron and steel – Manufacture and sale of iron and steel products and trading of steel products and iron ore; and
- (ii) Real estate – Development and sale of properties.

The chief decision-maker assesses the performance of the operating segments based on a measure of revenue and operating profit. This measurement is consistent with that in the annual financial statements.

### 5. 銷售額及分部資料 (續)

#### (b) 分部資料

首席決策人已獲確認為包括所有執行董事及最高管理層的管理委員會。首席決策人審閱本集團的內部報告以作評估業績表現及分配資源。

根據該等報告，首席決策人從商業角度考慮業務。從商業角度，首席決策人評估鋼鐵及房地產分部表現。

- (i) 鋼鐵 – 製造及銷售鋼鐵產品以及鋼鐵產品及鐵礦石貿易；及
- (ii) 房地產 – 開發及銷售物業。

首席決策人根據計量收入及經營溢利評估經營分部表現。該計量與年度財務報表一致。



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## 5. SALES AND SEGMENT INFORMATION (continued)

### (b) Segment information (continued)

The segment information provided to the chief decision-maker for the reportable segments for the year was as follows:

## 5. 銷售額及分部資料(續)

### (b) 分部資料(續)

就年內報告分部提供予首席決策人的分部資料呈列如下：

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度		
		Iron and steel 鋼鐵	Real estate 房地產	Total 合計
<b>Revenue</b>	收入	<b>40,214,505</b>	<b>1,138,091</b>	<b>41,352,596</b>
<b>Segment results:</b>	分部業績：			
<b>Operating profit</b>	經營溢利	<b>6,309,884</b>	<b>95,311</b>	<b>6,405,195</b>
Finance income/(costs) – net	財務收入／(成本)－淨額	<b>2,925</b>	<b>(779)</b>	<b>2,146</b>
Share of results of associates and a joint venture	應佔聯營公司及一間合營企業業績	<b>389</b>	<b>-</b>	<b>389</b>
Profit before income tax	除所得稅前溢利			<b>6,407,730</b>
Income tax expense	所得稅費用			<b>(1,524,566)</b>
<b>Profit for the year</b>	年度溢利			<b>4,883,164</b>
<b>Other profit or loss items</b>	其他損益項目			
Depreciation and amortisation	折舊及攤銷	<b>1,066,562</b>	<b>1,555</b>	<b>1,068,117</b>
<b>Capital expenditure</b>	資本開支	<b>1,173,580</b>	<b>8,028</b>	<b>1,181,608</b>
		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度		
		Iron and steel 鋼鐵	Real estate 房地產	Total 合計
<b>Revenue</b>	收入	26,215,613	211,830	26,427,443
<b>Segment results:</b>	分部業績：			
<b>Operating profit/(loss)</b>	經營溢利／(虧損)	1,146,253	(18,014)	1,128,239
Finance (costs)/income – net	財務(成本)／收入－淨額	(73,529)	1,260	(72,269)
Share of results of associates	應佔聯營公司業績	(1,022)	-	(1,022)
Profit before income tax	除所得稅前溢利			1,054,948
Income tax expense	所得稅費用			(523,936)
<b>Profit for the year</b>	年度溢利			531,012
<b>Other profit or loss items</b>	其他損益項目			
Depreciation and amortisation	折舊及攤銷	1,082,917	1,750	1,084,667
Impairment of property, plant and equipment	物業、廠房及設備減值	809,790	-	809,790
<b>Capital expenditure</b>	資本開支	810,850	21	810,871



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

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### 5. SALES AND SEGMENT INFORMATION (continued)

#### (b) Segment information (continued)

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that is reported as direct offsets in the balance sheet. Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, investment properties, intangible assets, properties under development and held-for-sale, prepayments, deposits and other receivables, inventories, trade receivables, amounts due from related parties, notes receivable, restricted bank balances and cash and cash equivalents.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities consist primarily of other long-term payables, deferred revenue, amounts due to related parties, trade payables and accruals, advances and other current liabilities.

### 5. 銷售額及分部資料 (續)

#### (b) 分部資料 (續)

分部資產乃分部用於其經營活動的經營資產。分部資產扣除以資產負債表中直接抵銷呈報的相關津貼後釐定。分部資產主要包括租賃土地及土地使用權、物業、廠房及設備、投資物業、無形資產、發展中及持作出售物業、預付款項、按金及其他應收賬款、存貨、應收貿易賬款、應收關聯方款項、應收票據、受限制銀行結餘及現金及現金等價物。

分部負債乃分部的經營活動所導致的經營負債。分部負債主要包括其他長期應付賬款、遞延收入、應付關聯方款項、應付貿易賬款以及預提費用、預收款項及其他流動負債。



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

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### 5. SALES AND SEGMENT INFORMATION (continued)

### 5. 銷售額及分部資料(續)

#### (b) Segment information (continued)

#### (b) 分部資料(續)

The segment assets and liabilities as at 31 December 2017 were as follows:

於二零一七年十二月三十一日的分部資產及負債如下：

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
<b>Segment assets</b>	<b>分部資產</b>	<b>20,261,026</b>	<b>776,629</b>	<b>(90,283)</b>	<b>20,947,372</b>
Segment assets for reportable segments	報告分部的分部資產				20,947,372
<b>Unallocated:</b>	<b>未分配：</b>				
Deferred income tax assets	遞延所得稅資產				179,339
Available-for-sale financial assets	可供出售金融資產				432,111
Derivative financial instruments	衍生金融工具				209
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				2,766,237
Prepaid current income tax	預付當期所得稅				80,101
Total assets per balance sheet	資產負債表內的總資產				24,405,369
		<b>6,936,633</b>	<b>364,123</b>	<b>(90,283)</b>	<b>7,210,473</b>
<b>Segment liabilities</b>	<b>分部負債</b>				
Segment liabilities for reportable segments	報告分部的分部負債				7,210,473
<b>Unallocated:</b>	<b>未分配：</b>				
Current income tax liabilities	當期所得稅負債				916,449
Current borrowings	流動借款				1,890,206
Non-current borrowings	非流動借款				235,500
Derivative financial instruments	衍生金融工具				9,036
Dividends payable	應付股息				132
Deferred income tax liabilities	遞延所得稅負債				38,805
Total liabilities per balance sheet	資產負債表內的總負債				10,300,601



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

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### 5. SALES AND SEGMENT INFORMATION (continued)

### 5. 銷售額及分部資料(續)

#### (b) Segment information (continued)

#### (b) 分部資料(續)

The segment assets and liabilities as at 31 December 2016 were as follows:

於二零一六年十二月三十一日的分部資產及負債如下：

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
<b>Segment assets</b>	<b>分部資產</b>	17,941,495	1,811,238	(173,098)	19,579,635
Segment assets for reportable segments	報告分部的分部資產				19,579,635
<b>Unallocated:</b>	<b>未分配：</b>				
Deferred income tax assets	遞延所得稅資產				155,880
Available-for-sale financial assets	可供出售金融資產				489,555
Derivative financial instruments	衍生金融工具				6,220
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				387,458
Loan receivables	應收貸款				401,000
Prepaid current income tax	預付當期所得稅				28,814
Total assets per balance sheet	資產負債表內的總資產				21,048,562
		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
<b>Segment liabilities</b>	<b>分部負債</b>	8,974,275	1,316,474	(173,098)	10,117,651
Segment liabilities for reportable segments	報告分部的分部負債				10,117,651
<b>Unallocated:</b>	<b>未分配：</b>				
Current income tax liabilities	當期所得稅負債				122,918
Current borrowings	流動借款				1,134,507
Non-current borrowings	非流動借款				246,500
Derivative financial instruments	衍生金融工具				15,669
Dividends payable	應付股息				4,572
Deferred income tax liabilities	遞延所得稅負債				42,204
Total liabilities per balance sheet	資產負債表內的總負債				11,684,021



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### 6. LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent the prepayment for the operating lease, the net book value of which is analysed as follows:

At 1 January	於一月一日
Additions from acquiring a subsidiary	收購一間附屬公司增加
Amortisation of leasehold land and land use rights (Note 32)	租賃土地及土地使用權攤銷(附註32)
At 31 December 2017	於二零一七年十二月三十一日

As at 31 December 2017, the net book value of leasehold land and land use rights pledged as security for the Group's borrowings amounted to approximately RMB 54 million (2016: RMB 56 million) (Note 26).

The Group's leasehold land and land use rights are all located in the PRC and the remaining lease period is between 26 years to 50 years.

### 6. 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指經營租賃預付款項，按其賬面淨值分析如下：

	2017 二零一七年	2016 二零一六年
At 1 January	193,123	140,422
Additions from acquiring a subsidiary	-	58,091
Amortisation of leasehold land and land use rights (Note 32)	(5,812)	(5,390)
At 31 December 2017	187,311	193,123

於二零一七年十二月三十一日，為本集團之借款作抵押的租賃土地及土地使用權之賬面淨值約人民幣5,400萬元(二零一六年：人民幣5,600萬元)(附註26)。

本集團的租賃土地及土地使用權均位於中國，餘下租期介乎26年至50年。





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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
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### 7. PROPERTY, PLANT AND EQUIPMENT

### 7. 物業、廠房及設備

		Buildings	Machinery	Furniture and fixtures	Vehicles	Leasehold improve- ments	CIP	Total
		樓宇	機器設備	辦公設備	汽車	租賃物業 裝修	在建工程	合計
<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>							
Opening net book amount	年初賬面淨值	2,809,010	4,610,572	31,287	30,092	-	557,445	8,038,406
Additions	添置	1,166	55,771	2,995	32,230	-	1,081,037	1,173,199
Transfer from CIP	在建工程轉入	29,623	502,269	-	-	-	(531,892)	-
Disposals (Note 40)	出售(附註40)	(343)	(3,307)	(36)	(2,595)	-	-	(6,281)
Depreciation (Note 32)	折舊(附註32)	(199,556)	(826,726)	(5,779)	(12,681)	-	-	(1,044,742)
Closing net book amount	年末賬面淨值	2,639,900	4,338,579	28,467	47,046	-	1,106,590	8,160,582
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>							
Cost	成本	4,607,035	12,975,102	135,525	161,023	1,337	1,118,749	18,998,771
Accumulated depreciation	累計折舊	(1,575,799)	(7,518,794)	(101,614)	(110,511)	(1,337)	-	(9,308,055)
Impairment	減值	(391,336)	(1,117,729)	(5,444)	(3,466)	-	(12,159)	(1,530,134)
Net book amount	賬面淨值	2,639,900	4,338,579	28,467	47,046	-	1,106,590	8,160,582
<b>Year ended 31 December 2016</b>	<b>截至二零一六年十二月三十一日止年度</b>							
Opening net book amount	年初賬面淨值	2,540,749	5,040,823	31,860	42,141	42	604,741	8,260,356
Additions	添置	1,602	51,057	4,286	9,893	-	744,033	810,871
Additions from acquiring a subsidiary	收購一間附屬公司增加	233,810	615,174	2,007	1,394	-	-	852,385
Transfer from CIP	在建工程轉入	473,156	305,021	993	-	-	(779,170)	-
Disposals (Note 40)	出售(附註40)	-	(1,727)	(853)	(4,246)	-	-	(6,826)
Depreciation (Note 32)	折舊(附註32)	(183,302)	(864,227)	(5,116)	(15,903)	(42)	-	(1,068,590)
Impairment (Note 30)	減值(附註30)	(257,005)	(535,549)	(1,890)	(3,187)	-	(12,159)	(809,790)
Closing net book amount	年末賬面淨值	2,809,010	4,610,572	31,287	30,092	-	557,445	8,038,406
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>							
Cost	成本	4,576,899	12,477,821	132,856	144,995	1,337	569,604	17,903,512
Accumulated depreciation	累計折舊	(1,376,508)	(6,706,472)	(96,125)	(111,437)	(1,337)	-	(8,291,879)
Impairment	減值	(391,381)	(1,160,777)	(5,444)	(3,466)	-	(12,159)	(1,573,227)
Net book amount	賬面淨值	2,809,010	4,610,572	31,287	30,092	-	557,445	8,038,406



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

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### 7. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expenses have been charged to the consolidated statement of profit or loss as follows:

Cost of sales	銷售成本
Administrative expenses	行政費用

As at 31 December 2017, the net book value of property, plant and equipment pledged as security for the Group's borrowings amounted to approximately RMB 859 million (2016: RMB 975 million) (Note 26).

For the year ended 31 December 2017, borrowing costs amounted to approximately RMB 2 million (2016: RMB 11 million) were capitalised in the cost of property, plant and equipment at an annual average capitalisation rate of 3.60% (2016: 6.35%) approximately.

Buildings and machinery includes the following amounts where the Group is a lessee under several finance lease arrangements arising from a sale and leaseback:

Cost – capitalised finance leases	成本－資本化融資租賃
Accumulated depreciation	累計攤銷
Net book amount	賬面淨值

### 7. 物業、廠房及設備(續)

已於合併損益表中扣除的折舊開支如下：

2017	2016
二零一七年	二零一六年
1,009,310	1,031,271
35,432	37,319
<b>1,044,742</b>	<b>1,068,590</b>

於二零一七年十二月三十一日，為本集團借款作抵押之物業、廠房及設備之賬面淨值約人民幣8.59億元(二零一六年：人民幣9.75億元)(附註26)。

截至二零一七年十二月三十一日止年度，借款成本約人民幣200萬元(二零一六年：人民幣1,100萬元)已按年度平均資本化比率約3.60%(二零一六年：6.35%)資本化為物業、廠房及設備的成本。

樓宇及機器設備包括以下款項，本集團為產生售後回租之數個融資租賃安排的承租人：

	2017	2016
	二零一七年	二零一六年
Cost – capitalised finance leases	200,000	1,200,000
Accumulated depreciation	(73,031)	(172,730)
Net book amount	<b>126,969</b>	<b>1,027,270</b>



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### 8. INVESTMENT PROPERTIES

The investment properties are located in the PRC and their net book value are analysed as follows:

### 8. 投資物業

投資物業位於中國，按其賬面淨值分析如下：

<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>	
Opening net book amount	年初賬面淨值	6,549
Additions	添置	8,000
Transfer from completed properties held for sale	已完成的持作出售物業轉入	231,287
Depreciation (Note 32)	折舊(附註32)	(6,916)
Closing net book amount	年末賬面淨值	238,920
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	
Cost	成本	251,329
Accumulated depreciation	累計折舊	(12,409)
Net book amount	賬面淨值	238,920
<b>Year ended 31 December 2016</b>	<b>截至二零一六年十二月三十一日止年度</b>	
Opening net book amount	年初賬面淨值	6,990
Depreciation (Note 32)	折舊(附註32)	(441)
Closing net book amount	年末賬面淨值	6,549
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	
Cost	成本	12,042
Accumulated depreciation	累計折舊	(5,493)
Net book amount	賬面淨值	6,549



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

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### 8. INVESTMENT PROPERTIES (continued)

Amounts recognised in consolidated statement of profit or loss for investment properties included:

Rental income (Note 31)	租金收入(附註31)
Direct operating expenses	直接經營開支

As at 31 December 2017 and 2016, the Group had no significant contractual obligations for future repairs and maintenance of the investment properties.

As at 31 December 2017, the Directors estimated that the fair value of the investment properties was approximately RMB 456.5 million (2016: RMB 55.4 million) based on the prices in the active market.

### 8. 投資物業(續)

於合併損益表內就投資物業確認的金額包括：

2017 二零一七年	2016 二零一六年
<b>11,059</b>	2,574
<b>(6,916)</b>	(441)
<b>4,143</b>	2,133

於二零一七年及二零一六年十二月三十一日，本集團並無就投資物業的日後維修及保養產生重大合約承擔。

於二零一七年十二月三十一日，董事根據在交投活躍市場的價格估計投資物業的公允價值約人民幣4.565億元(二零一六年：人民幣5,540萬元)。



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

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### 9. INTANGIBLE ASSETS

### 9. 無形資產

		Unpatented technology	Patented technology	Software	Goodwill	Total
		非專利技術	專利技術	軟件	商譽	合計
<b>Year ended</b>	<b>截至二零一六年</b>					
<b>31 December 2016</b>	<b>十二月三十一日止年度</b>					
Opening net book amount	年初賬面淨值	70,532	-	434	8,498	79,464
Additions from acquiring a subsidiary	收購一間附屬公司增加	-	-	-	25,152	25,152
Amortisation (Note 32)	攤銷(附註32)	(10,076)	-	(170)	-	(10,246)
Closing net book amount	年末賬面淨值	60,456	-	264	33,650	94,370
<b>At 31 December 2016</b>	<b>於二零一六年</b>					
	<b>十二月三十一日</b>					
Cost	成本	80,608	-	840	41,317	122,765
Accumulated amortisation and impairment	累計攤銷及減值	(20,152)	-	(576)	(7,667)	(28,395)
Net book amount	賬面淨值	60,456	-	264	33,650	94,370
<b>Year ended</b>	<b>截至二零一七年</b>					
<b>31 December 2017</b>	<b>十二月三十一日止年度</b>					
Opening net book amount	年初賬面淨值	60,456	-	264	33,650	94,370
Additions	添置	-	9,000	1,409	-	10,409
Amortisation (Note 32)	攤銷(附註32)	(10,076)	(469)	(102)	-	(10,647)
Closing net book amount	年末賬面淨值	50,380	8,531	1,571	33,650	94,132
<b>At 31 December 2017</b>	<b>於二零一七年</b>					
	<b>十二月三十一日</b>					
Cost	成本	80,608	9,000	2,249	41,317	133,174
Accumulated amortisation and impairment	累計攤銷及減值	(30,228)	(469)	(678)	(7,667)	(39,042)
Net book amount	賬面淨值	50,380	8,531	1,571	33,650	94,132



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

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### 10. SUBSIDIARIES

As at 31 December 2017, the Company had direct and indirect interests in the following subsidiaries:

### 10. 附屬公司

於二零一七年十二月三十一日，本公司於下列附屬公司擁有直接及間接權益：

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital 已發行及繳足股本	Authorised capital 法定股本	Principal activities 主要業務
名稱	註冊成立地點及日期	法定主體類別	百分比	已發行及繳足股本	法定股本	主要業務
Gold Genesis Development Limited ("Gold Genesis")	British Virgin Islands ("BVI") 21 February 2003	Limited liability company	100% (Directly held)	US\$ 1	US\$ 50,000	Investment holding
Gold Genesis Development Limited (「Gold Genesis」)	英屬維爾京群島 (「英屬維爾京群島」) 二零零三年二月二十一日	有限責任公司	100% (直接持有)	1 美元	50,000 美元	投資控股
Good Lucky Enterprises Limited ("Good Lucky")	BVI 21 February 2003	Limited liability company	100% (Directly held)	US\$ 1	US\$ 50,000	Investment holding
Good Lucky Enterprises Limited (「Good Lucky」)	英屬維爾京群島 二零零三年二月二十一日	有限責任公司	100% (直接持有)	1 美元	50,000 美元	投資控股
First Glory Services Limited ("First Glory")	BVI 16 October 2003	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
First Glory Services Limited (「First Glory」)	英屬維爾京群島 二零零三年十月十六日	有限責任公司	100% (直接持有)	2 美元	50,000 美元	投資控股
Accordpower Investments Limited ("Accordpower")	BVI 30 November 2004	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
致威投資有限公司 (「致威」)	英屬維爾京群島 二零零四年十一月三十日	有限責任公司	100% (直接持有)	2 美元	50,000 美元	投資控股
Fullhero Investments Limited ("Fullhero")	BVI 3 May 2005	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
英豐投資有限公司 (「英豐」)	英屬維爾京群島 二零零五年五月三日	有限責任公司	100% (直接持有)	2 美元	50,000 美元	投資控股
Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited")	PRC 24 December 1999	Joint stock company with limited liability	97.6% (Indirectly held)	RMB 228,640,000	RMB 228,640,000	Manufacture and sales of steel products
河北津西鋼鐵集團股份有限公司 (「津西鋼鐵」)	中國 一九九九年 十二月二十四日	股份有限責任公司	97.6% (間接持有)	人民幣 228,640,000 元	人民幣 228,640,000 元	生產及銷售鋼鐵產品





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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan")	PRC 26 December 2003	Limited liability company	80.28% (Indirectly held)	US\$ 55,150,000	US\$ 55,150,000	Manufacture and sales of steel products
佛山津西金蘭冷軋板有限公司 (「津西金蘭」)	中國 二零零三年十二月二十六日	有限責任公司	80.28% (間接持有)	55,150,000 美元	55,150,000 美元	生產及銷售鋼鐵產品
Oriental Fullhero Leasing Co. Ltd. ("Fullhero Leasing")	PRC 23 September 2005	Limited liability company	100% (Indirectly held)	US\$ 65,000,000	US\$ 65,000,000	Leasing and financial leasing
東方英豐租賃有限公司 (「英豐租賃」)	中國 二零零五年九月二十三日	有限責任公司	100% (間接持有)	65,000,000 美元	65,000,000 美元	租賃及融資租賃
Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel")	PRC 30 May 2008	Limited liability company	97.6% (Indirectly held)	RMB 350,000,000	RMB 350,000,000	Manufacture and sales of steel products
河北津西型鋼有限公司 (「津西型鋼」)	中國 二零零八年五月三十日	有限責任公司	97.6% (間接持有)	人民幣 350,000,000 元	人民幣 350,000,000 元	生產及銷售鋼鐵產品
Jinxi Hong Kong Trading Company Limited ("HK Trading")	Hong Kong 27 October 2008	Limited liability company	97.6% (Indirectly held)	HK\$ 38,750,001	HK\$ 80,000,000	Import and export of goods
津西香港進出口有限公司 (「津西香港」)	香港 二零零八年十月二十七日	有限責任公司	97.6% (間接持有)	38,750,001 港元	80,000,000 港元	進出口貨物
Suifenghe City Jinyin Trading Co. Ltd. ("Jinyin Trading")	PRC 24 September 2008	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Import and export of goods and technology
綏芬河市津銀貿易有限公司 (「津銀貿易」)	中國 二零零八年九月二十四日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000 元	人民幣 10,000,000 元	進出口貨物及技術
Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Co. Ltd. ("Zhengda Iron and Steel")	PRC 19 December 2008	Limited liability company	69.3% (Indirectly held)	RMB 50,000,000	RMB 50,000,000	Manufacture and sales of steel products
河北津西鋼鐵集團正達鋼鐵有限公司 (「正達鋼鐵」)	中國 二零零八年十二月十九日	有限責任公司	69.3% (間接持有)	人民幣 50,000,000 元	人民幣 50,000,000 元	生產及銷售鋼鐵產品



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Tangshan Fengrun Qu Tong Yuan Trading Company Limited ("Tong Yuan Trading")	PRC 22 May 2009	Limited liability company	69.3% (Indirectly held)	RMB 5,000,000	RMB 5,000,000	Purchase and sale of ferrous metal and coke
唐山市豐潤區通遠商貿有限公司 (「通遠商貿」)	中國 二零零九年 五月二十二日	有限責任公司	69.3% (間接持有)	人民幣 5,000,000元	人民幣 5,000,000元	買賣黑色金屬及焦炭
Hebei Jinxi Boyuan Real Estate Co. Ltd. ("Boyuan Real Estate")	PRC 17 December 2009	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Development and sales of real estate
河北津西博遠房地產開發有限公司 (「博遠房地產」)	中國 二零零九年 十二月十七日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	開發及銷售房地產
Clear Precision Limited ("Clear Precision")	BVI 22 July 2010	Limited liability company	100% (Directly held)	US\$ 2	US\$ 50,000	Investment holding
明達有限公司 (「明達」)	英屬維爾京群島 二零一零年 七月二十二日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Beijing Jinxi Investment Holding Co. Ltd. ("Beijing Jinxi Investment")	PRC 26 August 2010	Limited liability company	97.6% (Indirectly held)	RMB 130,000,000	RMB 130,000,000	Investment holding
北京津西投資控股有限公司 (「北京津西投資」)	中國 二零一零年 八月二十六日	有限責任公司	97.6% (間接持有)	人民幣 130,000,000元	人民幣 130,000,000元	投資控股
Oriental Evertrust Finance Leasing Co. Ltd. ("Oriental Evertrust")	PRC 27 September 2010	Limited liability company	98.20% (Indirectly held)	US\$ 200,000,000	US\$ 200,000,000	Financial leasing and leasing
東方信遠融資租賃有限公司 (「東方信遠」)	中國 二零一零年 九月二十七日	有限責任公司	98.20% (間接持有)	200,000,000 美元	200,000,000 美元	融資租賃及租賃



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	百分比	已發行及繳足股本	法定股本	主要業務
Oriental Green Energy-Saving Environmental Protection Engineering Co. Ltd. ("Oriental Green")	PRC 20 October 2010	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Environmental Protection Engineering
東方綠源節能環保工程有限公司(「東方綠源」)	中國 二零一零年 十月二十日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	環境保護工程
Hebei Jinshun Energy-Saving Technology Development Co. Ltd. ("Jinshun Energy-Saving")	PRC 17 November 2010	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Research and development on recycling and energy-saving technology and other recycling business
河北津順節能技術開發有限公司(「津順節能」)	中國 二零一零年 十一月十七日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	研發循環及節能技術及其他循環業務
Beijing Jinxi Boyuan Real Estate Co. Ltd. ("Beijing Real Estate")	PRC 18 November 2010	Limited liability company	97.6% (Indirectly held)	RMB 300,000,000	RMB 300,000,000	Development and sales of real estate
北京津西博遠置業有限公司(「北京房地產」)	中國 二零一零年 十一月十八日	有限責任公司	97.6% (間接持有)	人民幣 300,000,000元	人民幣 300,000,000元	開發及銷售房地產
China Oriental Singapore Pte. Ltd. ("China Oriental Singapore")	Singapore 29 November 2010	Limited liability company	100% (Indirectly held)	US\$ 10,000,000	Not applicable	Trading of iron ore and related products
China Oriental Singapore Pte. Ltd. (「China Oriental Singapore」)	新加坡 二零一零年 十一月二十九日	有限責任公司	100% (間接持有)	10,000,000美元	不適用	買賣鐵礦石及相關產品



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益 百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Hebei Jinxi Iron and Steel Group Dafang Heavy Industry Science and Technology Co. Limited ("Jinxi Dafang")	PRC 27 November 2003	Limited liability company	55.75% (Indirectly held)	RMB 93,098,162	RMB 93,098,162	Manufacture and sales of casting products and equipment maintenance
河北津西鋼鐵集團大方重工科技有限公司 (「津西大方」)	中國 二零一三年十一月二十七日	有限責任公司	55.75% (間接持有)	人民幣 93,098,162元	人民幣 93,098,162元	生產及銷售鑄造產品及設備保養
Jinxi International Trade Co. Ltd. ("Jinxi International Trade")	PRC 23 March 2011	Limited liability company	97.6% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	International trading
津西國際貿易有限公司 (「津西國際貿易」)	中國 二零一一年三月二十三日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	國際貿易
Hebei Caofeidian Jinxing Resource Development Co. Ltd. ("Caofeidian Jinxing")	PRC 1 July 2011	Limited liability company	97.6% (Indirectly held)	RMB 6,000,000	RMB 6,000,000	Motor vehicle scrap and crush demolition solution
河北曹妃甸津興資源開發有限公司 (「曹妃甸津興」)	中國 二零一一年七月一日	有限責任公司	97.6% (間接持有)	人民幣 6,000,000元	人民幣 6,000,000元	機動車輛報廢和壓碎清理方案
Beijing Jinxi LongXiang Culture Development Co. Ltd. ("Longxiang Culture")	PRC 4 May 2012	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Publication
北京津西龍翔文化發展有限公司 (「龍翔文化」)	中國 二零一二年五月四日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	出版業
Tianjin Oriental Huitong Microcredit Co. Ltd. ("Oriental Huitong")	PRC 29 June 2012	Limited liability company	97.8% (Indirectly held)	RMB 100,000,000	RMB 100,000,000	Provision of loans
天津東方匯通小額貸款有限公司 (「東方匯通」)	中國 二零一二年六月二十九日	有限責任公司	97.8% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	提供貸款



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	百分比	已發行及繳足股本	法定股本	主要業務
Tianjin Jinxi Logistics Co. Ltd. ("Jinxi Logistics") 天津津西物流有限公司 (「津西物流」)	PRC 31 July 2012 中國 二零一二年七月三十一日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 20,000,000 人民幣 20,000,000元	RMB 20,000,000 人民幣 20,000,000元	Provision of agency services for import/export 提供進出口代理服務
Qianxi Xinhaiyuan Trade Co. Ltd. ("Xinhaiyuan") 遷西縣鑫海源商貿有限公司 (「鑫海源」)	PRC 24 October 2012 中國 二零一二年十月二十四日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 2,000,000 人民幣 2,000,000元	RMB 2,000,000 人民幣 2,000,000元	Sales of mining machinery accessories 銷售採礦機械配件
Tianjin Julit Trade Co. Ltd. ("Julit Trade") 天津聚利貿易有限公司 (「聚利貿易」)	PRC 25 October 2012 中國 二零一二年十月二十五日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 100,000,000 人民幣 100,000,000元	RMB 100,000,000 人民幣 100,000,000元	International trading 國際貿易
Suzhou Jinxi Boyuan Real Estate Co. Ltd. ("Suzhou Boyuan") 蘇州津西博遠房地產開發有限公司 (「蘇州博遠」)	PRC 23 January 2013 中國 二零一三年一月二十三日	Limited liability company 有限責任公司	58.56% (Indirectly held) 58.56% (間接持有)	RMB 80,000,000 人民幣 80,000,000元	RMB 80,000,000 人民幣 80,000,000元	Development and sales of real estate 房地產開發及銷售
Beijing Jinxi Boyuan Project Management Co. Ltd. ("Beijing Boyuan Project Management") 北京津西博遠項目管理有限公司 (「北京博遠項目管理」)	PRC 12 July 2013 中國 二零一三年七月十二日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 1,000,000 人民幣 1,000,000元	RMB 1,000,000 人民幣 1,000,000元	Construction project management 工程項目管理
Well Balanced Global Limited ("Well Balance") Well Balanced Global Limited (「Well Balance」)	BVI 2 January 2014 英屬維爾京群島 二零一四年一月二日	Limited liability company 有限責任公司	100% (Directly held) 100% (直接持有)	US\$ 1 1美元	US\$ 50,000 50,000美元	Investment holding 投資控股
Finest Sino International Limited ("Finest Sino") Finest Sino International Limited (「Finest Sino」)	BVI 2 January 2014 英屬維爾京群島 二零一四年一月二日	Limited liability company 有限責任公司	100% (Indirectly held) 100% (間接持有)	US\$ 1 1美元	US\$ 50,000 50,000美元	Investment holding 投資控股



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益 百分比	Issued and fully paid capital 已發行及繳足股本	Authorised capital 法定股本	Principal activities 主要業務
Dongfang Jingyuan Electron Limited ("Dongfang Jingyuan") (i)(iv) 東方晶源微電子科技(北京)有限公司(「東方晶源」)(i)(iv)	PRC 18 February 2014 中國 二零一四年二月十八日	Limited liability company 有限責任公司	49.8% (Indirectly held) 49.8% (間接持有)	RMB 200,000,000 人民幣 200,000,000元	RMB 200,000,000 人民幣 200,000,000元	Technology and import and export of goods 技術及貨物進出口
Tian Jin Hainajin International Trade Co. Ltd. ("Tian Jin Hainajin") 天津海納金國際貿易有限公司(「天津海納金」)	PRC 20 February 2014 中國 二零一四年二月二十日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 100,000,000 人民幣 100,000,000元	RMB 100,000,000 人民幣 100,000,000元	International trading 國際貿易
Tian Jin Hengyuanda Coal Trade Co. Ltd. ("Tian Jin Hengyuanda") 天津恒遠達煤炭貿易有限公司(「天津恒遠達」)	PRC 26 March 2014 中國 二零一四年三月二十六日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 0 人民幣 零元	RMB 10,000,000 人民幣 10,000,000元	Wholesale and retail trade 批發及零售貿易
Tian Jin Haichangsheng Steel Trade Co. Ltd. ("Tian Jin Haichangsheng") 天津海昌升鋼材貿易有限公司(「天津海昌升」)	PRC 26 March 2014 中國 二零一四年三月二十六日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 0 人民幣 零元	RMB 10,000,000 人民幣 10,000,000元	Wholesale and retail trade 批發及零售貿易
Tian Jin Longshunxiang Environmental Protection Engineering Co. Ltd. ("Tian Jin Longshunxiang") 天津龍順翔環保工程有限公司(「天津龍順翔」)	PRC 26 March 2014 中國 二零一四年三月二十六日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 0 人民幣 零元	RMB 30,000,000 人民幣 30,000,000元	Environmental protection engineering 環保工程
Suzhou Jinxi Boyun Real Estate Co. Ltd. ("Suzhou Boyun") 蘇州津西博運房地產開發有限公司(「蘇州博運」)	PRC 25 April 2014 中國 二零一四年四月二十五日	Limited liability company 有限責任公司	97.6% (Indirectly held) 97.6% (間接持有)	RMB 30,000,000 人民幣 30,000,000元	RMB 30,000,000 人民幣 30,000,000元	Development and sales of real estate 房地產開發及銷售





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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Hebei Jinxi Iron and Steel Group Special Steel Co. Ltd. ("Jinxi Special Steel")	PRC 16 October 2014	Limited liability company	97.6% (Indirectly held)	RMB 1,570,000,000	RMB 2,150,000,000	Manufacture and sales of steel products
河北津西鋼鐵集團特鋼有限公司 ([津西特鋼])	中國 二零一四年十月十六日	有限責任公司	97.6% (間接持有)	人民幣 1,570,000,000元	人民幣 2,150,000,000元	生產及銷售鋼鐵產品
Tangshan Jinxi Logistics Co. Ltd. ("Tangshan Logistics")	PRC 7 April 2015	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Transport agency of import and export goods
唐山津西物流有限公司 ([唐山物流])	中國 二零一五年四月七日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	進出口貨物運輸代理
Qianxi Boshun Logistics Co. Ltd. ("Boshun Logistics")	PRC 9 April 2015	Limited liability company	97.6% (Indirectly held)	RMB 10,000,000	RMB 10,000,000	Logistics
遷西縣博順物流有限公司 ([博順物流])	中國 二零一五年四月九日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	物流
New Asia Prosperity International Trade Co. Ltd. ("New Asia Prosperity")	PRC 10 June 2015	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 100,000,000	International trading
天津新亞熙國際貿易有限公司 ([新亞熙貿易])	中國 二零一五年六月十日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Dongfang Jingyuan Hong Kong Co. Ltd. ("Dongfang Jingyuan Hong Kong") (iv)	Hong Kong 18 September 2015	Limited liability company	49.8% (Indirectly held)	HK\$1	Not applicable	Investment holding
東方晶源香港有限公司 ([東方晶源香港]) (iv)	香港 二零一五年九月十八日	有限責任公司	49.8% (間接持有)	港元 1元	不適用	投資控股



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益 百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Tianjin Ansai Assets Management Co. Ltd. ("An sai Asset Management")	PRC 30 September 2015	Limited liability company	97.6% (Indirectly held)	RMB 2,000,000	RMB 100,000,000	Assets management
天津安塞資產管理有限公司 (「安塞資產管理」)	中國 二零一五年九月三十日	有限責任公司	97.6% (間接持有)	人民幣 2,000,000元	人民幣 100,000,000元	資產管理
Tianjin Oriental Jiangtian Section Steel Sales Co. Ltd. ("Oriental Jiangtian")	PRC 25 December 2015	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 10,000,000	Manufacture and sales of steel products
天津市東方江天型鋼銷售有限公司 (「東方江天」)	中國 二零一五年十二月二十五日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 10,000,000元	生產及銷售鋼鐵產品
Qianxi County Jinxi Wantong Ductile Iron Pipe Co. Ltd. ("Jinxi Wantong")	PRC 22 July 2009	Limited liability company	97.6% (Indirectly held)	RMB 680,000,000	RMB 680,000,000	Manufacture and sales of steel products
遷西縣津西萬通球墨鑄管有限公司 (「津西萬通」)	中國 二零零九年七月二十二日	有限責任公司	97.6% (間接持有)	人民幣 680,000,000元	人民幣 680,000,000元	生產及銷售鋼鐵產品
Tianjin Jinxi Zhengda Hengxin International Trade Co. Ltd. ("Zhengda Hengxin")	PRC 23 March 2016	Limited liability company	69.3% (Indirectly held)	RMB 0	RMB 100,000,000	International trading
天津津西正達恒信國際貿易有限公司 (「正達恒信」)	中國 二零一六年三月二十三日	有限責任公司	69.3% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Tianjin Jinxi Zhiyuan International Trade Co. Ltd. ("Jinxi Zhiyuan")	PRC 23 March 2016	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB 100,000,000	International trading
天津津西致遠國際貿易有限公司 (「津西致遠」)	中國 二零一六年三月二十三日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	百分比	已發行及繳足股本	法定股本	主要業務
Tianjin Xinhui Finance Leasing Co. Ltd. ("Tianjin Xinhui") 天津信匯融資租賃有限公司 (「天津信匯」)	PRC 13 April 2016 中國 二零一六年四月十三日	Limited liability company 有限責任公司	98.2% (Indirectly held) (間接持有)	RMB 1,000,000,000 人民幣 1,000,000,000元	人民幣 1,000,000,000 人民幣 1,000,000,000元	Financial leasing and leasing 融資租賃及租賃
Hebei Jinxi International Trade Co. Ltd. ("Hebei Jinxi International Trade") 河北津西國際貿易有限公司 (「河北津西國貿」)	PRC 27 April 2016 中國 二零一六年四月二十七日	Limited liability company 有限責任公司	97.6% (Indirectly held) (間接持有)	RMB 0 人民幣 零元	RMB 100,000,000 人民幣 100,000,000元	International trading 國際貿易
Qianxi County Jinxi Hotel Services Co., Ltd. ("Jinxi Hotel") 遷西縣津西賓館服務有限公司 (「津西賓館」)	PRC 15 July 2016 中國 二零一六年七月十五日	Limited liability company 有限責任公司	97.6% (Indirectly held) (間接持有)	RMB 10,000 人民幣 10,000元	RMB 10,000 人民幣 10,000元	Hotel and catering services 酒店及餐飲服務
Zhongke Jingyuan Electron (Beijing) Co., Ltd. ("Zhongke Jingyuan") (ii)(iv) 中科晶源微電子技術(北京)有限公司 (「中科晶源」)(ii)(iv)	PRC 25 August 2016 中國 二零一六年八月二十五日	Limited liability company 有限責任公司	44.8% (Indirectly held) (間接持有)	RMB 100,000,000 人民幣 100,000,000元	RMB 100,000,000 人民幣 100,000,000元	Technology and import and export of goods 技術及貨物進出口
Shenzhen Jingyuan Science Technology Co., Ltd. ("Shenzhen Jingyuan") (iv) 深圳晶源信息技術有限公司 (「深圳晶源」)(iv)	PRC 11 November 2016 中國 二零一六年十一月十一日	Limited liability company 有限責任公司	49.8% (Indirectly held) (間接持有)	RMB 10,000,000 人民幣 10,000,000元	RMB 10,000,000 人民幣 10,000,000元	Technology and import and export of goods 技術及貨物進出口



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### 10. SUBSIDIARIES (continued)

### 10. 附屬公司 (續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益 百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Zhongjin Finance Leasing Co. Ltd. ("Zhongjin Leasing") 中津融資租賃有限公司 (「中津融資」)	PRC 15 December 2016 中國 二零一六年十二月十五日	Limited liability company 有限責任公司	99.1% (Indirectly held) (間接持有)	RMB 750,000,000 人民幣 750,000,000元	RMB 1,000,000,000 人民幣 1,000,000,000元	Financial leasing and leasing 融資租賃及租賃
Hebei Jinxi Sheet Piling Section Steel Technology Co. Ltd. ("Jinxi Sheet Piling") 河北津西鋼板樁型鋼科技 有限公司(「津西鋼板樁」)	PRC 3 January 2017 中國 二零一七年一月三日	Limited liability company 有限責任公司	85.89% (Indirectly held) (間接持有)	RMB 595,000,000 人民幣 595,000,000元	RMB 1,000,000,000 人民幣 1,000,000,000元	Manufacture and sales of steel products 生產及銷售鋼鐵產品
China Oriental Investment Pty. Ltd. ("China Oriental Investment") China Oriental Investment Pty. Ltd. (「China Oriental Investment」)	Australia 25 January 2017 澳洲 二零一七年一月二十五日	Limited liability company 有限責任公司	100% (Indirectly held) (間接持有)	AUS\$ 0 澳元 零元	Not applicable	Investment holding 投資控股
Jinxi Vodar Engineering Co., Ltd. ("Jinxi Vodar") (iii) 津西迅達爾工程技術有限公司 (「津西迅達爾」)(iii)	PRC 11 August 2017 中國 二零一七年八月十一日	Limited liability company 有限責任公司	53.68% (Indirectly held) (間接持有)	RMB 20,000,000 人民幣 20,000,000元	RMB 100,000,000 人民幣 100,000,000元	Engineering technical service 工程技術服務



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### 10. SUBSIDIARIES (continued)

The English name of certain companies referred in this financial statements represent management's best effort at translating the Chinese names of these companies as no English names have been registered.

- (i) On 15 March 2017, Beijing Jinxi Investment and Tianjin Zhanwei Technology Co., Ltd ("Tianjin Zhanwei") transferred their loans to Dongfang Jingyuan, amounting to RMB 51 million and RMB 49 million respectively, into the share capital of Dongfang Jingyuan.
- (ii) Pursuant to a collaboration agreement between Dongfang Jingyuan, a subsidiary of the Group, and the Institute of Microelectronics of Chinese Academy of Sciences ("IMECAS"), the Group and IMECAS set up Zhongke Jingyuan.
- (iii) Pursuant to a collaboration agreement between Jinxi International Trade and Vodar (Tianjin) Group Company Limited ("Tianjin Vodar"), the Group and Tianjin Vodar set up Jinxi Vodar.
- (iv) Although the equity holdings of the Group in these subsidiaries are below 51%, the Directors are of the review that the Group has control over these subsidiaries given that majority of the directors of the companies are appointed by the Group by virtue of the article of association of the respective companies.

As at and for the year ended 31 December 2017, there were no significant non-controlling interests of the subsidiaries in the Group.

### 10. 附屬公司(續)

本財務報表所述若干公司的英文名稱為管理層根據其中文名稱最佳翻譯所得，此乃由於該等公司並無登記任何官方英文名稱。

- (i) 於二零一七年三月十五日，北京津西投資及天津展微科技有限公司(「天津展微」)將彼等之貸款分別為人民幣5,100萬元及人民幣4,900萬元轉撥至東方晶源之股本。
- (ii) 根據本集團附屬公司東方晶源與中國科學院微電子研究所(「中國科學院微電子研究所」)訂立之合作協議，本集團與中國科學院微電子研究所成立中科晶源。
- (iii) 根據津西國際貿易與沃達爾(天津)股份有限公司(「天津沃達爾」)訂立之合作協議，本集團與天津沃達爾成立津西沃達爾。
- (iv) 儘管本集團持有該等附屬公司之股權低於51%，鑒於該等公司大部分董事由本集團根據該等公司的組織章程細則委任，董事們認為本集團對該等附屬公司擁有控制權。

於及截至二零一七年十二月三十一日止年度，本集團的附屬公司並無重大非控制性權益。



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### 11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

### 11. 於聯營公司及一間合營企業之投資

(a) Investment in associates, unlisted

(a) 投資非上市聯營公司

		2017 二零一七年	2016 二零一六年
At 1 January	於一月一日	55,632	8,836
Capital injection (i)	注資 (i)	88,022	8,658
Establishment of an associate	成立一間聯營公司	-	20,000
Deemed disposal of a subsidiary with the remaining interest retained in an associate	視作出售一間附屬公司而餘下權益仍保留於一間聯營公司	-	19,160
Share of results of associates	應佔聯營公司業績	1,833	(1,022)
At 31 December	於十二月三十一日	<b>145,487</b>	55,632

The information of the unlisted associated companies at 31 December 2017 is as follows:

於二零一七年十二月三十一日，有關非上市聯營公司的資料載列如下：

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Assets	Liabilities	Revenue	Net
						profit/(loss)
名稱	註冊成立地點及日期	佔股權百分比	資產	負債	收入	淨收益/ (虧損)
Palma Ceia SemiDesign, Inc. ("PCS")	USA 5 November 2012	30% (indirectly held)	4,535	10,623	33,745	6,155
Palma Ceia SemiDesign, Inc. ([PCS])	美國 二零一二年十一月五日	30% (間接持有)	4,535	10,623	33,745	6,155
XTAL Inc. ("XTAL")	USA 27 January 2014	32.13% (indirectly held)	49,944	15,777	70,125	9,395
XTAL Inc. ([XTAL])	美國 二零一四年一月二十七日	32.13% (間接持有)	49,944	15,777	70,125	9,395





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

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### 11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

(a) Investment in associates, unlisted (continued)

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Assets	Liabilities	Revenue	Net profit/(loss)
名稱	註冊成立地點及日期	佔股權百分比	資產	負債	收入	淨收益／(虧損)
Beijing Wofu Energy Co. Ltd ("Wofu")	PRC 6 December 2016	20% (indirectly held)	79,795	3,060	11,910	6,736
北京沃富能源有限公司 (「沃富」)	中國 二零一六年 十二月六日	20% (間接持有)	79,795	3,060	11,910	6,736
2-14 Elise Street Unit Trust ("Elise Trust") (i)	AUS 27 July 2016	49% (indirectly held)	341,101	180,243	14,290	(8,873)
2-14 Elise Street Unit Trust ("Elise Trust") (i)	澳洲 二零一六年 七月二十七日	49% (間接持有)	341,101	180,243	14,290	(8,873)

(i) Pursuant to a collaboration agreement between China Oriental Investment, a subsidiary of the Group, and the then shareholder of Elise Trust, China Oriental Investment agreed to inject capital contribution of AU\$16.9 million (equivalent to RMB 88 million) to acquire 49% of equity interest of Elise Trust.

For the year ended 31 December 2017, the Group recognised share of profit of associates amounted to approximately RMB 2 million from application of equity accounting.

### 11. 於聯營公司及一間合營企業之投資 (續)

(a) 投資非上市聯營公司(續)

(i) 根據本集團附屬公司China Oriental Investment與Elise Trust當時股東之間的合作協議，China Oriental Investment同意注資1,690萬澳元(相等於人民幣8,800萬元)以收購Elise Trust 49%股權。

截至二零一七年十二月三十一日止年度，本集團已應用權益會計法確認應佔聯營公司溢利約人民幣200萬元。



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## 11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

(b) Investment in a joint venture, unlisted

At 1 January	於一月一日
Establishment of a joint venture (i)	成立合營企業 (i)
Share of result of a joint venture	應佔一間合營企業業績
At 31 December	於十二月三十一日

The information of the unlisted joint venture at 31 December 2017 is as follows:

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Assets	Liabilities	Revenue	Net loss
名稱	註冊成立地點及日期	本集團應佔股權百分比	資產	負債	收入	淨虧損
Atlas Hurstville Property Unit Trust (“Hurstville Trust”) (i)	AUS 5 June 2017	50% (indirectly held)	299,177	274,279	1,679	(2,888)
Atlas Hurstville Property Unit Trust (“Hurstville Trust”) (i)	澳洲 二零一七年六月五日	50% (間接持有)	299,177	274,279	1,679	(2,888)

## 11. 於聯營公司及一間合營企業之投資 (續)

(b) 投資一間非上市合營企業

	2017 二零一七年	2016 二零一六年
At 1 January	-	-
Establishment of a joint venture (i)	13,878	-
Share of result of a joint venture	(1,444)	-
At 31 December	12,434	-

於二零一七年十二月三十一日，有關非上市合營企業之資料載列如下：



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### 11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

#### (b) Investment in a joint venture, unlisted (continued)

- (i) Pursuant to a collaboration agreement between China Oriental Investment and the other shareholder of Hurstville Trust, China Oriental Investment agreed to participate in setting up Hurstville Trust by injecting capital contribution of AU\$2.7 million (equivalent to RMB 13.9 millions), owning 50% of equity interest.

For the year ended 31 December 2017, the Group recognised share of loss of a joint venture amounted to approximately RMB 1 million from application of equity accounting.

### 11. 於聯營公司及一間合營企業之投資 (續)

#### (b) 投資一間非上市合營企業 (續)

- (i) 根據China Oriental Investment與Hurstville Trust其他股東訂立之合作協議，China Oriental Investment同意透過注資270萬澳元(相等於人民幣1,390萬元)參與成立Hurstville Trust，擁有50%之股權。

截至二零一七年十二月三十一日止年度，本集團已應用權益會計法確認應佔一間合營企業虧損約人民幣100萬元。



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

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## 12. FINANCIAL INSTRUMENTS BY CATEGORY

## 12. 金融工具(按類別)

		Loans and receivables	Financial assets at fair value through profit or loss 按公允價值計量且其變動計入損益表之金融資產	Available-for-sale financial assets 可供出售金融資產	Total 合計
<b>Assets as per consolidated balance sheet</b>	<b>合併資產負債表所示的資產</b>				
As at 31 December 2017	於二零一七年十二月三十一日				
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)	-	-	432,111	432,111
Trade and notes receivables (Note 17)	應收貿易賬款及票據(附註17)	3,976,502	-	-	3,976,502
Deposits, prepaid tax and other receivables (Note 18)	按金、預付稅款及其他應收賬款(附註18)	884,044	-	-	884,044
Financial assets at fair value through profit or loss (Note 20)	按公允價值計量且其變動計入損益表之金融資產(附註20)	-	2,766,237	-	2,766,237
Derivative financial instruments	衍生金融工具	-	209	-	209
Amounts due from related parties (Note 43(c))	應收關聯方款項(附註43(c))	173,951	-	-	173,951
Restricted bank balances (Note 21)	受限制銀行結餘(附註21)	417,151	-	-	417,151
Cash and cash equivalents (Note 21)	現金及現金等價物(附註21)	2,766,396	-	-	2,766,396
<b>Total</b>	<b>總計</b>	<b>8,218,044</b>	<b>2,766,446</b>	<b>432,111</b>	<b>11,416,601</b>
As at 31 December 2016	於二零一六年十二月三十一日				
Available-for-sale financial assets (Note 15)	可供出售金融資產(附註15)	-	-	489,555	489,555
Trade and notes receivables (Note 17)	應收貿易賬款及票據(附註17)	2,822,482	-	-	2,822,482
Deposits, prepaid tax and other receivables (Note 18)	按金、預付稅款及其他應收賬款(附註18)	938,440	-	-	938,440
Financial assets at fair value through profit or loss (Note 20)	按公允價值計量且其變動計入損益表之金融資產(附註20)	-	387,458	-	387,458
Derivative financial instruments	衍生金融工具	-	6,220	-	6,220
Amounts due from related parties (Note 43(c))	應收關聯方款項(附註43(c))	16,671	-	-	16,671
Loan receivables (Note 19)	應收貸款(附註19)	401,000	-	-	401,000
Restricted bank balances (Note 21)	受限制銀行結餘(附註21)	890,617	-	-	890,617
Cash and cash equivalents (Note 21)	現金及現金等價物(附註21)	1,290,199	-	-	1,290,199
<b>Total</b>	<b>總計</b>	<b>6,359,409</b>	<b>393,678</b>	<b>489,555</b>	<b>7,242,642</b>



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

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### 12. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

### 12. 金融工具(按類別)(續)

		Financial liabilities measured at fair value through profit or loss 按公允價值 計量且其變動計入 損益表之金融負債	Financial liabilities measured at amortised cost 按攤銷 成本計量之 金融負債	Total 合計
<b>Liabilities as per consolidated balance sheet</b>	<b>合併資產負債表所示的負債</b>			
As at 31 December 2017	於二零一七年十二月三十一日			
Trade payables (Note 24)	應付貿易賬款(附註24)	-	3,517,538	3,517,538
Other payables (Note 25)	其他應付賬款(附註25)	-	692,271	692,271
Borrowings (Note 26)	借款(附註26)	-	2,125,706	2,125,706
Other long-term payables (Note 27)	其他長期應付賬款(附註27)	-	206,540	206,540
Amounts due to related parties (Note 43(c))	應付關聯方款項(附註43(c))	-	73,251	73,251
Derivative financial instruments	衍生金融工具	9,036	-	9,036
<b>Total</b>	<b>總計</b>	<b>9,036</b>	<b>6,615,306</b>	<b>6,624,342</b>
As at 31 December 2016	於二零一六年十二月三十一日			
Trade payables (Note 24)	應付貿易賬款(附註24)	-	5,425,323	5,425,323
Other payables (Note 25)	其他應付賬款(附註25)	-	479,273	479,273
Borrowings (Note 26)	借款(附註26)	-	1,381,007	1,381,007
Other long-term payables (Note 27)	其他長期應付賬款(附註27)	-	1,166,586	1,166,586
Amounts due to related parties (Note 43(c))	應付關聯方款項(附註43(c))	-	79,125	79,125
Derivative financial instruments	衍生金融工具	15,669	-	15,669
<b>Total</b>	<b>總計</b>	<b>15,669</b>	<b>8,531,314</b>	<b>8,546,983</b>



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### 13. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by types of the financial assets and by reference to historical information about counterparty default rates. The Group categorised the trade, notes receivables and loan receivables as follows:

- Group 1 – Bank acceptance notes
- Group 2 – Trade, notes receivables and loan receivables due from customers with no defaults in the past
- Group 3 – Trade, notes receivables and loan receivables due from customers with some defaults in the past

Trade, notes receivables and loan receivables

Group 1	第一類
Group 2	第二類
Group 3	第三類

The credit quality of 'Available-for-sale financial assets', 'Deposits and other receivables' and 'Amounts due from related parties' of the Group is disclosed in Notes 15, 18 and 43(c) respectively.

### 13. 金融資產的信貨狀況

尚未逾期亦沒有減值的金融資產的信貨狀況可根據金融資產類別，並參考有關對方拖欠比率的歷史資料進行評估。本集團將應收貿易賬款、應收票據及應收貸款分類如下：

- 第一類－銀行承兌匯票
- 第二類－應收過往無拖欠記錄的客戶的應收貿易賬款、應收票據及應收貸款
- 第三類－應收過往部份有拖欠記錄的客戶的應收貿易賬款、應收票據及應收貸款

應收貿易賬款、應收票據及應收貸款

<b>2017</b>	2016
二零一七年	二零一六年

<b>3,282,570</b>	2,339,669
<b>702,923</b>	883,813
<b>78,361</b>	73,846
<b>4,063,854</b>	3,297,328

本集團「可供出售金融資產」、「按金及其他應收賬款」及「應收關聯方款項」的信貨狀況分別於附註15、18及43(c)中披露。





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

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### 13. CREDIT QUALITY OF FINANCIAL ASSETS (continued)

The Group categorises cash in banks as follows:

- Group 1 – Major international banks
- Group 2 – Listed banks in the PRC
- Group 3 – Other banks in the PRC

The Directors considered the credit risks in respect of cash in banks and bank deposits with financial institution are relatively minimum as each counter party either bears a high credit rating or is state-owned bank and large local banks in the PRC.

#### Cash in banks and bank deposits

### 13. 金融資產的信貸狀況(續)

本集團將其銀行現金分類如下：

- 第一類－主要國際銀行
- 第二類－中國上市銀行
- 第三類－中國其他銀行

由於各方有高度信貸評級或為中國國有銀行及中國當地大型銀行，故董事們認為存放於金融機構的銀行現金及銀行存款信貸風險極低。

#### 銀行現金及銀行存款

		<b>2017</b>	2016
		二零一七年	二零一六年
Group 1	第一類	<b>995,692</b>	616,524
Group 2	第二類	<b>1,154,816</b>	976,835
Group 3	第三類	<b>1,003,851</b>	554,663
		<b>3,154,359</b>	2,148,022



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

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### 14. PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE

### 14. 發展中及持作出售物業

		2017 二零一七年	2016 二零一六年
Properties under development comprise:	發展中物業包括：		
– Construction costs	– 建設成本	4,615	156,322
– Land use rights	– 土地使用權	5,078	53,412
– Interests capitalised	– 資本化利息	–	22,059
		<b>9,693</b>	231,793
Completed properties held for sale	已完成的持作出售物業	<b>272,326</b>	1,187,320
		<b>282,019</b>	1,419,113

The properties under development and held for sale are all located in the PRC. The related land use rights are on lease of 40 to 70 years.

發展中及持作出售物業均位於中國。相關土地使用權租期為40至70年。

For the year ended 31 December 2017, borrowing costs amounted to approximately RMB 3 million (2016: RMB 15 million) were capitalised into the cost of properties under development at an annual average capitalisation rate of 5.81% (2016: 6.38%) approximately.

截至二零一七年十二月三十一日止年度，借款成本約人民幣300萬元(二零一六年：人民幣1,500萬元)已按年度平均資本化比率約5.81%(二零一六年：6.38%)資本化為發展中物業的成本。

		2017 二零一七年	2016 二零一六年
Properties under development comprised:	發展中物業包括：		
Expected to be completed and available for sale within 12 months	預期於12個月內完工及可供出售	<b>9,693</b>	231,793



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

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### 15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

### 15. 可供出售金融資產

		2017 二零一七年	2016 二零一六年
Unlisted equity interests (a)	非上市權益(a)	<b>527,705</b>	527,705
Less: provision for impairment	減：減值撥備	<b>(188,100)</b>	(188,100)
Net	淨值	<b>339,605</b>	339,605
Listed debt securities (b)	上市債務證券(b)	<b>149,950</b>	148,429
Add: fair value (losses)/gains credited to other comprehensive income (Note 23)	加：計入其他綜合收益之公允價值(虧損)/收益(附註23)	<b>(7,317)</b>	1,521
Less: disposal	減：出售	<b>(50,127)</b>	-
Net	淨值	<b>92,506</b>	149,950
Total	合計	<b>432,111</b>	489,555

(a) The Group's unlisted equity interests mainly comprise investments amounting to RMB 230 million in a 3% equity interest of Bank of Cangzhou Company Limited, RMB 188 million in a 51% equity interest of Qianxi County Jinjin Mine Co. Ltd. ("Jinjin Mine") and RMB 95 million in a 10% equity interest of Caofeidian Port Company Limited. The investee companies are all operating in the PRC.

During the year ended 31 December 2017, the Group received cash dividend from Caofeidian Port Company Limited and Bank of Cangzhou Company Limited amounted to RMB 17 million and RMB 2 million, respectively (Note 31).

(a) 本集團的非上市權益主要包括以人民幣2.30億元投資取得滄州銀行股份有限公司的3%股權、以人民幣1.88億元投資取得遷西縣津金礦業有限公司(「津金礦業」)的51%股權及以人民幣9,500萬元投資取得唐山曹妃甸港口有限公司的10%股權。該等獲投資的公司均於中國營運。

截至二零一七年十二月三十一日止年度，本集團自唐山曹妃甸港口有限公司及滄州銀行股份有限公司收到現金股息分別為人民幣1,700萬元及人民幣200萬元(附註31)。



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

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### 15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(continued)

(a) (continued)

As the above investments do not have any quoted market price in an active market, the range of reasonable fair value estimate is so significant and the probabilities of the various estimates cannot be reasonably assessed, the Directors are of the opinion that their fair values cannot be reliably measured. Therefore, these investments are stated at cost less impairment, if any.

(b) The Group's listed debt securities comprise investments in debentures of several companies.

### 15. 可供出售金融資產(續)

(a) (續)

由於上述投資於活躍市場並無任何市場報價，公允價值合理估計的範圍相當廣闊，而對各項估計的可能性無法合理作出評估，故董事們認為其公允價值無法可靠計量。因此，該等投資按成本減去減值列賬(如有)。

(b) 本集團上市債務證券包括於數間公司之債權證之投資。

### 16. INVENTORIES

Raw materials and materials in-transit	原材料及在途材料
Work-in-progress	在製品
Finished goods	製成品
Less: impairment provision	減：減值撥備
Inventories – net	存貨－淨額

As at 31 December 2017, inventories with a net book value of RMB 74 million (2016: RMB 69 million) were pledged as security for the Group's notes payable (Note 24).

The cost of inventories recognised in cost of sales for the year ended 31 December 2017 amounted to RMB 33,049 million (2016: RMB 23,565 million).

For the year ended 31 December 2017, the Group recognised a loss of RMB 29 million, in respect of the write-down of inventories to their net realisable values (Note 32).

### 16. 存貨

	2017 二零一七年	2016 二零一六年
Raw materials and materials in-transit	1,606,787	2,595,524
Work-in-progress	726,916	252,834
Finished goods	771,926	492,426
Less: impairment provision	(35,732)	(6,434)
Inventories – net	3,069,897	3,334,350

於二零一七年十二月三十一日，已為本集團的應付票據(附註24)而抵押的存貨的賬面淨值為人民幣7,400萬元(二零一六年：人民幣6,900萬元)。

截至二零一七年十二月三十一日止年度，已確認為銷售成本的存貨成本為人民幣330.49億元(二零一六年：人民幣235.65億元)。

截至二零一七年十二月三十一日止年度，本集團已確認人民幣2,900萬元為有關撇減存貨至其可變現淨值的虧損(附註32)。



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### 17. TRADE AND NOTES RECEIVABLES

### 17. 應收貿易賬款及票據

		2017 二零一七年	2016 二零一六年
Trade receivables	應收貿易賬款	734,284	509,659
Less: impairment provision for trade receivables	減：應收貿易賬款的減值撥備	(40,352)	(26,846)
Trade receivables – net	應收貿易賬款－淨額	693,932	482,813
Notes receivable	應收票據	3,282,570	2,339,669
Total trade and notes receivables, net of provision	應收貿易賬款及票據總額，扣除撥備	3,976,502	2,822,482

The notes receivable are all bank acceptance notes. The settlement of the notes receivable were guaranteed by banks with maturity dates within six months and the credit risks of the notes receivable are considered low. As at 31 December 2017, approximately RMB 120 million (2016: RMB 358 million) were pledged as security for the Group's notes payable (Note 24) and approximately RMB 187 million (2016: nil) were pledged as security for the Group's borrowings (Note 26).

應收票據均為銀行承兌匯票。應收票據的到期日在六個月以內，其結算由銀行擔保及信貸風險被視為低。於二零一七年十二月三十一日，約人民幣1.20億元（二零一六年：人民幣3.58億元）為開具本集團的應付票據作抵押（附註24）及約人民幣1.87億元（二零一六年：零）為本集團的借款作抵押（附註26）。

The fair values of trade and notes receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

因折現影響不重大，應收貿易賬款及票據於結算日的公允價值近似其賬面值。

The credit policy usually adopted by the Group for the sales of products to customers is to deliver goods either upon receipt in cash or upon receipt of bank acceptance notes with the maturity dates within six months.

本集團執行的產品銷售信貸政策，通常為於收取現金或到期日在六個月以內的銀行承兌匯票時向客戶交付貨物。



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### 17. TRADE AND NOTES RECEIVABLES (continued)

As at 31 December 2017 and 2016, the ageing analysis of the gross amount of trade and notes receivables based on invoiced date was as follows:

Within 3 months	3個月內
4-6 months	4至6個月
7-12 months	7至12個月
Over 1 year	一年以上

As at 31 December 2017, trade receivables amounting to RMB 116 million (2016: RMB 58 million) were secured by letters of credit issued by third party customers.

As at 31 December 2017, trade receivables of RMB 65 million (2016: RMB 30 million) were past due, of which amounting to RMB 31 million (2016: RMB 27 million) were fully impaired. The impaired receivables mainly relate to customers with financial difficulty.

### 17. 應收貿易賬款及票據(續)

於二零一七年及二零一六年十二月三十一日，應收貿易賬款及票據總額按發票日期的賬齡分析如下：

	2017 二零一七年	2016 二零一六年
	<b>3,276,146</b>	1,882,767
	<b>617,670</b>	860,059
	<b>63,711</b>	45,661
	<b>59,327</b>	60,841
	<b>4,016,854</b>	2,849,328

於二零一七年十二月三十一日，以第三方客戶開具的信用證作抵押的應收貿易賬款為人民幣1.16億元(二零一六年：人民幣5,800萬元)。

於二零一七年十二月三十一日，人民幣6,500萬元(二零一六年：人民幣3,000萬元)的應收貿易賬款已逾期，其中人民幣3,100萬元(二零一六年：人民幣2,700萬元)的應收貿易賬款已全額減值。已減值之應收賬款主要與出現財務困難的客戶有關。





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

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### 17. TRADE AND NOTES RECEIVABLES (continued)

As at 31 December 2017, trade receivables of RMB 6 million (2016: RMB 4 million) were past due but not impaired which related to a number of customers with no recent history of default. The ageing analysis of these trade receivables based on invoiced date was as follows:

Within 3 months	3個月內
4-6 months	4至6個月

The gross amounts of the Group's trade and notes receivables are denominated in the following currencies:

RMB	人民幣
US\$	美元

Movements on the Group's provision for impairment of trade receivables are as follow:

At 1 January	於一月一日
Provision for impairment (Note 32)	減值撥備(附註32)
At 31 December	於十二月三十一日

### 17. 應收貿易賬款及票據(續)

於二零一七年十二月三十一日，人民幣600萬元(二零一六年：人民幣400萬元)的應收貿易賬款已逾期但尚未減值，與並無近期違約記錄之若干客戶有關。該等應收貿易賬款按發票日期的賬齡分析如下：

2017 二零一七年	2016 二零一六年
-	3,591
<b>5,764</b>	-
<b>5,764</b>	3,591

本集團應收貿易賬款及票據的總額乃以下列貨幣為單位：

2017 二零一七年	2016 二零一六年
<b>3,900,425</b>	2,787,318
<b>116,429</b>	62,010
<b>4,016,854</b>	2,849,328

本集團應收貿易賬款減值撥備變動如下：

2017 二零一七年	2016 二零一六年
<b>26,846</b>	9,879
<b>13,506</b>	16,967
<b>40,352</b>	26,846



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### 18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 18. 預付款項、按金及其他應收賬款

		2017 二零一七年	2016 二零一六年
<b>Non-current</b>	<b>非流動</b>		
Prepayments for purchase of property, plant and equipment (a)	購買物業、廠房及設備的預付款項(a)	234,235	234,235
Less: impairment provision	減：減值撥備	(234,235)	(234,235)
Prepayments for purchase of property, plant and equipment – net	購買物業、廠房及設備的預付款項－淨額	–	–
Other receivables	其他應收賬款	–	13,000
		–	13,000
<b>Current</b>	<b>流動</b>		
Prepayments for purchase of inventories	購買存貨的預付款項	966,826	784,611
Other receivables	其他應收賬款	643,591	549,503
Less: impairment provision	減：減值撥備	(437,551)	(315,826)
Other receivables – net	其他應收賬款－淨額	206,040	233,677
Prepaid tax	預付稅款	101,309	214,370
Deposits	按金	139,144	161,567
Prepaid expenses	預付費用	9,271	10,898
		1,422,590	1,405,123
Total	合計	1,422,590	1,418,123

The fair values of prepayments, deposits and other receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

因折現影響不重大，預付款項、按金及其他應收賬款於結算日的公允價值近似其賬面值。



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### 18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Details of certain prepayment, deposits and other receivables are set out below:

- (a) This prepayment was fully impaired in year 2013 due to the supplier was in significant financial difficulty and had defaulted the payment of the remaining balance.

Movement on the Group's impairment provision of prepayments, deposits and other receivables are as follows:

### 18. 預付款項、按金及其他應收賬款 (續)

若干預付款項、按金及其他應收賬款的詳情載列如下：

- (a) 這預付款項已於二零一三年全額減值，乃由於供應商處於重大財務困難並已拖欠支付餘額。

本集團預付款項、按金及其他應收賬款的減值撥備變動如下：

		2017 二零一七年	2016 二零一六年
At 1 January	於一月一日	(550,061)	(320,518)
Provision for impairment (Note 32)	減值撥備(附註32)	(121,725)	(231,713)
Derecognition of receivables	終止確認應收賬款	-	2,170
At 31 December	於十二月三十一日	<b>(671,786)</b>	(550,061)



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### 19. LOAN RECEIVABLES

### 19. 應收貸款

		2017 二零一七年	2016 二零一六年
<b>Current</b>	<b>流動</b>		
Loan receivables (a)	應收貸款 (a)	47,000	448,000
Less: impairment provision (b)	減：減值撥備 (b)	(47,000)	(47,000)
		-	401,000
Total loan receivables, net of provision	應收貸款總額，扣除撥備	-	401,000

The Group provided loans to third parties. The details of the loans are set out below:

- (a) Loan receivable of RMB 400 million as at 31 December 2016 was secured by the pledge of certain property, plant and equipment of the borrower, bearing interest at a rate of 12% per annum and was fully repaid in December 2017.

Loan receivables of RMB 47 million (2016: RMB 47 million) as at 31 December 2017 comprised various loans with individual amount ranging from RMB 7 million to RMB 20 million (2016: RMB 7 million to RMB 20 million), which were secured by the pledge of property, plant and equipment of the borrowers or guarantees of the borrowers or other parties, and interest bearing at rates ranging from 19.8% to 24.0% (2016: 19.8% to 24.0%) per annum.

本集團向第三方提供貸款。貸款詳情載列如下：

- (a) 於二零一六年十二月三十一日，人民幣4億元的應收貸款由借款人的若干物業、廠房及設備作為抵押，按年利率12%計息，並已於二零一七年十二月全額償付。

於二零一七年十二月三十一日，人民幣4,700萬元（二零一六年：人民幣4,700萬元）的應收貸款包括單項金額介乎人民幣700萬元至人民幣2,000萬元（二零一六年：人民幣700萬元至人民幣2,000萬元）的各項貸款，由借款人或借款人的擔保人或其他方的物業、廠房及設備作為抵押，按年利率介乎19.8%至24.0%（二零一六年：19.8%至24.0%）計息。



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### 19. LOAN RECEIVABLES (continued)

- (b) As at 31 December 2017, provisions amounting to RMB 47 million (2016: RMB 47 million) were made on the loan receivables given that the borrowers were in significant financial difficulty and had defaulted in scheduled payments and there was significant uncertainty of recovering the loan receivables by the enforcement of mortgage rights.

The fair values of loan receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

### 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Money market funds	貨幣市場基金
Financial investment products	金融投資產品
Bond market funds	債券市場基金

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other gains/(losses) – net' in the consolidated statement of profit or loss (Note 30).

### 19. 應收貸款(續)

- (b) 於二零一七年十二月三十一日，鑒於借款人面臨重大財政困難及已違反還款計劃，且強制執行按揭權利收回應收貸款存在重大不明朗因素，故已就應收貸款作出人民幣4,700萬元（二零一六年：人民幣4,700萬元）的撥備。

因折現影響不重大，應收貸款於結算日的公允價值近似其賬面值。

### 20. 按公允價值計量且其變動計入損益表之金融資產

	2017 二零一七年	2016 二零一六年
	<b>1,299,193</b>	214,658
	<b>1,433,801</b>	172,800
	<b>33,243</b>	–
	<b>2,766,237</b>	387,458

按公允價值計量且其變動計入損益表之金融資產之公允價值變化計入合併損益表中的「其他收益／(虧損)－淨額」(附註30)。



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

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### 21. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

### 21. 現金及現金等價物及受限制銀行結餘

		2017 二零一七年	2016 二零一六年
Cash and cash equivalents	現金及現金等價物	2,766,396	1,290,199
Restricted bank balances	受限制銀行結餘	417,151	890,617
Total cash and bank balances	現金及銀行結餘合計	<b>3,183,547</b>	2,180,816

As at 31 December 2017, restricted bank balances comprised the following:

於二零一七年十二月三十一日，受限制銀行結餘包括下列各項：

- (a) Approximately RMB 346.9 million (2016: RMB 830.3 million) were pledged as security for issuing notes payable of the Group (Note 24);
- (b) Approximately RMB 70.3 million (2016: RMB 48.7 million) and US\$ nil (2016: US\$ 1.67 million (equivalent to RMB 11.6 million)) were pledged as security for issuing letters of credit of the Group.

- (a) 約人民幣3.469億元(二零一六年：人民幣8.303億元)已為開具本集團應付票據(附註24)作抵押；
- (b) 約人民幣7,030萬元(二零一六年：人民幣4,870萬元)及零美元(二零一六年：167萬美元(相等於人民幣1,160萬元))已為開具本集團信用證作抵押；

The carrying amounts of the cash and cash equivalents and restricted bank balances are denominated in the following currencies:

現金及現金等價物及受限制銀行結餘的賬面值乃以下列貨幣為單位：

		2017 二零一七年	2016 二零一六年
Cash and cash equivalents and restricted bank balances	現金及現金等價物以及受限制銀行結餘		
RMB	人民幣	2,555,193	1,692,179
US\$	美元	418,427	484,108
HK\$	港元	169,583	4,529
AU\$	澳元	39,381	-
Others	其他	963	-
Total	合計	<b>3,183,547</b>	2,180,816





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

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### 22. SHARE CAPITAL AND SHARE PREMIUM

### 22. 股本及股份溢價

		Amount 金額			
		Number of shares (thousands) 股份數目 (千股)	Ordinary shares 普通股	Share premium 股份溢價	Total 總計
As at 1 January 2016 till 1 January 2017	於二零一六年一月一日至 二零一七年一月一日	2,931,425	311,853	2,192,131	2,503,984
Proceeds from shares issued (i)	已發行股份所得款項(i)	586,284	51,839	600,773	652,612
Exercise of employee share option scheme – issuance of shares	行使僱員購股權計劃－發行股份	12,500	1,070	27,881	28,951
As at 31 December 2017	於二零一七年十二月三十一日	<b>3,530,209</b>	<b>364,762</b>	<b>2,820,785</b>	<b>3,185,547</b>

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

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

As at 31 December 2017 and 2016, the total number of authorised ordinary shares of the Company is 5,000,000,000 shares with a par value of HK\$ 0.1 per share.

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

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

於二零一七年及二零一六年十二月三十一日，本公司法定普通股總數為5,000,000,000股每股面值0.1港元之股份。



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### 23. OTHER RESERVES

### 23. 其他儲備

		Merger reserve	Capital surplus	Statutory reserve	Options	Available- for-sale financial assets	Total
		合併儲備	資本公積	法定儲備	購股權	可供出售 金融資產	總計
		(a)	(b)	(c)	(d)		
<b>Balance at 1 January 2016</b>	於二零一六年一月一日的結餘	(599)	35,345	1,215,808	419,748	-	1,670,302
Profit appropriation	溢利分配	-	-	13,463	-	-	13,463
Changes in ownership interests in a subsidiary without change of control	在不改變控制權的情況下 變更於一間附屬公司的所有權權益	-	18,022	-	-	-	18,022
Fair value gains on available-for-sale financial assets (Note 15)	可供出售金融資產的公允價值 收益(附註 15)	-	-	-	-	1,521	1,521
<b>Balance at 31 December 2016</b>	於二零一六年十二月三十一日的結餘	(599)	53,367	1,229,271	419,748	1,521	1,703,308
Profit appropriation	溢利分配	-	-	56,298	-	-	56,298
Exercise of employee share option scheme – issuance of shares	行使僱員購股權計劃—發行股份	-	-	-	(6,939)	-	(6,939)
Fair value losses on available-for-sale financial assets (Note 15)	可供出售金融資產的公允價值 虧損(附註 15)	-	-	-	-	(7,317)	(7,317)
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of available-for-sale financial assets	於出售可供出售金融資產時 將先前計入儲備的公允價值 收益轉至損益表	-	-	-	-	(1,259)	(1,259)
<b>Balance at 31 December 2017</b>	於二零一七年十二月三十一日的結餘	(599)	53,367	1,285,569	412,809	(7,055)	1,744,091



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

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### 23. OTHER RESERVES (continued)

#### (a) Merger reserve

The merger reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries that had been acquired and the nominal value of the Company's shares issued in exchange therefore pursuant to the Reorganisation.

#### (b) Capital surplus

The Group's capital surplus arose from transactions with non-controlling interests.

#### (c) Statutory reserve

##### (i) Statutory surplus reserves

In accordance with the PRC regulations and the Articles of the Association of certain subsidiaries of the Group registered in the PRC, before distributing the net profit of each year, these PRC subsidiaries are required to set aside 10% of their statutory net profit for the year after offsetting any prior year's losses as determined under the PRC accounting regulations to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of the share capital, any further appropriation is optional.

The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of the entity's share capital after such issuance.

##### (ii) Discretionary reserves

The appropriation of discretionary reserve fund is proposed by Board of the PRC subsidiaries, and approved by the shareholder's meeting. The discretionary reserve fund can be utilised to offset prior years' losses or increase share capital.

### 23. 其他儲備(續)

#### (a) 合併儲備

本集團的合併儲備指已收購附屬公司股份的面值與根據重組為有關收購而發行的本公司股份面值的差額。

#### (b) 資本公積

本集團的資本公積來自與非控制性權益的交易。

#### (c) 法定儲備

##### (i) 法定盈餘儲備

根據中國法規及本集團內在中國註冊的若干附屬公司的組織章程細則，每年分派淨溢利前，該等中國附屬公司根據中國會計準則規定抵銷去年的虧損後，須撥其年度法定淨溢利的10%至法定盈餘儲備資金，直至該儲備達至其股本的50%為止，可選擇繼續或者停止該等撥備。

法定盈餘儲備資金可用作抵銷往年的虧損或發行紅股。然而，該法定盈餘儲備資金必須於發行後維持該實體股本的最少25%。

##### (ii) 任意儲備

任意儲備資金的分配乃由中國附屬公司的董事局建議，並須獲股東大會的批准。任意儲備資金可用作抵銷過往年度的虧損或用作增加股本。



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### 23. OTHER RESERVES (continued)

#### (d) Employee share option scheme

As approved by the Company's Board meeting, certain share options were granted to selected directors and employees as follows. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Date of grant 授予日		Number of share options in an aggregate 購股權總數目	Exercises price 行使價 HK\$/share 港元/每股	Exercisable period 可行使期間
24 February 2009	二零零九年二月二十四日	21,200,000	1.39	Note 1 附註1
11 May 2009	二零零九年五月十一日	6,600,000	1.50	Note 1 附註1
29 December 2009	二零零九年十二月二十九日	148,780,000	2.84	Note 1 附註1
20 December 2010	二零一零年十二月二十日	6,000,000	3.00	Note 1 附註1
24 December 2010	二零一零年十二月二十四日	47,100,000	3.182	Note 1 附註1
14 January 2011	二零一一年一月十四日	800,000	3.20	Note 1 附註1
27 April 2011	二零一一年四月二十七日	9,800,000	3.08	Note 1 附註1
30 March 2012	二零一二年三月三十日	75,370,000	2.03	Note 1 附註1
30 May 2012	二零一二年五月三十日	9,800,000	2.03	Note 1 附註1

Note 1: The share options are exercisable in different periods from February 2009 to December 2021, and with different vesting requirements.

### 23. 其他儲備(續)

#### (d) 僱員購股權計劃

經本公司董事局會議批准後，下列經挑選的董事及僱員已獲授予若干購股權。本集團並無以現金購回或結算購股權的法定或推定責任。

附註1: 該等購股權於二零零九年二月至二零一二年十二月不同期間內可予行使，行權要求各異。



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### 23. OTHER RESERVES (continued)

#### (d) Employee share option scheme (continued)

Movements in the number of share options outstanding during the year ended 31 December 2017 and their related weighted average exercise prices were as follows:

		2017 二零一七年		2016 二零一六年	
		Average exercise price per share in HK\$ 每股股份 平均行使價 (港元)	Number of options (thousands) 購股權數目 (千份)	Average exercise price per share in HK\$ 每股股份 平均行使價 (港元)	Number of options (thousands) 購股權數目 (千份)
At 1 January	於一月一日	2.58	234,670	2.59	242,670
Exercised	已行使	2.06	(12,500)	-	-
Lapsed	已失效	2.67	(29,810)	2.76	(8,000)
At 31 December	於十二月三十一日	2.60	192,360	2.58	234,670

Share options outstanding at 31 December 2017 and 2016 have the expiry dates and exercise prices as follows:

Expiry date 屆滿日期		Exercise price 行使價 HK\$ per share 每股港元	Number of options (thousands) 購股權數目(千份)	
			2017 二零一七年	2016 二零一六年
23 February 2019	二零一九年二月二十三日	1.39	8,300	13,900
28 December 2019	二零一九年十二月二十八日	2.84	95,530	116,650
19 December 2020	二零二零年十二月十九日	3.18	23,500	28,700
27 March 2021	二零二一年三月二十七日	3.08	9,800	9,800
19 December 2020	二零二零年十二月十九日	2.03	45,430	55,820
19 December 2020	二零二零年十二月十九日	2.03	9,800	9,800
			192,360	234,670

### 23. 其他儲備(續)

#### (d) 僱員購股權計劃(續)

截至二零一七年十二月三十一日止年度內，尚未行使的購股權數目及其相關加權平均行使價的變動如下：

於二零一七年及二零一六年十二月三十一日尚未行使的購股權的屆滿日期及行使價如下：



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### 24. TRADE PAYABLES

Account payables 應付賬款  
Notes payable 應付票據

As at 31 December 2017, all notes payable represented bank acceptance notes, of which RMB 114 million (2016: RMB 358 million) were secured by certain notes receivable (Note 17), RMB 715 million (2016: RMB 1,828 million) were secured by certain restricted bank balances (Note 21), RMB 50 million (2016: RMB 93 million) were secured by certain inventories (Note 16) and certain restricted bank balances (Note 21) and RMB 16 million (2016: nil) were secured by certain restricted bank balances (Note 21) and certain notes receivable (Note 17).

As at 31 December 2017 and 2016, the ageing analysis of the trade payables was as follows:

Within 3 months 3個月內  
4-6 months 4至6個月  
7-9 months 7至9個月  
10-12 months 10至12個月  
Over 1 year 一年以上

### 24. 應付貿易賬款

2017	2016
二零一七年	二零一六年
2,622,132	3,146,492
895,406	2,278,831
<b>3,517,538</b>	5,425,323

於二零一七年十二月三十一日，所有應付票據均為銀行承兌匯票，其中包括人民幣1.14億元(二零一六年：人民幣3.58億元)以若干應收票據(附註17)作抵押，人民幣7.15億元(二零一六年：人民幣18.28億元)以若干受限制銀行結餘(附註21)作抵押及人民幣5,000萬元(二零一六年：人民幣9,300萬元)以若干存貨(附註16)及若干受限制銀行結餘(附註21)作抵押及人民幣1,600萬元(二零一六年：零)以若干受限制銀行結餘(附註21)及若干應收票據(附註17)作抵押。

於二零一七年及二零一六年十二月三十一日，應付貿易賬款的賬齡分析如下：

2017	2016
二零一七年	二零一六年
1,956,761	4,595,245
1,197,120	437,988
107,547	123,111
75,793	31,980
180,317	236,999
<b>3,517,538</b>	5,425,323





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### 24. TRADE PAYABLES (continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

RMB	人民幣
US\$	美元

### 24. 應付貿易賬款(續)

本集團應付貿易賬款的賬面值乃以下列貨幣為單位：

2017	2016
二零一七年	二零一六年
<b>3,346,981</b>	5,369,056
<b>170,557</b>	56,267
<b>3,517,538</b>	5,425,323

### 25. ACCRUALS, ADVANCES AND OTHER CURRENT LIABILITIES

Advances from customers	預收客戶款項
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付賬款
Deposits from customers	客戶按金
Value-added tax payable and other taxes payables	應付增值稅及其他應付稅項
Accrual of interest expense	預提利息費用
Salary, pension and other social welfare payables	應付薪金、退休金及其他社會福利
Provisions for legal claims	法律索償撥備
Accrual for process fee and importing expenses	預提加工費及進口費用
Employee deposits	僱員按金
Others	其他

### 25. 預提費用、預收款項及其他流動負債

2017	2016
二零一七年	二零一六年
<b>1,496,839</b>	2,215,134
<b>614,059</b>	308,854
<b>61,058</b>	138,403
<b>358,124</b>	88,686
<b>3,514</b>	9,232
<b>190,868</b>	153,570
<b>20,000</b>	20,000
<b>297,147</b>	219,336
<b>17,154</b>	32,016
<b>242,717</b>	183,279
<b>3,301,480</b>	3,368,510



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### 26. BORROWINGS

### 26. 借款

		2017 二零一七年	2016 二零一六年
<b>Non-current</b>	<b>非流動</b>		
Bank borrowings (a)	銀行借款 (a)		
Secured	有抵押	235,500	246,500
<b>Current</b>	<b>流動</b>		
Bank borrowings (a)	銀行借款 (a)		
Secured	有抵押	222,600	35,000
Unsecured	無抵押	1,602,606	1,034,507
		1,825,206	1,069,507
Other borrowings, unsecured (b)	其他借款，無抵押 (b)	65,000	65,000
		1,890,206	1,134,507
<b>Total borrowings</b>	<b>總借款</b>	<b>2,125,706</b>	1,381,007

(a) The secured bank borrowings as at 31 December 2017 totalling RMB 458.1 million were secured by property, plant and equipment (Note 7), leasehold land and land use rights (Note 6) and certain notes receivables (Note 17).

The secured bank borrowings as at 31 December 2016 totalling RMB 281.5 million were secured by property, plant and equipment (Note 7) and leasehold land and land use rights (Note 6).

(a) 於二零一七年十二月三十一日，合共人民幣4.581億元的有抵押銀行借款以物業、廠房及設備(附註7)、租賃土地及土地使用權(附註6)以及若干應收票據(附註17)作抵押。

於二零一六年十二月三十一日，合共人民幣2.815億元的有抵押銀行借款以物業、廠房及設備(附註7)以及租賃土地及土地使用權(附註6)作抵押。



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

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### 26. BORROWINGS (continued)

(b) The other unsecured borrowings of RMB 65 million (2016: 65 million) represented a borrowing from a local county government without fixed term of repayment. Interest is charged at the RMB bank deposit rate for one year fixed deposit.

(c) As at 31 December 2017 and 2016, the Group's borrowings were repayable as follows:

### 26. 借款(續)

(b) 人民幣6,500萬元(二零一六年：人民幣6,500萬元)的其他無抵押借款指當地縣政府提供的借款，該筆借款無固定償還期。利息開支按銀行人民幣一年期定期存款利率計算。

(c) 於二零一七年及二零一六年十二月三十一日，本集團的借款到期期限如下：

	Bank borrowings		Other borrowings	
	銀行借款		其他借款	
	2017	2016	2017	2016
	二零一七年	二零一六年	二零一七年	二零一六年
Within 1 year	1,825,206	1,069,507	65,000	65,000
Between 1 and 2 years	235,500	-	-	-
Between 2 and 5 years	-	246,500	-	-
	<b>2,060,706</b>	1,316,007	<b>65,000</b>	65,000



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

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### 26. BORROWINGS (continued)

The effective interest rates at the balance sheet date were as follows:

		2017 二零一七年		2016 二零一六年	
		RMB 人民幣	US\$ 美元	RMB 人民幣	US\$ 美元
Bank borrowings	銀行借款	4.38%-6.00%	1.70%-2.15%	4.75%-6.00%	1.43%-1.50%
Other borrowings	其他借款	3.60%	-	3.60%	-

The carrying amounts of current borrowings approximated their fair values as at the balance sheet date as the impact of discounting is not significant.

The carrying amounts and fair value of the non-current bank borrowings are as follows:

		Carrying amount 賬面值		Fair value 公允價值	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
Bank borrowings	銀行借款	<b>235,500</b>	246,500	<b>235,371</b>	225,642

The fair values of non-current bank borrowings are based on discounted cash flow approach using the prevailing market rates of interest available to the Group for financial institution with substantially the same terms and characteristics at the respective balance sheet dates.

As at 31 December 2017, the carrying amount of the borrowings amounting to RMB 898 million (2016: RMB 370 million) and RMB 1,228 million (2016: RMB 1,011 million) were denominated in US\$ and RMB respectively.

### 26. 借款(續)

於結算日的實際利率如下：

由於折現影響不大，流動借款於結算日的賬面值近似其公允價值。

非流動銀行借款的賬面值及公允價值如下：

非流動銀行借款的公允價值使用本集團於各結算日條款及特徵大體相同的金融機構的現行市場利率按現金流量法折現處理。

於二零一七年十二月三十一日，賬面值為人民幣8.98億元(二零一六年：人民幣3.70億元)及人民幣12.28億元(二零一六年：人民幣10.11億元)的借款分別以美元及人民幣計值。



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

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### 26. BORROWINGS (continued)

The exposure of the Group's bank borrowings to interest-rate changes and the contractual repricing dates are as follows:

6 months or less	6個月內
6-12 months	6至12個月
More than 12 months	12個月以上

### 26. 借款(續)

本集團銀行借款承擔利率變動風險及合約重新定價日期如下：

	2017 二零一七年	2016 二零一六年
	<b>1,145,206</b>	419,507
	<b>680,000</b>	650,000
	<b>235,500</b>	246,500
	<b>2,060,706</b>	1,316,007

### 27. OTHER LONG-TERM PAYABLES

#### Non-current

Finance lease obligations (i)
Other payable

#### 非流動

融資租賃承擔 (i)
其他應付賬款

#### Current

Finance lease obligations (i)(ii)
Other payable

#### 流動

融資租賃承擔 (i)(ii)
其他應付賬款

#### Total other long-term payables

#### 其他長期應付賬款總額

	2017 二零一七年	2016 二零一六年
	-	603,761
	-	11,433
	-	615,194
	<b>198,497</b>	551,392
	<b>8,043</b>	-
	<b>206,540</b>	551,392
	<b>206,540</b>	1,166,586

(i) In November 2015, the Group entered into certain asset sale and leaseback agreements (the "Sale and Lease Agreement") with one financial institution. The sales proceeds of the relevant property, plant and equipment were RMB 1,200 million with a notional disposal loss of RMB 10 million which was amortised over the lease term of 36 months. The Group was entitled to purchase the related asset at a cost of RMB 3 at the end of the lease.

(i) 於二零一五年十一月，本集團與一間金融機構訂立若干資產售後回租協議（「售後回租協議」）。出售相關物業、廠房及設備所得款項為人民幣12億元，出售虧損為人民幣1,000萬元按租賃期36個月攤銷。本集團於租賃期末有權以人民幣3元的成本購買相關資產。



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### 27. OTHER LONG-TERM PAYABLES (continued)

- (ii) During the year ended 31 December 2017, the Group terminated certain Sale and Lease Agreement with principal amount of RMB 1,000 million in advance.
- (iii) As at 31 December 2017, total minimum lease payments under the finance lease based on the PBOC interest rate as at the balance sheet date and their present values were as follows:

### 27. 其他長期應付賬款(續)

- (ii) 於截至二零一七年十二月三十一日止年度，本集團提前終止若干售後回租協議，本金額為人民幣10億元。
- (iii) 於二零一七年十二月三十一日，按中國人民銀行於結算日利率計息之融資租賃之最低租賃付款總額及其現值如下：

		2017 二零一七年
Gross finance lease liabilities	融資租賃負債總額	
– minimum lease payments	– 最低租賃付款	
Within 1 year	1年內	210,185
Future finance charges on finance leases	融資租賃之未來融資支出	(11,688)
<b>Present value of finance lease liabilities</b>	<b>融資租賃負債之現值</b>	
Within 1 year	1年內	<b>198,497</b>

The effective interest rates of the finance lease obligations of the Group is 6.21%.

As at 31 December 2017, the fair value of the finance lease obligations equals to carrying amount as the effective interest rates of the finance lease obligations equals to the prevailing market rates of interest available to the Group.

本集團融資租賃承擔的實際利率為6.21%。

於二零一七年十二月三十一日，由於融資租賃承擔之實際利率等於本集團可用的現行市場利率，故融資租賃承擔之公允價值等於其賬面值。





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### 28. DEFERRED REVENUE

### 28. 遞延收入

		<b>Deferred government grant</b> 遞延政府補貼
At 1 January 2016	於二零一六年一月一日	86,317
Addition	添置	8,850
Credited to the consolidated statement of profit or loss	於合併損益表內記賬	(17,060)
At 31 December 2016	於二零一六年十二月三十一日	<u>78,107</u>
Addition	添置	62,590
Credited to the consolidated statement of profit or loss	於合併損益表內記賬	(29,033)
At 31 December 2017	於二零一七年十二月三十一日	<u>111,664</u>



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### 29. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxed levied by the same taxation authority on either the taxable entity or different taxable entities where there is an interaction to settle the balances on a net basis. The offset amounts are as follows:

Deferred tax assets:	遞延稅項資產：
– Deferred tax asset to be recovered after more than 12 months	– 將於12個月後收回的遞延稅項資產
– Deferred tax asset to be recovered within 12 months	– 將於12個月內收回的遞延稅項資產
Deferred tax liabilities:	遞延稅項負債：
– Deferred tax liabilities to be settled after more than 12 months	– 將於12個月後支銷的遞延稅項負債
– Deferred tax liabilities to be settled within 12 months	– 將於12個月內支銷的遞延稅項負債
Deferred tax assets – net	遞延稅項資產 – 淨額

The gross movement on the deferred income tax account is as follows:

At 1 January	於一月一日
Credited/(charged) to the consolidated statement of profit or loss (Note 35)	於合併損益表記賬/(扣除)(附註35)
Acquisition of a subsidiary	收購一間附屬公司
Disposal of a subsidiary	出售一間附屬公司
At 31 December	於十二月三十一日

### 29. 遞延所得稅

當有將流動稅項資產與流動稅項負債抵銷之合法強制執行權，以及當遞延所得稅與同一稅務機關就該應課稅實體或不同應課稅實體徵收之所得稅有關，而有關方面擬按淨額基準繳納稅項時，遞延所得稅資產與負債將會抵銷。抵銷金額如下：

	2017 二零一七年	2016 二零一六年
	<b>81,713</b>	94,850
	<b>97,626</b>	61,030
	<b>179,339</b>	155,880
	<b>(34,501)</b>	(37,900)
	<b>(4,304)</b>	(4,304)
	<b>(38,805)</b>	(42,204)
	<b>140,534</b>	113,676

遞延所得稅賬目的總變動如下：

	2017 二零一七年	2016 二零一六年
	<b>113,676</b>	377,949
	<b>26,858</b>	(221,940)
	–	(36,101)
	–	(6,232)
	<b>140,534</b>	113,676



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### 29. DEFERRED INCOME TAX (continued)

Deferred taxation is calculated on temporary differences under the liability method using the tax rate and the tax base that is consistent with the expected manner of recovery or settlement for the year ended 31 December 2017.

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets:

		Tax losses	Temporary difference arising from expense recognition	Impairment provision of assets and provision of legal claims	Unrealised gains	Total
		稅項虧損	費用確認的暫時性差異	資產減值撥備及法律索償撥備	尚未變現收益	總計
At 1 January 2016	於二零一六年一月一日	245,051	69,916	18,682	97,781	431,430
(Charged)/credited to the consolidated statement of profit or loss	於合併損益表(扣除)/記賬	(205,586)	1,385	(36)	(14,297)	(218,534)
Disposal of a subsidiary	出售一間附屬公司	(6,232)	-	-	-	(6,232)
At 31 December 2016	於二零一六年十二月三十一日	33,233	71,301	18,646	83,484	206,664
(Charged)/credited to the consolidated statement of profit or loss	於合併損益表(扣除)/記賬	(17,181)	40,148	2,346	(5,963)	19,350
At 31 December 2017	於二零一七年十二月三十一日	16,052	111,449	20,992	77,521	226,014

The Directors are of opinion that accumulated tax losses of RMB 412 million and unused tax credits arising from impairment provision of assets of RMB 2,609 million as at 31 December 2017 (31 December 2016: RMB 345 million and RMB 2,498 million) were unlikely to be utilised, therefore no deferred income tax assets were recognised in this regard. Tax loss amounting to RMB 133 million (2016: RMB 163 million), RMB 119 million (2016: RMB 119 million), RMB 17 million (2016: RMB 33 million), RMB 18 million (2016: RMB 30 million) and RMB 125 million (2016: nil) expire in 2018, 2019, 2020, 2021 and 2022 respectively.

### 29. 遞延所得稅(續)

遞延稅項採用負債法就暫時性差異按與截至二零一七年十二月三十一日止年度預期收回或結算方式一致的稅率及稅基計算。

年內遞延所得稅資產及負債(沒有計入在同一徵稅區內抵銷的結餘)的變動如下:

遞延所得稅資產:

董事們認為，於二零一七年十二月三十一日，人民幣4.12億元的累計稅項虧損及人民幣26.09億元資產減值撥備產生的未動用稅項抵免(二零一六年十二月三十一日：人民幣3.45億元及人民幣24.98億元)將不大可能被使用，因此，並無就此確認遞延所得稅資產。人民幣1.33億元(二零一六年：人民幣1.63億元)、人民幣1.19億元(二零一六年：人民幣1.19億元)、人民幣1,700萬元(二零一六年：人民幣3,300萬元)、人民幣1,800萬元(二零一六年：人民幣3,000萬元)及人民幣1.25億元(二零一六年：零)的稅項虧損分別於二零一八年、二零一九年、二零二零年、二零二一年及二零二二年屆滿。



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### 29. DEFERRED INCOME TAX (continued)

### 29. 遞延所得稅(續)

Deferred income tax liabilities:

遞延所得稅負債：

		Fair value gains 公允價值收益	Capitalised interest 資本化利息	Investment in associates 於聯營公司之投資	Total 合計
At 1 January 2016	於二零一六年一月一日	(5,367)	(48,114)	-	(53,481)
Credited/(charged) to the consolidated statement of profit or loss	於合併損益表記賬/(扣除)	3,961	1,964	(9,331)	(3,406)
Acquisition of a subsidiary	收購一間附屬公司	(36,101)	-	-	(36,101)
At 31 December 2016	於二零一六年十二月三十一日	(37,507)	(46,150)	(9,331)	(92,988)
Credited/(charged) to the consolidated statement of profit or loss	於合併損益表記賬/(扣除)	4,663	3,751	(906)	7,508
At 31 December 2017	於二零一七年十二月三十一日	(32,844)	(42,399)	(10,237)	(85,480)



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### 30. OTHER GAINS/(LOSSES) – NET

### 30. 其他收益／(虧損) – 淨額

		2017 二零一七年	2016 二零一六年
Government grants	政府補貼	155,748	51,570
Losses on repurchase of Senior Notes	購回優先票據之虧損	–	(1,041)
Losses on disposal of available-for-sale financial assets	出售可供出售金融資產之虧損	(1,881)	–
Fair value gain/(loss) of financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產之公允價值收益／(虧損)	2,162	(342)
Investment income from financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產之投資收入	53,083	8,838
Gains on disposal of property, plant and equipment (Note 40)	出售物業、廠房及設備之收益(附註40)	1,752	4,763
Losses of raw materials and by-products	原材料及副產品虧損	(4,875)	(2,902)
Other foreign exchange (losses)/gains – net (Note 36)	其他匯兌(虧損)／收益 – 淨額(附註36)	(20,876)	52,819
Impairment of property, plant and equipment (Note 7)	物業、廠房及設備減值(附註7)	–	(809,790)
Gains on disposal of the subsidiaries	出售附屬公司之收益	–	31,487
Others, net	其他，淨額	(22,073)	7,639
Total other gains/(losses) – net	其他收益／(虧損) – 淨額合計	<b>163,040</b>	(656,959)

### 31. OTHER INCOME

### 31. 其他收入

		2017 二零一七年	2016 二零一六年
Dividend income from available-for-sale financial assets	可供出售金融資產之股息收入	19,765	–
Rental income from investment properties (Note 8)	投資物業之租金收入(附註8)	11,059	2,574
Interest income from available-for-sale financial assets	可供出售金融資產之利息收入	6,590	3,525
Others	其他	247	30
Total	合計	<b>37,661</b>	6,129



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### 32. EXPENSES BY NATURE

### 32. 按性質呈列的開支

		2017 二零一七年	2016 二零一六年
Employee benefit expense (Note 33)	僱員福利開支(附註33)	1,135,058	1,096,917
Changes in inventories of finished goods and work in progress	製成品及在製品的存貨變動	729,103	(250,219)
Raw materials used	所用原材料	28,671,170	20,055,941
Cost of properties sold	已銷售物業成本	1,001,932	186,919
Utilities	能源	1,509,392	1,818,390
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備折舊(附註7)	1,044,742	1,068,590
Amortisation of intangible assets (Note 9)	無形資產攤銷(附註9)	10,647	10,246
Amortisation of leasehold land and land use rights (Note 6)	租賃土地及土地使用權攤銷(附註6)	5,812	5,390
Depreciation of investment properties (Note 8)	投資物業折舊(附註8)	6,916	441
Operating lease expenses in respect of land use rights	有關土地使用權的經營租賃費用	2,546	1,850
Provision for impairment of trade receivables (Note 17)	應收貿易賬款減值之撥備(附註17)	13,506	16,967
Impairment provision of prepayments, deposits and other receivables (Note 18)	預付款項、按金及其他應收賬款之減值撥備(附註18)	121,725	231,713
Provision for write-down of inventories to net realisable value (Note 16)	存貨價值撇減至可變現淨值之撥備(附註16)	29,298	-
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	4,036	4,050
– Non-audit services	– 非核數服務	135	143
Rental fee	租金費用	396,865	108,535
Tax	稅項	120,983	85,549
Technical consulting fee	技術諮詢費	51,133	24,096
Export fee	出口費用	15,153	39,474
Others	其他	202,754	179,214
Total	合計	<b>35,072,906</b>	24,684,206



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### 33. EMPLOYEE BENEFIT EXPENSE

### 33. 僱員福利開支

		2017 二零一七年	2016 二零一六年
Staff costs (including directors' emoluments)	僱員成本(包括董事酬金)		
– Salaries and welfare	– 薪金及福利	1,000,527	974,739
– Pension costs – defined contribution plans (a)	– 退休金成本 – 定額供款計劃(a)	134,531	122,178
		<b>1,135,058</b>	1,096,917

#### (a) Pensions – defined contribution plans

The employees of the subsidiaries of the Group that are incorporated in the PRC participate in a defined contribution retirement benefit plan organised by the relevant provincial government. For the years ended 31 December 2017 and 2016, the Group is required to make monthly defined contributions to these plans at rates from 10% to 20%, with the base of their total salary subject to a certain ceiling.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments disclosed in the above note.

#### (a) 退休金 – 定額供款計劃

本集團於中國註冊成立的附屬公司的僱員參與有關省政府組織的定額供款統籌退休金計劃。截至二零一七年及二零一六年十二月三十一日止年度，本集團按僱員薪金總額10%至20%每月向該等計劃作出定額供款，惟受若干上限所限。

除以上附註所披露的款項外，本集團並無向僱員或退休人士支付退休金及給予其他退休後福利的其他責任。





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### 33. EMPLOYEE BENEFIT EXPENSE (continued)

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2016: four) directors whose emoluments are reflected in the analysis of Note 46. The emoluments of the remaining three (2016: one) highest paid individuals for the year ended 31 December 2017 are as follows:

Salaries, allowances and other benefits	薪金、津貼及其他福利
Retirement benefits scheme contribution	退休福利計劃供款
Performance related incentive payments	表現相關獎勵金

### 33. 僱員福利開支(續)

#### (b) 五名最高薪酬人士

本年度本集團五位最高薪酬人士包括兩位(二零一六年：四位)董事，其酬金已於附註46的分析中呈列。截至二零一七年十二月三十一日止年度內支付予其餘三位(二零一六年：一位)最高薪人士的酬金如下：

<b>2017</b>	2016
二零一七年	二零一六年

<b>2,149</b>	1,059
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-	16
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<b>7,800</b>	-
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<b>9,949</b>	1,075
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The remuneration fell within the following bands:

酬金介乎以下範圍：

#### Number of individuals

人數

<b>2017</b>	2016
二零一七年	二零一六年

HK\$ 1,000,001 to HK\$ 1,500,000 (approximately RMB 865,211 – RMB 1,297,815)	1,000,001港元至1,500,000港元 (約人民幣865,211元至人民幣1,297,815元)	-	1
HK\$ 3,000,001 to HK\$ 3,500,000 (approximately RMB 2,595,631 – RMB 3,028,235)	3,000,001港元至3,500,000港元 (約人民幣2,595,631元至人民幣3,028,235元)	1	-
HK\$ 3,500,001 to HK\$ 4,000,000 (approximately RMB 3,028,236 – RMB 3,460,840)	3,500,001港元至4,000,000港元 (約人民幣3,028,236元至人民幣3,460,840元)	1	-
HK\$ 4,000,001 to HK\$ 4,500,000 (approximately RMB 3,460,841 – RMB 3,893,445)	4,000,001港元至4,500,000港元 (約人民幣3,460,841元至人民幣3,893,445元)	1	-



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### 34. FINANCE INCOME AND COSTS

### 34. 財務收入及成本

		2017 二零一七年	2016 二零一六年
Interest expenses	利息費用		
– borrowings	– 借款	<b>(59,341)</b>	(78,161)
– discount of notes receivable	– 應收票據貼現	<b>(14,780)</b>	(23,965)
– finance lease liabilities	– 融資租賃負債	<b>(26,953)</b>	(77,634)
Net foreign exchange gains/(losses) on borrowings (Note 36)	借款的淨匯兌收益/ (虧損)(附註36)	<b>17,048</b>	(28,663)
Finance costs	財務成本	<b>(84,026)</b>	(208,423)
Less: amounts capitalised as qualifying assets	減：合資格資產資本化金額	<b>5,171</b>	26,261
Total finance costs (Note 40)	財務成本總額(附註40)	<b>(78,855)</b>	(182,162)
Interest income	利息收入		
– bank deposits	– 銀行存款	<b>23,451</b>	36,464
– trade receivables	– 應收貿易賬款	–	3,717
– prepayments, deposits and other receivables	– 預付款項、按金及 其他應收賬款	<b>12,393</b>	20,772
– loan receivables	– 應收貸款	<b>45,157</b>	48,940
Total finance income (Note 40)	財務收入總額(附註40)	<b>81,001</b>	109,893
Finance income/(costs) – net	財務收入/(成本)–淨額	<b>2,146</b>	(72,269)



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### 35. INCOME TAX EXPENSE

### 35. 所得稅費用

		2017 二零一七年	2016 二零一六年
Current income tax	當期所得稅		
– PRC enterprise income tax (the “EIT”)	– 中國企業所得稅 (「企業所得稅」)	1,546,068	295,042
– Singapore profit tax	– 新加坡利得稅	5,356	6,954
Deferred income tax (Note 29)	遞延所得稅(附註29)	(26,858)	221,940
		<b>1,524,566</b>	523,936

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and, accordingly, is exempted from payment of Bermuda income tax.

The subsidiaries directly held by the Company were incorporated in BVI with limited liability under the International Business Companies Act Chapter 291 and, accordingly, are exempted from payment of BVI income tax.

No Hong Kong profits tax has been provided since the Company and the subsidiaries traded or incorporated in Hong Kong do not have assessable taxable profits during the year ended 31 December 2017 after utilising accumulated tax losses (2016: nil). The Directors are of opinion that the accumulated tax losses of the Company and the subsidiaries are unlikely to be utilised in the future. No deferred tax assets were recognised.

China Oriental Singapore has been awarded the “Global Trader Programme” status for 2 years 9 months with effect from 1 April 2011 and continued to be awarded from 1 January 2014 for 5 years. Income from qualifying transactions will be taxed at the concessionary corporate tax rate of 10%, subject to China Oriental Singapore meeting certain terms and conditions as stated in the letter issued by International Enterprise Singapore.

本公司根據百慕達一九八一年公司法在百慕達註冊成立為獲豁免有限責任公司，故獲豁免繳付百慕達所得稅。

本公司直接持有的附屬公司根據國際商業公司法第291章在英屬維爾京群島註冊成立為有限責任公司，故獲豁免繳付英屬維爾京群島所得稅。

由於在動用累計稅項虧損後，於香港進行貿易或註冊成立的本公司及附屬公司於截至二零一七年十二月三十一日止年度並無應課稅利潤，故並沒有計提香港利得稅(二零一六年：無)。董事們認為，本公司及附屬公司於未來動用累計稅項虧損之可能性不大，故並無確認遞延所得稅資產。

中國東方新加坡已獲得自二零一一年四月一日起生效的兩年零九個月的「環球貿易計劃」地位，並繼續獲得自二零一四年一月一日起生效五年。根據中國東方新加坡達到新加坡國際企業發展局發出的函件內所列的若干條款及條件，合資格的交易之收入將按特許企業稅率10%徵稅。



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### 35. INCOME TAX EXPENSE (continued)

The PRC EIT is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items which are not assessable or deductible for income tax purposes. The EIT rate applicable to the subsidiaries incorporated in the PRC is 25% (2016: 25%).

Zhongjin Leasing qualified as a key encouraged industry enterprise and was established in an economically difficult zone. As approved by local tax authority in 2017, Zhongjin Leasing was entitled to a four year full exemption from 2017 to 2020. As at 31 December 2017, the effective rate of Zhongjin Leasing was nil (2016: 25%).

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average applicable tax rate of 23.26% (2016: 21.79%) to respective profits of the consolidated entities for the years ended 31 December 2017 and 2016 as follows:

### 35. 所得稅費用 (續)

中國企業所得稅乃基於在中國註冊成立的附屬公司的法定溢利，根據中國稅務法律及條例，於調整若干不須課稅或不可扣減所得稅的收入及開支項目後計算。適用於在中國註冊成立的附屬公司的企業所得稅稅率為25% (二零一六年：25%)。

中津融資，作為重點鼓勵產業企業，成立於經濟下行地區。中津融資於二零一七年獲得當地稅務機關批准，由二零一七年至二零二零年享有四年全額豁免所得稅。於二零一七年十二月三十一日，中津融資之實際稅率為零 (二零一六年：25%)。

本集團除稅前溢利的稅項於截至二零一七年及二零一六年十二月三十一日止年度合併實體的溢利因採用加權平均稅率23.26% (二零一六年：21.79%) 計算的理論總額的差異分別如下：

		2017 二零一七年	2016 二零一六年
Profit before taxation	除稅前溢利	6,407,730	1,054,948
Taxation calculated at statutory tax rate	按法定稅率計算的稅項	1,490,334	229,826
Temporary difference and tax losses for which no deferred income tax asset was recognised	未確認遞延所得稅資產的暫時性差異及稅項虧損	70,550	281,126
Withholding tax of investment in associates	代扣代繳於聯營公司之投資之所得稅	906	9,331
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(27,880)	(15,337)
Write-off of deferred income tax asset recognised in prior years	撇銷過往年度確認之遞延所得稅資產	-	11,695
Withholding tax of intra-group interest	代扣代繳集團內部利息之所得稅	286	1,387
Effect of non-taxable income	毋須課稅收入之影響	(14,180)	(2,964)
Effect of non-deductible expenses	不可扣減費用之影響	4,550	8,872
		<b>1,524,566</b>	<b>523,936</b>



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### 36. NET FOREIGN EXCHANGE LOSSES

The exchange differences credited in the consolidated statement of profit or loss included the followings:

		2017 二零一七年	2016 二零一六年
Other (losses)/gains – net (Note 30)	其他(虧損)/收益—淨額 (附註30)	<b>(20,876)</b>	52,819
Finance income/(costs) – net (Note 34)	財務收入/(成本)—淨額 (附註34)	<b>17,048</b>	(28,663)
		<b>(3,828)</b>	24,156

### 36. 匯兌虧損淨額

於合併損益表內記賬之匯兌差異載列如下：

### 37. (LOSSES)/GAINS FROM DERIVATIVE FINANCIAL INSTRUMENTS

		2017 二零一七年	2016 二零一六年
Investment (losses)/gains from foreign currency forward contracts (a)	外幣遠期合約之 投資(虧損)/收益(a)	<b>(25,829)</b>	2,879
Investment (losses)/gains from iron ore swap contracts (b)	鐵礦石掉期合約之 投資(虧損)/收益(b)	<b>(12,518)</b>	3,284
Investment (losses)/gains from iron ore and rebar future contracts (c)	鐵礦石及螺紋鋼期貨合約之 投資(虧損)/收益(c)	<b>(36,849)</b>	29,669
Total	合計	<b>(75,196)</b>	35,832

### 37. 衍生金融工具之(虧損)/收益

(a) As at 31 December 2017, realised losses amounted to RMB 22.5 million and unrealised losses amounted to RMB 3.3 million (2016: realised gains amounted to RMB 5.6 million and unrealised losses amounted to RMB 2.7 million) were derived from foreign currency forward contracts. A derivative financial liability of RMB 3.3 million was recognised on balance sheet as at 31 December 2017 accordingly.

(a) 於二零一七年十二月三十一日，外幣遠期合約產生人民幣2,250萬元已變現虧損及人民幣330萬元未變現虧損(二零一六年：人民幣560萬元已變現收益及人民幣270萬元未變現虧損)。因此，於二零一七年十二月三十一日，人民幣330萬元的衍生金融負債於資產負債表中確認。



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### 37. (LOSSES)/GAINS FROM DERIVATIVE FINANCIAL INSTRUMENTS (continued)

- (b) As at 31 December 2017, realised losses amounted to RMB 12.6 million and unrealised gains amounted to RMB 0.1 million (2016: realised losses amounted to RMB 2.1 million and unrealised gains amounted to RMB 5.4 million) were derived from iron ore swap contracts. A derivative financial asset of RMB 0.1 million was recognised on balance sheet as at 31 December 2017 accordingly.
- (c) As at 31 December 2017, realised losses amounted to RMB 31.2 million and unrealised losses amounted to RMB 5.6 million (2016: realised gains amounted to RMB 41.8 million and unrealised losses amounted to RMB 12.1 million) were derived from iron ore and rebar future contracts. A derivative financial asset of RMB 0.1 million and a derivative financial liability of RMB 5.7 million were recognised on balance sheet as at 31 December 2017 accordingly.

### 37. 衍生金融工具之(虧損)/收益(續)

- (b) 於二零一七年十二月三十一日，鐵礦石掉期合約產生人民幣1,260萬元已變現虧損及人民幣10萬元未變現收益(二零一六年：人民幣210萬元已變現虧損及人民幣540萬元未變現收益)。因此，於二零一七年十二月三十一日，人民幣10萬元的衍生金融資產於資產負債表中確認。
- (c) 於二零一七年十二月三十一日，鐵礦石及螺紋鋼期貨合約產生人民幣3,120萬元已變現虧損及人民幣560萬元未變現虧損(二零一六年：人民幣4,180萬元已變現收益及人民幣1,210萬元未變現虧損)。因此，於二零一七年十二月三十一日，人民幣10萬元的衍生金融資產及人民幣570萬元衍生金融負債於資產負債表中確認。

### 38. EARNINGS PER SHARE

#### Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

### 38. 每股收益

#### 基本

每股基本收益乃根據本公司權益持有者應佔溢利除以年內已發行普通股的加權平均數而計算。

		2017 二零一七年	2016 二零一六年
Profit attributable to owners of the Company	本公司權益持有者應佔溢利	4,839,080	722,127
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	3,471,628	2,931,425
Basic earnings per share (RMB per share)	每股基本收益(每股人民幣元)	1.39	0.25



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### 38. EARNINGS PER SHARE (continued)

#### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

### 38. 每股收益(續)

#### 稀釋

每股稀釋收益乃在假設所有可稀釋的潛在普通股被兌換後，透過調整已發行普通股的加權平均股數計算。本公司僅有一類可稀釋的潛在普通股：購股權。就購股權而言，根據尚未行使購股權所附的認購權的貨幣價值，釐定按公允價值(釐定為本公司股份的平均年度市價)可購入的股份數目。按以上方式計算的股份數目與假設購股權行使而應已發行的股份數目作出比較。

		2017 二零一七年	2016 二零一六年
Profit attributable to owners of the Company	本公司權益持有者應佔溢利	4,839,080	722,127
Weighted average number of ordinary shares in issue used in calculating basic earnings per share (thousands)	用於計算每股基本收益的已發行普通股加權平均數(千股)	3,471,628	2,931,425
Adjustments for options (thousands)	購股權調整(千股)	55,152	-
Weighted average number of ordinary shares and potential ordinary shares issued as the denominator in calculating diluted earnings per share (thousands)	計算每股稀釋收益時作為分母的已發行普通股及潛在普通股加權平均數(千股)	3,526,780	2,931,425
Diluted earnings per share (RMB per share)	每股稀釋收益(每股人民幣元)	1.37	0.25





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### 39. DIVIDENDS

### 39. 股息

		2017 二零一七年	2016 二零一六年
Interim, paid (a)	中期，已付 (a)	390,625	-
Final, paid (b)	末期，已付 (b)	-	458,422
Final, proposed (c)	末期，建議 (c)	982,992	-
(a)	At a meeting held on 22 August 2017, the Board declared an interim dividend of HK\$ 457.8 million (approximately RMB 390.6 million), representing HK\$ 0.13 per ordinary share in respect of the six months ended 30 June 2017 (2016: nil).		(a) 於二零一七年八月二十二日舉行的會議上，董事局宣佈就截至二零一七年六月三十日止六個月派發中期股息4.578億港元(約人民幣3.906億元)(即每股普通股0.13港元)(二零一六年：零)。
(b)	At a meeting held on 31 March 2017, the Board proposed a final dividend of HK\$ 175.9 million (approximately RMB 152.8 million), representing HK\$ 0.05 per ordinary share and a special dividend of HK\$ 351.8 million (approximately RMB 305.6 million), representing HK\$ 0.10 per ordinary share in respect of the year ended 31 December 2016. This proposed dividend was approved by the shareholders of the Company on the annual general meeting of the Company dated 31 May 2017 and was paid during the year.		(b) 於二零一七年三月三十一日舉行的會議上，董事局建議就截至二零一六年十二月三十一日止年度派發末期股息1.759億港元(約人民幣1.528億元)(即每股普通股0.05港元)及特別股息3.518億港元(約人民幣3.056億元)(即每股普通股0.10港元)。此建議派發的股息於二零一七年五月三十一日本公司舉行的股東週年大會上經本公司的股東通過及已於年內支付。
(c)	At a meeting held on 28 March 2018, the Board proposed a final dividend of HK\$ 818.9 million (approximately RMB 655.3 million), representing HK\$ 0.22 per ordinary share and a special dividend of HK\$ 409.5 million (approximately RMB 327.7 million), representing HK\$ 0.11 per ordinary share in respect of the year ended 31 December 2017.		(c) 於二零一八年三月二十八日舉行的會議上，董事局建議就截至二零一七年十二月三十一日止年度派發末期股息8.189億港元(約人民幣6.553億元)(即每股普通股0.22港元)及特別股息4.095億港元(約人民幣3.277億元)(即每股普通股0.11港元)。



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## 40. CASH GENERATED FROM OPERATIONS

## 40. 營運產生的現金

(a) Reconciliation of profit before income tax to cash generated from operations is as follows:

(a) 除所得稅前溢利與營運產生的現金的調節表如下：

		2017 二零一七年	2016 二零一六年
Profit before income tax	除所得稅前溢利	6,407,730	1,054,948
Adjustments for:	調整：		
Amortisation of leasehold land and land use rights (Notes 6, 32)	租賃土地及土地使用權攤銷 (附註6、32)	5,812	5,390
Depreciation of property, plant and equipment (Notes 7, 32)	物業、廠房及設備折舊 (附註7、32)	1,044,742	1,068,590
Depreciation of investment properties (Notes 8, 32)	投資物業折舊 (附註8、32)	6,916	441
Amortisation of intangible assets (Notes 9, 32)	無形資產攤銷 (附註9、32)	10,647	10,246
Gains on disposal of property, plant and equipment (Note 30)	出售物業、廠房及設備之收益 (附註30)	(1,752)	(4,763)
Impairment of property, plant and equipment (Notes 7, 30)	物業、廠房及設備減值 (附註7、30)	-	809,790
Provision for write-down of inventories to net realisable value (Notes 16, 32)	存貨價值撇減至其可變現淨值之撥備 (附註16、32)	29,298	-
Provision for impairment of trade receivables (Notes 17, 32)	應收貿易賬款減值之撥備 (附註17、32)	13,506	16,967
Impairment provision of prepayments, deposits and other receivables (Notes 18, 32)	預付款項、按金及其他應收賬款之減值撥備 (附註18、32)	121,725	231,713
Share of results of associates and a joint venture	應佔聯營公司及一間合營企業業績	(389)	1,022
Losses on disposal of available-for-sale financial assets (Note 30)	出售可供出售金融資產之虧損 (附註30)	1,881	-
Gains on disposal of the subsidiaries (Notes 30)	出售附屬公司收益 (附註30)	-	(31,487)
Losses/(gains) from derivative financial instruments (Note 37)	衍生金融工具之虧損/(收益) (附註37)	75,196	(35,832)
Interest income from available-for-sale financial assets (Note 31)	可供出售金融資產之利息收入 (附註31)	(6,590)	(3,525)
Fair value gain/(loss) of financial assets at fair value through profit or loss (Note 30)	按公允價值計量且其變動計入損益表之金融資產之公允價值收益/(虧損) (附註30)	(2,162)	342
Investment income from financial assets at fair value through profit or loss (Note 30)	按公允價值計量且其變動計入損益表之金融資產之投資收入 (附註30)	(53,083)	(8,838)
Other foreign exchange losses/(gains) (Notes 30, 36)	其他匯兌虧損/(收益) (附註30、36)	20,876	(52,819)
Finance income (Note 34)	財務收入 (附註34)	(81,001)	(109,893)
Finance costs (Note 34)	財務成本 (附註34)	78,855	182,162
Losses on repurchase of Senior Notes (Note 30)	購回優先票據之虧損 (附註30)	-	1,041
Decrease/(increase) in inventories, properties under development and held for sale and investment properties	存貨、發展中及持作出售物業及投資物業減少/(增加)	1,132,962	(783,591)
Increase in trade and notes receivables, prepayments, deposits and other receivables	應收貿易賬款及票據、預付款項、按金及其他應收賬款增加	(1,788,655)	(866,653)
Increase in amounts due from related parties	應收關聯方款項增加	(2,872)	(10,843)
Decrease in restricted bank balances	受限制銀行結餘減少	473,466	233,216
Increase/(decrease) in deferred revenue (Note 28)	遞延收入增加/(減少) (附註28)	33,557	(8,210)
(Decrease)/Increase in trade payables, accruals, advances from customers and other current liabilities	應付貿易賬款、預提費用、預收客戶款項及其他流動負債(減少)/增加	(2,140,385)	315,822
Increase/(decrease) in amounts due to related parties	應付關聯方款項增加/(減少)	9,505	(55,778)
<b>Cash generated from operation</b>	<b>營運產生的現金</b>	<b>5,389,785</b>	<b>1,959,458</b>



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### 40. CASH GENERATED FROM OPERATIONS (continued)

(b) Major non-cash transactions:

Except the major non-cash transactions disclosed elsewhere in these consolidated financial statements, the Group endorsed bank acceptance notes to suppliers for purchase of property, plant and equipment amounting to approximately RMB 350 million (2016: approximately RMB 779 million) for the year ended 31 December 2017.

(c) In the cash flow statement, proceeds from sales of property, plant and equipment comprised:

Net book amount of property, plant and equipment disposed (Note 7)	所出售物業、廠房及設備的賬面淨值(附註7)
Gains on disposal of property, plant and equipment (Note 30)	出售物業、廠房及設備收益(附註30)
Non-cash assets received	已收非現金資產
Cash proceeds/(payments) from disposal of property, plant and equipment	出售物業、廠房及設備所得/(所付)現金

Non-cash assets received mainly represented bank acceptance notes and other receivables received from deductions of property, plant and equipment.

### 40. 營運產生的現金(續)

(b) 主要非現金交易：

除合併財務報表其他部份所披露的主要非現金交易外，截至二零一七年十二月三十一日止年度，本集團就購買物業、廠房及設備向供應商背書銀行承兌匯票約人民幣3.50億元(二零一六年：約人民幣7.79億元)。

(c) 於現金流量表內，出售物業、廠房及設備所得款項包括：

2017 二零一七年	2016 二零一六年
---------------	---------------

<b>6,281</b>	6,826
<b>1,752</b>	4,763
<b>(7,839)</b>	(11,646)

<b>194</b>	(57)
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收取的非現金資產主要指就物業、廠房及設備減少而收取的銀行承兌匯票及其他應收賬款。



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### 40. CASH GENERATED FROM OPERATIONS (continued)

(d) Reconciliation of liabilities arising from financing activities is as follows:

		Borrowings (Non-current)	Borrowings (Current)	Loan from a related party (Non-current)	Loans from related parties (Current)	Other long- term payables (Non-current)	Other long- term payables (Current)	Total
		借款 (非流動)	借款 (流動)	一名關聯方 提供之貸款 (非流動)	關聯方 提供之貸款 (流動)	其他長期 應付賬款 (非流動)	其他長期 應付賬款 (流動)	總計
<b>At 31 December 2016</b>	於二零一六年十二月三十一日	246,500	1,134,507	51,859	23,931	615,194	551,392	2,623,383
Cash flows	現金流量							
- Inflow from financing activities	- 融資活動流入	-	4,580,802	-	-	-	-	4,580,802
- Outflow from financing activities	- 融資活動流出	(3,000)	(3,816,055)	-	-	(400,000)	(550,000)	(4,769,055)
Non-cash changes	非現金變動							
- Reclassification	- 重分類	(8,000)	8,000	(36,480)	36,480	(206,043)	206,043	-
- Paid in notes receivables	- 以應收票據支付	-	-	(15,379)	-	(3,390)	-	(18,769)
- Increase in future finance charges on finance leases	- 融資租賃之未來融資支出增加	-	-	-	-	(5,761)	(895)	(6,656)
Currency translations	貨幣換算	-	(17,048)	-	-	-	-	(17,048)
<b>At 31 December 2017</b>	於二零一七年十二月三十一日	235,500	1,890,206	-	60,411	-	206,540	2,392,657

### 40. 營運產生的現金 (續)

(d) 融資活動產生的負債之對賬載列如下：

### 41. FINANCIAL GUARANTEE CONTRACTS

Guarantee for bank borrowings of a third party

為一名第三方的銀行借款  
出具擔保

**2017**  
二零一七年

2016  
二零一六年

- 10,960

As at 31 December 2016, Jinxi Limited provided guarantee for bank borrowings in favour of a third party amounted to approximately RMB 11 million. The fair value of the financial guarantee is not significant.

於二零一六年十二月三十一日，津西鋼鐵為一名第三方的銀行借款出具擔保，約人民幣1,100萬元。該等財務擔保的公允價值並不重大。



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### 42. COMMITMENTS

### 42. 承擔

(a) Capital commitments

(a) 資本承擔

		2017 二零一七年	2016 二零一六年
Purchase of property, plant and equipment	購買物業、廠房及設備		
– Contracted but not provided for	– 已訂約但未撥備	413,854	553,600
– Authorised but not contracted for	– 已授權但未訂約	269,334	750,440
		<b>683,188</b>	1,304,040

(b) Commitments to properties under development

(b) 發展中物業之承擔

		2017 二零一七年	2016 二零一六年
Purchase of properties under development	購買發展中物業	22,761	106,649

(c) Operating lease commitments

(c) 經營租賃承擔

The future aggregate minimum lease rental expenses in respect of land use rights, property, plant and equipment under non-cancellable operating leases are payable as follows:

有關不可撤銷經營租賃項下的土地使用權、物業、廠房及設備的應付未來最低租賃租金總支出如下：

		2017 二零一七年	2016 二零一六年
No later than one year	1年內	190,183	10,341
Later than one year and no later than five years	1年以上，5年以內	31,628	31,687
Later than five years	5年以上	97,661	105,479
		<b>319,472</b>	147,507



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### 43. RELATED PARTY TRANSACTIONS

- (a) For the years ended 31 December 2017 and 2016, the Directors are of the view that the following companies and persons are related parties of the Group:

**Name**  
名稱

Foshan Jin Lan Aluminium Company Limited  
("Foshan Jin Lan")  
佛山金蘭鋁廠有限公司  
(「佛山金蘭」)

Foshan Jin Lan Nonferrous Metals Product Co. Ltd.  
("Jin Lan Nonferrous Metals")  
佛山金蘭有色金屬製品有限公司  
(「金蘭有色金屬」)

Tangshan Fengnan Qu Jinxi Fenggang Iron and  
Steel Co. Ltd. ("Jinxi Fenggang")  
唐山市豐南區津西豐鋼鋼鐵  
有限公司(「津西豐鋼」)

Mr. Li Hejun  
李賀軍先生

**Relationship with the Group**  
與本集團的關係

Minority shareholder of Jinxi Jinlan

津西金蘭的少數股東

Foshan Jin Lan's subsidiary

佛山金蘭的附屬公司

Chairman of the board of Jinxi Fenggang is Mr. Shen  
Xiaoling, a director of the Company  
津西豐鋼董事局主席為本公司董事沈曉玲先生

Minority shareholder of Jinxi Dafang, a subsidiary  
of the Group  
本集團一間附屬公司津西大方的少數股東

### 43. 關聯方交易

- (a) 截至二零一七年及二零一六年十二月三十一日止年度，董事們認為以下公司及人士為本集團的關聯方：



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(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

### 43. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years ended 31 December 2017 and 2016, the Directors are of the view that the following companies and persons are related parties of the Group: (continued)

**Name**  
名稱

Oriental Sheet Piling Sdn. Bhd. and its subsidiaries  
("Oriental Sheet Piling")

Oriental Sheet Piling Sdn. Bhd. 及其附屬公司  
(「Oriental Sheet Piling」)

Arcelor International Steel Trading (Shanghai)  
Co., Ltd ("Arcelor International Trading")

Arcelor International Steel Trading (Shanghai)  
Co., Ltd (「Arcelor International Trading」)

XTAL  
XTAL

Tianjin Zhanwei  
天津展微

Hurstville Trust  
Hurstville Trust

Atlas Property Holdings Pty Ltd ("Atlas")

Atlas Property Holdings Pty Ltd (「Atlas」)

The English name of certain companies referred in this financial statements represent management's best effort at translating the Chinese names of these companies as no English names have been registered.

### 43. 關聯方交易 (續)

- (a) 截至二零一七年及二零一六年十二月三十一日止年度，董事們認為以下公司及人士為本集團的關聯方：(續)

**Relationship with the Group**  
與本集團的關係

Controlled by the same ultimate parent company of ArcelorMittal Holdings AG, an entity holds over 20% equity interests in the Company

由擁有本公司超過20%權益的實體 ArcelorMittal Holdings AG的相同最終母公司控制

Controlled by the same ultimate parent company of ArcelorMittal Holdings AG, an entity holds over 20% equity interests in the Company

由擁有本公司超過20%權益的實體 ArcelorMittal Holdings AG的相同最終母公司控制

An associated company of the Group  
本集團的一間聯營公司

Minority shareholder of a subsidiary of the Group  
本集團一間附屬公司之少數股東

A joint venture of the Group  
本集團的一間合營企業

The other shareholder of an associated company of the Group

本集團一間聯營公司之其他股東

本財務報表所述若干公司的英文名稱為管理層根據其中文名稱最佳翻譯所得，此乃由於該等公司並無登記任何官方英文名稱。





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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

### 43. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, the Directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group during the years ended 31 December 2017 and 2016:

### 43. 關聯方交易(續)

(b) 除本合併財務報表其他部份中已披露外，於截至二零一七年及二零一六年十二月三十一日止年度內，董事們認為以下的重大關聯方交易乃於本集團日常業務過程中進行：

		2017 二零一七年	2016 二零一六年
Sales of goods	銷售貨物		
– Arcelor International Trading	– Arcelor International Trading	2,034	20,605
– Oriental Sheet Piling	– Oriental Sheet Piling	–	51,757
		<b>2,034</b>	72,362
Sales of utilities	銷售能源		
– Jin Lan Nonferrous Metals	– 金蘭有色金屬	27,812	28,809
Service provided	已提供服務		
– XTAL	– XTAL	6,373	9,257
Service received	已接收服務		
– XTAL	– XTAL	9,747	10,266



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

### 43. RELATED PARTY TRANSACTIONS (continued)

(b) Save as disclosed elsewhere in the consolidated financial statements, the Directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group during the years ended 31 December 2017 and 2016:  
(continued)

#### (i) Key management compensation

Key management includes executive and non-executive directors. The compensation paid or payable to key management for employee services is shown below:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Post-employment benefits	退休金供款
Share-based payments	購股權支出

### 43. 關聯方交易 (續)

(b) 除本合併財務報表其他部份中已披露外，於截至二零一七年及二零一六年十二月三十一日止年度內，董事們認為以下的重大關聯方交易乃於本集團日常業務過程中進行：(續)

#### (i) 主要管理人員酬金

主要管理人員包括執行及非執行董事。就僱員服務而已付或應付主要管理人員的酬金如下：

	2017 二零一七年	2016 二零一六年
	<b>26,769</b>	12,939
	<b>80</b>	80
	-	-
	<b>26,849</b>	13,019



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

### 43. RELATED PARTY TRANSACTIONS (continued)

(c) The following were the related party balances of the Group as at 31 December 2017 and 2016:

Amounts due from related parties	應收關聯方款項
<i>Current</i>	<i>流動</i>
Trade balance	貿易結餘
– XTAL	– XTAL
– Oriental Sheet Piling	– Oriental Sheet Piling
– Jin Lan Nonferrous Metals	– 金蘭有色金屬
Loans to related parties	關聯方貸款
– Hurstville Trust	– Hurstville Trust
– Tianjin Zhanwei (i)	– 天津展微 (i)
– Atlas	– Atlas
– XTAL (ii)	– XTAL (ii)

As at 31 December 2017, the ageing of trade balances due from related parties were within three months.

Except for the related party balances disclosed in (i) to (ii) below, others were unsecured, interest-free and without fixed terms of repayments.

- (i) The loan to Tianjin Zhanwei was secured by shares of a minority shareholder of Dongfang Jingyuan, bore interest at a rate of 8% per annum and repayable within one year.
- (ii) The loan to XTAL was unsecured and bore interest at a rate of 4.2% per annum.

### 43. 關聯方交易 (續)

(c) 於二零一七年及二零一六年十二月三十一日，本集團的關聯方結餘如下：

	2017 二零一七年	2016 二零一六年
	7,974	–
	–	3,678
	–	1,424
	<b>7,974</b>	5,102
	71,256	–
	52,200	–
	30,754	–
	11,767	11,569
	<b>165,977</b>	11,569
	<b>173,951</b>	16,671

於二零一七年十二月三十一日，應收關聯方貿易結餘的賬齡為三個月內。

除下列(i)至(ii)披露的關聯方結餘外，其他均為無抵押、免息且無固定償還期。

- (i) 天津展微貸款以東方晶源一名少數股東之股份作抵押，按年利率8%計息及須於一年內償還。
- (ii) XTAL貸款為無抵押及按年利率4.2%計息。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

### 43. RELATED PARTY TRANSACTIONS (continued)

- (c) The following were the related party balances of the Group as at 31 December 2017 and 2016: (continued)

Amounts due to related parties 應付關聯方款項

*Non-current*

Loan from a related party  
– Li Hejun (ii)

*非流動*

一名關聯方貸款  
– 李賀軍 (ii)

*Current*

Loans from related parties  
– Li Hejun (ii)  
– Foshan Jin Lan (i)

*流動*

關聯方貸款  
– 李賀軍 (ii)  
– 佛山金蘭 (i)

Trade balance  
– XTAL

貿易結餘  
– XTAL

Others

– Foshan Jin Lan  
– Arcelor International Trading  
– Jinxi Fenggang  
– Oriental Sheet Piling

其他

– 佛山金蘭  
– Arcelor International Trading  
– 津西豐鋼  
– Oriental Sheet Piling

2017  
二零一七年

2016  
二零一六年

	–	51,859
	<b>36,480</b>	–
	<b>23,931</b>	23,931
	<b>60,411</b>	23,931
	<b>11,178</b>	–
	<b>531</b>	383
	<b>475</b>	733
	<b>354</b>	1,917
	<b>302</b>	302
	<b>1,662</b>	3,335
	<b>73,251</b>	27,266
	<b>73,251</b>	79,125

Except for the related party balances disclosed in (i) to (ii) below, others were unsecured, interest-free and without fixed terms of repayments.

除下列(i)至(ii)披露的關聯方結餘外，其他均為無抵押、免息且無固定償還期。

- (i) The loan from Foshan Jinlan was unsecured, interest-free.
- (ii) The loan from Mr. Li Hejun was unsecured, interest-free and was partially repaid in form of notes receivable during the year ended 31 December 2017.

- (i) 佛山金蘭提供之貸款為無抵押及免息。
- (ii) 於截至二零一七年十二月三十一日止年度，李賀軍提供之貸款為無抵押、免息及部分以應收票據形式償還。



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

## 44. POST BALANCE SHEET EVENTS

There are no events to cause material impact on the Group from the balance sheet date to the date of this report that should be disclosed.

## 44. 結算日後事項

自結算日後至本報告日期止期間，並無發生須予披露之重大影響本集團的事項。

## 45. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

## 45. 本公司資產負債表及儲備變動

		<b>As at 31 December</b>	
		於十二月三十一日	
		<b>2017</b>	2016
		二零一七年	二零一六年
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	<b>593</b>	552
Investments in subsidiaries	附屬公司投資	<b>574,873</b>	574,873
Loans to subsidiaries	附屬公司貸款	<b>2,407,286</b>	1,378,393
Available-for-sale financial assets	可供出售金融資產	<b>92,506</b>	149,950
		<b>3,075,258</b>	2,103,768
<b>Current assets</b>	<b>流動資產</b>		
Trade receivables	應收貿易賬款	<b>267,759</b>	48,696
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	<b>1,856</b>	1,717
Amounts due from a related party	應收一名關聯方款項	<b>11,767</b>	11,569
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	<b>33,243</b>	-
Cash and cash equivalents	現金及現金等價物	<b>496,047</b>	224,046
		<b>810,672</b>	286,028
<b>Total assets</b>	<b>總資產</b>	<b>3,885,930</b>	2,389,796



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

### 45. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

### 45. 本公司資產負債表及儲備變動(續)

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>歸屬於本公司權益持有者的權益</b>		
Share capital	股本	364,762	311,853
Share premium	股份溢價	2,820,785	2,192,131
Other reserves	其他儲備	405,754	421,269
Retained earnings	留存收益	55,859	(603,844)
<b>Total equity</b>	<b>權益合計</b>	<b>3,647,160</b>	2,321,409
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Trade payables	應付貿易賬款	152,393	52,987
Accruals and other current liabilities	預提費用及其他流動負債	15,598	15,253
Borrowings	借款	70,647	-
Dividends payable	應付股息	132	147
		<b>238,770</b>	68,387
<b>Total liabilities</b>	<b>總負債</b>	<b>238,770</b>	68,387
<b>Total equity and liabilities</b>	<b>權益及負債合計</b>	<b>3,885,930</b>	2,389,796

The balance sheet of the Company was approved by the Board of Directors on 28 March 2018 and were signed on its behalf.

本公司資產負債表已於二零一八年三月二十八日經董事局批准並由以下董事代為簽署。

**Han Jingyuan**  
韓敬遠  
Chairman  
主席

**Han Li**  
韓力  
Director  
董事



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
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### 45. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

### 45. 本公司資產負債表及儲備變動(續)

		Options	Available-for-sale financial assets	Accumulated losses	Total
		購股權	可供出售 金融資產	累計虧損	合計
<b>Balance at 1 January 2016</b>	於二零一六年一月一日之結餘	419,748	-	(812,201)	(392,453)
Profit for the year	年度溢利	-	-	208,357	208,357
Fair value gains on available-for-sale financial assets	可供出售金融資產公允價值收益	-	1,521	-	1,521
<b>Balance at 31 December 2016</b>	於二零一六年十二月三十一日之結餘	419,748	1,521	(603,844)	(182,575)
Profit for the year	年度溢利	-	-	1,508,750	1,508,750
Fair value losses on available-for-sale financial assets	可供出售金融資產公允價值虧損	-	(7,317)	-	(7,317)
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of available-for-sale financial assets	於出售可供出售金融資產時 將先前計入儲備的公允價值 收益轉至損益表	-	(1,259)	-	(1,259)
Exercise of employees share option scheme-issuance of shares	行使僱員購股權計劃—發行股份	(6,939)	-	-	(6,939)
Dividend paid	已付股息	-	-	(849,047)	(849,047)
<b>Balance at 31 December 2017</b>	於二零一七年十二月三十一日之結餘	412,809	(7,055)	55,859	461,613





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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

### 46. BENEFITS AND INTERESTS OF DIRECTORS

The emoluments received/receivable by individual directors and the chief executive is set out below:

(i) For the year ended 31 December 2017:

Name of director 董事姓名	Fees 袍金	Salaries and allowances 薪金及津貼	Bonus 花紅	Fair value of employee share options 已授出僱員 購股權計劃之 公允價值	Pension costs- defined plans 退休金 成本-定額 供款計劃	Total 合計
				granted 公允價值	contribution 供款計劃	
2017 二零一七年						
Mr. Han Jingyuan (i) 韓敬遠先生(i)	519	14,661	-	-	16	15,196
Mr. Zhu Jun 朱軍先生	346	3,535	-	-	16	3,897
Mr. Shen Xiaoling 沈曉玲先生	346	2,289	-	-	16	2,651
Mr. Han Li 韓力先生	346	1,647	-	-	16	2,009
Mr. Zhu Hao 朱浩先生	346	1,281	-	-	16	1,643
Mr. Ondra Otradovec Ondra Otradovec 先生	346	-	-	-	-	346
Mr. Wong Man Chung, Francis 黃文宗先生	346	69	-	-	-	415
Mr. Wang Tianyi 王天義先生	346	-	-	-	-	346
Mr. Wang Bing 王冰先生	346	-	-	-	-	346
	3,287	23,482	-	-	80	26,849

### 46. 董事福利及權益

個人董事及主要行政人員已收／應收薪酬載列如下：

(i) 截至二零一七年十二月三十一日止年度：



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

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2017  
(除另有指明外，所有金額均以人民幣千元為單位) 截至二零一七年十二月三十一日止年度

## 46. BENEFITS AND INTERESTS OF DIRECTORS

(continued)

(ii) For the year ended 31 December 2016:

Name of director	Fees	Salaries and allowances	Bonus	Fair value of	Pension	Total	
				employee share options granted	costs-defined contribution plans		
董事姓名	袍金	薪金及津貼	花紅	已授出僱員購股權計劃之公允價值	退休金成本-定額供款計劃	合計	
2016							
Mr. Han Jingyuan (i)	韓敬遠先生 (i)	851	5,297	-	-	16	6,164
Mr. Zhu Jun	朱軍先生	622	1,048	-	-	16	1,686
Mr. Shen Xiaoling	沈曉玲先生	346	1,230	-	-	16	1,592
Mr. Han Li	韓力先生	800	680	-	-	16	1,496
Mr. Zhu Hao	朱浩先生	346	434	-	-	16	796
Mr. Ondra Otradovec	Ondra Otradovec 先生	346	-	-	-	-	346
Mr. Wong Man Chung, Francis	黃文宗先生	346	-	-	-	-	346
Mr. Wang Tianyi	王天義先生	346	-	-	-	-	346
Mr. Zhou Guoping	周國平先生						
(resigned on 1 April 2016)	(於二零一六年四月一日辭任)	87	-	-	-	-	87
Mr. Wang Bing	王冰先生						
(appointed on 15 July 2016)	(於二零一六年七月十五日獲委任)	160	-	-	-	-	160
		4,250	8,689	-	-	80	13,019

(i) Mr. Han Jingyuan is also the Chief Executive Officer of the Company.

None of the directors waived or agreed to waive any remuneration for the years ended 31 December 2017 and 2016. The emoluments of the independent non-executive directors of the Company during the year are approximately RMB 1.1 million (2016: RMB 0.9 million).

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017 and 2016.

## 46. 董事福利及權益 (續)

(ii) 截至二零一六年十二月三十一日止年度：

Name of director	Fees	Salaries and allowances	Bonus	Fair value of	Pension	Total	
				employee share options granted	costs-defined contribution plans		
董事姓名	袍金	薪金及津貼	花紅	已授出僱員購股權計劃之公允價值	退休金成本-定額供款計劃	合計	
2016							
Mr. Han Jingyuan (i)	韓敬遠先生 (i)	851	5,297	-	-	16	6,164
Mr. Zhu Jun	朱軍先生	622	1,048	-	-	16	1,686
Mr. Shen Xiaoling	沈曉玲先生	346	1,230	-	-	16	1,592
Mr. Han Li	韓力先生	800	680	-	-	16	1,496
Mr. Zhu Hao	朱浩先生	346	434	-	-	16	796
Mr. Ondra Otradovec	Ondra Otradovec 先生	346	-	-	-	-	346
Mr. Wong Man Chung, Francis	黃文宗先生	346	-	-	-	-	346
Mr. Wang Tianyi	王天義先生	346	-	-	-	-	346
Mr. Zhou Guoping	周國平先生						
(resigned on 1 April 2016)	(於二零一六年四月一日辭任)	87	-	-	-	-	87
Mr. Wang Bing	王冰先生						
(appointed on 15 July 2016)	(於二零一六年七月十五日獲委任)	160	-	-	-	-	160
		4,250	8,689	-	-	80	13,019

(i) 韓敬遠先生亦為本公司首席執行官。

截至二零一七年及二零一六年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金。年內，支付予本公司的獨立非執行董事的酬金約人民幣110萬元(二零一六年：人民幣90萬元)。

於截至二零一七年及二零一六年十二月三十一日止年度年未或於該年度任何時間，本公司於其中概無就本集團業務訂立使本公司董事直接或間接擁有重大權益之重要交易、安排或合約。



## Five-year Financial Information 五年財務資料

A summary of the consolidated statement of profit or loss and of the consolidated assets, liabilities and non-controlling interests of the Group for the last five financial years is as set out below:

本集團截至前五個財政年度的合併損益表及合併資產、負債及非控制性權益概要載列如下：

### Consolidated Statement of Profit or Loss

### 合併損益表

		Year ended 31 December 截至十二月三十一日止年度				
		Audited 經審核				
		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)	2015 二零一五年 (RMB'000) (人民幣千元)	2014 二零一四年 (RMB'000) (人民幣千元)	2013 二零一三年 (RMB'000) (人民幣千元)
Revenue	收入	<b>41,352,596</b>	26,427,443	21,071,538	28,495,498	32,516,937
Profit/(Loss) before income tax	除所得稅前 溢利/(虧損)	<b>6,407,730</b>	1,054,948	(889,668)	245,080	249,341
Income tax expense	所得稅費用	<b>(1,524,566)</b>	(523,936)	(46,349)	(178,600)	(186,313)
Profit/(Loss) for the year	年度溢利/(虧損)	<b>4,883,164</b>	531,012	(936,017)	66,480	63,028
Profit/(Loss) attributable to :	溢利/(虧損)歸屬於：					
Owners of the Company	本公司權益 持有者	<b>4,839,080</b>	722,127	(766,503)	66,715	101,609
Non-controlling interests	非控制性權益	<b>44,084</b>	(191,115)	(169,514)	(235)	(38,581)
		<b>4,883,164</b>	531,012	(936,017)	66,480	63,028

### Consolidated Assets, Liabilities and Non-controlling Interests

### 合併資產、負債與非控制性權益

		As at 31 December 於十二月三十一日				
		Audited 經審核				
		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)	2015 二零一五年 (RMB'000) (人民幣千元)	2014 二零一四年 (RMB'000) (人民幣千元)	2013 二零一三年 (RMB'000) (人民幣千元)
Total assets	總資產	<b>24,405,369</b>	21,048,562	22,363,723	23,743,408	23,750,600
Total liabilities	總負債	<b>(10,300,601)</b>	(11,684,021)	(13,451,561)	(13,971,562)	(14,039,698)
Non-controlling interests	非控制性權益	<b>(192,589)</b>	(108,443)	(397,734)	(514,789)	(519,698)
		<b>13,912,179</b>	9,256,098	8,514,428	9,257,057	9,191,204



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中國東方集團控股有限公司\*

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\* For identification purposes only  
僅供識別

