



ZMJ

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

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

(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號：00564

Annual 2019 Report 年報





Corporate Profile

公司簡介

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

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

鄭州煤礦機械集團股份有限公司(「**本公司**」或「**公司**」或「**鄭煤機**」)於二零零八年十二月二十八日在中華人民共和國(「**中國**」)註冊成立為股份有限公司。本公司的A股於二零一零年八月三日在上海證券交易所上市。本公司的H股於二零一二年十二月五日在香港聯合交易所有限公司(「**聯交所**」)上市。

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



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Corporate Information 公司資料

Directors

Mr. Jiao Chengyao (*Chairman and Executive Director*)
 Mr. Jia Hao (*Vice Chairman and Executive Director*)
 Mr. Xiang Jiayu (*Executive Director*)
 Mr. Fu Zugang (*Executive Director*)
 Mr. Wang Xinying (*Executive Director*)
 Mr. Wang Bin (*Executive Director*)
 Ms. Liu Yao (*Independent Non-executive Director*)
 Mr. Li Xudong (*Independent Non-executive Director*)
 Mr. Jiang Hua (*Independent Non-executive Director*)
 Mr. Cheng Jinglei (*Independent Non-executive Director*)
 (appointed on 21 October 2019)

Supervisors

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

Auditors

International auditors:
 PricewaterhouseCoopers
 22/F Prince's Building, Central, Hong Kong

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

Principal Place of Business in Hong Kong

40/F, Sunlight Tower, 248 Queen's Road East, Wanchai, Hong Kong

Registered Office in the PRC

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

Headquarters in the PRC

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

Company's Website

www.zzmj.com

H Share Registrar

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

A Share Registrar

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

董事

焦承堯先生(*董事長兼執行董事*)
 賈浩先生(*副董事長兼執行董事*)
 向家雨先生(*執行董事*)
 付祖岡先生(*執行董事*)
 王新營先生(*執行董事*)
 汪濱先生(*執行董事*)
 劉堯女士(*獨立非執行董事*)
 李旭冬先生(*獨立非執行董事*)
 江華先生(*獨立非執行董事*)
 程驚雷先生(*獨立非執行董事*)
 (於二零一九年十月二十一日獲委任)

監事

劉強先生
 王躍先生
 崔蕾蕾先生
 倪威先生
 周榮先生
 張易辰先生
 苑少冲先生

核數師

國際:
 羅兵咸永道會計師事務所
 香港中環太子大廈22樓

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

香港主要營業地點

香港灣仔皇后大道東248號陽光中心40樓

中國註冊辦事處

中國河南省鄭州市
 經濟技術開發區第九大街167號

中國總辦事處

中國河南省鄭州市
 經濟技術開發區第九大街167號

公司網站

www.zzmj.com

H股股份登記處

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

A股股份登記處

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

Corporate Information 公司資料

Stock Codes

H Share: 00564 (The Stock Exchange of Hong Kong Limited)
A Share: 601717 (Shanghai Stock Exchange)

Principal Banks

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

Bank of China Limited
Zhongyuan Branch, Zhengzhou
No. 123 Zhongyuan Middle Road, Zhengzhou, Henan Province, PRC

Company Secretary

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

Strategy Committee

Mr. Jiao Chengyao (*Chairman*)
Mr. Jia Hao
Mr. Xiang Jiayu
Mr. Fu Zugang
Mr. Jiang Hua

Audit Committee

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

Nomination Committee

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

Remuneration and Assessment Committee

Mr. Li Xudong (*Chairman*)
Mr. Jia Hao (*resignation effective from 26 July 2019*)
Ms. Liu Yao
Mr. Jiang Hua (*appointed on 26 July 2019*)

Authorized Representatives

Mr. Jiao Chengyao
Mr. Zhang Haibin

Legal Advisers

As to Hong Kong law:
Clifford Chance

As to PRC law:
Haiwen & Partners

股份代碼

H股：00564(香港聯合交易所有限公司)
A股：601717(上海證券交易所)

主要往來銀行

中國工商銀行股份有限公司
鄭州市建設路支行
中國河南省鄭州市建設西路11號

中國銀行股份有限公司
鄭州市中原支行
中國河南省鄭州市中原中路123號

公司秘書

張海斌先生
陳燕華女士(*公司秘書助理*)

戰略委員會

焦承堯先生(*主席*)
賈浩先生
向家雨先生
付祖岡先生
江華先生

審計委員會

李旭冬先生(*主席*)
江華先生
劉堯女士

提名委員會

江華先生(*主席*)
付祖岡先生
劉堯女士

薪酬與考核委員會

李旭冬先生(*主席*)
賈浩先生(*於二零一九年七月二十六日離任*)
劉堯女士
江華先生(*於二零一九年七月二十六日獲委任*)

授權代表

焦承堯先生
張海斌先生

法律顧問

香港法律：
高偉紳律師行

中國法律：
海問律師事務所

Chairman's Statement 董事長報告書

Dear Shareholders,

I am pleased, on behalf of the board of directors (the "Director(s)") (the "Board") of Zhengzhou Coal Mining Machinery Group Company Limited, to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the period from 1 January 2019 to 31 December 2019 (the "2019 Annual Report").

Jiao Chengyao

Chairman

各位股東：

我謹代表鄭州煤礦機械集團股份有限公司董事(「董事」)會(「董事會」)欣然呈報本公司及其附屬公司(統稱「本集團」)二零一九年一月一日至二零一九年十二月三十一日的年度報告(「二零一九年度報告」)。

焦承堯
董事長



Chairman's Statement 董事長報告書

Dear Shareholders,

2019 is a milestone year in ZMJ's history, as the Company received an inspection by General Secretary Xi Jinping who delivered important instructions on ZMJ's development, pointed out the direction for its advancement, injected great vitality and brought tremendous opportunities. In 2019, both leaders and employees of the Company worked under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and carried out the spirit of the important issues addressed by General Secretary Xi Jinping during his inspection of ZMJ with depth. In this way, ZMJ worked on industry transformation and upgrade, enhanced independent innovation, developed high-end and smart manufacturing, deepened its work on various aspects of the state-owned enterprise reform, and strived for high-quality development, which led to continuous improvement of various production and operation indicators.

尊敬的股東：

2019年是鄭煤機歷史上具有里程碑意義的一年，鄭煤機迎接了習近平總書記的蒞臨視察，總書記對鄭煤機的發展做出了重要指示，給企業指明了前進方向、注入了強大動力、帶來了巨大機遇。2019年，公司全體幹部員工以習近平新時代中國特色社會主義思想為指導，深入貫徹落實總書記視察鄭煤機的重要講話精神，推進產業轉型升級，加強自主創新，發展高端製造、智能製造，深化國企改革各項工作，大力推進企業高質量發展，生產經營各項指標持續提升。



In 2019, the revenue generated by the Company amounted to RMB25,721.42 million, representing a year-on-year decline of 1.12%. Net profit attributable to the parent company amounted to RMB1,040.25 million, representing a year-on-year increase of 24.98%.

2019年，公司實現營業收入人民幣25,721.42百萬元，同比減少1.12%；實現歸屬於母公司所有者的淨利潤人民幣1,040.25百萬元，同比增長24.98%。

Chairman's Statement 董事長報告書

1. 2019 BUSINESS REVIEW

(I) Strengthening Strategic Guidance and Driving Enterprise Reform Continuously

In 2019, the Company guided itself under the development strategy of “international strategic positioning, market-based corporate governance, high-end industry layout and global human resources” and the requirements of the “Reform of Hundreds of State-owned Enterprises” (雙百行動), with more intensive work on the top-level design of reform and development as well as greater technology and management innovation to keep driving the fast development, transformation and upgrade of the Company.

1. Sorting out development strategies for each of the Group's industry segments and exploring the direction of future development

We took the latest situation into account, to boost technical R&D and smart upgrade for our industry segments. Specifically, we further deepened our strategies of “intelligent, comprehensive, international and society-oriented development” for the coal mining machinery segment, “high-end, professional, international and progressive development” for ASIMCO, as well as SEG reform and electrification development. In addition, we explored the development approaches and objectives for the next five years, and revolved around our development strategies to distribute and allocate resources.

2. Further improving the Group's governance system

First, we have established and improved an overarching management system mainly for our industry segments. A business department has been formed for coal mining machinery, with new companies established for commercial factoring and software respectively, as well as efforts to improve our functions of global internal auditing and information management. Second, we developed such systems and institutions that adapted to the Group's management requirements, with analysis and reporting systems formulated for every aspect of the Group, so as to optimize the decision-making mechanism and business processes.

一、2019年業務回顧

(一) 強化戰略引領，持續推動企業改革

2019年，公司以「戰略定位國際化、公司治理市場化、產業布局高端化、人力資源全球化」的發展戰略為引領，貫徹國企改革「雙百行動」工作要求，深化改革發展頂層設計，加強技術與管理創新，不斷推動企業快速發展、轉型升級。

1、梳理集團各產業板塊發展戰略，探索未來發展方向

結合新形勢，各產業板塊加大技術研發和智能升級，煤機板塊進一步深化「智能化、成套化、國際化、社會化」發展戰略，亞新科深入推進「高端化、專業化、國際化、梯度化」發展戰略，SEG變革和電氣化發展戰略，探索未來5年的發展思路和目標，並圍繞發展戰略布局和匹配資源。

2、進一步健全完善集團治理體系

一是建立健全以產業板塊為主體的大板塊管控體系，組建煤機事業部、新設商業保理公司、軟件公司，健全完善全球內控審計職能、信息管理職能。二是建設適應集團管控要求的體制機制，制定集團各個層面的分析、報告制度，優化決策機制、業務流程。

Chairman's Statement 董事長報告書

3. Building a global human resources management system

We optimized our Group's mechanism to select, employ, nurture and retain exceptional talents, with a view to staffing the key posts of our headquarters with excellent international-oriented talents. Our cross-border and inter-segment talent exchanges also took place, in a bid to cultivate outstanding personnel that are equipped with an international vision and the capability of local management in China. We continued to procure different cultures and industries to communicate and integrate with one another, by promoting learning, communication and cultural integration within the Company, so as to lay a solid foundation for its long-term development.

4. Exploring the establishment of a mid to long-term mechanism for incentives and restrictions

As a leader of the state-owned enterprise reform in Henan Province, the Company continued to deepen the reform of state-owned enterprises by exploring the implementation of a mid to long-term super profit incentive scheme and a share option incentive scheme. As such, a mid to long-term incentives and restrictions mechanism has taken shape that largely adapts to the talent market and pegs to the economic efficiency of the Company, thus aligning the long-term interests of shareholders, the Company and its staff.

5. Adhering to technology as guidance to propel industry transformation and upgrade

Under the unified strategic layout for smart manufacturing, we made new progress and breakthroughs in the construction of smart factories. In respect of key components for hydraulic roof supports, our automatic production lines have commenced commissioning and operation successively, with system development completed for the first phase of the MES project. We have also finished planning the construction project of large comprehensive key equipment for ZMJ, with project construction taking place in an intensive and orderly manner.

3、推動打造立足全球的人力資源管理體系

優化集團公司優秀人才的選育用留機制，選聘優秀國際化人才充實總部關鍵崗位。開展跨國、跨板塊人才交流，著力培養具備國際視野和中國本土管理能力的優秀人才。持續開展跨文化跨產業交流融合，促進公司內部學習交流、文化融合，為企業長期發展奠定堅實基礎。

4、探索建立企業中長期激勵約束機制

作為河南省國企改革的尖兵，公司繼續深化國企改革，探索實施了中長期超利潤激勵方案、股票期權激勵計劃，初步建立了與人才市場基本適應、與企業經濟效益掛鉤的中長期激勵約束體系，實現了股東、企業與員工長期利益的統一。

5、堅持科技引領，推進產業轉型升級

統籌推進智能製造戰略布局，智能工廠建設取得新進展、新突破。液壓支架關鍵零部件自動生產線相繼投入運行調試，MES項目完成一期系統開發，完成鄭煤機大型成套關鍵裝備建設項目規劃，項目建設正緊張有序進行。

Chairman's Statement 董事長報告書

(II) Operation and Development of the Coal Mining Machinery Segment

In 2019, the coal industry presented a positive picture with stable market demand for coal mining machinery. By capturing such rare market opportunities, the Company recorded a major uptick in its operating results, attained important breakthroughs with its strategy of “international strategic positioning, market-based corporate governance, high-end industry layout and global human resources”, and further enhanced the integrated strength of its coal mining machinery segment.

1. Seizing market opportunities to be more competitive within the industry

In 2019, ZMJ continued to gravitate towards “orders that generate profit and cash flow”, capture quality orders, work harder on collecting receivables and optimize its market structure. As a result, the year saw high-quality growth of orders and receivables collection, both reaching historic new highs.

2. Upgrading the R&D system with continuously stronger guidance of technology

ZMJ worked to improve the overall structure of its R&D system by establishing the smart mining research institute, ramping up the top-level design and system development of scientific research, consolidating the R&D strengths of its departments and subsidiaries, conducting scientific research on the intelligent equipment sets and control system for comprehensive coal mining, and expediting the R&D and promotion of intelligent ZMJ products.

First, we made a fresh breakthrough in comprehensiveness. The high-end coal mining machine, a proprietary product by ZMJ's joint stock companies, has passed the appraisal by experts. Upon successful promotion and application, ZMJ's first wholly proprietary set of comprehensive intelligent equipment provides a unified software and hardware platform, communications protocol and control strategy for the equipment control system of comprehensive mining workface. Such an integrated control system enables a high degree of integration between all control subsystems and the intelligent central control system. Hence, ZMJ has become the sole enterprise in the domestic coal industry that integrates intelligent, high-end, comprehensive and lifetime services, with its industry clout further expanded.

(二)煤機板塊經營發展情況

2019年，煤炭行業形勢整體良好，煤機市場需求較為穩定，公司抓住難得的市場機遇，經營業績大幅提升，四化戰略取得重要突破，煤機板塊綜合實力進一步增強。

1、緊抓市場機遇，行業競爭力進一步提升

2019年繼續以追求「有利潤的訂單，有現金流的訂單」為導向，搶抓優質訂單，加大回款力度，優化市場結構，全年訂貨、回款高質量增長，創歷史新高。

2、升級研發體系，技術引領持續加強

鄭煤機完善研發體系整體架構，成立智能開采研究院，完善科研開發頂層設計和體系建設，整合各部門和分子公司研發力量，圍繞煤礦綜采智能化成套裝備和控制系統開展技術攻關，加速鄭煤機智能化產品的研發和推廣。

一是成套化取得新突破。鄭煤機下屬參股公司自主研發的高端采煤機通過專家評議，鄭煤機首套完全自主成套智能裝備成功推廣應用，統一綜采工作面設備控制系統軟硬件平台、通信協議、控制策略，打造成套一體化控制系統，實現工作面所有子控系統與智能化集控系統的高度融合。成為國內煤炭行業唯一一家集智能、高端、成套、全壽命周期服務為一體的企業，進一步擴大了行業影響力。

Chairman's Statement 董事長報告書

Second, we achieved new developments in being intelligent. Our product structure has further evolved towards the intelligent products market. Large-scale promotion has taken place for our new-generation electrical control system, workface inertial navigation and automatic alignment technologies. We also made initial progress with our big data platform for workface, mine pressure analysis and alert technology. In 2019, we promoted more than 60 sets of intelligent workface, which accounted for the largest domestic market share within the industry.

Third, we broke new grounds in our international drive. We managed to enter the premium market of Australia, fully opened up such market in the USA, consolidated our advantageous market position in Russia, and further lifted our influence and competitiveness in the international high-end market.

Fourth, we attained new accomplishments in technology innovation. Our model has proven effective in developing the regional standard frame technology, while we also succeeded in developing hydraulic roof supports with a high magnification ratio. Our first set of waste filling roof supports have been developed and used in underground mines. We have passed the 60,000-time experiment for our Australian ultrahigh-end column and commenced mass supply of it. In 2019, ZMJ was identified as a Model Enterprise for Single-item Best Performance in the Manufacturing Industry (製造業單項冠軍示範企業) by the Ministry for Industry and Information Technology and China Federation of Industrial Economics.

3. Intensively tapping into potential for higher efficiency, with constant enhancement of product quality

To ensure timely delivery of products and cater to customer demands, ZMJ coordinates internal and external resources to explore its production capacity continuously, so that it can meet the objective of high quality and high production with safety and environmental protection ensured. In the meantime, ZMJ has capitalized on internet cloud service by launching an aftersales APP "ZMJ Customer Service Manager" (ZMJ客服管家), in an effort to enhance the integration of aftersales resources, information collection and user interaction as well as to offer better service to users.

二是智能化取得新進展。產品結構進一步向智能化產品市場轉變，新一代電控系統、工作面慣性導航及自動調直技術實現批量推廣，工作面大數據平台、礦壓分析及預警技術取得初步進展，2019年累計推廣智能化工作面60餘套，國內市場佔有率居行業首位。

三是國際化取得新突破。成功進軍澳洲高端市場，全面打開美國高端市場，鞏固俄羅斯市場優勢地位，國際高端市場影響力和競爭力進一步加強。

四是技術創新取得新成績，區域化標準架型技術開發模式效果明顯；大伸縮比液壓支架研製成功；首套矽石充填支架研製成功並下井使用；澳洲超高端立柱通過6萬次試驗並批量供貨。2019年被工業和信息化部、中國工業經濟聯合會確定為製造業單項冠軍示範企業。

3、深度挖潛提效，產品品質不斷優化

為保證產品及時交付，滿足客戶需求，鄭煤機協同內外資源，持續挖掘產能，在保證安全、環保的前提下，完成高質量、高產量的目標。擁抱互聯網雲，上綫運行「ZMJ客服管家」售後服務APP，加強售後資源整合、信息收集和用戶互動，為客戶提供更優的服務。

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(III) Operation and Development of the Auto Parts Segment

2019 witnessed dwindling sales amongst the core auto markets globally, with the sharpest declines recorded in Indian and Chinese markets, coupled with China-US trade frictions. Affected by such factors, the Company's auto parts segment responded to the grim industry landscape proactively by keeping a close eye on orders and receivables collection externally and working on cost cutting and efficiency enhancement internally. As a result, its individual corporate growth surpassed industry peers.

1. Stable operation of the ASIMCO auto parts business, with sustained momentum in the R&D of new technologies

In 2019, amidst increasing uncertainties such as the sliding sales among global core auto markets and China-US trade frictions, ASIMCO operated steadily and performed better than the average level in the auto industry, with leading businesses recording sustained growth.

First, ASIMCO, active in leveraging the opportunities from global industry chain adjustment, employed technology and quality improvement to enter mid to high-end markets, and proactively engaged in the adjustment of the international auto parts industry chain. Second, ASIMCO drove its technology upgrade through a range of approaches such as independent R&D, adjustment of industry chain, upgrade of production lines, and collaboration via joint venture. It also took the initiative to follow the trend of upgrading the National VI emissions standard, by tapping into the technology and processes required by the National VI exhaust emissions standard. Third, ASIMCO actively responded to China-US trade frictions by establishing its sales network for Europe.

(三) 汽車零部件板塊經營發展情況

2019年，受全球主要汽車核心市場銷量下滑（其中印度及中國市場下滑幅度最大）及中美貿易摩擦等影響，公司汽車零部件板塊積極應對行業寒冬，對外緊盯訂單和回款，對內降本提效，個別企業增長優於行業。

1、亞新科汽車零部件業務運營平穩，新技術研發持續發力

2019年在全球主要汽車核心市場銷量下滑、中美貿易摩擦等不確定因素增加的形勢下，亞新科運營平穩，整體業績好於汽車行業整體水平，頭部企業持續增長。

一是積極借助全球產業鏈調整機遇，通過技術提升、質量改進方式進入中高端市場，積極參與國際汽車零部件產業鏈調整。二是通過自主研發、產業鏈調整、產綫升級、合資合作等多種方式持續推進技術升級，主動跟隨國VI排放標準升級趨勢，布局國VI尾氣排放標準所需技術工藝。三是積極應對中美貿易摩擦影響，建立歐洲銷售網絡。

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2. Pushing forward the consolidation and reform of SEG

First, under the enhanced initiative of SEG consolidation and reform, we kept driving the transformation of SEG from a business segment of a major group to a medium-sized company, with ongoing efforts to sort out its operating system and business process to achieve lower costs and high efficiency. A new five-year development strategy was also formulated, which clearly set out the positioning, technological development direction and product layout of the firm, so as to focus on internal resources and pursue greater synergy. Second, we actively establish our presence in products relating to the electrification technology, with continued research and manufacturing of the second-generation BRM products with better energy-saving function. Furthermore, we worked to integrate global R&D resources, accelerate the introduction and training of R&D talents for new energy motors as well as the development of R&D capacity, in a bid to realize synergetic global R&D. In May 2019, SEG New Energy Automobile Technology Co., Ltd. (索恩格新能源汽車技術有限公司) was founded in Changsha, for the purpose of simultaneous design and synergetic R&D with the R&D center of the SEG headquarters.

(IV) Phased achievements for the development of Zhima Street

Our wholly-owned subsidiary Zhima Street Industrial worked on "Zhima Street 1958 Dual Innovation Park Project" (芝麻街1958雙創園項目), a project mainly engaged in renovating and improving the Company's old factories and with "Scientific Innovation and Cultural Innovation" as the theme to revitalize idle factory premises. For the first phase, work has almost been completed for the renovation and leasing of the initial development zone which covers an area of 14,400 square meters. The zone is designed to undergo three to five years of development to gradually attain a high degree of concentration of the scientific innovation industry, serve as a new domestic landmark of scientific innovation, and become a leading entrepreneurial and cultural hub in the Central Plains of China.

2、推動SEG整合與變革

一是強化SEG整合與變革，持續推動SEG從大集團事業部向中型公司轉變，持續梳理企業運行體制機制和業務流程，降本增效；重新制定五年發展戰略，明晰企業定位，明確技術路綫和產品布局，聚焦內部資源，增強協同效應。二是積極布局電氣化技術產品，繼續研製節能效果更優的第二代BRM產品；整合全球研發資源，加快新能源電機研發人才的引進培養與研發能力的建立，實現全球化研發協同。於2019年5月在長沙設立索恩格新能源汽車技術有限公司，立足與SEG總部研發中心實現同步設計與協同研發。

(四) 芝麻街開發取得階段性成果

全資子公司芝麻街實業推動以公司老廠區改造提升為主要內容的「芝麻街1958雙創園項目」，以「科創+文創」為主題，盤活閑置廠房，一期首開區1.44萬平方米改造工程及招租基本完成，力爭經過3-5年發展，逐步實現科創產業高度集聚，打造國內科技創新新地標，成為中原地區領先的創業高地、文化高地。

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2. Industry Landscape and Trends

1. Situation of the coal mining machinery industry

Based on the energy reserve status-quo of China, coal will retain its role as the primary energy source of China within the short term. In recent years, relevant authorities have rolled out a number of policies for the coal industry. The focus of coal de-capacity has gradually shifted from reduction of aggregate amount to systematic and structural optimization. As a result, the coal industry has seen rapid improvement in industry concentration as well as further optimization of industry structure and landscape, which is conducive to the virtuous development of coal mining machinery businesses. Meanwhile, coal businesses have increasingly urgent demand for automatic, intelligent and highly reliable coal machinery products, based on the demand for safety and lower manpower costs.

In March 2020, eight authorities such as the National Development and Reform Commission jointly issued the Guiding Opinions on Accelerating the Development of Intelligent Coal Mines 《關於加快煤礦智能化發展的指導意見》, in an aim to drive the integrated development of intelligent technology and the coal industry, enable more intelligent coal mines and facilitate the high-quality development of the Chinese coal industry. The document sets out three phased objectives for developing intelligent coal mines:

- By 2021, the country will have developed a variety of intelligent model mines under different models, with an initial system taking shape for information-based transmission and automatic operation technology that covers the major processes of coal mine development design, geological assurance, production and safety. The system will largely enable more efficient driving workforce with less manpower, fewer or no operators for the comprehensive mining workforce, and remote monitoring of regular posts at underground and open pit mines with no requirement for staff on duty.
- By 2025, large-scale coal mines and those suffer severe calamities will have largely turned intelligent, with technical specifications and standard systems established for the intelligent development of coal mines. Such mines will be capable of intelligent decision-making and automated synergetic operation of development design, geological assurance, excavation (stripping), transportation, ventilation, washing and selection as well as logistics systems. Robots will be deployed for key underground posts, while continuous intelligent operation and unmanned transportation will take place at open pit coal mines.

二、行業格局和趨勢

1、煤機行業情況

基於中國的能源儲備現狀，煤炭作為我國一次能源主體的地位和作用短期內不會改變。近年來，相關部委陸續出台了多項煤炭行業政策，煤炭去產能逐步由總量性去產能為主轉向系統性去產能、結構性優化產能為主，煤炭行業集中度快速提升，產業結構以及產業格局進一步優化，有利於煤機設備企業的良好發展。同時，煤炭企業基於安全、降低人力成本的需求，對自動化、智能化、高可靠煤機產品的需求越來越迫切。

2020年3月，國家發展改革委等8部委聯合印發了《關於加快煤礦智能化發展的指導意見》，推動智能化技術與煤炭產業融合發展，提升煤礦智能化水平，促進我國煤炭工業高質量發展，明確了煤礦智能化發展的3個階段性目標：

- 到2021年，建成多種類型、不同模式的智能化示範煤礦，初步形成煤礦開拓設計、地質保障、生產、安全等主要環節的信息化傳輸、自動化運行技術體系，基本實現掘進工作面減人提效、綜採工作面內少人或無人操作、井下和露天煤礦固定崗位的無人值守與遠程監控。
- 到2025年，大型煤礦和災害嚴重煤礦基本實現智能化，形成煤礦智能化建設技術規範與標準體系，實現開拓設計、地質保障、採掘(剝)、運輸、通風、洗選物流等系統的智能決策和自動化協同運行，井下重點崗位機器人作業，露天煤礦實現智能連續作業和無人化運輸。

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- By 2035, various coal mines will largely become intelligent, with an coal mine intelligent system in place that integrates multiple industry chains and systems; an intelligent coal mine system should also be in place that provides intelligent sensing and decision-making as well as automatic execution.

The issuance of the Guiding Opinions is bound to drive the technology upgrade of the coal mining machinery industry, presenting both huge opportunities and formidable challenges for coal mining machinery enterprises.

2. Situation of the auto industry

In connection with the auto industry, China has fully implemented the National VI emissions standard with increasingly rigorous limits on fuel consumption, which will help adjust the structures of traditional auto markets and products at a faster pace. On the other hand, the progressive withdrawal of financial subsidies and adjustment policies such as access conditions have finally taken place, coupled with a trading mechanism for carbon credit and new energy credit, which is set to expedite the transformation of new energy vehicles towards a market-driven industry.

In 2020, amidst the continuous slowdown in economic growth and the impact of the Covid-19 epidemic, auto consumption demand will either be delayed or suffer major declines within the short term, exerting considerable pressure on the domestic auto market as a whole. Nevertheless, the swift development of such new technologies as electrification, intelligence and network connection will help the auto industry in its further transformation and upgrade, as the domestic auto industry opens up and expands.

As regards the international auto market, auto demand was subject to the growing impact from the global spread of the Covid-19 epidemic, particularly in overseas areas such as some European countries where the epidemic prevention and control is under grim and complex conditions. In consequence, multiple overseas auto manufacturers have declared suspension or limitation on production, bringing shock waves throughout the global supply chain and leaving a negative impact on the Company's overseas auto parts production bases.

- 到2035年，各類煤礦基本實現智能化，構建多產業鏈、多系統集成的煤礦智能化系統，建成智能感知、智能決策、自動執行的煤礦智能化體系。

該指導意見的印發，必將推動煤機行業的技術升級換代，對煤機企業來說既是巨大的機遇，又是極大的挑戰。

2、汽車行業情況

汽車行業方面，國VI排放標準全面實施、油耗限值逐年加嚴，將促進傳統汽車市場結構和產品結構的加快調整。而財政補貼政策持續退坡、准入條件等調整政策最終落地，碳積分和新能源積分交易機制的實施，將加快新能源汽車產業發展向市場驅動轉變。

2020年經濟增速持續放緩，受新冠肺炎疫情影響，短期內汽車消費需求出現延遲與大幅下滑，國內汽車市場整體將面臨較大壓力，但是電動化、智能化、網聯化等新技術的快速發展，以及國內汽車產業的擴大開放將有助於汽車產業的進一步轉型升級。

國際汽車市場方面，新冠肺炎疫情全球蔓延，境外特別是歐洲部分國家疫情防控形勢嚴峻複雜，對汽車需求的影響日益加大，境外多家汽車製造企業宣布停產、限產，衝擊全球供應鏈，公司位於境外的汽車零部件生產基地受到一定的負面影響。

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3. Business Plan for 2020

Under the impact of the Covid-19 epidemic, global economic development is subject to more uncertainties and challenges in 2020. ZMJ will practice the spirit of the important address by General Secretary Xi Jinping during his inspection of ZMJ in an in-depth manner and revolve around the development strategies of the Company, with priorities given to the following aspects of work:

1. Enhance independent innovation and procure high-quality development

(1) Structural reform for the coal mining machinery industry

Grounded in independent innovation, the Company will engage in in-depth integration of 5G, big data, the Internet of Things, AR and other technologies, to establish an industry-leading intelligent and comprehensive R&D system, and to propel the coal mining machinery segment to become intelligent, comprehensive, international and society-oriented.

First, the segment shall embrace intelligent development. ZMJ will take hold of the opportunities from the national policy of advancing intelligent coal mining, with continuous R&D and promotion of comprehensive coal mining technology with unmanned workforce, to develop towards unmanned coal mining. Efforts will also be made to develop innovative R&D mechanisms for new technology, by improving the R&D platform and engaging in collaborative scientific research on technology as well as talent exchange and training with external parties. At the same time, continuous efforts will take place on the construction and operation of intelligent production lines.

Second, the segment shall be more comprehensive. Comprehensive projects shall serve as a carrier to put in place the full integration system of comprehensive mining workforce, focus on addressing the existing issues concerning the preliminary integration of intelligent workforce, enable in-depth synergy among workforce equipment, fully tap into the technical advantages of ZMJ's comprehensive machine units, and lead the trend of market demand for integrated equipment sets.

三、2020年經營計劃

受新冠肺炎疫情的影響，2020年全球經濟發展面臨的不確定因素更多，面臨的挑戰更多。鄭煤機將深入貫徹落實習近平總書記視察鄭煤機時的重要講話精神，圍繞公司發展戰略，重點從以下幾方面開展工作：

1、強化自主創新，推動企業高質量發展

(1) 對煤機產業進行結構性改革

立足自主創新，深度結合5G、大數據、物聯網、AR等技術，建立引領行業發展的智能化、成套化研發體系，推動煤機板塊向智能化、成套化、國際化、社會化方向轉變。

一是要向智能化方向發展，抓住國家推進煤礦智能化開採的機會，持續研發和推廣煤礦綜採無人工作面技術，推動煤炭開採向無人化方向發展。創新技術研發機制，完善研發平台，對外開展科研合作技術攻關和人才交流培養；同時持續推進智能化生產線的建設及運行。

二是要向成套化方向發展，以成套化項目實施為載體，推動綜採工作面全融合系統落地，圍繞現有智能化工作面淺層次集成存在的問題進行重點攻關，實現工作面各設備間深度協同，充分發揮鄭煤機成套化機組的技術優勢，引領市場對成套裝備一體化的需求趨勢。

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Third, the segment shall be more international. Efforts will be made to pinpoint the changing demands of high-end markets, work on different strategies in response, capitalize on our own edge, and take the initiative to explore overseas high-end markets.

Fourth, the segment shall be more society-oriented. A more professional service system will be established that offers more timely response and better services. Adhering to “appropriate action”, we will build a professional supporting system that works scientifically and reasonably, delivers good quality, operates professionally and systematically, and responds timely, so as to provide solid assurance for the timely delivery of our products.

(2) Faster transformation and upgrade of the auto parts industry

First, we will capture such opportunities under the reform and development of the global auto market, push forward the institutional reform of SEG, respond to markets more quickly, and invest in R&D continuously. Second, we will bring the global leading edge of our auto motors business into full play when it comes to hybrid system, with a view to transforming towards energy saving and environment-friendliness and even new energy. Third, we will sustain our R&D efforts in the field of comfortable and light vehicles, to grasp core technologies. Fourth, we will recalibrate the layouts of ASIMCO and SEG's global supply chains, explore the global presence of ASIMCO supply chain, and keep transferring SEG's production to low-cost regions so as to better cater to the market at lower costs and higher efficiency. Fifth, we are planning the development strategies of ASIMCO for the next three to five years, which relate to the exploration of fresh development opportunities based on electrification, intelligence, network connection and sharing.

三是要向國際化方向發展，找准高端市場需求變化，研究不同對策，利用自身優勢，主動開拓國外高端市場。

四是要向社會化方向發展，建立更加專業化、響應更及時、服務更優質的服務體系，提供專業化服務；堅持「有所為有所不為」，建立科學合理、品質優良、專業系統、響應及時的專業化配套體系，為產品及時交付提供堅實保障。

(2) 汽車零部件產業加快轉型升級

一是抓住全球汽車市場變革發展的機遇，推動SEG組織機構變革，加快市場響應速度，持續投入研發。二是發揮旗下汽車電機業務在混合動力系統的全球領先優勢，向節能環保乃至新能源轉型。三是在汽車舒適化、輕量化領域持續開展研發努力掌握核心技術。四是調整亞新科、SEG全球供應鏈布局，探索亞新科供應鏈全球化布局，持續推動SEG生產向低成本地區轉移，貼近市場降本增效。五是規劃亞新科未來3-5年發展戰略，探索以電動化、智能化、網聯化、共享化為發力點的新一輪發展機會。

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2. Further deepen institutional reform

Diversified industries and global operation have posed new requirements upon the original management system of ZMJ, as the Company's systems of decision-making, incentives and restrictions as well as regulation are in need of adapting to globalization and market orientation. With that in mind, ZMJ will continue to deepen its institutional reform by exploring the establishment of a corporate governance structure centered on the Board and market-oriented decision-making, further boosting its talent teams, and further exploring the formation of a market-oriented mechanism for talent selection and employment as well as incentives and restrictions.

3. Improve central management capability and continuously enhance risk control

We will work to establish robust group management and risk control systems that align with the Group's international drive and multi-industry management. First, we will continue to build information-based systems for statement management and financial consolidation systems, with real-time monitoring of business operation. Second, we will enhance the development of our team of internal control talents, to ensure that our corporate operations comply with laws and regulations and that our assets are safe. Third, we will take further steps to render our internal auditing more synergetic with the work of our board of supervisors (the "**Supervisor(s)**") (the "**Board of Supervisors**") and disciplinary inspection bodies, to fully amplify the overall effect of our supervisory organs as a collective force.

4. Pay attention to Covid-19 epidemic prevention and control, and strengthen emergency management against risks

During the first quarter of 2020, a host of elements such as the Covid-19 epidemic and crude oil caused drastic fluctuations across global financial markets, leaving considerable uncertainties for the world economy. This also led to a delay in the demand for the coal mining machinery industry where the Company is present, and a sharp decline in the demand for the auto industry, with a grim outlook for the entire year. As of the disclosure date of this report, China remained on a positive track of epidemic prevention and control, with accelerated recovery of production and daily life. Nonetheless, as overseas epidemic prevention and control were still severe, the subsequent impact on the Company's overseas operations requires further observation according to the development of overseas epidemic situation.

2、繼續深入推進體制機制改革

鄭煤機當前多元化產業、全球化運營對原本的管理體制提出了新的要求，公司決策機制、激勵約束機制及監管體制需要適應全球化和市場化。鄭煤機將繼續深入推進公司體制機制改革，探索以董事會為核心的、市場化決策的法人治理結構改革，進一步加強人才隊伍建設，進一步探索建立市場化的選人、用人和激勵約束機制。

3、提升總部管控能力，持續加強風險管控

建立健全與集團國際化、多產業管理相匹配的集團管理體系和風險管控體系。一是持續推進管理報表系統、財務合併系統等信息化系統建設，實時監控業務運行狀況。二是進一步加強內控人才隊伍建設，保證企業經營合法合規和資產安全。三是進一步發揮內審工作與監事（「**監事**」）會（「**監事會**」）、紀檢監察工作聯動協同效應，充分發揮監督的整體效果，形成監督合力。

4、關注新冠肺炎疫情防控情況，強化風險应急管理

2020年一季度，受新冠肺炎疫情、原油等多種因素影響，全球金融市場大幅波動，全球經濟面臨較大不確定性，公司所在的煤機行業需求延遲，汽車行業需求大幅下滑，全年走勢都不容樂觀。截至本報告披露日，國內疫情防控形勢持續向好、生產生活秩序加快恢復，但是境外疫情防控形勢仍然嚴峻，對公司境外業務的後續影響還需根據境外疫情發展態勢進一步觀察。

Chairman's Statement 董事長報告書

Confronted by the difficulties and challenges from the Covid-19 epidemic on its production and operation, the Company will set its eyes firmly on the annual targets by taking proactive measures. ZMJ will respond to the epidemic shock with reform, innovation and transformation, pick up its pace in the innovation of product technology, business model as well as organization and management model, to minimize the effect of the epidemic on the Company's operational indicators. ZMJ will also heighten its emergency management against risks with a better system for emergency management and risk control, and be more adaptive to the requirements of global operation. In the meantime, the Company will adhere to the principle that "cash is the king" with enhanced cash flow management.

Confronted by the uncertainties of external economic conditions in 2020, the Board will unite its leaders and staff to work with high spirits, great passion and strong determination. ZMJ will dedicate itself to high-end equipment manufacturing, continuously deepen its reform and innovation, and drive its industry transformation and upgrade. The Company will employ an international perspective to develop into a high-end equipment manufacturing group with global influence and contribute to the better future of Chinese Central Plains in the new era.

Last but not least, on behalf of the Board, I would like to express my sincere gratitude to the entire staff, shareholders, clients and partners of the Company.

Jiao Chengyao
Chairman

27 March 2020

面對新冠肺炎疫情給企業生產經營帶來的困難和挑戰，公司將積極採取措施，咬定全年目標不放鬆，以改革、創新、轉型應對疫情衝擊，加快產品技術創新、商業模式創新和組織管理模式創新，將疫情對公司經營指標的影響降至最低；強化風險应急管理，完善应急管理和風險管控體系，更加適應全球化運營要求，同時堅持「現金為王」的原則，強化現金流管理。

2020年，面對外部經濟形勢的不確定性，董事會將緊緊團結廣大幹部員工，以昂揚向上的激情和堅定不移的信心，心無旁騖扎根高端裝備製造業，持續深化改革創新，推動產業轉型升級，以國際化的視角努力打造具有世界影響力的高端裝備製造集團，為新時代中原更加出彩貢獻力量。

最後，本人謹代表董事會向公司的全體員工、股東、客戶以及各方合作夥伴，致以誠摯的謝意！

焦承堯
董事長

2020年3月27日

**TECHNOLOGY CHANGES THE WORLD
INTELLIGENCE LEADS THE FUTURE**

科技改變世界
智能引領未來



Management Discussion and Analysis 管理層討論與分析

Review of the year

For the year ended 31 December 2019, the Group achieved sales revenue of RMB25,721.42 million, representing an decrease of 1.12% from the corresponding period of last year. Profit Attributable to Owners of the Company was RMB1,040.25 million, representing an increase of 24.98% from the corresponding period of last year. Earnings per share was RMB0.06. As 31 December 2019, the Group had borrowing balances of RMB3,137.49 million.

Overview

The Group is a leading comprehensive coal mining and excavating equipment and auto parts manufacturer in the PRC. Our established operating history, high quality products, strong research and development capabilities, advanced manufacturing processes and extensive sales and service network are the keys to our success and allow us to maintain our leading position in the PRC coal mining and excavating equipment market. With the completion of ASIMCO and SEG Automotive Germany GmbH acquisition, the Group has duly entered the auto parts market and is engaged in two principal businesses, namely coal mining machinery and auto parts.

年度回顧

截至二零一九年十二月三十一日止年度，本集團實現銷售收入人民幣25,721.42百萬元，較上年度同期下降1.12%。本公司股東應佔溢利為人民幣1,040.25百萬元，較上年度同期上升24.98%。每股盈利為人民幣0.06元。於二零一九年十二月三十一日，本集團貸款餘額為人民幣3,137.49百萬元。

概覽

作為中國領先的煤炭綜採綜掘設備及汽車零部件製造商，本集團悠久的經營歷史、優質產品、強勁的研發能力、先進的製造流程及龐大的銷售及服務網絡乃是我們達到成功的關鍵，並使我們能夠維持在中國煤炭採掘設備市場的領導地位。在完成對亞新科和SEG Automotive Germany GmbH的收購後，本集團已進入汽車零部件市場，形成煤礦機械和汽車零部件兩項主要業務。



Management Discussion and Analysis 管理層討論與分析

Results of Operations

The following table sets forth a summary, for the year ended 31 December 2019 indicated, of our consolidated results of operations.

經營業績

下表載列本集團於所示截至二零一九年十二月三十一日止年度的綜合經營業績摘要。

		2019 二零一九年 RMB millions 人民幣百萬元	2018 二零一八年 RMB millions 人民幣百萬元
Revenue	收入	25,721.42	26,011.73
Cost of sales	銷售成本	(20,923.90)	(21,159.85)
Gross profit	毛利	4,797.52	4,851.88
Other income	其他收入	225.18	106.06
Other gains and losses	其他收益及虧損	(418.40)	(174.50)
Selling and distribution expenses	銷售及分銷開支	(1,020.64)	(1,044.12)
Administrative expenses	行政開支	(994.63)	(1,203.18)
Research and development expenses	研發費用	(1,015.03)	(1,030.20)
Reversal of net impairment losses on financial and contract assets	金融及合同資產減值虧損淨額撥回	157.88	46.95
Share of profit/(loss) of associates	應佔聯營公司溢利/(虧損)	38.01	(49.64)
Share of profit of joint ventures	應佔合營企業溢利	3.72	5.91
Finance costs, net	融資成本淨額	(243.53)	(220.42)
Profit before tax	除稅前溢利	1,530.08	1,288.74
Income tax expense	所得稅開支	(390.17)	(349.83)
Profit for the year	年內溢利	1,139.91	938.91
Profit for the year attributable to:	以下人士應佔年內溢利：		
Owners of the Company	本公司股東	1,040.25	832.35
Non-controlling interests	非控股權益	99.66	106.56
		1,139.91	938.91

Management Discussion and Analysis 管理層討論與分析

Results of Operations (Continued)

經營業績(續)

		2019 二零一九年 RMB millions 人民幣百萬元	2018 二零一八年 RMB millions 人民幣百萬元
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified subsequently to profit or loss:</i>	<i>不會於其後重新分類至損益的項目：</i>		
Remeasurement of post-employment benefit obligations	重新計量退休福利責任	4.82	(60.99)
Changes in the fair value of financial assets at fair value through other comprehensive income	以公平值計量且其變動計入其他全面收益的金融資產公平值變動	(1.61)	(17.59)
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益的項目：</i>		
Exchange differences arising on translation	換算產生的匯兌差額	(17.44)	(6.25)
Cash flow hedging	現金流量對沖	0.52	2.28
Other comprehensive expense for the year, net of income tax	年內其他全面開支，扣除所得稅	(13.71)	(82.55)
Total comprehensive income for the year	年內全面收益總額	1,126.20	856.36
Total comprehensive income for the year attributable to:	以下人士應佔年內全面收益總額：		
Owners of the Company	本公司股東	1,026.54	749.80
Non-controlling interests	非控股權益	99.66	106.56
		1,126.20	856.36
EARNINGS PER SHARE	每股盈利		
– Basic (RMB cents)	– 基本(人民幣分)	60.04	48.04
– Diluted (RMB cents)	– 攤薄(人民幣分)	60.04	48.04

Management Discussion and Analysis 管理層討論與分析

Revenue

Our revenue decreased by 1.12% from RMB26,011.73 million for the year ended 31 December 2018 to RMB25,721.42 million for the year ended 31 December 2019, mainly because of the net effect of coal mining machinery segment and auto parts segment.

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

收入

本集團收入自截至二零一八年十二月三十一日止年度的人民幣26,011.73百萬元減少1.12%至截至二零一九年十二月三十一日止年度的人民幣25,721.42百萬元，主要是由於煤礦機械分部及汽車零部件分部的淨影響。

下表載列本集團按產品及業務劃分的收入分析(單位：人民幣百萬元)：

		Year ended 31 December 2019 截至二零一九年十二月三十一日止年度		
		Manufacture of coal mining machinery 製造煤礦機械 RMB millions 人民幣百萬元	Manufacture of auto parts 製造汽車零部件 RMB millions 人民幣百萬元	Total 總計 RMB millions 人民幣百萬元
Sales of auto parts	汽車零部件的銷售	–	16,041.03	16,041.03
Sales of hydraulic roof supports	液壓支架的銷售	6,269.02	–	6,269.02
Revenue from steel and other materials trading	鋼鐵及其他原料貿易的收入	2,118.02	128.80	2,246.82
Sales of spare parts for coal mining machinery	煤礦機械配件的銷售	1,002.43	–	1,002.43
Sales of other coal mining equipment	其他煤礦設備的銷售	86.53	–	86.53
Other revenue	其他收入	75.59	–	75.59
		9,551.59	16,169.83	25,721.42

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度		
		Manufacture of coal mining machinery 製造煤礦機械 RMB millions 人民幣百萬元	Manufacture of auto parts 製造汽車零部件 RMB millions 人民幣百萬元	Total 總計 RMB millions 人民幣百萬元
Sales of auto parts	汽車零部件的銷售	–	17,658.66	17,658.66
Sales of hydraulic roof supports	液壓支架的銷售	5,107.14	–	5,107.14
Revenue from steel and other materials trading	鋼鐵及其他原料貿易的收入	2,052.72	86.29	2,139.01
Sales of spare parts for coal mining machinery	煤礦機械配件的銷售	868.33	–	868.33
Sales of other coal mining equipment	其他煤礦設備的銷售	136.96	–	136.96
Other revenue	其他收入	101.63	–	101.63
		8,266.78	17,744.95	26,011.73

Management Discussion and Analysis 管理層討論與分析

Cost of Sales

As the Group recorded a decrease in our revenue, our cost of sales decreased by 1.12% from RMB21,159.85 million for the year ended 31 December 2018 to RMB20,923.90 million for the year ended 31 December 2019 accordingly.

Gross Profit

Driven by the above factors, our gross profit decreased by 1.12% from RMB4,851.88 million for the year ended 31 December 2018 to RMB4,797.52 million for the year ended 31 December 2019.

The change in gross profit during the year primarily comprised of two parts. The gross profit margin of the coal mining machinery segment increased from 23.7% for the year ended 31 December 2018 to 28.7% for the year ended 31 December 2019 due to the product mix. As of 31 December 2019, the gross profit margin of the auto parts segment of the Group decreased from 16.2% for the year ended 31 December 2018 to 12.7% for the year ended 31 December 2019.

Therefore, the overall gross profit margin of the Group remained at 18.65% for the year ended 31 December 2019.

Other Income

Our other income increased by 112.31% from RMB106.06 million for the year ended 31 December 2018 to RMB225.18 million for the year ended 31 December 2019, mainly because of the Group gained more government grants in 2019.

Other Gains and Losses

Our other gains and losses increased from loss of RMB174.50 million for the year ended 31 December 2018 to loss of RMB418.40 million for the year ended 31 December 2019, primarily as a result of the impairment of goodwill and development costs.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 2.25% from RMB1,044.12 million for the year ended 31 December 2018 to RMB1,020.64 million for the year ended 31 December 2019, mainly due to the decrease from auto parts segment during the year.

Administrative Expenses

Our administrative expenses decreased by 17.33% from RMB1,203.18 million for the year ended 31 December 2018 to RMB994.63 million for the year ended 31 December 2019, mainly due to the decrease from auto parts segment during the year.

銷售成本

由於本集團收入有所減少，本集團銷售成本由截至二零一八年十二月三十一日止年度的人民幣21,159.85百萬元相應減少1.12%至截至二零一九年十二月三十一日止年度的人民幣20,923.90百萬元。

毛利

受上述因素推動，本集團毛利由截至二零一八年十二月三十一日止年度的人民幣4,851.88百萬元減少1.12%至截至二零一九年十二月三十一日止年度的人民幣4,797.52百萬元。

本年毛利變動主要分為兩部分：煤機板塊的毛利率因產品組合而由截至二零一八年十二月三十一日止年度的23.7%上升至截至二零一九年十二月三十一日止年度的28.7%；而截至二零一九年十二月三十一日止，本集團的汽車零部件板塊毛利率由截至二零一八年十二月三十一日止年度的16.2%下降至截至二零一九年十二月三十一日止年度的12.7%。

因此，本集團於截至二零一九年十二月三十一日止年度的整體毛利率維持於18.65%。

其他收入

本集團其他收入自截至二零一八年十二月三十一日止年度的人民幣106.06百萬元增加112.31%至截至二零一九年十二月三十一日止年度的人民幣225.18百萬元，主要由於本集團在二零一九年收取更多政府補助。

其他收益及虧損

本集團其他收益及虧損自截至二零一八年十二月三十一日止年度的虧損人民幣174.50百萬元增加至截至二零一九年十二月三十一日止年度的虧損人民幣418.40百萬元，主要由於商譽及開發成本減值所致。

銷售及分銷開支

本集團銷售及分銷開支自截至二零一八年十二月三十一日止年度的人民幣1,044.12百萬元減少2.25%至截至二零一九年十二月三十一日止年度的人民幣1,020.64百萬元，主要由於本年汽車零部件板塊減弱所致。

行政開支

本集團行政開支自截至二零一八年十二月三十一日止年度的人民幣1,203.18百萬元減少17.33%至截至二零一九年十二月三十一日止年度的人民幣994.63百萬元，主要由於本年汽車零部件板塊減弱所致。

Management Discussion and Analysis 管理層討論與分析

Staff Costs and Remuneration Policy

Our staff costs decreased slightly by 4.08% from RMB3,755.21 million for the year ended 31 December 2018 to RMB3,601.97 million for the year ended 31 December 2019. The staff remuneration of the Group comprises of basic salary and bonus payment, which is determined with reference to the operating results of the Group and results of performance assessment on the employees. The Group adheres to the orientation towards efficiency and results as well as the focus on top-tier staff. It also strives to ensure scientific and reasonable allocation of income.

Research and Development Expenses

Our research and development expenses remained stable at RMB1,015.03 million in 2019.

Finance Costs

Our finance costs increased from RMB220.42 million for the year ended 31 December 2018 to RMB243.53 million for the year ended 31 December 2019, which was due to the increase of interests on leases.

Profit Before Tax

Being affected by the factors referred to above in aggregate, our profit before tax increased by 18.73% from RMB1,288.74 million for the year ended 31 December 2018 to RMB1,530.08 million for the year ended 31 December 2019.

Income Tax Expense

Our income tax expense increased by 11.53% from RMB349.83 million for the year ended 31 December 2018 to RMB390.17 million for the year ended 31 December 2019, primarily as a result of the increase in taxable income. Our effective tax rate decreased to 25.50% for the year ended 31 December 2019 from 27.15% for the year ended 31 December 2018.

Total comprehensive income for the year

In view of the combined effect of the above factors, our profit for the year and the aggregate of comprehensive income increased by 31.51% from RMB856.36 million for the year ended 31 December 2018 to RMB1,126.20 million for the year ended 31 December 2019.

員工成本及薪酬政策

本集團員工成本自截至二零一八年十二月三十一日止年度的人民幣3,755.21百萬元略微下降4.08%至截至二零一九年十二月三十一日止年度的人民幣3,601.97百萬元。本集團員工薪酬由基本工資和獎勵工資兩部分組成，獎勵工資依據本集團經營業績及僱員績效考核情況確定。本集團堅持以效益和業績為導向，堅持向一線員工傾斜，努力確保收入分配科學合理。

研發費用

本集團研發費用於二零一九年維持穩定，為人民幣1,015.03百萬元。

融資成本

本集團融資成本自截至二零一八年十二月三十一日止年度的人民幣220.42百萬元增加至截至二零一九年十二月三十一日止年度的人民幣243.53百萬元，是由於租賃利息增加所致。

除稅前溢利

受前述因素的綜合影響，本集團的除稅前溢利自截至二零一八年十二月三十一日止年度的人民幣1,288.74百萬元上升18.73%至截至二零一九年十二月三十一日止年度的人民幣1,530.08百萬元。

所得稅開支

本集團的所得稅開支自截至二零一八年十二月三十一日止年度的人民幣349.83百萬元增加11.53%至截至二零一九年十二月三十一日止年度的人民幣390.17百萬元，主要是由於應課稅收入增加。本集團實際稅率自截至二零一八年十二月三十一日止年度的27.15%下降至截至二零一九年十二月三十一日止年度的25.50%。

年內全面收入總額

受前述因素的綜合影響，本集團的年內溢利及全面收入總額自截至二零一八年十二月三十一日止年度的人民幣856.36百萬元上升31.51%至截至二零一九年十二月三十一日止年度的人民幣1,126.20百萬元。

Management Discussion and Analysis 管理層討論與分析

Profit Attributable to Owners of the Company

Based on the factors referred to above, profit attributable to owners of the Company increased by 24.98% from RMB832.34 million for the year ended 31 December 2018 to RMB1,040.25 million for the year ended 31 December 2019.

Trade and Other Receivables

As at 31 December 2019, trade and other receivables amounted to approximately RMB5,836.20 million, representing a decrease of approximately RMB490.80 million as compared to approximately RMB6,327.00 million as at the end of 2018.

Liquidity

The Group's net current assets were approximately RMB7,525.40 million (31 December 2018: RMB6,968.04 million) and the current ratio was 1.59 as at 31 December 2019 (31 December 2018: 1.60). The decrease in current ratio was mainly attributable to the increase in borrowings and redemption liabilities.

Cash Flows and Capital Expenditures

As of 31 December 2019, the Group had RMB3,863.44 million in cash and cash equivalents. The Group's cash and cash equivalents primarily consist of cash and bank deposits.

本公司股東應佔利潤

基於上述各種因素，本公司股東應佔利潤自截至二零一八年十二月三十一日止年度的人民幣832.34百萬元上升24.98%至截至二零一九年十二月三十一日止年度的人民幣1,040.25百萬元。

貿易及其他應收款項

於二零一九年十二月三十一日，貿易及其他應收款項金額約為人民幣5,836.20百萬元，較二零一八年末約人民幣6,327.00百萬元減少約人民幣490.80百萬元。

流動資產

本集團流動資產淨額約為人民幣7,525.40百萬元(二零一八年十二月三十一日：人民幣6,968.04百萬元)，而於二零一九年十二月三十一日的流動比率為1.59(二零一八年十二月三十一日：1.60)。流動比率下降主要由於借款及贖回負債增加所致。

現金流及資本支出

截至二零一九年十二月三十一日，本集團擁有現金及現金等價物人民幣3,863.44百萬元。本集團現金及現金等價物主要包括現金及銀行存款。

		2019 二零一九年 RMB millions 人民幣百萬元	2018 二零一八年 RMB millions 人民幣百萬元
Net cash from operating activities	經營活動所得現金淨額	3,257.41	1,072.74
Net cash used in investing activities	投資活動所用現金淨額	(2,158.53)	(1,747.63)
Net cash (used in) /from financing activities	融資活動(所用)/所得現金淨額	(18.63)	1,715.93
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	1,080.25	1,041.04
Effect of foreign exchange rate changes	匯率變動的影響	37.15	(40.18)
Cash and cash equivalents at the beginning of year	於年初的現金及現金等價物	2,746.04	1,745.18
Cash and cash equivalents at the end of year	於年末的現金及現金等價物	3,863.44	2,746.04

Management Discussion and Analysis 管理層討論與分析

Operating Activities

Net cash from operating activities in 2019 was RMB3,257.41 million. Cash inflow primarily comprised profit before taxation of RMB1,530.08 million, primarily adjusted for: (i) finance cost of RMB243.53 million; (ii) depreciation of property, plant and equipment of RMB804.59 million, (iii) decrease in inventories of RMB290.90 million, (iv) increase in trade and other receivables of RMB455.40 million, (v) decrease in trade and other payables of RMB235.72 million, (vi) increase in contract liabilities of RMB268.67 million.

Investing Activities

Net cash outflow in investing activities in 2019 was RMB2,158.53 million, primarily comprising: (i) payment of RMB879.07 million for the purchase of property, plant and equipment; (ii) payment of RMB365.93 million for the purchase of other intangible assets; (iii) payment of RMB1,393.00 million for structured deposits; (iv) proceeds of RMB354.24 million from structured deposits; (v) payment of pledged bank deposits of RMB826.87 million; (vi) withdrawal of pledged bank deposits of RMB853.89 million.

Financing Activities

Net cash from financing activities in 2019 was RMB(18.63) million, primarily consisting of (i) net cash inflow from borrowing of RMB2,857.49 million; (ii) cash outflow from the repayment of borrowings in the amount of RMB2,587.83 million; and (iii) cash outflow from the payment of lease payments in the amount of RMB161.37 million.

Capital Expenditures

We incurred capital expenditures of RMB1,245.01 million for the year ended 31 December 2019, for purchase of property, plant and equipment, intangible assets and leasehold land and land use rights.

經營活動

於二零一九年，經營活動所得現金淨額為人民幣3,257.41百萬元。現金流入主要包括除稅前溢利人民幣1,530.08百萬元，主要調整了：(i)融資成本人民幣243.53百萬元；(ii)物業、廠房及設備折舊人民幣804.59百萬元；(iii)存貨減少人民幣290.90百萬元；(iv)貿易及其他應收款項增加人民幣455.40百萬元；(v)貿易及其他應付款項減少人民幣235.72百萬元；(vi)合同負債增加人民幣268.67百萬元。

投資活動

於二零一九年，投資活動現金流出淨額為人民幣2,158.53百萬元，主要包括：(i)因購置物業、廠房及設備而支付人民幣879.07百萬元；(ii)因購置其他無形資產而支付人民幣365.93百萬元；(iii)支付結構性存款人民幣1,393.00百萬元；(iv)結構性存款所得款項人民幣354.24百萬元；(v)支付已抵押銀行存款人民幣826.87百萬元；(vi)提取已抵押銀行存款人民幣853.89百萬元。

融資活動

於二零一九年，融資活動所得現金淨額為人民幣(18.63)百萬元，主要包括：(i)借貸的現金流入淨額人民幣2,857.49百萬元；(ii)償還借貸的現金流出人民幣2,587.83百萬元；及(iii)支付租賃款項的現金流出人民幣161.37百萬元。

資本支出

截至二零一九年十二月三十一日止年度，本集團用於購置物業、廠房及設備、無形資產以及租賃土地及土地使用權的資本支出為人民幣1,245.01百萬元。

Management Discussion and Analysis 管理層討論與分析

Commitments and Contingent Liabilities

Capital Commitments

As of 31 December 2019, our commitments consisted of capital commitments for the acquisition of property, plant and equipment that have been authorized and contracted for in the amount of RMB350.35 million.

Contingent Liabilities

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

承擔及或然負債

資本承擔

截至二零一九年十二月三十一日，本集團的承擔為收購物業、廠房及設備的已授權且已訂約的資本承擔人民幣350.35百萬元。

或然負債

於本年度，本集團已背書及終止確認若干應收票據，以結算具全面追索權的貿易及其他應付款項。董事認為，由於所有背書的應收票據由聲譽良好的中國銀行發出及提供擔保，故欠付背書的應收票據的風險不大。於各報告期末，本集團可能因欠付該等背書及終止確認的應收票據而須承擔的最大風險如下：

		2019 二零一九年 RMB millions 人民幣百萬元	2018 二零一八年 RMB millions 人民幣百萬元
Outstanding endorsed bills receivable with recourse	具追索權的尚未償還已背書 應收票據	1,544.54	824.71

Management Discussion and Analysis 管理層討論與分析

Working Capital and Indebtedness

The following table sets forth details of our current assets and liabilities as of 31 December 2019 (in RMB millions):

營運資金及負債

下表載列截至二零一九年十二月三十一日本集團流動資產及負債詳情(單位：人民幣百萬元)：

		2019 二零一九年 RMB millions 人民幣百萬元	2018 二零一八年 RMB millions 人民幣百萬元
CURRENT ASSETS	流動資產		
Finance lease receivables, current portion	融資租賃應收款項(流動部分)	26.08	24.96
Long-term receivables, current portion	長期應收款項(流動部分)	239.51	131.92
Loan receivables from associates and a joint venture	應收聯營公司及一間合營企業貸款	10.00	9.75
Inventories	存貨	3,631.70	3,960.84
Trade and other receivables	貿易及其他應收款項	5,836.20	6,327.00
Transferred trade receivables	已劃轉的貿易應收款項	158.76	242.88
Financial assets at fair value through profit or loss	以公平值計量且其變動計入損益的金融資產	1,394.30	355.54
Financial assets at fair value through other comprehensive income	以公平值計量且其變動計入其他全面收益的金融資產	4,246.82	3,955.29
Derivative financial instruments	衍生金融工具	13.95	4.40
Tax recoverable	可收回稅項	38.58	29.66
Contract related assets	合同相關資產	30.46	-
Bank deposits	銀行存款	858.14	884.48
Cash and cash equivalents	現金及現金等價物	3,863.43	2,746.04
		20,347.93	18,672.76
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	8,005.54	8,130.55
Contract liabilities	合同負債	1,699.34	1,390.87
Income tax liabilities	所得稅負債	156.37	147.15
Borrowings	借貸	1,395.61	1,019.59
Lease liabilities	租賃負債	140.14	-
Redemption liabilities	贖回負債	720.00	-
Provisions	撥備	543.14	738.50
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	158.76	242.88
Derivative financial instruments	衍生金融工具	3.63	35.18
		12,822.53	11,704.72
NET CURRENT ASSETS	流動資產淨值	7,525.40	6,968.04

As of 31 December 2019, the Group had net current assets of approximately RMB7,525.40 million (31 December 2018: RMB6,968.04 million) and current ratio of 1.59 (31 December 2018: 1.60). The decrease in current ratio was primarily due to the increase in trade payables and borrowings for the year.

截至二零一九年十二月三十一日，本集團流動資產淨值約為人民幣7,525.40百萬元(二零一八年十二月三十一日：人民幣6,968.04百萬元)，而流動比率為1.59(二零一八年十二月三十一日：1.60)。流動比率下降主要由於年內貿易應付款項及借貸增加所致。

Management Discussion and Analysis 管理層討論與分析

Working Capital and Indebtedness (Continued)

As of 31 December 2019, the balance of the Group's outstanding borrowings was RMB3,137.49 million, of which RMB1,395.61 million are current portion (31 December 2018: outstanding borrowings was RMB2,867.83 million, of which RMB1,019.59 million was current portion).

As of 31 December 2019, our available credit line from various financial institutions amounted to RMB15,532 million. As of 31 December 2018, approximately RMB4,181 million of our credit lines from various domestic and foreign financial institutions remained unused.

Capital Adequacy Ratio

Gearing ratio is calculated by dividing the total liabilities at the end of the year by total equity at the end of the year and multiplying by 100%.

As of 31 December 2019, our gearing ratio was 97% (31 December 2018: 106%).

Liquidity Risk

營運資金及負債(續)

截至二零一九年十二月三十一日，本集團未償還借貸餘額為人民幣3,137.49百萬元，其中流動部分為人民幣1,395.61百萬元(二零一八年十二月三十一日：未償還借貸為人民幣2,867.83百萬元，其中流動部分為人民幣1,019.59百萬元)。

截至二零一九年十二月三十一日，本集團有來自多家金融機構的可用信貸額度人民幣15,532百萬元。截至二零一八年十二月三十一日，本集團來自多家國內外金融機構的信貸額度約人民幣4,181百萬元未使用。

資本充足比率

負債與權益比率乃按年末負債總額除以年末權益總額，再乘100%計算。

截至二零一九年十二月三十一日，本集團負債與權益比率為97%(二零一八年十二月三十一日：106%)。

流動資產風險

		Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	Total undiscounted cashflows	Carrying amount
		加權平均利率	按要求的或於3個月	3個月至1年	1年至2年	2年至5年	未折現現金流量總額	賬面值
			RMB millions	RMB millions	RMB millions	RMB millions	RMB millions	RMB millions
			人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
The Group	本集團							
As at 31 December 2019	於二零一九年十二月三十一日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	貿易及其他應付款項	-	7,174.91	830.63	-	-	8,005.54	8,005.54
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	-	39.41	119.35	-	-	158.76	158.76
Borrowings	借貸	2.81	427.19	1,063.18	834.34	914.23	3,238.94	3,137.49
Lease liabilities	租賃負債	3.72	43.88	127.88	135.73	522.23	829.72	691.85
Redemption liabilities	贖回負債	10	720.00	-	623.40	-	1,343.40	1,287.40
Derivative financial liabilities	衍生金融負債							
Designated as hedging instruments	指定為對沖工具	-	0.66	1.93	-	-	2.59	2.59
Not designated as hedging instruments	不指定為對沖工具	-	0.40	0.64	-	-	1.04	1.04
		-	8,406.45	2,143.61	1,593.47	1,436.46	13,579.99	13,284.67

Management Discussion and Analysis 管理層討論與分析

Credit Risk

Credit risk arises from trade and other receivables, finance lease receivables, long-term receivables, structured deposits, derivative assets, loan receivable from associates and a joint venture, pledged bank deposit, cash and cash equivalents.

To manage the risk with respect to pledged bank deposit, cash and cash equivalents, structured deposits and derivative assets, the Group placed them in or entered into the contract with the banks with high reputation.

The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and an appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In respect of the business of manufacture of coal mining machinery, the Group generally receives advances in the form of notes receivable or cash from customers (which approximate 30% of the contract price) before delivery of its product and allows a credit period of 180 days to its customers for the remaining contract price. In respect of auto parts, normally a credit period of 0 to 90 days is granted to its customers.

During the year, the Group has endorsed and derecognized certain notes receivable for the settlement of trade and other payables with full recourse. In the opinion of the Directors of the Company, the risk of the default in payment of the endorsed notes receivable is low because all endorsed notes receivable are issued and guaranteed by reputable PRC banks.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The expected credit loss rates are determined based on historical credit losses experienced from the past 1 to 5 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. It considers available reasonable and supportive forwarding-looking information.

信貸風險

信貸風險來自貿易及其他應收款項、融資租賃應收款項、長期應收款項、結構性存款、衍生資產、應收聯營公司及一間合營企業貸款、已抵押銀行存款以及現金及現金等價物。

為管理與已抵押銀行存款、現金及現金等價物、結構性存款及衍生資產相關的風險，本集團將該等資產存置於聲譽良好的銀行或與該等銀行訂立合同。

本集團已制定政策確保向聲譽及信譽良好、具備適當財政實力及信貸記錄並提供合適比例訂金的客戶進行銷售。本集團亦制定其他監控程序，確保採取跟進措施收回逾期債務。

此外，本集團定期審閱授予個別客戶的信貸額度及各個別貿易應收款項的可收回金額，以確保就無法收回款項作出足夠的減值虧損。就製造煤礦機械業務而言，本集團一般於付運產品前向客戶收取應收票據或現金形式的訂金（相當於合同價格約30%），並就餘下合同價格向客戶授予180天信貸期。就汽車零部件而言，客戶一般獲授0至90天的信貸期。

於本年度，本集團已背書及終止確認若干應收票據，以結算具全面追索權的貿易及其他應付款項。本公司董事認為，由於所有背書的應收票據由聲譽良好的中國銀行發出及提供擔保，故欠付背書的應收票據的風險不大。

本集團考慮於首次確認資產時的違約可能性及於各報告期間的信貸風險會否持續顯著增加。為評估信貸風險有否顯著增加，本集團將資產於報告日期的違約風險與於首次確認日期的違約風險進行比較。預期信貸虧損率基於過往1至5年的過往信貸虧損情況釐定，並作出調整以反映影響客戶結清應收款項能力的宏觀經濟因素等當前及前瞻性資料。本集團亦考慮可獲得的合理有據前瞻性資料。

Management Discussion and Analysis 管理層討論與分析

Interest Rate Risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate borrowings (see Note 33 for details). Currently, the Group does not have a specific policy to manage its interest rate risk, but management will closely monitor interest rate exposures and consider hedging significant interest rate risk should the need arise.

Please refer to Note 3(a) of the financial statements prepared under IFRSs for more quantitative information about the Company's interest risk.

Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various non-functional currencies. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The actual foreign exchange risk faced by the Group therefore is primarily with respect to non-functional currency bank balances, and receivable (collectively "Non-Functional Currency Items").

Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure by using foreign exchange forward contracts when the need arises.

The Group is mainly exposed to the foreign currency risk between USD/RMB, EUR/RMB and HKD/RMB. Please refer to Note 3(a) of the financial statement prepared under IFRSs for more quantitative information about the Group's currency risk.

利率風險

本集團就浮息借貸承受現金流量利率風險(詳情請參閱附註33)。目前,本集團並無特定政策管理其利率風險,惟管理層將密切留意利率風險,並在有需要時考慮對沖重大利率風險。

更多關於本公司利率風險的量化信息請參見按照國際財務報告準則編製的財務報表附註3(a)。

貨幣風險

本集團從事國際性業務,並承受多種非功能貨幣產生的外匯風險。外匯風險自日後商業交易、已確認資產及負債產生。

因此,本集團面對的實際外匯風險主要與非功能貨幣的銀行結餘及應收款項(統稱「非功能貨幣項目」)有關。

管理層監控外匯風險,並於需要時考慮使用外匯遠期合同對沖若干外幣風險。

本集團主要承受美元兌人民幣、歐元兌人民幣及港元兌人民幣的外匯風險。更多關於本集團貨幣風險的量化信息請參見按照國際財務報告準則編製的財務報表附註3(a)。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Directors

Executive Directors

Mr. Jiao Chengyao (焦承堯), aged 56, is an executive Director and the chairman of the Company (the “Chairman”). Mr. Jiao is a professor-level senior engineer. He graduated from China Institute of Mining and Technology (中國礦業學院) (now known as China University of Mining and Technology (中國礦業大學)), majoring in mechanical design, manufacture and automation and obtained a bachelor's degree in engineering in July 1985. He obtained a master's degree in engineering from China University of Mining and Technology in December 2003, and obtained a doctoral degree in economics from Huazhong University of Science and Technology in December 2007. From July 1985 to May 1992, he served as a technician, a production dispatcher and an engineer of the No. 1 machinery sub-plant of Zhengzhou Coal Mining Machinery Factory. From May 1992 to May 1993, he was the manager of Zhengshen Import Vehicles Repair Station (鄭深進口汽車維修站). From May 1993 to January 1998, he was the deputy plant manager and the plant manager of the No. 1 machinery subplant of Zhengzhou Coal Mining Machinery Factory. From January 1998 to July 2000, he was the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he was the plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to December 2008, he served as the Chairman and general manager of Zhengzhou Coal Mining Machinery Group Co., Ltd. (ZCMM). Since December 2008, he has been the Chairman of the Company. Since July 2015, he has been appointed as a director and the chairman of Henan Machinery Investment Group Co., Ltd.

Mr. Jia Hao (賈浩), aged 50, is an executive Director and the vice chairman of the Company (the “Vice Chairman”). Mr. Jia graduated from the Department of Mechanical Engineering of University of Shanghai for Science and Technology in 1991. He successively worked at Guangzhou Electrical and Mechanical Scientific Research Institute of China National Machinery Industry Corporation where he was responsible for design and research, and Parker Hannifin Motion & Control (Shanghai) Co., Ltd., a foreign-funded company, where he was responsible for sales. In April 2001, he obtained a Master of Business Administration (MBA) degree from China Europe International Business School. He then worked as the general manager of the investment division of Salim Group (China) Company Limited (三林企業集團(中國)有限公司), a foreign-funded company. In March 2006, he began to serve as the president of Shanghai Huili Group Company Limited and a director of Shanghai Huili Company Limited (上海匯麗股份有限公司), both of which are the subsidiaries of Salim Group. From March 2014 to February 2018, he was the deputy general manager of the Company. Since February 2018, he has been the Vice Chairman and the general manager of the Company.

董事

執行董事

焦承堯先生，56歲，現任本公司執行董事兼董事長（「董事長」）。焦先生是教授級高級工程師。彼於一九八五年七月畢業於中國礦業學院（現中國礦業大學）機械設計製造與自動化專業，獲得工學學士學位；二零零三年十二月，獲得中國礦業大學工程碩士學位；二零零七年十二月獲得華中科技大學經濟學博士學位。一九八五年七月—一九九二年五月，任鄭州煤礦機械廠機一分廠技術員、生產調度員、工程師；一九九二年五月—一九九三年五月，任鄭深進口汽車維修站經理；一九九三年五月—一九九八年一月，任鄭州煤礦機械廠機一分廠副廠長、廠長；一九九八年一月—二零零零年七月，任鄭州煤礦機械廠副廠長；二零零零年七月—二零零二年十月，任鄭州煤礦機械廠廠長；二零零二年十月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司董事長兼總經理；二零零八年十二月至今，任本公司董事長；二零一五年七月至今獲委任為河南機械裝備投資集團有限責任公司董事兼董事長。

賈浩先生，50歲，現任本公司執行董事兼副董事長（「副董事長」）。賈先生於一九九一年畢業於上海理工大學機械工程系，先後在國機集團廣州機電科學研究院從事設計研發工作，在外資企業—派克漢尼芬流體傳動產品上海有限公司從事銷售工作；二零零一年四月，中歐國際工商管理學院MBA工商管理碩士畢業；之後任外資企業—三林企業集團(中國)有限公司投資部總經理，二零零六年三月出任三林企業集團所屬的上海匯麗集團有限公司總裁、上海匯麗股份有限公司董事；二零一四年三月至二零一八年二月，任本公司副總經理；二零一八年二月至今，任本公司副董事長及總經理。

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

Directors (Continued)

Executive Directors (Continued)

Mr. Xiang Jiayu (向家雨), aged 54, is an executive Director of the Company. Mr. Xiang is a senior engineer. From September 1980 to July 1984, he studied at the Department of Electrical and Mechanical Engineering of Jiaozuo Mining Institute (焦作礦業學院), majoring in mechanization. He studied at the China University of Mining and Technology, Master's Department (Beijing) (中國礦業大學北京研究生部) from September 1988 to January 1991, majoring in mining mechanical engineering and obtained a master's degree. From July 1984 to August 1988, he lectured at Yima Mining Technical School (義馬礦務局技校). From May 1991 to December 1992, he was a designer at the research center of Zhengzhou Coal Mining Machinery Factory. From December 1992 to July 1995, he was the executive officer of the No. 2 research center of Zhengzhou Coal Mining Machinery Factory. From August 1995 to November 1998, he was the deputy plant manager at Huanghe Electric Vehicle Plant (黃河電動車廠) of Zhengzhou Coal Mining Machinery Factory. From November 1998 to July 2000, he was the executive officer of the hydraulic project center of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he served as the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to October 2008, he was the deputy general manager and standing deputy general manager of ZCMM. From October 2008 to December 2008, he was a director and the general manager of ZCMM. From December 2008 to February 2015, he was a Director and the general manager of the Company. From February 2015 to February 2018, he was the Vice Chairman of the Company. Since December 2014, he has been the secretary to the Party Committee of the Company. Since July 2015, he has been a director of Henan Machinery Investment Group Co., Ltd. Since February 2018, he has been a Director of the Company.

Mr. Fu Zugang (付祖岡), aged 54, is an executive Director of the Company. Mr. Fu is a senior engineer. From September 1981 to July 1985, he studied at Wuhan Technology College (武漢工學院) (now known as Wuhan University of Technology (武漢理工大學)), majoring in casting and obtained a bachelor's degree in engineering. From July 1985 to July 2000, he served as a technician, an assistant engineer, an engineer, a senior engineer, a team leader of technology team, an assistant to the plant manager, a deputy plant manager and a plant manager of the sub-plant of casting of Zhengzhou Coal Mining Machinery Factory. From July 2000 to October 2002, he was the deputy plant manager of Zhengzhou Coal Mining Machinery Factory. From October 2002 to November 2006, he was the chairman of the labor union of ZCMM. From November 2006 to December 2008, he was a director and a deputy general manager of ZCMM. From December 2008 to February 2012, he was a deputy general manager of the Company. From February 2012 to February 2015, he was a Director and a deputy general manager of the Company. From February 2015 to February 2018, he was the general manager of the Company. Since February 2018, he has been a Director and a general manager of the Coal Mining Machinery Segment of the Company.

董事(續)

執行董事(續)

向家雨先生，54歲，現任本公司執行董事。向先生是高級工程師。彼於一九八零年九月—一九八四年七月，焦作礦業學院機電系機械化專業學習；一九八八年九月—一九九一年一月，中國礦業大學北京研究生部礦山機械工程學專業學習，獲碩士學位。一九八四年七月—一九八八年八月，義馬礦務局技校任教；一九九一年五月—一九九二年十二月，鄭州煤礦機械廠研究所任設計員；一九九二年十二月—一九九五年七月，鄭州煤礦機械廠第二研究所室主任；一九九五年八月—一九九八年十一月，鄭州煤礦機械廠黃河電動車廠副廠長；一九九八年十一月—二零零零年七月，鄭州煤礦機械廠液壓工程中心主任；二零零零年七月—二零零二年十月，鄭州煤礦機械廠副廠長；二零零二年十月—二零零八年十月，鄭州煤礦機械集團有限責任公司副總經理、常務副總經理；二零零八年十月—二零零八年十二月，鄭州煤礦機械集團有限責任公司董事、總經理。二零零八年十二月至二零一五年二月，任本公司董事及總經理；二零一五年二月至二零一八年二月任本公司副董事長；二零一四年十二月至今，任本公司黨委書記；二零一五年七月至今，任河南機械裝備投資集團有限責任公司董事；二零一八年二月至今，任本公司董事。

付祖岡先生，54歲，現任本公司執行董事。付先生是高級工程師。彼於一九八一年九月—一九八五年七月，武漢工學院(現武漢理工大學)鑄造專業學習，獲工學學士學位；一九八五年七月—二零零零年七月，任鄭州煤礦機械廠鑄造分廠歷任技術員、助理工程師、工程師、高級工程師、技術組長、分廠廠長助理、分廠副廠長、廠長；二零零零年七月—二零零二年十月，任鄭州煤礦機械廠副廠長；二零零二年十月—二零零六年十一月，任鄭州煤礦機械集團有限責任公司工會主席；二零零六年十一月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司董事、副總經理；二零零八年十二月—二零一二年二月，任本公司副總經理；二零一二年二月—二零一五年二月，任本公司董事、副總經理；二零一五年二月至二零一八年二月，任本公司總經理；二零一八年二月至今，任本公司董事及煤機板塊總經理。

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

Directors (Continued)

Executive Directors (Continued)

Mr. Wang Xinying (王新瑩), aged 54, is an executive Director of the Company. Mr. Wang is a senior engineer. From September 1981 to July 1985, he studied at the Department of Mining Engineering of Chongqing University (重慶大學), majoring in mining machinery. From September 2004 to July 2007, he studied at the School of Mechanical Engineering of China University of Mining and Technology and obtained postgraduate qualification and a master's degree in engineering. From July 1985 to October 1992, he was an engineer of the equipment department of Zhengzhou Coal Mining Machinery Factory, and worked and studied in Toyota Motor Corporation between January 1991 and January 1992. From October 1992 to July 1994, he was a deputy manager of Zhengshen Import Vehicles Repair Station. From July 1994 to December 1996, he was a deputy plant manager of the sub-plant of machinery repair of Zhengzhou Coal Mining Machinery Factory. From December 1996 to July 2000, he was a deputy director of the production department of Zhengzhou Coal Mining Machinery Factory. From July 2000 to January 2005, he was the head of the corporate planning division of Zhengzhou Coal Mining Machinery Factory. From January 2005 to December 2008, he was a deputy general manager of ZCMM. From December 2008 to February 2015, he was a Director and deputy general manager of the Company. He was appointed as a director of Luoyang LYC Bearing Co., Ltd. with effect from 29 June 2016 and was appointed as the chairman of Luoyang LYC Bearing Co., Ltd. with effect from 30 June 2016. Since February 2015, he has been a Director of the Company.

Mr. Wang Bin (汪濱), aged 60, is an executive Director of the Company. He graduated from the Department of Thermal Engineering of Tsinghua University in 1982 and later graduated with an MBA from Tsinghua University in 1998. From 1982 to 1990, he was an engineer/executive officer of the research institute under the State Economic and Trade Commission. From 1990 to 1997, he was the manager of China market of the U.S.-based General Electric. From 1997 to 2005, he was the general manager of ASIMCO's division of combustion system. From 2005 to 2010, he was the general manager of Cummins (U.S.) headquarters and of the CES division of China region. Since 2010, he has been the president and CEO of ASIMCO Group. Since February 2018, he has been a Director of the Company.

董事(續)

執行董事(續)

王新瑩先生，54歲，現任本公司執行董事。王先生是高級工程師。彼於一九八一年九月—一九八五年七月，重慶大學採礦工程系礦山機械專業學習；二零零四年九月—二零零七年七月，中國礦業大學機電學院學習，獲研究生學歷和工學碩士學位。一九八五年七月—一九九二年十月，鄭州煤礦機械廠設備處工程師，其中一九九一年一月—一九九二年一月，在日本豐田公司研修；一九九二年十月—一九九四年七月，鄭深進口汽車維修站副經理；一九九四年七月—一九九六年十二月，鄭州煤礦機械廠機修分廠副廠長；一九九六年十二月—二零零零年七月，鄭州煤礦機械廠生產處副處長；二零零零年七月—二零零五年一月，鄭州煤礦機械廠企業規劃部部長；二零零五年一月—二零零八年十二月，鄭州煤礦機械集團有限責任公司副總經理。二零零八年十二月至二零一五年二月，任本公司董事、副總經理。彼於二零一六年六月二十九日獲委任為洛陽LYC軸承有限公司董事，並於二零一六年六月三十日獲委任為洛陽LYC軸承有限公司董事長。二零一五年二月至今，任本公司董事。

汪濱先生，60歲，現任本公司執行董事。彼於一九八二年本科畢業於清華大學熱能工程系，一九九八年清華大學工商管理碩士畢業。一九八二年—一九九零年，國家經貿委研究院工程師/室主任；一九九零年—一九九七年，美國通用電氣中國市場經理；一九九七年—二零零五年，亞新科燃油系統事業部總經理；二零零五年—二零一零年，康明斯(美國)總部和中國區CES事業部總經理；二零一零年至今，亞新科集團總裁兼首席執行官。二零一八年二月至今，任本公司董事。

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

Directors (Continued)

Independent Non-executive Directors

Ms. Liu Yao (劉堯), aged 44, is an independent non-executive Director of the Company. Ms. Liu studied in Xiamen University from 1992 to 1996 and obtained a bachelor's degree in chemistry. From 1997 to December 1998, she studied in the National University of Singapore and obtained a master's degree in chemistry. From 1999 to March 2001, Ms. Liu studied materials engineering in Case Western Reserve University in the United States of America and obtained a master's degree. From 2005 to May 2007, she studied in the Wharton School of the University of Pennsylvania, the United States of America and obtained an MBA degree. From March 2001 to May 2007, Ms. Liu served as an analyst, manager and department head for Capital One Bank. She worked in Deutsche Bank at its corporate finance practice under the investment banking department as a manager from July 2007 to November 2009. From December 2009 to June 2014, she worked in the investment banking department of UBS as an associate director, a director and an executive director. From June 2014 to May 2016, she served as a managing director of HK Griffin Reed Capital Group (瑞德資本集團). She founded RJ Capital Group (汭疆資本集團) and has been the chairman since June 2016. Since June 2014, she has been an independent non-executive Director of the Company.

Mr. Li Xudong (李旭冬), aged 49, is an independent non-executive Director of the Company. Mr. Li is a senior accountant, Chinese certified public accountant, Chinese certified assets valuer and Chinese certified tax agent. From 2000 to 2003, he studied at Central University of Finance and Economics and obtained a bachelor's degree in accounting. He is currently a managing partner (執行合夥人) of Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)). Mr. Li was a member of the 13th, 14th and 15th sessions of the review committee for main board issue of China Securities Regulatory Commission. In 1996, Mr. Li commenced his CPA business and has focused on the partial and whole-scale listing of corporate assets, asset restructuring, and IPO audit and consulting business for listed companies. Mr. Li has been a chief auditor or a certified public accountant signing the audit for listed companies and large-scale state-owned enterprises including Wanda Commercial Properties Co., Ltd. (萬達商業地產股份有限公司), Inner Mongolia Junzheng Energy & Chemical Industry Co., Ltd. (內蒙古君正能源化工股份有限公司), Zhejiang Hangxiao Steel Structure Co., Ltd. (浙江杭蕭鋼構股份有限公司), China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), and China National Machinery Industry Corporation (中國機械工業集團公司). He has accumulated professional experience in areas including accounting, auditing, asset appraisal, merger and acquisition and corporate governance consulting. Since February 2015, Mr. Li has been an independent non-executive Director of the Company. Mr. Li has been an independent non-executive director of Tianjin TEDA Biomedical Engineering Company Limited (天津泰達生物醫學工程股份有限公司) (Hong Kong Stock Exchange: 8189) since December 2016.

董事(續)

獨立非執行董事

劉堯女士，44歲，現任本公司獨立非執行董事。劉女士於一九九二年—一九九六年，廈門大學化學專業學習，獲得學士學位；一九九七年—一九九八年十二月，新加坡國立大學化學專業學習，獲得碩士學位；一九九九年—二零零一年三月，美國凱斯西儲大學材料工程專業學習，獲得碩士學位；二零零五年—二零零七年五月，美國沃頓商學院學習，獲得EMBA學位；二零零一年三月—二零零七年五月，第一資本銀行歷任分析員、經理、部門主管；二零零七年七月—二零零九年十一月，德意志銀行任投資銀行部企業融資團隊經理；二零零九年十二月至—二零一四年六月，瑞士銀行歷任投資銀行部副董事、董事、執行董事；二零一四年六月—二零一六年五月，瑞德資本集團董事總經理。二零一六年六月至今，創立汭疆資本集團並擔任董事長。二零一四年六月至今，任本公司獨立非執行董事。

李旭冬先生，49歲，現任本公司獨立非執行董事。李先生是高級會計師、中國註冊會計師、中國註冊資產評估師及中國註冊稅務師。二零零零年—二零零三年在中央財經大學學習，獲得會計學學士學位。現任大華會計師事務所(特殊普通合夥)執行合夥人。李先生曾任中國證監會第十三屆、第十四屆、第十五屆主板發行審核委員會委員。李先生自一九九六年開始從事註冊會計師業務，專注於企業部分資產及整體上市、資產重組、上市公司IPO審計及諮詢業務。曾擔任萬達商業地產股份有限公司、內蒙古君正能源化工股份有限公司、浙江杭蕭鋼構股份有限公司、中工國際工程股份有限公司、中國機械工業集團公司等上市公司、大型國有企業主審或簽字註冊會計師。積累了豐富的會計、審計、資產評估、並購及公司治理諮詢等方面的專業經驗。二零一五年十二月至今，任本公司獨立非執行董事；二零一六年十二月至今，任天津泰達生物醫學工程股份有限公司(港交所：8189)獨立非執行董事。

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

Directors (Continued)

Independent Non-executive Directors (Continued)

Mr. Jiang Hua (江華), aged 56, is an independent non-executive Director of the Company. Mr. Jiang was among the first batch of securities lawyers in China. From September 1981 to June 1985, he studied law at Renmin University of China and obtained a bachelor's degree. From September 1985 to June 1987, he studied civil law at Renmin University of China and obtained a master's degree. He began to practice law in 1993. From 1993 to 1994, he was a partner of the Beijing-based Zhong Yin Law Firm (北京市中銀律師事務所). From June 1994 to 2001, he was a partner of the Beijing-based Dacheng Law Offices (北京市大成律師事務所). From 2001 to 2003, he was a partner of the Beijing-based Tongwei Law Firm (北京市同維律師事務所). Since 2003, he has been a partner of Beijing Kangda Law Firm (北京市康達律師事務所). In 2012, Mr. Jiang was hired by the Law School and the Lawyer College of Renmin University of China as a part-time instructor for graduate students under the Juris Master program. He has provided legal services in various aspects, including transformation into share based corporations, issue and listing of shares, refinancing, and merger and acquisition to more than a hundred enterprises including Beijing Tianqiao (北京天橋), Gu Yue Long Shan (古越龍山), Yintai Resources (銀泰資源) and so forth, contributing his profound theoretical knowledge and extensive practical experience. As a lawyer, Mr. Jiang Hua is qualified to become an independent director of listed companies. Mr. Jiang has been an independent director of Jonjee Hi-Tech Industrial & Commercial Holding Co., Ltd. (中炬高新技術實業(集團)股份有限公司) (Shanghai Stock Exchange: 600872) from 2003 to 2011, an independent director of Hangzhou Hikvision Digital Technology Co., Ltd. (杭州海康威視數字技術股份有限公司) (Shenzhen Stock Exchange: 002415) from 2008 to 2014, an independent director of China Zhonghua Geotechnical Engineering Co., Ltd. (中化岩土工程股份有限公司) (Shenzhen Stock Exchange: 002542) from 2009 to 2017, an independent director of Daheng New Epoch Technology Inc. (大恒新紀元科技股份有限公司) (Shanghai Stock Exchange: 600288) from 2009 to 2014, an independent director of Huafa Industrial Co., Ltd. Zhuhai (珠海華發實業股份有限公司) (Shanghai Stock Exchange: 600325) since 2013, an independent director of China National Complete Plant Import and Export Corporation Limited (中成進出口股份有限公司) (Shenzhen Stock Exchange: 000151) since 2014, an independent director of Shanxi Top Energy Company Ltd. (山西通寶能源股份有限公司) (Shanghai Stock Exchange: 600780) since 2016 and an independent director of Huaiji Dengyun Auto-parts (Holding) Co., Ltd. (懷集登雲汽配股份有限公司) (Shenzhen Stock Exchange: 002715) since August 2017. Since February 2015, he has been an independent non-executive Director of the Company.

董事(續)

獨立非執行董事(續)

江華先生，56歲，現任本公司獨立非執行董事。江先生是中國首批證券律師。一九八一年九月—一九八五年六月，中國人民大學法律專業學習，獲得學士學位；一九八五年九月—一九八七年六月，中國人民大學民法專業學習，獲得碩士學位；一九九三年開始從事律師業務。一九九三年—一九九四年，北京市中銀律師事務所合夥人；一九九四年六月—二零零一年，北京市大成律師事務所合夥人；二零零一年—二零零三年，北京市同維律師事務所合夥人；二零零三年至今，北京市康達律師事務所合夥人。二零一二年被中國人民大學法學院、律師學院聘為法律碩士專業學位研究生兼職導師。曾為北京天橋、古越龍山、銀泰資源等上百家企業提供了股份制改造、股票發行上市、再融資、收購兼並等法律服務業務，有深厚的理論功底和豐富的實踐經驗。江華律師具備上市公司獨立董事任職資格，二零零三年至二零一一年，中炬高新技術實業(集團)股份有限公司獨立董事(上交所，600872)；二零零八年至二零一四年，杭州海康威視數字技術股份有限公司獨立董事(深交所，002415)；二零零九年至二零一七年，中化岩土工程股份有限公司獨立董事(深交所，002542)；二零零九年至二零一四年，大恒新紀元科技股份有限公司獨立董事(上交所，600288)；二零一三年至今，珠海華發實業股份有限公司獨立董事(上交所，600325)；二零一四年至今，中成進出口股份有限公司獨立董事(深交所，000151)；二零一六年至今，山西通寶能源股份有限公司獨立董事(上交所，600780)；二零一七年八月至今，懷集登雲汽配股份有限公司獨立董事(深交所，002715)。二零一五年二月至今，任本公司獨立非執行董事。

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

Directors (Continued)

Independent Non-executive Directors (Continued)

Mr. Cheng Jinglei (程驚雷), aged 53, is an independent non-executive Director of the Company. Mr. Cheng is a professor-level senior engineer. From 1989 to 2001, Mr. Cheng served for SAIC VOLKSWAGEN as an engineer in logistics and industrial engineering, head of the planning and logistics department, head of the production planning department and head of the product engineering department. From 2001 to June 2018, he served at SAIC Motor as the general manager of its technology and quality department, president of the engineering academy, as well as general manager of the strategy and business planning department and chief engineer. Mr. Cheng was also the chairman of SAIC Silicon Valley Venture Capital (上汽矽谷風險投資公司), Dalian Sunrise Power Company (Fuel Cell) (大連新源公司(燃料電池)) and DIAS Automotive Electronic Systems Co., Ltd. (聯創汽車電子有限公司), a director of SAIC VOLKSWAGEN and SAIC GM, the vice president of China Society of Automotive Engineers, and the president of Shanghai Society of Automotive Engineers from 2014 to June 2018. He has been the partner and president of AGRC since June 2018, and the chairman of Yidu Automobile Technology (Shanghai) Company Limited (奕都汽車科技(上海)有限公司) since October 2018. In addition, Mr. Cheng has been an independent non-executive director of Dah Chong Hong Holdings Limited (01828.HK, delisted on 8 January 2020) since April 2018 and started to serve as an independent director of Shanghai Carthane Co., Ltd. (上海凱眾材料科技股份有限公司) (603037.SH) since August 2019. Since October 2019, Mr. Cheng has been an independent non-executive Director of the Company.

董事(續)

獨立非執行董事(續)

程驚雷先生，53歲，現任本公司獨立非執行董事。程先生是高級工程師(教授級)。程先生於一九八九年至二零零一年歷任上汽大眾物流和工業工程工程師、計劃與物流部部長、生產規劃部部長、產品工程部部長，於二零零一年至二零一八年六月歷任上汽集團技術和質量部總經理兼工程研究院院長、戰略和業務規劃部總經理、總工程師等職務。亦於二零一四年至二零一八年六月擔任上汽矽谷風險投資公司董事長、大連新源公司(燃料電池)董事長、聯創汽車電子有限公司董事長及上汽大眾、上汽通用董事、中國汽車工程學會副理事長、上海汽車工程學會理事長。二零一八年六月至今擔任仲德資本合夥人、總裁，二零一八年十月至今擔任奕都汽車科技(上海)有限公司董事長。二零一八年四月至今擔任大昌行集團有限公司(01828.HK，於二零二零年一月八日除牌)獨立非執行董事，二零一九年八月至今擔任上海凱眾材料科技股份有限公司(603037.SH)獨立董事。二零一九年十月至今，擔任本公司獨立非執行董事。

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

Supervisors

Mr. Liu Qiang (劉強), aged 50, is a Supervisor of the Company. From September 1986 to July 1990, Mr. Liu studied at Nankai University, majoring in economics management and law, and obtained bachelor's degrees in economics and law. From September 2001 to July 2004, he studied at Wuhan University, majoring in world economics, and obtained a master's degree. In July 2009, he graduated from Henan University, majoring in regional economics and was admitted as a doctoral candidate. He obtained a doctoral degree in economics in December 2009. From July 1990 to November 2002, he successively worked at the agriculture audit division, general office and division of legal affairs under the Department of Audit of Henan Province, and his last position was the department-head-level officer. From November 2002 to July 2012, he was the deputy section-level supervisor of the Supervisory Committee for the State-owned Enterprises Administered by Henan Provincial Government (河南省省管國有企業監事會). From July 2012 to November 2012, he served as the department-head-level supervisor of the Supervisory Committee for the State-owned Enterprises Administered by Henan Provincial Government. From November 2012 to September 2014, he was a researcher of Provincially Administered Medium and Small Enterprise Department (省直中小企業處) of the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government. He also served as a researcher of Economic Cooperation Department of the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government from September 2014 to December 2014. Since December 2014, he has been the secretary to the Disciplinary Commission of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2015 to February 2018, he was a Director of the Company. Since February 2018, he has been chairman of the Board of Supervisors and chairman of Labor Union of the Company.

Mr. Wang Yue (王躍), aged 49, is a Supervisor of the Company. In July 1993, Mr. Wang graduated from the Department of Industrial Economics of Henan Institute of Finance and Economics (河南財經學院) and obtained a bachelor's degree in economics. In July 2006, he obtained an MBA degree from Zhengzhou University (鄭州大學). From October 1993 to October 1998, he was an accountant in Zhengzhou Running Water General Corporation (鄭州市自來水總公司). From November 1998 to March 2001, he was the deputy head of the department of accounting and finance of Zhengzhou Dongzhou Water Supply Company Limited (鄭州市東周供水有限公司). From June 2004 to December 2009, he was successively the deputy head and head of the finance department and the financial controller of Zhengzhou Running Water General Corporation. From December 2009 to November 2013, he was the chief accountant of Zhengzhou Running Water Investment Holdings Co., Ltd. (鄭州自來水投資控股有限公司). From November 2013 to September 2015, he was the deputy general manager of Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司). Since September 2015, he has been the deputy general manager of Henan Machinery Investment Group Co., Ltd. (河南機械裝備投資集團有限責任公司). Since February 2018, he has been a Supervisor of the Company.

監事

劉強先生，50歲，現任本公司監事。劉先生於一九八六年九月—一九九零年七月，在南開大學經濟管理專業和法學專業學習，獲得經濟學、法學學士學位；二零零一年九月—二零零四年七月，在武漢大學世界經濟專業研究生班學習，獲得碩士學位；二零零九年七月，在河南大學區域經濟專業畢業並獲得博士研究生學歷，二零零九年十二月獲得經濟學博士學位；一九九零年七月—二零零二年十一月，先後在河南省審計廳農業審計處、審計廳綜合處、法制處工作，至主任科員；二零零二年十一月—二零一二年七月，任河南省省管國有企業監事會專職監事(副處實職)；二零一二年七月—二零一二年十一月，任河南省省管國有企業監事會專職監事(正處實職)；二零一二年十一月—二零一四年九月，任河南省人民政府國有資產監督管理委員會省直中小企業處調研員；二零一四年九月—二零一四年十二月，任河南省人民政府國有資產監督管理委員會經濟合作處調研員；二零一四年十二月至今，任鄭州煤礦機械集團股份有限公司紀委書記；二零一五年二月—二零一八年二月，任本公司董事。二零一八年二月至今，任本公司監事會主席、工會主席。

王躍先生，49歲，現任本公司監事。王先生於一九九三年七月畢業於河南財經學院工業經濟系，獲得經濟學學士；二零零六年七月獲得鄭州大學工商管理碩士學位。一九九三年十月—一九九八年十月，任鄭州市自來水總公司會計；一九九八年十一月—二零零一年三月，任鄭州市東周供水有限公司計財處副處長；二零零四年六月—二零零九年十二月，任鄭州市自來水總公司財務處副處長、財務處處長、財務總監；二零零九年十二月—二零一三年十一月，任鄭州自來水投資控股有限公司總會計師；二零一三年十一月—二零一五年九月，任鄭州發展投資集團有限公司副總經理；二零一五年九月至今，任河南機械裝備投資集團有限責任公司副總經理。二零一八年二月至今，任本公司監事。

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

Supervisors (Continued)

Mr. Cui Leilei (崔蕾蕾), aged 38, is a Supervisor of the Company. Mr. Cui graduated from China University of Mining and Technology (中國礦業大學) in July 2007, majoring in mechanical engineering and automation. From August 2007 to February 2012, he worked at the office, production and manufacturing division and the plant of oil tanks of the Company successively. From February 2012 to February 2015, he was the deputy head of the capital operation division of the Company. From February 2015 to October 2015, he was the deputy head (person-in-charge) of the strategic development division of the Company. From October 2015 to February 2018, he was the head of general office and head of human resources division of Henan Machinery Investment Group Co., Ltd. Since February 2018, he has been a Supervisor and the head of division of Party and masses' affairs (the division of administration) of the Company. Since March 2019, he has also served as the head of human resources division of the Company.

Mr. Ni Wei (倪威), aged 55, is a Supervisor of the Company. From 1983 to 1991, Mr. Ni studied at Tsinghua University and obtained a bachelor's degree in automobile engineering and a master's degree in mechanical engineering successively. From 1991 to 1995, he was a trainer of Mercedes-Benz (梅賽德斯奔馳汽車公司). From 1995 to 1998, he was a service engineer, manufacturing and production manager of General Motors Company. From 1998 to 2001, he successively served as an export manager and deputy general manager at Hubei Super-Elec Auto Electric Motor Co., Ltd. (湖北神電汽車電機有限公司). Since September 2001, he has been the president of ASIMCO International Inc. (亞新科國際有限公司). Since March 2004, he has been the vice president of the ASIMCO Group. Since February 2018, he has been a Supervisor of the Company.

Mr. Zhou Rong (周榮), aged 48, is a Supervisor of the Company. Mr. Zhou graduated with a bachelor's degree in chemical engineering and technology from Zhengzhou University of Light Industry in July 1996. He graduated from Zhengzhou University majoring in mechanical engineering and obtained a master's degree in engineering in June 2007. He served as the deputy plant manager of the sub-plant of electroplating of ZCMM from April 2002 to August 2006. From August 2006 to December 2007, he was the plant manager of the sub-plant of electroplating of ZCMM. From December 2007 to August 2009, he was the plant manager of the sub-plant of installation of Zhengzhou Coal Mining Machinery Group Company Limited. From August 2009 to February 2010, he was the deputy head of the marketing and sales division of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2010 to February 2011, he was the plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2011 to April 2011, he was the deputy plant manager of the plant of oil tanks and the plant manager of the sub-plant of electroplating of Zhengzhou Coal Mining Machinery Group Company Limited. From April 2011 to February 2016, he was the head of the supply division of Zhengzhou Coal Mining Machinery Group Company Limited. From February 2016 to February 2018, he has been an assistant to chief financial officer of Zhengzhou Coal Mining Machinery Group Company Limited. Since February 2015, he has been a Supervisor of the Company. Since February 2018, he has been a deputy general manager of the coal mining machinery segment of the Company.

監事(續)

崔蕾蕾先生，38歲，現任本公司監事。崔先生於二零零七年七月畢業於中國礦業大學機械工程及自動化專業；二零零七年八月至二零一二年二月，先後在本公司辦公室、生產製造部、油缸廠工作；二零一二年二月至二零一五年二月，任本公司資本運營部副部長；二零一五年二月至二零一五年十月，任本公司戰略發展部副部長(主持工作)。二零一五年十月至二零一八年二月，任河南機械裝備投資集團有限責任公司綜合辦公室主任、人力資源部部長。二零一八年二月至今，任本公司監事及黨群工作部(行政部)部長。二零一九年三月至今，兼任本公司人力資源部部長。

倪威先生，55歲，現任本公司監事。倪先生於一九八三年至一九九一年，清華大學學習，先後獲汽車工程學士、機械工程碩士學位。一九九一年至一九九五年，在梅賽德斯奔馳汽車公司任培訓指導師；一九九五年至一九九八年，在通用汽車公司歷任服務工程師、製造及生產經理；一九九八年至二零零一年，在湖北神電汽車電機有限公司先後擔任出口經理、副總經理；二零零一年九月至今，任亞新科國際有限公司總裁；二零零四年三月至今，任亞新科集團副總裁。二零一八年二月至今，任本公司監事。

周榮先生，48歲，現任本公司監事。周先生於一九九六年七月，畢業於鄭州輕工業學院化學工程與工藝專業，獲得學士學位；二零零七年六月，畢業於鄭州大學機械工程專業，獲得工程碩士學位；二零零二年四月—二零零六年八月，任鄭州煤礦機械集團有限責任公司電鍍分廠副廠長；二零零六年八月—二零零七年十二月，任鄭州煤礦機械集團有限責任公司電鍍分廠廠長；二零零七年十二月—二零零九年八月，任鄭州煤礦機械集團股份有限公司安裝分廠廠長；二零零九年八月—二零一零年二月，任鄭州煤礦機械集團股份有限公司市場營銷部副部長；二零一零年二月—二零一一年二月，任鄭州煤礦機械集團股份有限公司電鍍分廠廠長；二零一一年二月—二零一一年四月，任鄭州煤礦機械集團股份有限公司油缸廠副廠長兼電鍍分廠廠長；二零一一年四月—二零一六年二月，任鄭州煤礦機械集團股份有限公司物資供應部部長；二零一六年二月至二零一八年二月，任鄭州煤礦機械集團股份有限公司財務總監助理；二零一五年二月至今，任本公司監事；二零一八年二月至今，任本公司煤機板塊副總經理。

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

Supervisors (Continued)

Mr. Zhang Yichen (張易辰), aged 34, is a Supervisor of the Company. From September 2005 to June 2009, Mr. Zhang studied Chinese Language and Literature in Huazhong University of Science and Technology and obtained a bachelor's degree. From July 2009 to April 2014, he worked in the general office and capital operation division of the Company successively. From May 2014 to January 2016, he served as an assistant to the head of the general office and an assistant to the head of the strategic development division of the Company. From February 2016 to February 2020, he has been the deputy head (person in charge) of the strategic development division of the Company. From August 2016 to February 2018, he also served as the deputy head of general office of the Company. Since February 2018, he has been a Supervisor of the Company. Since February 2020, he has been the head of the strategic development division of the Company.

Mr. Yuan Shaochong (苑少冲), aged 38, is a Supervisor of the Company. Mr. Yuan graduated from Hebei University of Engineering majoring in mechanical design, manufacturing and automation and obtained a bachelor's degree in July 2006. From July 2006 to September 2011, he served as a technician and planning coordinator of the sub-plant of processing, the head of production and allocation and control room of production and manufactory division of Zhengzhou Coal Mining Machinery Group Company Limited. From October 2011 to November 2011, he served as the deputy head of west zone production and manufactory department. From November 2011 to January 2013, he served as the deputy head of the production and manufactory division. From January 2013 to February 2014, he served as the deputy plant manager of the assembly plant. From February 2014 to February 2015, he served as the plant manager of the assembly plant. From February 2015 to February 2016, he served as the general manager of the oil tank company. Since February 2016, he has been the plant manager of the assembly plant. Since February 2020, he has also served as the head of the production and manufactory division. Since February 2018, he has been a Supervisor of the Company.

監事(續)

張易辰先生，34歲，現任本公司監事。張先生於二零零五年九月至二零零九年六月，華中科技大學漢語言文學專業學習，獲得學士學位。二零零九年七月至二零一四年四月，先後在本公司辦公室、資本運營部工作；二零一四年五月至二零一六年一月，歷任本公司辦公室主任助理、戰略發展部部長助理；二零一六年二月至二零二零年二月，任本公司戰略發展部副部長(主持工作)；二零一六年八月至二零一八年二月，兼任本公司辦公室副主任；二零一八年二月至今，任本公司監事。二零二零年二月至今，任本公司戰略發展部部長。

苑少冲先生，38歲，現任本公司監事。苑先生於二零零六年七月畢業於河北工程大學機械設計製造及其自動化專業，獲得學士學位。二零零六年七月至二零一一年九月，歷任鄭州煤礦機械集團股份有限公司機加工分廠技術員、計劃調度員，生產製造部生產調度、生產製造部調度室主任；二零一一年十月至二零一一年十一月，任西區生產製造處副處長；二零一一年十一月至二零一三年一月，任生產製造部副部長；二零一三年一月至二零一四年二月，任總裝廠副廠長；二零一四年二月至二零一五年二月，任總裝廠廠長；二零一五年二月至二零一六年二月，任油缸公司總經理；二零一六年二月至今，任總裝廠廠長；二零二零年二月至今，同時擔任生產製造部部長；二零一八年二月至今，任本公司監事。

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

Senior Management

Mr. Jia Hao (賈浩), aged 50, is a general manager of the Company. Please refer to “– Directors” of this section for his biography.

Mr. Fu Qi (付奇), aged 50, is a deputy general manager of the Company. Mr. Fu is a senior engineer. From September 1988 to July 1992, he studied at China University of Mining and Technology, majoring in mechanical design and theories. From July 1992 to September 1995, he was a section member of the first development department of Zhengzhou Coal Mining Machinery Factory. From September 1995 to May 1996 and from May 1996 to December 1996, he was a senior section member and the deputy head of the first development division, respectively. From December 1996 to January 2006, he was a section officer and the deputy head of the planned sales department, the deputy head of the marketing and sales division, and the deputy head of the sub-plant of installation. From January 2006 to March 2008, he was the head of the production and manufactory division. From April 2010 to February 2012, he was the chairman and the secretary of the Party Committee of Huainan ZMJ Shun Li Machinery Co., Ltd. Since February 2012, he has been the deputy general manager of the Company.

Mr. Zhang Haibin (張海斌), aged 38, is the secretary to the Board and company secretary of the Company. Mr. Zhang graduated from China University of Mining and Technology and obtained a bachelor's degree in law in July 2005. From July 2005 to March 2007, he was a secretary of the general office of ZCMM. From March 2007 to December 2008, he served as the chief secretary of the general office of ZCMM. From December 2008 to March 2010, he was the chief secretary of the general office of the Company. From March 2010 to September 2010, he served as an assistant to the head of the general office of the Company. From September 2010 to January 2012, he served as the deputy head of capital operation division and representative for securities affairs of the Company. From January 2012 to February 2015, he was the head of general office, head of capital operation division and representative for securities affairs of the Company. From July 2012 to February 2015, he was also the head of division of Party and masses' affairs. From February 2015 to February 2018, he was the deputy general manager and secretary to the Board of the Company. From July 2017 to February 2018, he was also the chief financial officer of the Company. Since February 2018, he has been the secretary to the Board of the Company.

高級管理人員

賈浩先生，50歲，現任本公司總經理。有關彼之履歷，見本節「–董事」。

付奇先生，50歲，現任本公司副總經理。付先生是高級工程師。一九八八年九月至一九九二年七月，中國礦業大學機械設計及理論專業學習。一九九二年七月至一九九五年九月，鄭州煤礦機械廠開發一處科員，一九九五年九月至一九九六年五月，擔任開發一處主任科員，一九九六年五月至一九九六年十二月，開發一處副處長，一九九六年十二月至二零零六年一月，擔任銷售計劃處科長、副處長，市場營銷部副部長，安裝分廠副廠長，二零零六年一月至二零零八年三月，擔任生產製造部部長。二零一零年四月至二零一二年二月，在鄭煤機淮南舜立公司擔任董事長兼黨委書記。二零一二年二月至今，任本公司副總經理。

張海斌先生，38歲，現任本公司董事會秘書及公司秘書。張先生於二零零五年七月畢業於中國礦業大學，獲得法學學士學位。二零零五年七月—二零零七年三月，任鄭州煤礦機械集團有限責任公司辦公室秘書；二零零七年三月—二零零八年十二月，任鄭州煤礦機械集團有限責任公司辦公室秘書科長；二零零八年十二月—二零一零年三月，本公司辦公室秘書科長；二零一零年三月—二零一零年九月，任本公司辦公室主任助理；二零一零年九月—二零一二年一月，本公司資本運營部副部長、證券事務代表；二零一二年一月至二零一五年二月，任本公司辦公室主任兼資本運營部部長、證券事務代表；二零一二年七月至二零一五年二月，兼任黨群工作部部長。二零一五年二月至二零一八年二月，任本公司副總經理兼董事會秘書。二零一七年七月—二零一八年二月，兼任本公司財務總監。二零一八年二月至今，任本公司董事會秘書。

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

Senior Management (Continued)

Ms. Huang Hua (黃花), aged 51, is the chief financial officer of the Company. Ms. Huang is a chartered financial analyst (CFA) and an engineer. In July 1987, she graduated from Central South University majoring in metal physics and obtained a bachelor's degree in science. In August 1990, she obtained a master's degree in engineering majoring in inorganic nonmetal materials granted by the Institution of Metal Research under Chinese Academy of Sciences. In December 2000, she obtained a master of business administration (MBA) degree from China Europe International Business School. From August 1990 to November 1991, she served as an assistant researcher at the Institution of Metal Research (Shenyang) under Chinese Academy of Sciences. From December 1991 to April 1999, she served as the plant manager of sub-plant, manager of the corporate management division, chief engineer and assistant general manager of Shenzhen Jinke Special Materials Co., Ltd. From September 2000 to May 2001, she served as a senior project manager at the capital operation division of China Online (Bermuda) Company Limited (中國在綫(百慕大)有限公司). From August 2001 to July 2003, she served as an investment manager of Shenzhen Innovation Centre Co., Ltd. (深圳創新科技園有限公司). From August 2003 to March 2005, she served as the general manager and director of Shenyang Jinchangpu New Materials Company Limited (瀋陽金昌普新材料有限公司). From May 2005 to December 2006, she served as the general manager of Jinco Nonferrous Metals Co., Ltd. From January 2007 to June 2008, she served as a project manager and senior analyst at VALE INCO LIMITED (formerly the headquarters of Inco Ltd. (加拿大國際鎳業公司)). From July 2008 to September 2017, she served as the treasurer and risk officer of Vale Minerals (China) Co., Ltd. (淡水河谷礦產品中國有限公司). From October 2017 to February 2018, she was the consultant for the acquisition of SG Holding by Zhengzhou Coal Mining Machinery Group Company Limited. Since February 2018, she has been the chief financial officer of the Company.

Ms. Li Weiping (李衛平), aged 46, is a deputy general manager of the Company. From October 2003 to June 2005, she studied under the MBA programme in the Hong Kong Polytechnic University. From September 1994 to August 2002, she served as the human resources commissioner/supervisor/manager of ABB Xinhui Low Voltage Switchgear Co., Ltd. (ABB新會低壓開關有限公司). From September 2002 to September 2004, she served as the senior human resources manager of Bosch Heating System Co., Ltd. (博世採暖系統有限公司). From September 2004 to September 2008, she served as the director of human resources at Bosch Automotive Diesel Systems Co., Ltd. (博世汽車柴油系統有限公司). From July 2008 to December 2009, she served as the director of Asia-Pacific human resources at the German headquarters of Bosch Rexroth (Rohr, Germany). From January 2010 to March 2012, she served as the director of human resources at Bosch Rexroth Hydraulic (Beijing) Co., Ltd. (博世力士樂液壓(北京)有限公司). From January 2012 to August 2018, she served as the director of human resources and chief business officer of Bosch Automotive Components (Suzhou) Co., Ltd. (博世汽車部件(蘇州)有限公司). Since October 2018, she has been the deputy general manager of the Company.

高級管理人員(續)

黃花女士，51歲，現任本公司財務總監。黃女士是特許金融分析師(CFA)，工程師。一九八七年七月畢業於中南大學金屬物理專業，獲得理學學士學位；一九九零年八月，獲得中科院金屬研究所無機非金屬材料專業工學碩士學位；二零零零年十二月獲得中歐國際工商學院工商管理MBA。一九九零年八月—一九九一年十一月，任中科院瀋陽金屬研究所助理研究員；一九九一年十二月—一九九九年四月，任深圳金科特種材料有限公司分廠廠長、企管部經理、總工程師兼助理總經理；二零零零年九月—二零零一年五月，任中國在綫(百慕大)有限公司資本運營部高級項目經理；二零零一年八月—二零零三年七月，任深圳創新科技園有限公司投資經理；二零零三年八月—二零零五年三月，任瀋陽金昌普新材料有限公司總經理兼董事；二零零五年五月—二零零六年十二月，任金柯有色金屬有限公司總經理；二零零七年一月—二零零八年六月，任VALE INCO LIMITED(原加拿大國際鎳業公司總部)項目經理和高級分析師；二零零八年七月至二零一七年九月，任淡水河谷礦產品中國有限公司司庫和風險主管。二零一七年十月至二零一八年二月，任鄭州煤礦機械集團股份有限公司收購SG控股項目顧問。二零一八年二月至今，任本公司財務總監。

李衛平女士，46歲，現任本公司副總經理。二零零三年十月至二零零五年六月，香港理工大學工商管理MBA。一九九四年九月至二零零二年八月，ABB新會低壓開關設備有限公司人力資源專員/主管/經理；二零零二年九月至二零零四年九月，博世採暖系統有限公司高級人力資源經理；二零零四年九月至二零零八年九月，博世汽車柴油系統有限公司人力資源總監；二零零八年七月至二零零九年十二月，博世力士樂德國公司總部(德國羅爾)亞太人力資源總監；二零一零年一月至二零一二年三月，博世力士樂液壓(北京)有限公司人力資源總監；二零一二年一月至二零一八年八月，博世汽車部件(蘇州)有限公司人力資源兼商務總監。二零一八年十月至今，本公司副總經理。

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

Company Secretary

Mr. Zhang Haibin is the company secretary. Please refer to “– Senior Management” of this section for his biography.

Ms. Chan Yin Wah (陳燕華), aged 44, is the assistant to the company secretary. Ms. Chan is an associate director of SWCS Corporate Services Group (Hong Kong) Limited. She has over 19 years of professional experience in handling the corporate secretarial, compliance and share registry matters for listed companies in Hong Kong. She has worked for various internationally well-known professional firms and listed companies in Hong Kong. Ms. Chan holds a bachelor's degree in economics and a master's degree in professional accounting. She is a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She is also a fellow member of the Association of Chartered Certified Accountants.

公司秘書

張海斌先生，現任公司秘書。有關彼之履歷，見本節「—高級管理人員」。

陳燕華女士，44歲，現任公司秘書助理。陳女士為方圓企業服務集團(香港)有限公司的聯席董事。彼擁有超過19年處理香港上市公司之公司秘書、合規服務及股份過戶服務之專業經驗。她曾在多家國際知名專業機構及香港上市公司工作。陳女士持有經濟學學士學位及專業會計學碩士學位，並為香港特許秘書公會及英國特許秘書及行政人員公會資深會士。彼亦是英國特許公認會計師公會資深會員。

Corporate Governance Report

企業管治報告

Corporate Governance

The Board is committed to maintaining a high standard of corporate governance. The Board believes that effective and reasonable corporate governance practices are essential to the development of the Group and can safeguard and enhance the interests of the shareholders.

During the year ended 31 December 2019 (the “**Review Period**”), the Company complied with the requirements in the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

Board of Directors

Responsibilities and Delegation to the Management

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

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

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

企業管治

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

截至二零一九年十二月三十一日止年度(「回顧期間」)，本公司已遵守聯交所證券上市規則(「上市規則」)附錄十四《企業管治守則》及《企業管治報告》(「《企業管治守則》」)之守則條文(「守則條文」)所載規定。

董事會

職責及對管理層的授權

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

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

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

Corporate Governance Report 企業管治報告

Board of Directors (Continued)

Corporate Governance Functions of the Board

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

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

Board Meetings

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

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

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

董事會(續)

董事會的企業管治職能

董事會共同負責履行企業管治職能，該職能至少包括以下內容：

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

董事會會議

董事會每年至少召開四次定期會議，大約每季一次，每次召開董事會定期會議應由大部分有權出席會議的董事親身出席，或透過電子通訊方式積極參與。召開董事會定期會議，應於會議召開前十四日以書面通知全體董事和監事。召開董事會臨時會議，應於會議召開前五日書面通知全體董事和監事。情況緊急，需要儘快召開董事會臨時會議的，可以隨時通過電話或其他口頭方式發出會議通知。但召集人應在會議上作出說明。書面會議通知的內容至少包括擬審議的事項及董事表決所必須的會議材料等內容。

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

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

Corporate Governance Report

企業管治報告

Board of Directors (Continued)

Board Meetings (Continued)

During the Review Period, the Board convened 9 meetings in total, one on each of 26 March 2019, 29 April 2019, 17 June 2019, 26 July 2019, 28 August 2019, 09 August 2019, 30 October 2019, 04 November 2019, 27 December 2019.

Attendance of meetings by each Director during the Review Period is recorded as follows:

Name of Directors 董事姓名		Number of Board meetings required to be attended 應出席董事會次數	Number of Board meetings attended in person 親自出席次數	Number of Board meetings attended by proxy 委託出席次數	Number of Board meetings not attended 缺席次數	Attendance rate 出席率
Jiao Chengyao	焦承堯	9	9	0	0	100%
Jia Hao	賈浩	9	9	0	0	100%
Xiang Jiayu	向家雨	9	9	0	0	100%
Fu Zugang	付祖岡	9	9	0	0	100%
Wang Xinying	王新瑩	9	9	0	0	100%
Wang Bin	汪濱	9	9	0	0	100%
Liu Yao	劉堯	9	9	0	0	100%
Li Xudong	李旭冬	9	9	0	0	100%
Jiang Hua	江華	9	9	0	0	100%
Cheng Jinglei (appointed on 21 October 2019)	程驚雷 (於二零一九年十月二十一日獲委任)	2	2	0	0	100%

董事會(續)

董事會會議(續)

於回顧期間，董事會共召開九次會議，分別於二零一九年三月二十六日、二零一九年四月二十九日、二零一九年六月十七日、二零一九年七月二十六日、二零一九年八月二十八日、二零一九年八月九日、二零一九年十月三十日、二零一九年十一月四日、二零一九年十二月二十七日各舉行了一次會議。

各位董事於回顧期間舉行之會議的出席記錄如下：

Corporate Governance Report 企業管治報告

Board of Directors (Continued)

General Meetings

During the reporting period, the Company convened a total of three general meetings, which were attended by some of the Directors, Supervisors and senior management. Attendance of general meetings by the Directors is recorded as follows:

董事會(續)

股東大會

報告期內，本公司共召開了3次股東大會，部分董事、監事及高級管理人員出席了股東大會。以下為董事出席股東大會情況：

Name of Directors 董事姓名		2019	2018	2019 Second	Attendance required	Actual attendance	Attendance rate
		First Extraordinary General Meeting	Annual General Meeting	Extraordinary General Meeting (2019 First A Shareholders Class Meeting, 2019 First H Shareholders Class Meeting) 2019年第二次 臨時股東大會 (2019年第一次 A股類別股東大會、 2019年第一次 H股類別股東大會)			
Jiao Chengyao	焦承堯		√	√	3	2	67%
Jia Hao	賈浩	√	√	√	3	3	100%
Xiang Jiayu	向家雨	√	√	√	3	3	100%
Fu Zugang	付祖岡		√	√	3	2	67%
Wang Xinying	王新瑩	√	√	√	3	3	100%
Wang Bin	汪濱	√	√	√	3	3	100%
Liu Yao	劉堯		√		3	1	33%
Li Xudong	李旭冬		√		3	1	33%
Jiang Hua	江華	√	√		3	2	67%
Cheng Jinglei (appointed on 21 October 2019)	程驚雷 (於二零一九年十月 二十一日獲委任)	N/A不適用	N/A不適用	N/A不適用	0	0	N/A不適用

Corporate Governance Report 企業管治報告

Board of Directors (Continued)

Board Composition

During the Review Period, from 1 January 2019 to 20 October 2019, the Board consisted of nine Directors, including six executive Directors and three independent non-executive Directors; and from 21 October 2019 to 31 December 2019, the Board consisted of ten Directors, comprising six executive Directors and four independent non-executive Directors. More than one-third of the members of the Board of the Company are independent non-executive Directors.

The executive Directors possess extensive experience in coal mining machinery and auto parts industries, and the independent non-executive Directors have appropriate professional qualifications in law and accounting as well as financial management expertise. In accordance with the Listing Rules, the independent non-executive Directors are explicitly identified in all corporate communications.

As at the end of the reporting period and as of the date of this annual report, the members of the Board were:

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

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

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

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

Chairman and General Manager

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

董事會(續)

董事會組成

於回顧期間，二零一九年一月一日至二零一九年十月二十日，董事會由九名董事組成，其中包括六名執行董事，三名獨立非執行董事；二零一九年十月二十一日至二零一九年十二月三十一日，董事會由十名董事組成，其中包括六名執行董事，四名獨立非執行董事。本公司獨立非執行董事佔董事會成員超過三分之一人數。

執行董事具有煤礦機械、汽車零部件行業豐富經驗，而獨立非執行董事具有適當的法律、會計專業資格及財務管理專業知識。根據上市規則，獨立非執行董事於所有公司通訊中均予以明確識別。

於報告期末及截至本年報日，董事會成員為：

執行董事：焦承堯(執行董事、董事長)、賈浩(執行董事、副董事長)、向家雨(執行董事)、付祖岡(執行董事)、王新瑩(執行董事)、汪濱(執行董事)。

獨立非執行董事：劉堯女士、李旭冬先生、江華先生、程驚雷先生。

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

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

董事長及總經理

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

Corporate Governance Report 企業管治報告

Internal Control

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

Structure of risk management and internal control functions

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

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

Commencement of risk management work

Risk prevention determines the course in building the Company's system and internal control structure. During the Review Period, based on the methodology of risk management covering risk identification, risk assessment, risk response, risk reporting and monitoring, the Company focused on its overall operating objectives, combined the internal and external circumstances, as well as the management conditions of the Company, fully reorganized and identified the possible risks from different aspects, such as strategy, operation, finance, market, law and others, and thereby built up a risk incident database that is unique to the Company.

內部監控

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

風險管理和內部監控職能架構

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

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

風險管理工作開展

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

Corporate Governance Report 企業管治報告

Internal Control (Continued)

Structure of risk management and internal control functions (Continued)

Commencement of risk management work

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

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

Operation of the internal control system

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

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

Risk management and internal control for the Review Period was reviewed at the Board meeting on 27 March 2020. The results of the commencement of risk management and internal control work in 2019 indicated no control failure for major risks in the Company and revealed no weakness in major risk control. The Company has been in strict compliance with the requirements about risk management and internal control in the CG Code. The Board has assessed the Company's risk management and internal control system as effective and adequate.

內部監控(續)

風險管理和內部監控職能架構(續)

風險管理工作開展

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

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

內部監控系統運行

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

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

於二零二零年三月二十七日，董事會會議對回顧期內風險管理和內部監控工作進行了檢討，二零一九年風險管理和內部監控工作開展的結果表明，公司不存在重大風險監控失誤的情形，也未發現重大風險監控弱項。公司已嚴格遵守《企業管治守則》中有關風險管理及內部監控的規定，董事會評估公司風險管理和內部監控系統有效及足夠。

Corporate Governance Report 企業管治報告

Internal Control (Continued)

Appointment, Re-election and Removal of Directors

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

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

Directors' Training and Professional Development

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

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

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

During the year ended 31 December 2019, all the Directors had been given relevant guideline materials and attended trainings regarding the duties and responsibilities of being a Director, as well as the relevant laws and regulations applicable to the Directors.

內部監控(續)

委任、重選及罷免董事

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

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

董事培訓及專業發展

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

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

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

於截至二零一九年十二月三十一日止年度，全體董事已獲提供相關指引資料及出席有關董事職務及職責、適用於董事的相關法律及法規的培訓。

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Internal Control (Continued)

Insurance for Directors

To mitigate the exposure to liabilities of the Directors, at the annual general meeting held on 7 June 2013, the Company resolved to take out an insurance plan at a total premium of not more than US\$30 million for the Directors, Supervisors and chief executives to cover their liabilities (the “**Liability Insurance**”) and confirmed that arrangements regarding the Liability Insurance had been completed. The Liability Insurance covered the periods from 19 July 2014 to 18 July 2015, from 19 July 2015 to 18 July 2016, from 19 July 2016 to 18 July 2017, from 18 July 2017 to 17 July 2018, from 18 July 2018 to 17 July 2019 and from 18 July 2019 to 17 July 2020.

Model Code for Securities Transactions by Directors and Supervisors

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

Remuneration Policy

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

The Directors receive remuneration in different forms, including salaries, allowances, benefits in kind, discretionary bonuses and retirement scheme contributions made on their behalf.

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

Responsibility Statement of Directors Regarding Preparation of Account

All the Directors of the Company acknowledged their responsibilities to the preparation of the Company’s account for the year ended 31 December 2019.

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

內部監控(續)

董事保險

為降低須由董事承擔責任的風險，本公司在二零一三年六月七日舉行之股東週年大會上通過決議購買總額不超過三千萬美元的董事、監事及最高行政人員責任保險（「**責任保險**」），並確認已辦理責任保險的安排。責任保險的保險期間自二零一四年七月十九日至二零一五年七月十八日、二零一五年七月十九日至二零一六年七月十八日、二零一六年七月十九日至二零一七年七月十八日、二零一七年七月十八日至二零一八年七月十七日、二零一八年七月十八日至二零一九年七月十七日以及二零一九年七月十八日至二零二零年七月十七日。

董事、監事進行證券交易的標準守則

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

薪酬政策

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

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

於回顧期間概無有關董事已放棄或同意放棄任何薪酬安排。

董事關於編製賬目的責任聲明

本公司各董事承認其有編製本公司截至二零一九年十二月三十一日止年度賬目的責任。

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

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Board Committees

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

Strategy Committee

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

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

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

Audit Committee

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

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

董事會專門委員會

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

戰略委員會

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

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

戰略委員會於本年度未召開會議。

審計委員會

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

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

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Audit Committee (Continued)

During the Review Period, the Audit Committee convened four meetings, with full attendance of the entire committee:

- (1) On 26 March 2019, the Audit Committee of the fourth session of the Board convened its first meeting in 2019, where it considered and approved the Proposal on the 2018 Audited Domestic and Overseas Financial Report of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2018 Annual Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on 2018 Annual Results Announcement of H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorising the Chairman of the Company to Sign and Announce 2018 Annual Report of the Company's H Shares, the Proposal on the 2018 Report on Internal Control Assessment of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2018 Audit Report on Internal Control of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the 2018 Report on the Performance of Duties of the Audit Committee of Zhengzhou Coal Mining Machinery Group Company Limited, the Proposal on the Appointment of External Audit Institution and Internal Control Audit Institution for 2019 and Payment for the Auditing Fees for 2018, the Proposal on the Daily Connected Transactions of the Company in 2018 and the Expected Daily Connected Transactions of the Company in 2019, and the Proposal on the Provision for Impairment of Goodwill;
- (2) On 29 April 2019, the Audit Committee of the fourth session of the Board convened its second meeting in 2019, where it considered and approved the Proposal on the 2019 First Quarterly Report of Zhengzhou Coal Mining Machinery Group Company Limited and the Proposal on Change of Accounting Policies of the Company;
- (3) On 22 August 2019, the Audit Committee of the fourth session of the Board convened its third meeting in 2019, where it considered and approved the Proposal on 2019 Interim Report on A Shares and Summary thereof of the Company, the Proposal on 2019 Interim Results Announcement of H Shares and 2019 Interim Report of H Shares of the Company, and the Proposal on the 2019 Unaudited Interim Financial Statements of the Company;
- (4) On 30 October 2019, the Audit Committee of the fourth session of the Board convened its fourth meeting in 2019, where it considered and approved the Proposal on the 2019 Third Quarterly Report of Zhengzhou Coal Mining Machinery Group Company Limited.

董事會專門委員會(續)

審計委員會(續)

於回顧期間，審計委員會召開了四次會議，審計委員會委員均全員出席：

- (1) 二零一九年三月二十六日，召開第四屆董事會審計委員會2019年第一次會議，審議通過《關於〈鄭州煤礦機械集團股份有限公司2018年度經審計的境內外財務報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司A股2018年年度報告及其摘要〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司H股2018年年度業績公告及授權公司董事長簽署並公告公司H股2018年年度報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2018年度內部控制評價報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2018年度內部控制審計報告〉的議案》、《關於〈鄭州煤礦機械集團股份有限公司2018年度審計委員會履職情況報告〉的議案》、《關於聘任2019年度外部審計機構、內部控制審計機構及支付2018年度審計費用的議案》、《關於公司2018年度日常關聯交易情況及2019年度預計日常關聯交易情況的議案》、《關於計提商譽減值準備的議案》；
- (2) 二零一九年四月二十九日，召開第四屆董事會審計委員會2019年第二次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2019年第一季度報告〉的議案》、《關於公司會計政策變更的議案》；
- (3) 二零一九年八月二十二日，召開第四屆董事會審計委員會2019年第三次會議，審議通過了《關於公司A股2019年半年度報告及其摘要的議案》、《關於公司H股2019年中期業績公告及公司H股2019年中期報告的議案》、《關於公司2019年半年度未經審計的財務報表的議案》；
- (4) 二零一九年十月三十日，召開第四屆董事會審計委員會2019年第四次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2019年第三季度報告〉的議案》。

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Nomination Committee

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

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

During the Review Period, The Nomination Committee convened one meeting with full attendance of the entire committee:

- (1) On 28 August 2019, the Nomination Committee of the fourth session of the Board convened its first meeting in 2019, where it considered and approved the Proposal on Amendment to the Articles of Association of the Company in relation to the Composition of the Board, and the Proposal on the additional appointment of an independent Director of the fourth session of the Board of the Company.

董事會專門委員會(續)

提名委員會

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

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

於回顧期間，提名委員會召開了一次會議，提名委員會委員均全員出席：

- (1) 二零一九年八月二十八日，召開第四屆董事會提名委員會2019年第一次會議，審議通過了《關於調整董事會組成人數暨修改公司章程的議案》、《關於增選公司第四屆董事會獨立董事的議案》

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Remuneration and Assessment Committee

As of the date of this annual report, the members of the Remuneration and Assessment Committee comprised Mr. Li Xudong (Chairman), Ms. Liu Yao and Mr. Jiang Hua, all of whom are independent non-executive Directors.

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

During the Review Period, The Remuneration and Assessment Committee convened four meetings, with full attendance of the entire committee:

- (1) On 18 April 2019, the Remuneration and Assessment Committee of the fourth session of the Board convened its first meeting in 2019, where it considered and approved the Proposal on awarding personnel who made special contributions to 2018 performance of ZMJ;
- (2) On 29 April 2019, the Remuneration and Assessment Committee of the fourth session of the Board convened its second meeting in 2019, where it considered and approved the Proposal on Mid – to Long-term super profit incentive scheme;
- (3) On 26 July 2019, the Remuneration and Assessment Committee of the fourth session of the Board convened its third meeting in 2019, where it considered and approved the Proposal on Formulating the 2019 Share Option Incentive Scheme (Draft) of Zhengzhou Coal Mining Machinery Group Company Limited and its abstract, and the Proposal on Formulating the Administrative Measures for Performance Evaluation under the 2019 Share Option Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited;
- (4) On 9 August 2019, the Remuneration and Assessment Committee of the fourth session of the Board convened its fourth meeting in 2019, where it considered and approved the Proposal on the 2019 Share Option Incentive Scheme (Revised Draft) of Zhengzhou Coal Mining Machinery Group Company Limited and its abstract, and the Proposal on the Administrative Measures for Performance Evaluation (Revision) under the 2019 Share Option Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited.

董事會專門委員會(續)

薪酬與考核委員會

截至本年報日，薪酬與考核委員會包括李旭冬先生(主席)、劉堯女士和江華先生。他們均為獨立非執行董事。

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

於回顧期間，薪酬與考核委員會召開了四次會議，薪酬與考核委員會委員均全員出席：

- (1) 二零一九年四月十八日，召開第四屆董事會薪酬與考核委員會2019年第一次會議，審議通過了《關於對鄭煤機2018年業績作出特殊貢獻人員進行獎勵的議案》；
- (2) 二零一九年四月二十九日，召開第四屆董事會薪酬與考核委員會2019年第二次會議，審議通過了《關於公司中長期超利潤激勵方案的議案》；
- (3) 二零一九年七月二十六日，召開第四屆董事會薪酬與考核委員會2019年第三次會議，審議通過了《關於制定〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃(草案)〉及其摘要的議案》、《關於制定〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃實施考核管理辦法〉的議案》；
- (4) 二零一九年八月九日，召開第四屆董事會薪酬與考核委員會2019年第四次會議，審議通過了《關於〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃(草案修訂稿)〉及其摘要的議案》、《關於〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃實施考核管理辦法(修訂稿)〉的議案》。

Corporate Governance Report 企業管治報告

Board Committees (Continued)

Remuneration and Assessment Committee (Continued)

Pursuant to Code Provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management by band for the year ended 31 December 2019 is set out below:

Remuneration band (RMB'000) 薪酬組別(人民幣千元)	Number of individuals 人數
0-500	1
500-750	0
750-1,000	2
>1,000	7

Board Diversity Policy

Purpose

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

Measurable Objectives

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

Monitoring and Reporting

The Nomination Committee will review annually on the Board's composition in respect of diversity, and monitor the implementation of the Board Diversity Policy.

董事會專門委員會(續)

薪酬與考核委員會(續)

根據企業管治守則第B.1.5條守則條文，截至二零一九年十二月三十一日止年度高級管理人員的年度酬金按薪酬等級載列如下：

董事會多元化政策

宗旨

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

可計量目標

公司董事候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會提供的貢獻而作決定。董事會組成(包括性別、年齡)將每年在公司年報內披露。

監察及匯報

提名委員會每年檢討董事會在多元化層面的組成，並監察董事會多元化政策的執行。

Corporate Governance Report 企業管治報告

Auditors' Remuneration

The Company has appointed PricewaterhouseCoopers and BDO China Shu Lun Pan Certified Public Accountants LLP as the international and domestic auditors of the Company, respectively. Details of fees paid or payable to the auditors by the Group for the year ended 31 December 2019 are as follows:

Services rendered 所提供服務		Fees 收費金額 (RMB'000) (人民幣千元)
2019 annual audit	二零一九年度審核	14,656
Non-audit services	非審核服務	2,454
Total	總計	17,110

Company Secretary

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

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

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

核數師薪酬

本公司已分別聘請羅兵咸永道會計師事務所和立信會計師事務所(特殊普通合夥)作為本公司的國際和境內核數師。截至二零一九年十二月三十一日止年度，本集團已付或應付審計師的費用詳情如下：

公司秘書

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

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

張先生及陳女士在回顧期間，參加的相關專業培訓不少於15小時。

Corporate Governance Report 企業管治報告

Investor Relations, Communication with Shareholders and General Meeting

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

Shareholders' Rights

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

投資者關係、與股東的溝通及股東大會

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

股東的權利

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

Corporate Governance Report 企業管治報告

Shareholders' Rights (Continued)

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

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

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

Strategic Development Department of Zhengzhou Coal Mining Machinery Group Company Limited

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

Telephone: (86 371) 6789 1199

Fax: (86 371) 6789 1000

Postal Code: 450016

Amended the Articles of Association

During the Review Period, the Articles of Association of the Company has been revised twice. The amendments were considered and approved at the first extraordinary general meeting of 2019 held on 15 May 2019 and the second extraordinary general meeting of 2019 held on 21 October 2019. Please refer to the announcement of the Company dated 26 March 2019 and 28 August 2019 and the circular of the Company dated 30 April 2019 and 23 September 2019 respectively for details.

股東的權利(續)

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

股東有權查詢和複印股東大會會議記錄、董事會會議決議和監事會決議。

股東可以通過聯繫本公司的投資者關係顧問獲得有關本公司的查詢：

鄭州煤礦機械集團股份有限公司戰略發展部

地址：中國河南省鄭州市
經濟技術開發區
第九大街167號

電話：(86 371) 6789 1199

傳真：(86 371) 6789 1000

郵編：450016

公司章程修訂

於回顧期間，本公司對《公司章程》進行了兩次修訂，該等章程修訂議案已於二零一九年五月十五日舉行的2019年第一次臨時股東大會、二零一九年十月二十一日舉行的2019年第二次臨時股東大會經股東審議通過。詳情請參閱本公司日期為二零一九年三月二十六日、二零一九年八月二十八日的公告及日期為二零一九年四月三十日、二零一九年九月二十三日的通函。

Corporate Governance Report 企業管治報告

Dividend Policy

The Company has adopted a dividend policy, pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow the shareholders to share the Company's profits and the Company to retain adequate reserves for future growth (the "Dividend Policy").

In accordance with the Articles of Association, the Dividend Policy are as follows:

- (I) Profit distribution of the Company shall reflect a reasonable investment return to the investors and, by giving considerations to the reasonable capital demands of the Company, work out a profit distribution plan in conformity with the sustainable development requirement and profit optimization principle of the Company by referring to factors such as the volume of stocks, development strategies, investment plans, profit growths and cash flows.
- (II) The Company may pay dividends in the form of cash or shares and may conduct interim dividend distribution in the form of cash. If the cash flow allows, profit distribution should be conducted in the form of cash dividend.
- (III) The conditions of cash dividend of the Company: when the Company records a profit for the year and the cumulative undistributed profit for the year, after making up for losses in previous years and allocation to the common reserve fund in accordance with laws, is positive in value, and where the auditing firm issues an unqualified audit opinion on the financial report of the Company for the year, the Company may prioritize distribution of dividend in cash. If the Company distributes dividend in cash, it shall follow the rules below:
 1. If the Company is in a mature development stage without significant capital expenditure plans, the minimum percentage of cash dividend in profit distribution shall be 80%;
 2. If the Company is in a mature development stage with significant capital expenditure plans, the minimum percentage of cash dividend in profit distribution shall be 40%;
 3. If the Company is in a growth stage with significant capital expenditure plans, the minimum percentage of cash dividend in profit distribution shall be 20%;

If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution. Major investment or significant cash expenditure refers to the proposed external investment by the Company within the next twelve months, asset acquisition (including land use rights) or facilities procurement with accumulated expenditure amounting to or exceeding 10% of the latest audited net assets of the Company.

股息政策

本公司已採納股息政策，據此，本公司可向本公司股東宣派及派發股息，使股東能分享本公司之溢利成果，同時使本公司能為未來增長保留充足儲備（「股息政策」）。

根據公司章程，股息政策如下：

- (一) 公司的利潤分配應當重視對投資者的合理回報，在兼顧公司合理資金需求的情況下，應結合股本規模、發展戰略、投資規劃、利潤增長狀況、現金流量情況等因素制定符合公司可持續發展要求和利益最優化原則的利潤分配方案。
- (二) 公司可以採取現金或股票方式分配股利，可以進行中期現金分紅。在現金流允許的情況下，應盡量以現金分紅方式進行利潤分配。
- (三) 公司現金分紅條件：公司當年實現盈利，且彌補以前年度虧損和依法提取公積金後，累計未分配利潤為正值，且審計機構對公司的該年度財務報告出具無保留意見的審計報告，公司優先採取現金方式分配股利。公司採取現金方式分配股利的，應當按照下列規定進行：
 1. 公司發展階段屬成熟期且無重大資金支出安排的，進行利潤分配時，現金分紅在本次利潤分配中所佔比例最低應達到80%；
 2. 公司發展階段屬成熟期且有重大資金支出安排的，進行利潤分配時，現金分紅在本次利潤分配中所佔比例最低應達到40%；
 3. 公司發展階段屬成長期且有重大資金支出安排的，進行利潤分配時，現金分紅在本次利潤分配中所佔比例最低應達到20%；

公司發展階段不易區分但有重大資金支出安排的，可以按照前項規定處理。重大投資或重大現金支出是指：公司未來十二個月內擬對外投資、收購資產（含土地使用權）或者購買設備等的累計支出達到或者超過公司最近一期經審計淨資產的10%。

Corporate Governance Report 企業管治報告

Dividend Policy (Continued)

- (IV) Specific conditions for share dividend distribution: provided that the Company's business is in a sound condition and the reasonable scale of share capital of the Company is ensured, and when the Board of the Company believes the share dividend distribution will be in the interests of all shareholders of the Company, the Company may propose to distribute the share dividend and implement upon the consideration and approval at the general meeting.
- (V) The profits of the Company to be distributed shall not go beyond the scope of cumulative distributable profits.
- (VI) When profits are recorded in the current year and after the Company has sufficiently allocated to the statutory reserve fund, the cumulative profits distributed in cash for the last three years shall not be less than 30% of the average distributable profits realized for the last three years.
- (VII) Where there is a change in the Company's control resulting from securities issuance, material asset reorganization, merger, division or acquisition, the Company shall disclose in details the cash dividend policy and relevant arrangements after such offering, issuance, reorganization or change in the control, as well as the Board's explanation of the aforesaid, in the prospectus, offering proposal, material asset reorganization report, report of change of interest or acquisition report.
- (VIII) On the premise that the return to shareholders has been thoroughly considered and the legitimate rights and interests of the public shareholders are guaranteed, if the Company realizes profits at the current year, the Board of Directors shall bring forward scientific and reasonable profit distribution suggestions and proposal and submit them to the shareholders' general meeting for voting. The Company shall practically secure the right of public shareholders to attend the shareholders' general meeting, and the Board of Directors, independent Directors and shareholders meeting certain conditions may solicit the right to vote at the shareholders' general meeting from shareholders of the Company.

股息政策(續)

- (四)發放股票股利的具體條件：公司在經營狀況良好，保證股本規模合理的前提下，並且公司董事會認為發放股票股利有利於公司全體股東整體利益時，可以提出股票股利分配預案，並經股東大會審議通過後實施。
- (五)公司的利潤分配不得超過公司累計可分配利潤的範圍。
- (六)在當年盈利的情況下，公司足額提取法定公積金後，最近三年以現金方式累計分配的利潤不少於最近三年實現的年平均可分配利潤的30%。
- (七)公司發行證券、重大資產重組、合併分立或者因收購導致公司控制權發生變更的，公司應當在募集說明書或發行預案、重大資產重組報告書、權益變動報告書或者收購報告書中詳細披露募集或發行、重組或者控制權發生變更後公司的現金分紅政策及相應的安排、董事會對上述情況的說明等信息。
- (八)在充分考慮股東回報、切實保障社會公眾股東合法權益的前提下，公司當年實現盈利，由董事會提出科學、合理的利潤分配建議和預案，提交股東大會表決。公司應當切實保障社會公眾股東參與股東大會的權利，董事會、獨立董事和符合一定條件的股東可以向公司股東徵集股東大會投票權。

Corporate Governance Report 企業管治報告

Dividend Policy (Continued)

(IX) Decision-making processes and mechanisms for profit distribution of the Company:

1. The Board of Directors of the Company shall devise a reasonable dividend distribution recommendation and proposal based on the profitability, capital requirements and shareholders' returns plan of the Company and implement after the consideration and approval at the general meeting upon the consideration and approval by the Board. Any adjustment thereof shall go through the procedures above again. The independent Directors of the Company shall examine the profit distribution proposal and issue independent opinions thereon; independent Directors may solicit opinions of minority shareholders and prepare a dividend distribution proposal and submit it directly to the Board for consideration.
2. The Company shall strictly implement its cash dividend policy as determined in the Articles of Association and the specific cash dividend proposal as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined in the Articles of Association, it is required to satisfy the conditions under the Articles of Association and execute appropriate decision-making procedures after substantiation. The adjustment or changes shall be passed by shareholders representing not less than two-thirds of voting rights held by all shareholders present at the meeting; the independent Directors shall give explicit opinion on matters such as the truthfulness, adequacy and reasonableness of the reasons for adjustments and changes, truthfulness and validity of the approval procedures as well as its compliance with the conditions required in the Articles of Association, and communicate and exchange ideas with minority shareholders before the general meeting and give timely reply to issues that concern minority shareholders. Independent Directors may collect opinions from shareholders through network voting system, if necessary.

股息政策(續)

(九)公司利潤分配的決策程序和機制：

1. 公司董事會結合公司盈利情況、資金需求和股東回報規劃提出合理的分紅建議和預案，經董事會審議通過後報經公司股東大會審議批准後實施。如需調整利潤分配方案，應重新履行上述程序。公司獨立董事應對利潤分配預案進行審核並發表獨立意見；獨立董事可以徵集中小股東的意見，提出分紅提案，並直接提交董事會審議。
2. 公司應當嚴格執行本公司章程確定的現金分紅政策以及股東大會審議批准的現金分紅具體方案。確有必要對本公司章程確定的現金分紅政策進行調整或者變更的，應當滿足本公司章程規定的條件，經過詳細論證後，履行相應的決策程序，並經出席股東大會的股東所持表決權的2/3以上通過；獨立董事要對調整或變更的理由真實性、充分性、合理性、審議程序真實性和有效性以及是否符合本公司章程規定的條件等事項發表明確意見，且公司應在股東大會召開前與中小股東充分溝通交流，並及時答覆中小股東關心的問題，必要時，可通過網絡投票系統徵集股東意見。

Corporate Governance Report

企業管治報告

Dividend Policy (Continued)

(IX) Decision-making processes and mechanisms for profit distribution of the Company: (Continued)

- Specific conditions for the Company to adjust the cash dividend policy: (1) the Company suffers from losses or has issued loss warning announcement; (2) the balance of cash, excluding cash raised from capital markets and cash within special funding for special purposes or special account management funding such as a government special financial funds (including bank deposits and bonds with high liquidity), is not sufficient to pay the cash dividends within two months from the date of general meeting approving the profit distribution; (3) the following established dividend policy will render it impossible for the material investment projects and material transactions approved by the general meeting or the Board to be implemented according to established transaction plans; (4) the Board has reasonable grounds to believe that following the established dividend policy will have material adverse impact on the continuing operation and profitability of the Company.

(X) Mechanism for supervision and limiting on cash dividend

- The Board of Supervisors shall supervise the implementation of dividend distribution policy by and shareholders' returns plan of the Board and the management, and the execution and decision-making procedures thereof;
- The Board and the general meeting of the Company shall, in the decision-making and substantiation process in respect of profit distribution policy, fully consider the opinions of independent Directors and minority shareholders. When considering the specific plan on cash dividend distribution in the general meeting, active communication and exchange with shareholders, especially minority shareholders, shall be conducted via different channels, including but not limited to telephone, facsimile, e-mails, letters and the Internet, to thoroughly listen to the views and needs of minority shareholders, and reply to questions concerned by minority shareholders shall also be made in a timely manner;
- If profit is recorded but the Board of the Company does not put forth a cash dividend distribution proposal, reasons therefor and the capital retained by the Company that may otherwise be used as dividends shall be disclosed in its periodic report, and independent non-executive Directors shall express explicit independent opinions thereon;

股息政策(續)

(九)公司利潤分配的決策程序和機制：(續)

- 公司調整現金分紅政策的具體條件：(1)公司發生虧損或者已發布預虧提示性公告的；(2)自利潤分配的股東大會召開日後的兩個月內，公司除募集資金、政府專項財政資金等專款專用或專戶管理資金以外的現金(含銀行存款、高流動性的債券等)餘額均不足以支付現金股利；(3)按照既定分紅政策執行將導致公司股東大會或董事會批准的重大投資項目、重大交易無法按既定交易方案實施的；(4)董事會有合理理由相信按照既定分紅政策執行將對公司持續經營或保持盈利能力構成實質性不利影響的。

(十)現金分紅的監督約束機制

- 監事會應對董事會和管理層執行公司分紅政策和股東回報規劃的情況及決策程序進行監督；
- 公司董事會、股東大會在對利潤分配政策進行決策和論證過程中應當充分考慮獨立董事和中小股東的意見。股東大會對現金分紅具體方案進行審議時，應通過多種渠道(包括但不限於電話、傳真、電子郵件、信函、互聯網等方式)主動與股東特別是中小股東進行溝通和交流，充分聽取中小股東訴求，並及時答覆中小股東關心的問題；
- 在公司盈利的情況下，公司董事會未做出現金利潤分配預案的，應當在定期報告中披露未分紅的原因、未用於分紅的資金留存公司的用途，獨立非執行董事應當對此發表明確的獨立意見；

Corporate Governance Report 企業管治報告

Dividend Policy (Continued)

(X) Mechanism for supervision and limiting on cash dividend (Continued)

- The Company shall fully disclose the formulation and execution of the cash distribution policy in its periodic reports. The report shall explain: whether the profit distribution is in compliance with the Company's Articles of Association or with the general meeting resolution; whether the standard and proportion of profit distribution is precise and clear; whether the decision-making procedures and mechanisms are adequate; whether the independent Directors have fulfilled their responsibilities and played their role; whether the minority shareholders have the opportunity to fully express their views and needs; whether the legitimate rights and interests of minority shareholders are fully protected and so forth. In the event that adjustment or change of the cash distribution policy is carried out, full explanation shall also be given as to whether the conditions and procedures for the adjustment or change are compliant and transparent.

Board of Supervisors

Composition of Board of Supervisors

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

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

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

股息政策(續)

(十)現金分紅的監督約束機制(續)

- 公司應當在定期報告中詳細披露現金分紅政策的制定及執行情況，說明是否符合公司章程的規定或者股東大會決議的要求，分紅標準和比例是否明確和清晰，相關的決策程序和機制是否完備，獨立董事是否盡職履責並發揮了應有的作用，中小股東是否有充分表達意見和訴求的機會，中小股東的合法權益是否得到充分維護等。對現金分紅政策進行調整或變更的，還要詳細說明調整或變更的條件和程序是否合規和透明等。

監事會

監事會組成

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

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

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

Corporate Governance Report 企業管治報告

Board of Supervisors (Continued)

Duties of the Board of Supervisors

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

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

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

監事會(續)

監事會的職責

監事會向股東大會負責，並依法行使下列職權：

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

於回顧期間，監事會共召開了七次會議。

Report of the Board of Directors 董事會報告書

The Board is pleased to present its report together with the audited financial statements of the Group for the year ended 31 December 2019.

Principal Activities and Subsidiaries

The principal activities of the Company are the manufacturing of comprehensive coal mining and excavating equipment. Details of the principal activities of its subsidiaries are set out in note 49 to the financial statements. During the Review Period, the Group was engaged in two principal businesses, namely, coal mining machinery and auto parts.

Compliance with Laws and Regulations

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

Environmental Policies and Performance

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

Business Review

Please refer to the sections of Chairman's Statement and Management Discussion and Analysis. The sections of Chairman's Statement and Management Discussion and Analysis form part of this Report of the Board of Directors.

Results and Dividends

The Group's results for the year ended 31 December 2019 are set out in the financial statements of this annual report.

The Board held a meeting on 27 March 2020, at which a relevant resolution has been passed, which proposed the payment of a final dividend (the "Dividend") of RMB1.85 per 10 shares for the year ended 31 December 2019, totalling approximately RMB320,507,203.45. If the proposal in relation to the profit distribution is approved by the shareholders at the 2019 annual general meeting to be held on 15 June 2020 (the "2019 Annual General Meeting"), the final Dividend for H Shares of the Company will be distributed on or about 31 July 2020.

董事會欣然提呈彼等之報告連同本集團截至二零一九年十二月三十一日止年度的經審核財務報表。

主要業務及附屬公司

本公司的主要業務為煤炭綜採掘設備製造。其附屬公司的主要業務詳情載於財務報表附註49。於回顧期間，本集團擁有煤礦機械和汽車零部件兩項主要業務。

遵守法律及法規

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

環境政策及表現

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

業務回顧

請參見董事長報告書和管理層討論與分析章節。董事長報告書和管理層討論與分析章節為本董事會報告之部份。

業績及股息

本集團截至二零一九年十二月三十一日止年度的業績載於本年報的財務報表內。

董事會於二零二零年三月二十七日舉行會議並通過相關決議案，建議派發截至二零一九年十二月三十一日止年度末期股息(「股息」)每十股人民幣1.85元，總計約人民幣320,507,203.45元。倘利潤分配預案於二零二零年六月十五日召開的二零一九年度股東週年大會(「二零一九年度股東週年大會」)上獲股東批准，則本公司H股末期股息將於二零二零年七月三十一日或前後派付。

Report of the Board of Directors 董事會報告書

Results and Dividends (Continued)

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

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

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

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

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

業績及股息(續)

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

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

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

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

董事會並不知悉任何股東已放棄或同意放棄任何股息。

Report of the Board of Directors 董事會報告書

Profit Distribution to Investors of Northbound Trading

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

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

Profit Distribution to Investors of Southbound Trading

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

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

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

滬股通投資者利潤分配事宜

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

滬股通投資者股權登記日、現金紅利派發日等時間安排與本公司A股股東一致。

港股通投資者利潤分配事宜

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

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

港股通投資者股權登記日、現金紅利派發日等時間安排與本公司H股股東一致。

Report of the Board of Directors 董事會報告書

Use of Proceeds from Initial Public Offering on the Stock Exchange

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

Regarding the use of proceeds raised from H Share offering of the Company for 2019, the banking charge, deposit interest income received, bond interest income received and foreign exchange gain amounted to RMB1,817.25, RMB26,966.92, RMB1,479.50 and RMB915,011.69 respectively. As of 31 December 2019, the balance of proceeds raised from the H Share offering amounted to approximately RMB41,875,488.45.

For the unused funds raised from H Share offering, it is expected that the Company would continue to apply it to the acquisition of high-quality assets in the auto parts industry according to the announcement on 23 May 2017 in relation to the proposed change to the use of proceeds from H Share offering.

Reserves

Details of movements in the reserves of the Group and the Company for the year ended 31 December 2019 are set out in the consolidated statements of changes in equity and note 50 to the financial statements, respectively.

Share Capital

Details of movements in share capital of the Company for the year ended 31 December 2019 are set out in note 37 to the financial statements.

Pre-Emptive Rights

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

在聯交所首次公開招股所得款項的使用

本公司H股於二零一二年十二月五日在聯交所上市，經扣除相關費用後，所得款項淨額為2,155.55百萬港元，於回顧期間，除本公司於二零一四年三月三十一日所作的所得款項用途之更新公告及二零一七年五月二十三日所作的建議變更H股募集資金用途公告內所述外，本公司所得款項的使用符合招股書披露的使用方式。

本公司2019年就H股募集資金使用情況詳情為銀行手續費支出人民幣1,817.25元、收到存款利息收入人民幣26,966.92元、收到債券利息收入人民幣1,479.50元、匯兌收益人民幣915,011.69元。截至二零一九年十二月三十一日H股募集資金剩餘金額約為人民幣41,875,488.45元。

對尚未使用的H股募集資金，根據二零一七年五月二十三日所作的建議變更H股募集資金用途公告，本公司預計將繼續用於收購汽車零部件行業優質資產。

儲備

本集團及本公司於截至二零一九年十二月三十一日止年度之儲備變動詳情分別載於綜合權益變動表及財務報表附註50。

股本

本公司股本於截至二零一九年十二月三十一日止年度之變化詳情載於財務報表附註37。

優先購買權

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

Report of the Board of Directors 董事會報告書

Share Option Incentive Scheme

In order to implement the national policies on deepening the reform of state-owned enterprises and documents such as the Notice by the State Council of Issuing the Plan for Reforming the State-owned Capital Authorized Operation System (Guo Fa [2019] No.9) 《關於印發改革國有資本授權經營體制方案的通知》(國發[2019]9號)) and the Notice by the State-owned Assets Supervision and Administration Commission of the State Council on Issuing the 'Double-Hundred' Work Plan for the Reform of State-owned Enterprises (Guo Zi Fa Yan Jiu [2018] No.70) 《關於印發國企改革「雙百行動」工作方案的通知》(國資發研究[2018]70號), further improve the corporate governance structure of the Company, promote the establishment and perfection of the distribution mechanism that combines incentives and restraints, fully mobilize the Directors, senior management, core management and core technicians and key business personnel of the Company, effectively align the interests of Shareholders and the Company and with the personal interests of the management, facilitate the Company in releasing new vitality in sustainable development as well as promote the sustainable development of the Company, The establishment of the A Share Option Incentive Scheme was approved by shareholders at the Second Extraordinary General Meeting of 2019, the First A Shareholders Class Meeting of 2019 and the First H Shareholders Class Meeting of 2019 held on 21 October 2019. In accordance with the Share Option Incentive Scheme, the Company will grant a number of options to the qualified participants who are entitled to purchase A Shares of the Company. The number of share options proposed to be granted to the participants under the Share Option Incentive Scheme is no more than 16,030,000, amounting to 0.93% of the total share capital of the Company (i.e. 1,732,471,370 shares) as at the date of this report. The total number of shares of the Company granted to any participant under the Share Option Incentive Scheme within the validity periods of all equity incentive schemes of the Company shall in aggregate not exceed 1% of the Company's total share capital and 1% of the Company's total issued A Share capital at the date on which the scheme was approved at the general meetings. The total number of A Shares in respect of all equity incentive schemes of the Company in effect shall in aggregate not exceed 10% of the Company's total share capital and 10% of the Company's total issued A Share capital at the date on which the scheme was approved at the general meetings. Under the scheme, options granted to participants are only vested if certain performance standards are met. Participation in the scheme is at the Board's discretion and no individual has a contractual right to participate in the scheme or to receive any guaranteed benefits.

股票期權激勵計劃

為了貫徹落實國家深化國企改革的政策精神以及國務院《關於印發改革國有資本授權經營體制方案的通知》(國發[2019]9號)、國務院國資委《關於印發國企改革「雙百行動」工作方案的通知》(國資發研究[2018]70號)等文件精神，進一步完善公司的法人治理結構，促進公司建立健全激勵與約束相結合的分配機制，充分調動公司董事、高級管理人員、核心管理人員及核心技術、業務骨幹的工作積極性，有效地將股東利益、公司利益和經營者個人利益結合在一起，推動企業釋放持續發展新活力，促進公司健康可持續發展，股東於二零一九年十月二十一日舉行的二零一九年第二次臨時股東大會、二零一九年第一次A股類別股東大會二零一九年第一次H股類別股東大會上批准設立A股股票期權激勵計劃。根據股票期權激勵計劃，本公司將向合資格激勵對象授予多項期權，該等激勵對象擁有購買本公司A股股票的權利。股票期權激勵計劃擬向激勵對象授予的股票期權數量為不超過1,603萬份，佔本報告日期本公司總股本(即1,732,471,370股)的0.93%。參與股票期權激勵計劃的任何一名激勵對象通過公司全部在有效期內的股權激勵計劃所獲授的公司股份總數，累計不超過該計劃獲股東大會批准時公司總股本的1%，且不超過同日公司已發行A股股本總額的1%。本公司全部有效的股權激勵計劃所涉及的A股股票總數累計不超過該計劃經股東大會審議通過之日公司股本總額的10%且不超過同日公司已發行A股股本總額的10%。根據該計劃，授予激勵對象的期權僅在符合若干表現標準時，方會歸屬。有關該計劃的參與由董事會酌情決定，且概無任何個人擁有合同權力以參與該計劃或收取任何擔保利益。

Report of the Board of Directors 董事會報告書

Share Option Incentive Scheme (Continued)

During the reporting period, the Company granted 16,030,000 share options to 333 participants under the Share Option Incentive Scheme. The date of grant was 4 November 2019. The breakdown of allocation is as follows:

Name	Position	Number of share options granted (0'000) 獲授的股票期權數量 (萬份)	Percentage of the number of the share options in the Grant 佔本次授予股票期權數量的比例	Percentage of the total share capital of the Company as at the date of this report 佔本報告日期本公司總股本的比例
姓名	職務			
Jia Hao 賈浩	Vice Chairman and General Manager 副董事長、總經理	70	4.37%	0.04%
Fu Zegang 付祖岡	Executive Director 執行董事	60	3.74%	0.03%
Fu Qi 付奇	Deputy General Manager 副總經理	35	2.18%	0.02%
Zhang Haibin 張海斌	Secretary to the Board 董事會秘書	35	2.18%	0.02%
Huang Hua 黃花	Chief Financial Officer 財務總監	35	2.18%	0.02%
Li Weiping 李衛平	Deputy General Manager 副總經理	35	2.18%	0.02%
Core management and core personnel of the Company's Headquarters and relevant business segments (327 people in total) 本公司總部及相關產業板塊核心管理人員、核心骨幹(共327人)		1,333	83.16%	0.77%
Total 合計		1,603	100.00%	0.93%

The exercise price of the share options in the grant is RMB5.98 per A Share. Exercise price of the share options shall be adjusted accordingly with reference to the occurrence of any events to the Company such as capitalization of capital reserves, bonus issue, share subdivision or consolidation, rights issue and dividend distribution prior to the exercise of share options. The closing price of the A Shares of the Company at the date of grant was RMB6.05 per A Share.

股票期權激勵計劃(續)

報告期內，本公司根據股票期權激勵計劃向333名激勵對象授予1,603萬份股票期權，授予日期為2019年11月4日，分配明細如下：

授予股票期權的行權價格為每股A股人民幣5.98元。股票期權行權前若本公司發生資本公積轉增股本、派發股票紅利股份拆細或縮股配股派息等事宜，股票期權的行權價格將做相應的調整。本公司A股股票於授予日之收市價為每股A股人民幣6.05元。

Report of the Board of Directors 董事會報告書

Share Option Incentive Scheme (Continued)

The validity period of the Share Option Incentive Scheme is 10 years, starting from the date of approval of the scheme at the general meetings. The validity period of the share options in the first grant under the scheme shall be no more than 60 months, starting from the date of registration of the grant. The vesting period refers to the period from the registration date for the grant of share options to the first exercise date, and the vesting period shall be 24 months. If the conditions of exercise stipulated under the Share Option Incentive Scheme are fulfilled within the exercise date after expiry of the 24-month period from the date of grant, the participants shall exercise their share options in stages within the next 36 months. The exercise period of the Share Option Incentive Scheme and the time arrangement for each exercise period are set out in the following table:

Exercise period 行權期	Exercise time arrangement 行權時間安排	Exercisable ratio 行權比例
First exercise period 第一個行權期	Commencing on the first trading day after expiry of the 24-month period from the grant registration date, and ending on the last trading day of the 36-month period from the grant registration date 自授予登記完成之日起24個月後的首個交易日至授予登記完成之日起36個月內的最後一個交易日當日止	33%
Second exercise period 第二個行權期	Commencing on the first trading day after expiry of the 36-month period from the grant registration date, and ending on the last trading day of the 48-month period from the grant registration date 自授予登記完成之日起36個月後的首個交易日至授予登記完成之日起48個月內的最後一個交易日當日止	33%
Third exercise period 第三個行權期	Commencing on the first trading day after expiry of the 48-month period from the grant registration date, and ending on the last trading day of the 60-month period from the grant registration date 自授予登記完成之日起48個月後的首個交易日至授予登記完成之日起60個月內的最後一個交易日當日止	34%

The implementation of the Share Option Incentive Scheme will not cause the shareholding structure of the Company to be unable to comply with the listing requirements.

(i) Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2019 was RMB0.49 per share. The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

股票期權激勵計劃(續)

股權激勵計劃有效期為10年，自股東大會審議批准本計劃之日起算。根據該計劃首次授予的股票期權有效期自授予登記之日起計算，最長不超過60個月。股票期權授予登記日至首個可行權日之間的時間為等待期，等待期為24個月。激勵對象獲授股票期權自授予日起滿24個月後，在可行權日內，若達到本次股權激勵計劃規定的行權條件，激勵對象應在未來36個月內勻速行權。本次股票期權激勵計劃的行權期及各期行權時間安排如下表所示：

股票期權計劃實施後，將不會導致本公司股權分佈不符合上市條件要求。

(i) 已授出期權的公平值

於截至二零一九年十二月三十一日止年度授出的期權於授出日期的經評估公平值為每股股份人民幣0.49元。於授出日期的公平值乃使用經調整布萊克肖爾斯(Black Scholes)模型單獨釐定，該模型採用蒙地卡羅(Monte Carlo)模擬法，當中計及期權的行使價、年期、攤薄的影響(如屬重大)、於授出日期的股價及相關股份的預期價格波幅、預期股息收益、期權年期內的無風險利率，以及同類集團公司的關聯性及波幅。

Report of the Board of Directors 董事會報告書

Share Option Incentive Scheme (Continued)

(i) Fair value of options granted (Continued)

The model inputs for options granted during the year ended 31 December 2019 included:

- (a) options are granted for no consideration and vest based on Company's ranking within a peer group of 20 selected companies over a three year period. Vested options are exercisable for a period of two years after vesting
- (b) exercise price: RMB5.98 per share
- (c) grant date: 4 November 2019
- (d) expiry date: 19 December 2022, 19 December 2023, 19 December 2024
- (e) share price at grant date: RMB6.05 per share
- (f) expected price volatility of the company's shares:
- | | |
|--------|--------------|
| 30.38% | First phase |
| 29.93% | Second phase |
| 40.83% | Third phase |
- (g) expected dividend yield: Nil
- (h) risk-free interest rate:
- | | |
|---------|-------------|
| 2.8219% | Two years |
| 2.9280% | Three years |
| 3.0197% | Four years |

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

For details, please refer to the announcements dated 26 July 2019, 9 August 2019, 4 November 2019 and circular dated 23 September 2019 of the Company and Note 38 to the financial statements.

股票期權激勵計劃(續)

(i) 已授出期權的公平值(續)

於截至二零一九年十二月三十一日止年度授出的期權的模型輸入數據包括：

- (a) 期權乃按零代價授出，並根據本公司在具20個經選定公司的同類集團內的排名於三年期間歸屬。已歸屬期權於歸屬後兩年期間內可予行使
- (b) 行使價：每股股份人民幣5.98元
- (c) 授出日期：二零一九年十一月四日
- (d) 到期日：二零二二年十二月十九日、二零二三年十二月十九日、二零二四年十二月十九日
- (e) 於授出日期的股價：每股股份人民幣6.05元
- (f) 公司股份的預期價格波幅：
- | | |
|--------|------|
| 30.38% | 第一階段 |
| 29.93% | 第二階段 |
| 40.83% | 第三階段 |
- (g) 預期股息收益：無
- (h) 無風險利率：
- | | |
|---------|----|
| 2.8219% | 兩年 |
| 2.9280% | 三年 |
| 3.0197% | 四年 |

預期價格波幅乃基於歷史性波幅(根據期權的餘下年期計算)得出，並根據公開可得資料導致的任何預期未來波幅作出調整。

詳情請參閱本公司日期為二零一九年七月二十六日、二零一九年八月九日、二零一九年十一月四日的公告、日期為二零一九年九月二十三日的通函以及財務報表附註38。

Report of the Board of Directors 董事會報告書

Major Suppliers and Customers

For the year ended 31 December 2019, the total sales attributable to the Group's five largest customers accounted for approximately 28.68% of the Group's total sales, while the sales attributable to the Group's largest customer accounted for approximately 13.18% of the Group's total sales. For the year ended 31 December 2019, the total purchases attributable to the Group's five largest suppliers accounted for approximately 16.59% of the Group's total purchases, while the purchases attributable to the Group's largest supplier accounted for approximately 6.92% of the Group's total purchases.

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

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

Property, Plant and Equipment

For the year ended 31 December 2019, details of movements in property, plant and equipment during the year are set out in notes 16 to the financial statements.

Purchase, Sale or Redemption of the Shares of the Company

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

Equity-Linked Agreement

During the year ended 31 December 2019, the Company and its subsidiaries neither entered into any agreement in relation to equity-linked products nor participated in any arrangement to subscribe for equity-linked financial products.

Material Related Party Transactions

For details of the related party transactions under relevant accounting standards, please refer to note 41 of this report. The Company confirms that the related-party transactions were not categorized as the "connected transactions" or the "continuing connected transactions" as defined in Chapter 14A of the Hong Kong Listing Rules (as the case may be), and were in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

主要供應商及客戶

於截至二零一九年十二月三十一日止年度，本集團五大客戶應佔銷售總額佔本集團總銷售額約28.68%，而本集團最大客戶應佔銷售額則佔本集團總銷售額約13.18%。於截至二零一九年十二月三十一日止年度，本集團五大供應商應佔採購總額佔本集團總採購額約16.59%，而本集團最大供應商應佔採購額則佔本集團總採購額約6.92%。

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

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

物業、廠房及設備

截至二零一九年十二月三十一日止年度，物業、廠房及設備於年內的變動詳情載於財務報表附註16。

購買、出售或贖回本公司股份

於回顧期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

股票掛鈎協議

於截至二零一九年十二月三十一日止年度，本公司及附屬公司概無簽署任何股票掛鈎產品協議，亦無參與股票掛鈎理財產品認購安排。

重大關聯交易

有關會計準則下的關聯交易情況請參閱本報告附註41。本公司確認關聯方交易不歸入香港上市規則第十四A章有關「關連交易」或「持續關連交易」的定義（視屬何情況而定）及乃符合香港上市規則第十四A章的披露規定。

Report of the Board of Directors 董事會報告書

Directors and Supervisors

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

Directors:

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

From 1 January 2019 to 20 October 2019:

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

From 21 October 2019 to the date of this report:

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

Supervisors:

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

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

Directors' and Supervisors' Service Contracts

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

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 31 December 2019.

董事及監事

於回顧期間及直至本報告日期止的董事及監事如下：

董事：

於回顧期間及直至本報告日期止的董事如下：

二零一九年一月一日至二零一九年十月二十日：

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

二零一九年十月二十一日至本報告日期：

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

監事：

於回顧期間及直至本報告日期止的監事如下：

劉強先生、王躍先生、崔蕾蕾先生、倪威先生、周榮先生、張易辰先生、苑少沖先生

董事及監事服務合約

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

管理合約

於截至二零一九年十二月三十一日止年度期間，本公司並無就有關全部或任何重大部份業務的管理及行政工作簽訂或存在任何合約。

Report of the Board of Directors 董事會報告書

Remuneration of Directors and Supervisors

Details of the remuneration of the Directors and the Supervisors for the year ended 31 December 2019 are set out in note 12 to the financial statements.

Insurance for Directors

The Company has taken out valid insurance for the Directors.

Directors' and Supervisors' Interests in Material Contracts

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

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

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

Directors' Interests in Competing Business

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

Directors' and Supervisors' Rights to Acquire Shares or Debentures

At no time during the Review Period were there rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any Directors or Supervisors or their respective spouse or minor children, or were there any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors or the Supervisors to acquire such rights in any other body corporate.

董事及監事薪酬

截至二零一九年十二月三十一日止年度董事及監事薪酬之詳情載列於財務報表附註12。

董事保險

公司為董事購買了有效的董事保險。

董事及監事於重大合約之權益

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

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

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

董事於競爭業務之權益

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

董事及監事購買股份或債券之權利

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

Report of the Board of Directors 董事會報告書

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

To the knowledge of the Directors, as at 31 December 2019, the Directors, Supervisors and chief executives of the Company had interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in the Securities and Futures Ordinance (the "SFO") of Hong Kong) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under relevant provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein (including interests and short positions which they were taken or deemed to have under relevant provisions of the SFO); or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code under the Listing Rules, which are stated as follows:

董事、監事及最高行政人員於本公司及其相聯法團的證券中之權益及淡倉

據董事所知，於二零一九年十二月三十一日，本公司各董事、監事及本公司最高行政人員於本公司或其任何相聯法團(定義見香港《證券及期貨條例》(「《證券及期貨條例》」))的股份、相關股份及債券中擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括彼根據《證券及期貨條例》的有關條文而被當作或視作擁有的權益及淡倉)，或根據《證券及期貨條例》第352條須載入該條例所述的登記冊的權益及淡倉(包括彼根據《證券及期貨條例》的有關條文而被當作或視作擁有的權益及淡倉)，或根據上市規則內標準守則須知會本公司及聯交所的權益及淡倉如下：

Name	Director/ Supervisor/ Chief executive	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of capital % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool 好倉/淡倉/ 可供借出的股份
姓名	董事/監事/ 最高行政人員	身份/權益性質	股份類別	股份數目			
Jiao Chengyao 焦承堯	Director 董事	Beneficial owner 實益擁有人	A Share A股	2,901,964	0.19	0.17	Long position 好倉
Xiang Jiayu 向家雨	Director 董事	Beneficial owner 實益擁有人	A Share A股	1,895,120	0.13	0.11	Long position 好倉
Fu Zegang 付祖岡	Director 董事	Beneficial owner 實益擁有人 Interest of spouse 配偶的權益	A Share A股 A Share A股	2,526,720 200,000	0.17 0.01	0.15 0.01	Long position 好倉 Long position 好倉
Wang Xinying 王新瑩	Director 董事	Beneficial owner 實益擁有人	A Share A股	1,895,040	0.13	0.11	Long position 好倉
Liu Qiang 劉強	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	11,500	0.00	0.00	Long position 好倉
Zhou Rong 周榮	Supervisor 監事	Beneficial owner 實益擁有人	A Share A股	40,000	0.00	0.00	Long position 好倉

Report of the Board of Directors 董事會報告書

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

Save as disclosed above, as at 31 December 2019, none of the Directors, Supervisors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO of Hong Kong) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed to have); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code under the Listing Rules of the Stock Exchange.

Interests in Underlying Shares

Name of Directors	Nature of interest	Class of shares	Number of share options held	Approximate percentage of the relevant class of capital % 佔有關股本類別的概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的概約百分比%
董事姓名	權益性質	股份類別	所持購股權數目		
Jia Hao 賈浩	Beneficial owner 實益擁有人	A Share A股	700,000	0.05	0.04
Fu Zugang 付祖岡	Beneficial owner 實益擁有人	A Share A股	600,000	0.04	0.03

Structure and Number of Shareholders

Details of the shareholders recorded in the register of members of the Company as at 31 December 2019 are as follows:

Holders of A Shares	A股股東	55,935
Holders of H Shares	H股股東	83
Total number of shareholders	股東總數	56,018

董事、監事及最高行政人員於本公司及其相聯法團的證券中之權益及淡倉 (續)

除上文所披露者外，於二零一九年十二月三十一日，本公司各董事、監事或本公司最高行政人員概無於本公司或任何相聯法團(定義見香港《證券及期貨條例》)的股份、相關股份或債券中，擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括彼等視為擁有的權益或淡倉)，或根據《證券及期貨條例》第352條須載入該條例所述的登記冊的權益或淡倉，或根據聯交所上市規則內標準守則須知會本公司和聯交所的權益或淡倉。

相關股份權益**股東結構及股東人數**

於二零一九年十二月三十一日，本公司股東名冊所記錄的股東詳情如下：

Report of the Board of Directors 董事會報告書

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

To the knowledge of the Directors, as at 31 December 2019, the following shareholders (other than the Directors, Supervisors or chief executives) had interests or short positions in any shares and the underlying shares of the Company which were required to be notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be recorded in the register of members kept by the Company:

主要股東於本公司所持股份、相關股份之權益及淡倉

據董事所知，於二零一九年十二月三十一日，下列股東（董事、監事或最高行政人員除外）於本公司的任何股份及相關股份中，擁有根據《證券及期貨條例》第XV部第2及3分部須知會本公司的權益或淡倉，或根據《證券及期貨條例》第336條須記入本公司備存的登記冊的權益或淡倉：

Name	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of capital % 佔有關 股本類別的 概約百分比%	Approximate percentage of the total number of shares % 佔股份總數的 概約百分比%	Long position/ Short position/ Lending pool 好倉／淡倉／ 可供借出的股份
姓名	身份／權益性質	股份類別	股份數目			
State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government ⁽¹⁾	Beneficial owner	A Share	521,087,800	34.99	30.08	Long position
河南省人民政府國有資產監督管理委員會 ⁽¹⁾	實益擁有人	A股				好倉
Henan Machinery Investment Group Co., Ltd. ⁽¹⁾	Beneficial owner	A Share	521,087,800	34.99	30.08	Long position
河南機械裝備投資集團有限責任公司 ⁽¹⁾	實益擁有人	A股				好倉
National Council for Social Security Fund	Beneficial owner	H Share	21,969,000	9.03	1.27	Long position
全國社會保障基金理事會	實益擁有人	H股				好倉

Note:

(1) Henan Machinery Investment Group Co., Ltd. directly held 521,087,800 A Shares of the Company. Henan Machinery Investment Group Co., Ltd. is a wholly-owned subsidiary of State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government. By virtue of the SFO, State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government is deemed to own 521,087,800 A Shares of the Company which were in the same block directly held by Henan Machinery Investment Group Co., Ltd.

附註：

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

Report of the Board of Directors 董事會報告書

Public Float

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

Retirement Benefit Scheme

The Group's full-time employees in the PRC are covered by a defined contribution pension scheme operated by the government, and are entitled to a monthly pension from the date of retirement. The PRC government is responsible to perform the pension obligation for these retired employees. The Group is required to make annual contributions to the retirement scheme at a rate of 20% of employees' basic salaries, which are charged as an expense when the employees have rendered services entitling them to the contributions and when the contributions are due. For the year ended 31 December 2019, a total contribution of RMB1.60 million made by the Group to the retirement scheme was charged to the statement of income.

Donations

The Group was active in fulfilling social responsibilities. In 2019, our contribution to charity activities including donations for poverty reduction, education subsidies and benevolent donations amounted to RMB3.3541 million.

Corporate Governance Code

During the Review Period, the Company complied with the applicable Corporate Governance Code set out in Appendix 14 to the Listing Rules of the Stock Exchange.

Permitted Indemnity Provisions

During the financial year and as of the date of this annual report, the Company had in force indemnity provisions as permitted under relevant regulations for the benefit of the Directors (including former Directors) of the Company or its associated companies. Such permitted indemnity provisions are set out in the Liability Insurance maintained by the Company for its Directors and chief executives, in respect of potential liability and costs associated with legal proceedings that may be brought against such Directors.

Subsequent Events

Due to the outbreak of novel coronavirus pneumonia (COVID-19 virus) epidemic in China (the "Epidemic") starting from early January 2020, the operation of the Company was temporary stopped. However, under the containment of the virus in China, the Company quickly restored its Chinese companies' production under the guidance of work resumption policy. We estimate the impact of the Epidemic for the Company is not material.

公眾持股量

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

退休福利計劃

本集團在中國之全職僱員享有政府營運的定額供款退休金計劃的保障，有權自退休之日起每月享有退休金。中國政府負責向該等退休僱員履行退休金責任。集團須按僱員基本薪金的20%向退休計劃作出年度供款，有關金額於僱員提供可獲得該等供款的服務及供款到期支付時計入開支。截至二零一九年十二月三十一日止年度，本集團對退休計劃的總供款人民幣1.60百萬元自收益表中扣除。

捐款

本集團積極履行社會責任，2019年度在扶貧捐款、教育資助、慈善捐贈等公益性方面的投入金額為人民幣3.3541百萬元。

企業管治守則

於回顧期間，本公司已遵守適用的聯交所上市規則附錄14所載的企業管治守則。

獲准許的彌償條文

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

結算日後事項

由於自二零二零年一月初開始在中國爆發冠狀病毒病疫情(2019冠狀病毒病)（「疫情」），公司的業務營運暫時停止。然而，在中國遏制該病毒的情況下，本公司在復工政策指導下迅速恢復其於中國公司的生產。我們估計該疫情對本公司的影響並不重大。

Report of the Board of Directors 董事會報告書

Closure of the Register of Members

The 2019 Annual General Meeting of the Company will be held on Monday, 15 June 2020. In order to determine the H Shareholders' entitlement to attend the Annual General Meeting, the register of members of the Company will be closed from Saturday, 16 May 2020 to Monday, 15 June 2020 (both days inclusive), during which no transfer of shares will be registered. For the H Shareholders of the Company who wish to attend the 2019 Annual General Meeting but are not yet registered, all transfer documents accompanied by relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 15 May 2020.

If the resolution in relation to declaration of dividends is approved at the 2019 Annual General Meeting, the H Share dividends will be paid to H Shareholders whose names appear on the Company's H Share register of members after the close of trading on Thursday, 9 July 2020. The Company's register of members will be closed from Friday, 3 July 2020 to Thursday, 9 July 2020 (both days inclusive), during which no transfer of shares will be registered. For the H Shareholders of the Company who wish to receive the final dividend but are not yet registered, all transfer documents accompanied by relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 2 July 2020.

Audit Committee

The audit committee has reviewed the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2019 with the management and the external auditor.

By order of the Board

Jiao Chengyao
Chairman

Zhengzhou, the People's Republic of China
27 March 2020

暫停辦理股東過戶登記

本公司二零一九年度股東大會訂於二零二零年六月十五日(星期一)舉行。為確定有權出席年度股東大會的H股股東名單，本公司將自二零二零年五月十六日(星期六)至二零二零年六月十五日(星期一)(包括首尾兩天)暫停辦理股東過戶登記，在此期間將暫停股份過戶。擬出席二零一九年度股東大會但尚未登記之本行H股股東請於二零二零年五月十五日(星期五)下午4時30分或之前把所有過戶文件及相關股票交回本公司香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

如股息宣派相關議案於二零一九年度股東大會上獲得批准，H股股息將支付予在二零二零年七月九日(星期四)收市後名列本公司H股股東名冊的H股股東。本公司將自二零二零年七月三日(星期五)至二零二零年七月九日(星期四)(包括首尾兩天)暫停辦理股東過戶登記，在此期間將暫停股份過戶。本公司H股股東如欲獲派發末期股息而尚未登記過戶文件，須於二零二零年七月二日(星期四)下午4時30分或之前把所有過戶文件及相關股票交回本公司香港股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

審計委員會

審計委員會已與管理層及外聘核數師審閱本集團採納的會計原則及政策以及截至二零一九年十二月三十一日止年度的經審核年度綜合財務報表。

承董事會命

董事長
焦承堯

中華人民共和國 • 鄭州
二零二零年三月二十七日

Report of the Board of Supervisors for 2019

2019年度監事會工作報告

During 2019, in accordance with the power conferred and duties imposed by relevant requirements of the Company Law of the People's Republic of China, the Articles of Association of Zhengzhou Coal Mining Machinery Group Company Limited and the Rules of Procedure of the Board of Supervisors of Zhengzhou Coal Mining Machinery Group Company Limited, and in the principle of being accountable to the Company and all its shareholders, the Company's Board of Supervisors commenced its supervision according to law, diligently performed its authority and obligations, and duly exercised their supervisory function over the Directors and senior management of the Company, playing a positive role in the standardized operation and development of the Company. The 2019 report of the Board of Supervisors is set out below:

I. Basic Evaluation on Operation Behavior of the Board of Directors and the Management and the Performance Achieved in 2019

Through its supervision over the Directors and senior management of the Company, the Board of Supervisors considered that the Board of the Company was able to strictly comply with the requirements of the Company Law, the Articles of Association and other relevant laws and regulations, and operated in accordance with the laws. All major operation decisions of the Company were rational and the decision-making process was lawful and valid. The Company has established and enhanced its internal management system and internal control mechanism. The Directors and senior management of the Company conscientiously executed their respective duties in accordance with the national laws, regulations, the Articles of Association, and the resolutions of the general meetings and the Board meetings. They were devoted to their duties, giving their utmost efforts in exploration and expansion. None of the Directors or senior management of the Company were found to have violated any laws, regulations or the Articles of Association in discharging their duties for the Company or engaged in any acts which contravened the interests of the Company or its shareholders.

Facing the complex and ever-changing internal and external environment in 2019, ZMJ worked closely in line with its development strategies of "international strategic positioning, market-based corporate governance, high-end industry layout and global human resources", to drive its industry transformation and upgrade, strengthen independent innovation, develop high-end and intelligent manufacturing, and continuously improve various indicators of production and operation, striving to create a world-class enterprise with international competitiveness.

2019年，鄭州煤礦機械集團股份有限公司監事會根據《中華人民共和國公司法》、《鄭州煤礦機械集團股份有限公司章程》和《鄭州煤礦機械集團股份有限公司監事會議事規則》等規定的監事權限和職責，本著對公司和股東負責的精神，依法開展監事工作，認真履行各項職權和義務，充分行使對公司董事及高級管理人員的監督職能，為企業的規範運作和發展起到了積極作用。現將監事會2019年度工作報告如下：

一、對2019年董事會、經理層經營行為及業績的基本評價

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

2019年面對複雜多變的內外部環境，鄭煤機緊緊圍繞「戰略定位國際化、公司治理市場化、產業布局多元化、人力資源全球化」的發展戰略，推進產業轉型升級，加強自主創新，發展高端製造、智能製造，生產經營各項指標持續提升，努力創建具有國際競爭力的世界一流企業。

Report of the Board of Supervisors for 2019

2019年度監事會工作報告

II. Work Overview of the Board of Supervisors in 2019

(1) Composition of the Board of Supervisors

Upon election at the Company's general meeting and at the employee representative meeting, the Company elected the fourth session of the Board of Supervisors in February 2018, which comprised four shareholder representative Supervisors and three employee representative Supervisors. Among them, shareholder representative Supervisors are Liu Qiang, Wang Yue, Cui Leilei and Ni Wei; and employee representative Supervisors are Zhou Rong, Zhang Yichen and Yuan Shaochong. Liu Qiang chairs the Board of Supervisors. Employee representative Supervisors account for no less than one third of the Board of Supervisors, which complies with the requirements of relevant laws and regulations.

(2) Overview of the Meetings of the Board of Supervisors Convened in 2019

During the reporting period, the Board of Supervisors of the Company held a total of seven meetings in which 31 resolutions were considered and approved in accordance with the Company Law, the Articles of Association and other relevant regulations. Details are set out as follows:

No. 序號	Time 會議時間	Session 會議屆次	Proposals Considered and Approved 會議審議通過的議案
1	26 March 2019 2019年3月26日	Seventh Meeting of the Fourth Session of the Board of Supervisors 第四屆監事會第七次會議	<p>1. The Proposal on the 2018 Work Report of the Board of Supervisors of Zhengzhou Coal Mining Machinery Group Company Limited</p> <p>1、《關於〈鄭州煤礦機械集團股份有限公司2018年度監事會工作報告〉的議案》</p> <p>2. The Proposal on 2018 Audited Domestic and Overseas Financial Report of Zhengzhou Coal Mining Machinery Group Company Limited</p> <p>2、《關於〈鄭州煤礦機械集團股份有限公司2018年度經審計的境內外財務報告〉的議案》</p> <p>3. The Proposal on 2018 Annual Report on A Shares and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited</p> <p>3、《關於〈鄭州煤礦機械集團股份有限公司A股2018年年度報告及其摘要〉的議案》</p> <p>4. The Proposal on 2018 Annual Results Announcement on H Shares of Zhengzhou Coal Mining Machinery Group Company Limited and Authorizing the Chairman of the Company to Sign and Announce 2018 Annual Report of the Company's H Shares</p> <p>4、《關於〈鄭州煤礦機械集團股份有限公司H股2018年年度業績公告及授權公司董事長簽署並公告公司H股2018年年度報告〉的議案》</p>

二、2019年度監事會工作情況

(一) 監事會構成

經公司股東大會選舉和職工代表大會選舉，公司於2018年2月產生第四屆監事會，由4名股東代表監事及3名職工代表監事構成，其中，股東代表監事為：劉強、王躍、崔蕾蕾、倪威，職工代表監事為：周榮、張易辰、苑少沖。其中劉強為監事會主席。職工代表監事的比例不低於三分之一，監事會的構成符合有關法律法規規定。

(二) 2019年度監事會會議召開情況

報告期內，公司監事會按照《公司法》、《公司章程》的相關規定，共召開7次監事會會議，審議通過31項議案。詳細情況如下：

Report of the Board of Supervisors for 2019 2019年度監事會工作報告

II. Work Overview of the Board of Supervisors in 2019 (Continued)

二、2019年度監事會工作情況(續)

(2) Overview of the Meetings of the Board of Supervisors Convened in 2019 (Continued)

(二)2019年度監事會會議召開情況(續)

No. 序號	Time 會議時間	Session 會議屆次	Proposals Considered and Approved 會議審議通過的議案
			5. The Proposal on the 2018 Assurance Report on the Deposit and Use of Proceeds of Zhengzhou Coal Mining Machinery Group Company Limited 5、《關於〈鄭州煤礦機械集團股份有限公司2018年度募集資金存放與使用情況鑒證報告〉的議案》
			6. The Proposal on the Special Audit Notes on the Occupation of Funds by the Controlling Shareholders and Other Related Parties of Zhengzhou Coal Mining Machinery Group Company Limited 6、《關於〈鄭州煤礦機械集團股份有限公司控股股東及其他關聯方佔用資金情況的專項審計說明〉的議案》
			7. The Proposal on the 2018 Social Responsibility Report and Environmental, Social and Governance Report 7、《關於〈2018年度社會責任暨環境、社會及管治報告〉的議案》
			8. The Proposal on the 2018 Report on Internal Control Assessment of Zhengzhou Coal Mining Machinery Group Company Limited 8、《關於〈鄭州煤礦機械集團股份有限公司2018年度內部控制評價報告〉的議案》
			9. The Proposal on the 2018 Audit Report on Internal Control of Zhengzhou Coal Mining Machinery Group Company Limited 9、《關於〈鄭州煤礦機械集團股份有限公司2018年度內部控制審計報告〉的議案》
			10. The Proposal on Impairment Provision for Goodwill of Zhengzhou Coal Mining Machinery Group Company Limited 10、《關於計提商譽減值準備的議案》
			11. The Proposal on the Appointment of External Audit Institution and Internal Control Audit Institution for 2019 11、《關於聘任2019年度外部審計機構、內部控制審計機構的議案》
			12. The Proposal on the 2018 Profit Distribution Plan 12、《關於2018年度利潤分配的議案》

Report of the Board of Supervisors for 2019

2019年度監事會工作報告

II. Work Overview of the Board of Supervisors in 2019 (Continued)

(2) Overview of the Meetings of the Board of Supervisors Convened in 2019 (Continued)

二、2019年度監事會工作情況(續)

(二)2019年度監事會會議召開情況(續)

No. 序號	Time 會議時間	Session 會議屆次	Proposals Considered and Approved 會議審議通過的議案
			13. The Proposal on the Daily Connected Transactions of the Company in 2018 and the Expected Daily Connected Transactions of the Company in 2019 13、《關於公司2018年度日常關聯交易情況及2019年度預計日常關聯交易情況的議案》
			14. The Proposal on Maintaining Liability Insurance for Directors, Supervisors and Senior Management of the Company 14、《關於為公司董事、監事及高級管理人員投保責任保險的議案》
			15. The Proposal on the Use of Idle Funds to Invest in Financial Wealth Management Products 15、《關於使用閑置資金投資金融理財產品的議案》
			16. The Proposal on Amending the Articles of Association of Zhengzhou Coal Mining Machinery Group Company Limited 16、《關於修改〈鄭州煤礦機械集團股份有限公司章程〉的議案》
2	29 April 2019 2019年4月29日	Eighth Meeting of the Fourth Session of the Board of Supervisors 第四屆監事會第八次會議	1. The Proposal on 2019 First Quarterly Report of Zhengzhou Coal Mining Machinery Group Company Limited 1、《關於〈鄭州煤礦機械集團股份有限公司2019年第一季度報告〉的議案》 2. The Proposal on Changes of Accounting Policies of the Company 2、《關於公司會計政策變更的議案》 3. The Proposal on the Mid- to Long-Term Super Profit Incentive Scheme of the Company 3、《關於公司中長期超利潤激勵方案的議案》

Report of the Board of Supervisors for 2019 2019年度監事會工作報告

II. Work Overview of the Board of Supervisors in 2019 (Continued)

二、2019年度監事會工作情況(續)

(2) Overview of the Meetings of the Board of Supervisors Convened in 2019 (Continued)

(二)2019年度監事會會議召開情況(續)

No. 序號	Time 會議時間	Session 會議屆次	Proposals Considered and Approved 會議審議通過的議案
3	26 July 2019 2019年7月26日	Ninth Meeting of the Fourth Session of the Board of Supervisors 第四屆監事會第九次會議	<ol style="list-style-type: none"> The Proposal on Formulating 2019 Share Option Incentive Scheme (Draft) and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited 1、《關於制定〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃(草案)〉及其摘要的議案》 The Proposal on Formulating the Administrative Measures for the Implementation and Assessment of 2019 Share Option Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited 2、《關於制定〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃實施考核管理辦法〉的議案》 The Proposal on Verifying the Subject List of 2019 Share Option Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited 3、《關於核實〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃激勵對象名單〉的議案》
4	9 August 2019 2019年8月9日	Tenth Meeting of the Fourth Session of the Board of Supervisors 第四屆監事會第十次會議	<ol style="list-style-type: none"> The Proposal on 2019 Share Option Incentive Scheme (Revised Draft) and Summary thereof of Zhengzhou Coal Mining Machinery Group Company Limited 1、《關於〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃(草案修訂稿)〉及其摘要的議案》 The Proposal on the Administrative Measures for the Implementation and Assessment of 2019 Share Option Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited (Revised Version) 2、《關於〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃實施考核管理辦法(修訂稿)〉的議案》 The Proposal on Adjusting the Subject List of 2019 Share Option Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited 3、《關於調整〈鄭州煤礦機械集團股份有限公司2019年股票期權激勵計劃激勵對象名單〉的議案》

Report of the Board of Supervisors for 2019

2019年度監事會工作報告

II. Work Overview of the Board of Supervisors in 2019 (Continued)

(2) Overview of the Meetings of the Board of Supervisors Convened in 2019 (Continued)

二、2019年度監事會工作情況(續)

(二)2019年度監事會會議召開情況(續)

No. 序號	Time 會議時間	Session 會議屆次	Proposals Considered and Approved 會議審議通過的議案
5	28 August 2019 2019年8月28日	Eleventh Meeting of the Fourth Session of the Board of Supervisors 第四屆監事會第十一次會議	1. The Proposal on 2019 Interim Report on A Shares and Summary thereof of the Company 1、《關於公司A股2019年半年度報告及其摘要的議案》 2. The Proposal on 2019 Interim Results Announcement on H Shares and Interim Report on H Shares of the Company 2、《關於公司H股2019年中期業績公告及公司H股2019年中期報告的議案》 3. The Proposal on the 2019 Special Interim Report on the Deposit and Actual Use of Proceeds of the Company 3、《關於公司2019年半年度募集資金存放與實際使用情況專項報告的議案》 4. The Proposal on Terminating Non-public Issue of A Shares by the Company in 2018 4、《關於終止公司2018年度非公開發行A股股票事項的議案》
6	30 October 2019 2019年10月30日	Twelfth Meeting of the Fourth Session of the Board of Supervisors 第四屆監事會第十二次會議	The Proposal on 2019 Third Quarterly Report of Zhengzhou Coal Mining Machinery Group Company Limited 《關於〈鄭州煤礦機械集團股份有限公司2019年第三季度報告〉的議案》
7	4 November 2019 2019年11月4日	Thirteenth Meeting of the Fourth Session of the Board of Supervisors 第四屆監事會第十三次會議	The Proposal on Granting Share Options to Subjects under 2019 Share Option Incentive Scheme of the Company 《關於向公司2019年股票期權激勵計劃激勵對象授予股票期權的議案》

Over the past year, the Board of Supervisors strengthened its supervision over the Board of Directors and the management, supervised and inspected the production operation of the Company according to law, pursued standardization and enhancement of the institutions of the Company, and worked diligently for its development.

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

Report of the Board of Supervisors for 2019 2019年度監事會工作報告

III. Opinion of the Board of Supervisors on the Company's Relevant Issues in 2019

1. Lawful operation of the Company

In 2019, the Supervisors of the Company were duly present as non-voting delegates at or attended the Company's Board meetings and general meetings, with rigorous supervision carried out over the Company's decision-making procedures as well as the performance of duties of the Company's Directors and senior management. The Board of Supervisors considers that the Board of the Company has complied with relevant requirements stipulated in the Company Law, the Articles of Association and the Rules of Procedure of the Board of Directors, with regulated operations as well as lawful and valid decision-making procedures. The Company has established and improved its internal control system, under which the Directors and senior management of the Company discharged their duties conscientiously with no acts found in violation of laws, regulations and the Articles of Association or prejudice to the Company's interests.

2. Inspection of financial status of the Company

Having reviewed the financial status of the Company, the Board of Supervisors considers that the financial report of the Company reflects the actual state of its financial position and operation results, and that the audit report is truthful and reasonable and enables shareholders to correctly understand the financial and operational status of the Company. The 2019 Annual Report prepared by the Board of the Company reflects the Company's position in a truthful, lawful and complete manner, without any false record, misleading statement or material omissions.

3. Inspection of the utilization of proceeds

The Board of Supervisors has inspected the utilization of proceeds. The Company, with a system established to manage its proceeds, was proper in utilizing its proceeds and executing its management procedures, with no breach of regulations found in respect of the proceeds.

4. Inspection of the establishment of the mid- to long-term mechanism for incentives and restrictions

The Board of Supervisors has reviewed the implementation of the mid- to long-term super profit incentive scheme and 2019 share option incentive scheme of the Company, and considers that the performance assessment indicators in the incentive proposal stand in line with the development of the Company and its list of participants is fair and reasonable with an incentive mechanism that complies with the market-oriented and systematic principles, which can effectively enhance the employees' initiative and the enterprise's innovative strength.

三、監事會對2019年度公司有關事項的意見

1、公司依法運作情況

2019年度，公司監事依法列席或出席了公司董事會和股東大會，對公司的決策程序和公司董事、高級管理人員履行職務情況進行了嚴格的監督。監事會認為：公司董事會遵循了《公司法》、《公司章程》及《董事會議事規則》的有關要求，規範運作，決策程序合法有效；公司建立和完善了內部控制制度，公司董事、經理執行職務時能夠勤勉盡責，未發現違反法律、法規、公司章程或損害公司利益的行為的情形。

2、檢查公司財務的情況

監事會對公司的財務狀況進行了檢查，認為公司的財務報告真實反映公司的財務狀況和經營成果，審計報告真實合理，有利於股東對公司財務狀況及經營情況的正確理解。公司董事會編製的2019年年度報告真實、合法、完整地反映了公司的情況，不存在虛假記載、誤導性陳述或重大遺漏。

3、檢查募集資金使用情況

監事會對募集資金使用情況進行了檢查，公司建立了募集資金管理制度，募集資金使用和管理程序規範，沒有發現募集資金違規行為。

4、檢查公司中長期激勵約束機制建立情況

監事會監督審查了公司中長期超利潤激勵及2019年股票期權激勵計劃的實施情況，認為激勵方案中的業績考核指標符合公司發展情況，激勵對象的名單公平合理，激勵機制符合市場化、系統化的原則，能夠有效提升員工的積極性、提高企業創新活力。

Report of the Board of Supervisors for 2019 2019年度監事會工作報告

III. Opinion of the Board of Supervisors on the Company's Relevant Issues in 2019 (Continued)

5. Acquisition and disposal of assets by the Company

There was no material acquisition or disposal of assets by the Company in 2019. Nor was there any prejudice to shareholders' interests or dissipation of the Company's assets.

6. Connected transactions of the Company

The connected transactions of the Company in 2019 took place in strict compliance with the Articles of Association and the relevant connected transaction agreements, and the transactions were fair and reasonable. Such connected transactions were conducted on an arm's length basis, with the statutory approval process performed and no act prejudicial to the interests of the Company and its shareholders.

7. Internal control of the Company

The Board of Supervisors has reviewed the 2019 self-assessment report on the Company's internal control prepared by the Board as well as the establishment and operation of the Company's internal control system, and considers that the Company has established a robust internal control system capable of effective execution. The self-assessment report on the Company's internal control reflects the establishment and operation of such system in the Company in a truthful and objective manner.

8. Opinions of the Board of Supervisors on the review of the 2019 Annual Report of the Company

The Board of Supervisors has reviewed the 2019 Annual Report of the Company and its summary, and considers that the preparation and review procedures of the 2019 Annual Report of the Company comply with relevant laws and regulations and the Articles of Association, as well as the requirements under the internal control system of the Company; that the content and format thereof are in line with all the relevant requirements of China Securities Regulatory Commission and relevant requirements of Shanghai Stock Exchange, including the Notice Concerning the Proper Disclosure Made in the 2019 Annual Report of Listed Companies; and that the information contained therein gives a true, accurate and complete view of the actual situation of the Company in various aspects and does not give rise to any detriment to the interests of the shareholders of the Company. No staff engaged in the preparation, review or information disclosure of the 2019 Annual Report of the Company was found to have violated the confidentiality requirement during the course of his/her work.

三、監事會對2019年度公司有關事項的意見(續)

5、公司收購、出售資產情況

2019年度公司無重大收購、出售資產行為，沒有發生損害股東權益或造成公司資產流失的情況。

6、公司關聯交易情況

公司2019年度發生的關聯交易嚴格遵守《公司章程》的規定，嚴格按照相關關聯交易規定進行，交易公平合理；關聯交易公允，履行了法定的批准程序，不存在損害公司和股東利益的行為。

7、公司內部控制情況

監事會對董事會關於公司2019年度內部控制的自我評價報告、公司內部控制制度的建設和運行情況進行了審核，公司已建立了較為完善的內部控制制度並能得到有效的執行。公司內部控制的自我評價報告真實、客觀地反映了公司內部控制制度的建設及運行情況。

8、監事會對公司2019年年度報告的審核意見

監事會對公司2019年年度報告及其摘要進行了審議，認為公司2019年年度報告的編製和審議程序符合相關法律、法規和《公司章程》、公司內部控制制度的各項規定；公司2019年年度報告的內容、格式符合中國證監會有關規定和上海證券交易所《關於做好上市公司2019年年度報告披露工作的通知》等相關規定，該報告所包含的信息從各個方面真實、準確、完整地反映了公司的實際情況，沒有出現損害公司股東利益的情形；監事會未發現參與公司2019年年度報告編製、審議、信息披露的有關人員在工作過程中出現違反信息保密規定的行為。

Report of the Board of Supervisors for 2019 2019年度監事會工作報告

IV. Work Plan of the Board of Supervisors in 2020

In 2020, the Board of Supervisors of the Company will continue to strictly comply with the requirements of the Company Law, the Articles of Association and the relevant laws, regulations and policies of the country, perform its duties faithfully, and further facilitate regulated operations of the Company.

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

In 2020, the Board of Supervisors will strictly implement the relevant requirements of the Company Law and the Articles of Association, supervise the Board and the management in implementing the developmental strategies of the Company in accordance with law, and procure the Company to further dedicate itself to the manufacturing sector by enhancing independent innovation and high-quality development. In addition, the Board of Supervisors also supervised the Company's efforts of deepening the reform, and found the Company with a further improved corporate governance structure and higher governance standards.

(2) Strengthen supervision and inspection to avert operational risks

Firstly, the Board of Supervisors will focus on financial supervision, and monitor the financial position of the Company according to law.

Secondly, the Board of Supervisors will maintain communication and liaison with the internal auditors and external accounting firms, to make full use of internal and external audit information to keep abreast of relevant situations.

Thirdly, the Board of Supervisors will pay particular attention to high risk areas of the Company and carry out inspections on critical aspects such as major investments, proceeds management, connected transactions and external guarantees.

(3) Bolster professional capabilities through greater self-improvement

To further protect the interests of the Company and its shareholders, members of the Board of Supervisors will constantly broaden their professional knowledge and improve their professional capabilities by receiving more training in finance, law, auditing and securities, so as to enhance the supervisory role, actively explore innovative ways of supervision, and better perform the supervisory function of the Board of Supervisors.

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

27 March 2020

四、2020年監事會工作計劃

2020年，公司監事會將繼續嚴格按照《公司法》、《公司章程》和國家有關法規政策的規定，忠實履行自己的職責，進一步促進公司的規範運作。

(一) 按照法律法規，認真履行職責

2020年度，監事會將嚴格執行《公司法》、《公司章程》等有關規定，依法對董事會、經理層落實公司發展戰略情況進行監督，推動公司進一步堅守製造業，強化自主創新，推動企業高質量發展。同時對公司深化改革情況進行監督，進一步完善法人治理結構，提高治理水準。

(二) 加強監督檢查，防範經營風險

第一，堅持以財務監督為核心，依法對公司的財務情況進行監督檢查。

第二，保持與內部審計和外部會計師事務所溝通及聯繫，充分利用內外部審計信息，及時瞭解和掌握有關情況。

第三，重點關注公司高風險領域，對公司重大投資、募集資金管理、關聯交易、對外擔保等重要方面實施檢查。

(三) 加強自身學習，提高業務水平

為了進一步維護公司和股東的利益，監事會將不斷拓寬專業知識和提高業務水平，加強監事在金融、財務、法律、審計、證券等方面的培訓，強化監督力量，積極探索創新監督方式，更好地發揮監事會的監督職能。

鄭州煤礦機械集團股份有限公司
監事會

2020年3月27日

Independent Auditor's Report

獨立核數師報告



To the Shareholders of Zhengzhou Coal Mining Machinery Group Company Limited

(incorporated in the People's Republic of China with limited liability)

Opinion

What we have audited

The consolidated financial statements of Zhengzhou Coal Mining Machinery Group Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 101 to 255, which comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of profit or loss and other 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.

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 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

羅兵咸永道

致鄭州煤礦機械集團股份有限公司股東

(於中國註冊成立的有限公司)

意見

我們已審計的內容

鄭州煤礦機械集團股份有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第101頁至第255頁的綜合財務報表，包括：

- 於二零一九年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合損益及其他全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《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佈的《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「核數師就審計綜合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。

Independent Auditor's Report 獨立核數師報告

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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

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

- Determination of loss allowance for trade receivables
- Impairment assessment of goodwill

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，認為對本期綜合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綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 釐定貿易應收款項的虧損撥備
- 商譽減值評估

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

Key Audit Matter

關鍵審計事項

Determination of loss allowance for trade receivables

釐定貿易應收款項的虧損撥備

Refer to notes 2, 3, 4 and 30 to the consolidated financial statements.

As at 31 December 2019, the carrying amounts of the Group's trade receivables were RMB4,640 million for which a loss allowance of RMB612 million was provided.

Management assesses the loss allowance for trade receivables on a periodical basis. Loss allowances for trade receivables are calculated based on management's estimates of the lifetime expected credit losses, which is determined by taking into account: a) the customers' repayment history, ageing profile of their overdue balances, their current financial positions and other relevant circumstances; and b) forecasts of future economic conditions.

We identified the determination of loss allowance for trade receivables as a key audit matter because the estimation of expected credit loss is inherently subjective and requires significant management judgements and estimates.

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

We performed the following procedures in relation to management's assessment when determining the loss allowance for trade receivables:

- We obtained an understanding and evaluated management's design and tested the key controls which management adopted for the determination of loss allowance for trade receivables;
- We assessed the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements and estimates, including:
 - i) Evaluated the customer's repayment history by checking the settlement evidence of the trade receivables to cash receipts and testing the ageing profile of trade receivables to sales invoices and other relevant documents, on a sample basis;
 - ii) On customers having a higher risk of default:
 - Understood management's process in identifying customers having a higher risk of default;
 - Obtained and reviewed those customers' background information and their current financial position provided by management;
 - Reviewed transactions with those customers and their respective collection patterns in the past, and discussed with management to understand the circumstances applicable to relevant customers; and
 - iii) Evaluated whether the historical loss rates were appropriately adjusted based on current economic conditions and forward-looking information by making reference to market data.

Based on the procedures performed, we found the judgement and estimates adopted by management in determining the determination of loss allowance for trade receivables are supported by available evidence.

Independent Auditor's Report 獨立核數師報告

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

Key Audit Matters (Continued)

Key Audit Matter

關鍵審計事項

Determination of loss allowance for trade receivables (Continued) 釐定貿易應收款項的虧損撥備(續)

請參閱綜合財務報表附註2，附註3，附註4及附註30。

於二零一九年十二月三十一日，貴集團的貿易應收款項的賬面值為人民幣4,640百萬元，扣除虧損撥備人民幣612百萬元。

管理層定期評估貿易應收款項的虧損撥備，該撥備由管理層根據預期信用損失確定，而該等預期信用損失乃經考慮以下因素後釐定：a)客戶的還款記錄，逾期結餘的賬齡及其當前財務狀況及其他相關情況；及b)對未來經濟狀況的預測。

由於釐定預期信貸虧損較為主觀，且需要管理層作出重大判斷與估計，因此，我們將釐定貿易應收款項的虧損撥備確定為關鍵審計事項。

關鍵審計事項(續)

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

我們對管理層在釐定貿易應收款項的虧損撥備時的評估已進行下述審計程序：

- 我們了解及評估管理層的設計以及測試管理層對釐定貿易應收款項虧損撥備採取的主要監控；
- 我們通過檢查管理層用於達致有關判斷和估計的信息來評估管理層作出的虧損撥備估計的合理性，具體包括：
 - i) 我們選取樣本檢查現金收據以核對貿易應收款項還款證據，並且查核銷售發票及其他相關文件以評估回款歷史及考查貿易應收款項賬齡；
 - ii) 我們對違約風險較高的客戶已執行下述程序：
 - 了解管理層識別具有較高違約風險客戶的過程；
 - 獲取並審核管理層提供的該等客戶的背景信息及其當前的財務狀況；
 - 審核與該等客戶的交易及其各自的過往收款記錄，並且與管理層討論以了解於相關客戶適用的情況；及
 - iii) 通過參考市場數據，評估歷史虧損率是否根據當前經濟狀況和前瞻性信息進行適當調整。

根據已執行之程序，我們發現管理層在作出貿易應收款項虧損撥備時的判斷及估計被相關證據所支持。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

Key Audit Matter

關鍵審計事項

Impairment assessment of goodwill

商譽減值評估

Refer to notes 2, 4, and 19 to the consolidated financial statements.

At 31 December 2019, the Group held goodwill amounted to RMB677 million, against which a provision of RMB174 million was made to certain cash generating units ("CGUs").

Goodwill was being allocated to different CGUs for the goodwill impairment assessment. Management has engaged an external valuer to assist with the annual impairment assessment. The recoverable amounts of the CGUs were determined based on the value-in-use calculations using cash flow projections, which involved using key assumptions such as annual revenue growth rate, gross profit rate and discount rate.

We focused on this area due to (a) the magnitude of the carrying amount of goodwill; and (b) the complexity, significant judgements and estimates involved in the goodwill impairment assessment process.

關鍵審計事項(續)

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We performed the following procedures in relation to management's impairment assessments of goodwill:

- For those goodwill assessments that management has engaged an external valuer to assist with the annual impairment assessment, we obtained and reviewed the valuation reports, and evaluated the external valuer's independence, competence, capabilities and objectivity;
- We involved our internal valuation expert to assess the appropriateness of the valuation approaches adopted;
- We evaluated management's key assumptions used, with the involvement of our internal valuation experts and performed the following procedures:
 - i) Compared the annual revenue growth rate and gross profit rate with the Group's historical results and the Group's approved business plan, taking into consideration of market trends;
 - ii) Assessed the discount rates used by benchmarking the discount rates against external market data;
 - iii) Evaluated management's sensitivity analysis around the key assumptions used, to ascertain the extent to which adverse changes would result in goodwill being impaired;
- We tested the accuracy of the calculations applied in the valuation models for the calculation of impairment provisions.

Based on the procedures performed, we considered that management's judgement in the impairment assessments was supported by available evidence.

Independent Auditor's Report 獨立核數師報告

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

Key Audit Matters (Continued)

Key Audit Matter

關鍵審計事項

Impairment assessment of goodwill (Continued)

商譽減值評估(續)

請參閱綜合財務報表附註2、附註4及附註19。

於二零一九年十二月三十一日，貴集團商譽的賬面值為人民幣677百萬元，並對部分現金產生單位(「現金產生單位」)計提商譽減值準備人民幣174百萬元。

商譽被分配至不同的現金產生單位以進行商譽的減值評估。管理層聘請外部估值師協助進行年度減值評估。現金產生單位的可收回金額乃根據未來現金流量預測的使用價值計算釐定，其中涉及使用的主要假設有年度收入增長率、毛利率及折現率等。

由於(a)商譽的賬面值金額重大，且(b)商譽減值評估過程複雜並涉及重大判斷與估計，因此，我們將商譽減值評估確定為關鍵審計事項。

關鍵審計事項(續)

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

我們對管理層進行的商譽減值評估已進行下述審計程序：

- 對於管理層聘請外部估值師協助進行年度減值評估的該等商譽評估，我們獲取並審閱估值師出具的估值報告，並且評估了外部估值師的獨立性、專業勝任能力和客觀性；
- 我們使用了內部評估專家來評估所採用的估值方法的適當性；
- 我們評估了管理層使用的關鍵假設，並由我們的內部評估專家參與並執行了以下程序：
 - i) 考慮市場趨勢後，將年度收入增長率和毛利率與貴集團的歷史業績和貴集團經批准的業務計劃進行比較；
 - ii) 通過與外部市場數據對比以衡量折現率，從而評估使用的折現率的合理性；
 - iii) 對管理層敏感度分析中使用的關鍵假設進行評估，以確定不利變化導致商譽減值的程度；
- 我們測試了估值模型中就計算減值撥備應用的計算準確性。

根據已執行之程序，我們認為管理層在減值評估中作出的判斷被相關證據所支持。

Independent Auditor's Report

獨立核數師報告

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the chairman's statement (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and Management Discussion and Analysis, Directors, Supervisors and Senior Management, Corporate Governance Report, Report of the Board of Directors, Report of the Board of Supervisors, and Environmental, Social and Governance Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read Management Discussion and Analysis, Directors, Supervisors and Senior Management, Corporate Governance Report, Report of the Board of Directors, Report of the Board of Supervisors, and Environmental, Social and Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括我們在本核數師報告日前取得的董事長報告書內的信息，(但不包括綜合財務報表及我們的核數師報告)，以及預期會在本核數師報告日後取得的管理層討論與分析、董事、監事及高級管理層、企業管治報告、董事會報告書、監事會工作報告及環境、社會及管治報告內的信息。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦將不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀上述的其他信息，在此過程中，考慮其他信息是否與綜合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。

基於我們對在本核數師報告日前取得的其他信息所執行的工作，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。

當我們閱讀管理層討論與分析、董事、監事及高級管理層、企業管治報告、董事會報告書、監事會工作報告及環境、社會及管治報告內的信息後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審核委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會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

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。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能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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，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綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，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，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險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控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評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請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

Independent Auditor's Report 獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chung Bor.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2020

核數師就審計綜合財務報表承擔的責任 (續)

- 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，以便對綜合財務報表發表意見。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，我們與審核委員會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控制的任何重大缺陷。

我們還向審核委員會提交聲明，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。

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

出具本獨立核數師報告的審計項目合夥人是李松波。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十七日

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收入	5	25,721,417	26,011,730
Cost of sales	銷售成本	11	(20,923,902)	(21,159,849)
Gross profit	毛利		4,797,515	4,851,881
Other income	其他收入	7	225,180	106,060
Other gains and losses	其他收益及虧損	8	(418,404)	(174,503)
Selling and distribution expenses	銷售及分銷開支	11	(1,020,635)	(1,044,119)
Administrative expenses	行政開支	11	(994,626)	(1,203,184)
Research and development expenses	研發費用	11	(1,015,026)	(1,030,195)
Reversal of net impairment losses on financial and contract assets	金融及合同資產減值虧損淨額撥回		157,875	46,947
Share of profit/(loss) of associates	應佔聯營公司溢利/(虧損)	21	38,013	(49,642)
Share of profit of joint ventures	應佔一間合營企業溢利	22	3,716	5,908
Finance costs, net	融資成本淨額	9	(243,532)	(220,415)
Profit before tax	除稅前溢利		1,530,076	1,288,738
Income tax expense	所得稅開支	10	(390,166)	(349,830)
Profit for the year	年內溢利		1,139,910	938,908
Profit for the year attributable to:	以下人士應佔年內溢利：			
Owners of the Company	本公司股東		1,040,253	832,344
Non-controlling interests	非控股權益		99,657	106,564
			1,139,910	938,908

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of post-employment benefit obligations		4,818	(60,990)
Changes in the fair value of financial assets at fair value through other comprehensive income		(1,606)	(17,585)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation		(17,440)	(6,249)
Cash flow hedging		514	2,279
Other comprehensive expense for the year, net of income tax		(13,714)	(82,545)
Total comprehensive income for the year		1,126,196	856,363
Total comprehensive income for the year attributable to:			
Owners of the Company		1,026,539	749,799
Non-controlling interests		99,657	106,564
		1,126,196	856,363
EARNINGS PER SHARE			
– Basic (RMB cents)		60.04	48.04
– Diluted (RMB cents)		60.04	48.04

Consolidated Statement of Financial Position

綜合財務狀況表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		As at 31 December 於十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
NON-CURRENT ASSETS			
非流動資產			
Property, plant and equipment	16	4,841,820	4,865,313
Leasehold land and land use rights		–	440,964
Right-of-use assets	17	1,171,066	–
Investment properties	18	175,335	193,820
Goodwill	19	677,221	853,808
Intangible assets	20	1,505,901	1,578,613
Investments in associates	21	285,453	393,472
Investments in joint ventures	22	71,722	40,006
Financial assets at fair value through other comprehensive income	23	29,934	31,540
Deferred tax assets	24	419,390	442,322
Finance lease receivables	25	23,348	28,508
Long-term receivables	26	263,231	422,235
Contract related assets	27	–	35,410
Loans receivable from associates and a joint venture	28	6,500	10,000
		9,470,921	9,336,011
CURRENT ASSETS			
流動資產			
Finance lease receivables, current portion	25	26,084	24,958
Long-term receivables, current portion	26	239,513	131,926
Loans receivable from associates and a joint venture	28	10,000	9,750
Inventories	29	3,631,699	3,960,844
Trade and other receivables	30	5,836,197	6,326,997
Transferred trade receivables	35	158,762	242,879
Financial assets at fair value through profit or loss	23	1,394,296	355,539
Financial assets at fair value through other comprehensive income	23	4,246,819	3,955,287
Derivative financial instruments	23	13,946	4,401
Tax recoverable		38,581	29,661
Contract related assets	27	30,457	–
Bank deposits	31	858,141	884,480
Cash and cash equivalents	31	3,863,435	2,746,038
		20,347,930	18,672,760
Total assets	總資產	29,818,851	28,008,771

Consolidated Statement of Financial Position

綜合財務狀況表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		As at 31 December 於十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Note 附註	
NON-CURRENT LIABILITIES	非流動負債		
Borrowings	借貸	33	1,741,881
Lease liabilities	租賃負債	17	551,705
Deferred tax liabilities	遞延稅項負債	24	292,778
Contract liabilities	合同負債	27	-
Redemption liabilities	贖回負債	43	567,404
Provisions	撥備	34	197,740
Employee benefit obligations	僱員福利責任	36	378,430
Other non-current liabilities	其他非流動負債		124,138
			3,854,076
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	32	8,005,539
Contract liabilities	合同負債	27	1,699,335
Income tax liabilities	所得稅負債		156,371
Borrowings	借貸	33	1,395,606
Lease liabilities	租賃負債	17	140,143
Redemption liabilities	贖回負債	43	720,000
Provisions	撥備	34	543,141
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	35	158,762
Derivative financial instruments	衍生金融工具	23	3,632
			12,822,529
Total liabilities	總負債		16,676,605

Consolidated Statement of Financial Position 綜合財務狀況表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		As at 31 December 於十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	1,732,471	1,732,471
Share premium	股份溢價	4,199,421	4,199,421
Reserves	儲備	6,307,839	5,525,318
Equity attributable to owners of the Company	本公司股東應佔權益	12,239,731	11,457,210
Non-controlling interests	非控股權益	902,515	833,634
Total equity	權益總額	13,142,246	12,290,844
Total equity and liabilities	權益及負債總額	29,818,851	28,008,771

The consolidated financial statements on pages 101 to 255 were approved and authorised for issue by the Board of Directors on 27 March 2020 and are signed on its behalf by:

載列於第101至255頁的綜合財務報表於二零二零年三月二十七日經董事會批准及授權刊發，並由下列人士代表簽署：

Jiao Chengyao
焦承堯
DIRECTOR
董事

Jia Hao
賈浩
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to owners of the Company 本公司股東應佔										
		Share capital	Share premium	Revaluation reserve	Statutory surplus reserve	Currency Translation reserve	Cash flow hedging reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股份溢價	重估儲備	法定盈餘儲備	貨幣匯兌儲備	現金流量對沖儲備	其他儲備	保留盈利	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
					(Note a) (附註a)		(Note b) (附註b)	(Note c) (附註c)				
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	1,732,471	4,199,421	(58,743)	633,784	(8,460)	2,279	97,877	4,858,581	11,457,210	833,634	12,290,844
Profit for the year	年內溢利	-	-	-	-	-	-	-	1,040,253	1,040,253	99,657	1,139,910
Other comprehensive income (expense) for the year	年內其他全面收益(開支)	-	-	3,212	-	(17,440)	514	-	-	(13,714)	-	(13,714)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	3,212	-	(17,440)	514	-	1,040,253	1,026,539	99,657	1,126,196
Transfer (Note a)	轉撥(附註a)	-	-	-	157,210	-	-	-	(157,210)	-	-	-
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	-	1,601	1,601	-	1,601
Transaction with associates	與關聯方的交易	-	-	-	-	-	-	-	6,080	6,080	-	6,080
Transaction with minority interest	與少數股東權益的交易	-	-	-	-	-	-	-	(491)	(491)	(1,987)	(2,478)
Dividends (Note 14)	股息(附註14)	-	-	-	-	-	-	-	(251,208)	(251,208)	(28,789)	(279,997)
At 31 December 2019	於二零一九年十二月三十一日	1,732,471	4,199,421	(55,531)	790,994	(25,900)	2,793	97,877	5,497,606	12,239,731	902,515	13,142,246
At 1 January 2018	於二零一八年一月一日	1,732,471	4,199,421	19,832	569,775	(2,211)	-	97,877	4,183,041	10,800,206	775,101	11,575,307
Profit for the year	年內溢利	-	-	-	-	-	-	-	832,344	832,344	106,564	938,908
Other comprehensive income (expense) for the year	年內其他全面收益(開支)	-	-	(78,575)	-	(6,249)	2,279	-	-	(82,545)	-	(82,545)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	(78,575)	-	(6,249)	2,279	-	832,344	749,799	106,564	856,363
Transfer (Note a)	轉撥(附註a)	-	-	-	64,009	-	-	-	(64,009)	-	-	-
Transaction with minority interest	與少數股東權益的交易	-	-	-	-	-	-	-	(6,172)	(6,172)	6,172	-
Dividends (Note 14)	股息(附註14)	-	-	-	-	-	-	-	(86,623)	(86,623)	(54,203)	(140,826)
At 31 December 2018	於二零一八年十二月三十一日	1,732,471	4,199,421	(58,743)	633,784	(8,460)	2,279	97,877	4,858,581	11,457,210	833,634	12,290,844

Note a: In accordance with the Company Law of PRC and the Articles of Association of the Company and all subsidiaries established in the PRC, the Company and these subsidiaries are required to transfer 10% of the profit after taxation to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the Company and these subsidiaries.

Note b: The cash flow hedging reserve presents the cumulative effective portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains and losses arising on changes in fair value of the hedging instrument that are recognised and accumulated under the cash flow hedging reserve will be reclassified to profit or loss only when the hedged item affects the profit or loss, or is included as an adjustment to the non-financial hedged item.

Note c: The other reserves mainly represent the contribution from the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government, the ultimate controlling party of the Company, and is recognised as contribution from the ultimate controlling party of the Company.

附註a: 根據中國公司法以及本公司及其所有於中國成立的附屬公司的公司章程,本公司及該等附屬公司需要將除稅後溢利撥出10%至法定盈餘儲備,直至儲備已達註冊資本50%為止。對這項儲備進行轉撥必須在向權益持有人分派股息前進行。法定盈餘儲備可用於彌補以前年度的虧損、擴充現有營運或轉為本公司及該等附屬公司的額外資本。

附註b: 現金流量對沖儲備指就現金流量對沖訂立的對沖工具的公平值變動產生的收益及虧損累計有效部分。已於現金流量對沖儲備確認及累計的對沖工具的公平值變動產生的累計收益及虧損僅在對沖項目影響損益時,方會重新分類至損益,或計入非財務對沖項目的調整之內。

附註c: 其他儲備主要指本公司的最終控制方河南省人民政府國有資產監督管理委員會的出資,並確認為本公司最終控制方的出資。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019 截至二零一九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	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	1,530,076	1,288,738
Adjustments for:	調整：		
Finance costs	融資成本	243,532	220,415
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項及融資租賃應收款項的利息收入	(68,221)	(53,928)
Share of (profit)/loss associates	應佔聯營公司(溢利)/虧損	(38,013)	49,642
Share of profit of joint ventures	應佔合營企業溢利	(3,716)	(5,908)
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備的虧損/(收益)	2,192	(1,978)
Gain on disposal of associates	出售聯營公司收益	(16,257)	-
Dividend from financial assets at fair value through other comprehensive income	以公平值計量且其變動計入其他全面收益的金融資產所得股息	(2,897)	-
Gain on disposal of financial asset at fair value through profit or loss	出售以公平值計量且其變動計入損益的金融資產收益	-	(3,041)
Net fair value loss of derivative financial instruments	衍生金融工具公平值虧損淨額	55,998	25,948
Depreciation of property, plant and equipment	物業、廠房及設備折舊	804,589	796,019
Depreciation of investment properties	投資物業折舊	7,061	1,589
Amortisation of intangible assets	無形資產攤銷	188,398	175,048
Depreciation of right-of-use assets	使用權資產折舊	152,494	-
Release of leasehold land and land use rights	租賃土地及土地使用權撥回	-	12,728
Reversal of net impairment losses on financial and contract assets	金融及合同資產減值虧損淨額撥回	(157,875)	(46,947)
Impairment of goodwill	商譽減值	174,086	109,125
Impairment of development costs	開發成本減值	246,731	-
Share-based payment	以股份為基礎的付款	1,601	-
Accrual/(reversal) of inventory provision	應計/(撥回)存貨撥備	38,248	(11,164)
Effect of foreign exchange rate changes	匯率變動的影響	(41,896)	40,473
Operating cash flows before movements in working capital	營運資金變動前的營運現金流量	3,116,131	2,596,759
Decrease/(increase) in inventories	存貨減少/(增加)	290,897	(696,742)
Decrease in trade and other receivables	貿易及其他應收款項減少	455,403	2,113,138
Increase in notes receivable	應收票據增加	(291,532)	(3,245,513)
Decrease/(increase) in long-term receivables and finance lease receivables	長期應收款項及融資租賃應收款項減少/(增加)	60,404	(208,972)
(Decrease)/increase in trade and other payables	貿易及其他應付款項(減少)/增加	(235,721)	841,392
Increase in contract liabilities	合同負債增加	268,671	74,272
Cash generated from operations	經營業務所得現金	3,664,253	1,474,334
Income tax paid	已付所得稅	(406,847)	(401,592)
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營活動所得現金淨額	3,257,406	1,072,742

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2019 截至二零一九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	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項及融資租賃應收款項的利息收入	68,221	53,928
Government grants related to assets received	就資產收取的政府補助	52,800	10,408
Dividends received from associates	已收聯營公司股息	10,200	7,686
Dividends from financial assets at fair value through comprehensive income	以公平值計量且變動計入其他全面收益的金融資產的股息	2,897	–
Proceeds on disposal of associates	出售聯營公司所得款項	123,512	–
Proceeds on disposal of financial assets at fair value through profit or loss	出售以公平值計量且其變動計入損益的金融資產所得款項	–	3,041
Proceeds on disposal of derivative financial instruments	出售衍生金融工具所得款項	514	15,913
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	45,299	60,661
Purchases of property, plant and equipment	購置物業、廠房及設備	(879,074)	(843,924)
Payments for leasehold land and land use rights	租賃土地及土地使用權的付款	–	(5,224)
Purchases of other intangible assets	購置其他無形資產	(365,931)	(410,655)
Payments for structured deposits	支付結構性存款	(1,393,000)	(354,243)
Proceeds from structured deposits	結構性存款所得款項	354,243	62,000
Payments for loans receivable from a joint venture	應收一間合營企業貸款的付款	(6,500)	–
Repayment of loans receivable from a joint venture	應收一間合營企業貸款的還款	9,750	10,000
Payments for business combination, net of cash acquired (Note 45)	業務合併的付款，扣除所收購現金(附註45)	(50,834)	(426,950)
Payments for establishment of an associate	成立一間聯營公司的付款	(29,400)	–
Payments for establishment of a joint venture	成立一間合營企業的付款	(28,000)	–
Transaction with minority interests	與少數股東權益的交易	(2,478)	–
Placement of bank deposits with original maturity over three months	存放原到期三個月以上的銀行存款	(31,270)	(30,590)
Withdrawal of bank deposits with original maturity over three months	提取原到期日期三個月以上的銀行存款	30,590	86,410
Payment of pledged bank deposits	支付已抵押銀行存款	(826,871)	(2,719,582)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	853,890	2,733,487
Net fair value loss of derivative financial instruments	衍生金融工具公平值虧損淨額	(97,090)	–
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(2,158,532)	(1,747,634)

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2019 截至二零一九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	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Proceeds received from the equipment leasing companies (Note 35)	已收設備租賃公司所得款項(附註35)	257,329	124,445
Proceeds from new borrowings raised	新借貸所得款項	2,857,487	2,041,589
Repayment of borrowings	償還借貸	(2,587,827)	(206,000)
Interests paid	已付利息	(104,267)	(103,278)
Dividends paid to Company's shareholders	已付本公司股東股息	(251,208)	(86,623)
Dividends paid to non-controlling interests	已付非控股權益股息	(28,789)	(54,203)
Principal elements of lease payments	租賃款項的本金部分	(161,356)	-
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES (Note 44)	融資活動(所用)/所得現金淨額(附註44)	(18,631)	1,715,930
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	1,080,243	1,041,038
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動的影響	37,154	(40,177)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等價物	2,746,038	1,745,177
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by cash and cash equivalents (Note 31)	於十二月三十一日的現金及現金等價物 代表現金及現金等價物(附註31)	3,863,435	2,746,038

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1 General information

Zhengzhou Coal Mining Machinery Group Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 28 December 2008 as a joint stock company with limited liability under the Company Law of the PRC after a reorganisation of Zhengzhou Coal Mining Machinery Group Co., Ltd., a state owned enterprise in the PRC. On October 28 2015, 32.14% of the Company's total issued share capital held by the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government ("Henan SASAC") were transferred to Henan Machinery Investment Group, a wholly-owned subsidiary of Henan SASAC. In the opinion of the directors of the Company, upon completion of the share transfer, the parent of the Company is Henan Machinery Investment Group and its ultimate controlling party is Henan SASAC of the PRC Government.

On 9 March 2017, the Company issued 93,220,338 ordinary shares to ASIMCO (China) Limited. On 22 March 2017, the Company issued 18,129,032 ordinary shares to Zhengzhou Coal Mining Machinery Group Company Limited – the first phase of ESOP, Bridge Trust Co., Ltd., Jinxiu Zhonghe (Beijing) Capital Management Co., Ltd. – Jinxiu Tianyou No. 106 Private Investment Fund, Tianhong Asset Management – Bank of Ningbo – HANG TANG WEALTH, Tianhong Asset Management – Bank of Ningbo – No. 2 Wealth Management Plan of Tianhong Dashu Dingzengbao and Anhui Railway Development Funds Co., Ltd.. After the issuance, Henan Machinery Investment Group hold 30.08% of the Company's total issued share capital.

On 3 August 2010, the Company completed its initial public offering and listing of 140,000,000 A shares on the Shanghai Stock Exchange under the stock code 601717.SS. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 00564) on 5 December 2012.

The respective addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section of the annual report. The Company and its subsidiaries (collectively the "Group") are mainly engaged in manufacturing of coal mining machinery and auto parts.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

1 一般資料

鄭州煤礦機械集團股份有限公司(「本公司」)於中華人民共和國(「中國」)國有企業鄭州煤礦機械集團有限責任公司重組後，根據中國公司法於二零零八年十二月二十八日在中國成立為股份有限公司。於二零一五年十月二十八日，由河南省人民政府國有資產監督管理委員會(「河南省國資委」)持有的本公司已發行股本總額的32.14%轉讓予河南省國資委的全資附屬公司河南機械裝備投資集團。本公司董事認為，在股份轉讓完成後，本公司母公司為河南機械裝備投資集團，其最終控制方是中國政府轄下的河南省國資委。

於二零一七年三月九日，本公司向亞新科(中國)投資有限公司發行93,220,338股普通股。於二零一七年三月二十二日，本公司向鄭州煤礦機械集團股份有限公司—第1期員工持股計劃、百瑞信託有限責任公司、錦綉中和(北京)資本管理有限公司—錦綉天佑106號私募投資基金、天弘基金—寧波銀行—恒天財富、天弘基金—寧波銀行—天弘基金大樹定增寶2號資產管理計劃及安徽省鐵路發展基金股份有限公司發行18,129,032股普通股。於新股發行後，河南機械裝備投資集團持有本公司已發行股本總額的30.08%。

於二零一零年八月三日，本公司完成140,000,000股A股在上海證券交易所首次公開發售並上市(股份代號601717.SS)。本公司於二零一二年十二月五日在香港聯合交易所有限公司(「聯交所」)主板上市(股份代號：00564)。

本公司相關注冊辦事處地址及主要營業地點於年報「公司資料」一節披露。本公司與其附屬公司(合稱「本集團」)從事煤礦機械及汽車零部件製造兩大主業。

2 主要會計政策概要

編製綜合財務報表所應用的主要會計政策載列於下文。除特別說明外，該等政策貫徹運用於呈列的所有年度。財務報表為本集團(包括本公司及其附屬公司)財務報表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and disclosure requirements of the Hong Kong Companies ordinance Cap. 622. The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value, and
- defined benefit pension plans – plan assets measured at fair value.

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

2.2 Changes in accounting policies

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments that are relevant to the Group for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 Leases
- Prepayment Features with Negative Compensation – Amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28
- Annual Improvements to IFRS Standards 2015–2017 Cycle
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19
- IFRIC 23 Uncertainty over Income Tax Treatments

Except for IFRS 16, other changes to accounting standards do not have significant impact on the Group’s financial statements.

2 主要會計政策概要(續)

2.1 編製基準

綜合財務報表乃根據國際財務報告準則(「國際財務報告準則」)及第622章香港公司條例的披露規定編製。財務報表乃按歷史成本基準編製，惟下列除外：

- 若干金融資產及負債(包括衍生工具) – 按公平值計量，及
- 界定福利退休金計劃 – 計劃資產按公平值計量。

遵照國際財務報告準則要求編製財務報表須使用若干重大會計估計。其亦要求管理層在應用本集團的會計政策過程中行使其判斷。涉及高度判斷性或複雜性的範圍或其假設及估計對綜合財務報表屬重大的範圍於下文附註4披露。

2.2 會計政策變動

(a) 本集團採納的新訂及經修訂準則

本集團已於二零一九年一月一日開始的年度報告期間首次應用下列與本集團相關的準則及修訂本：

- 國際財務報告準則第16號「租賃」
- 具有負補償的提早還款特性 – 國際財務報告準則第9號修訂本
- 於聯營公司及合營企業的長期權益 – 國際會計準則第28號修訂本
- 國際財務報告準則二零一五年至二零一七年週期的年度改進
- 計劃修訂、縮減或結算 – 國際會計準則第19號修訂本
- 國際財務報告詮釋委員會 – 詮釋第23號「所得稅處理的不確定性」

除國際財務報告準則第16號外，其他會計準則變動對本集團的財務報表並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.2 Changes in accounting policies (Continued)

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 Adoption of IFRS 16

This note explains the impact of the adoption of IFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods.

The Group has adopted IFRS 16 from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.61%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

2 主要會計政策概要(續)

2.2 會計政策變動

(b) 尚未採納的新訂準則及詮釋

本集團並無提早採納若干已頒佈但於二零一九年十二月三十一日報告期間尚未強制生效的新訂會計準則及詮釋。該等準則預期不會於當前或未來報告期間對實體或對可見未來交易產生重大影響。

2.3 採納國際財務報告準則第16號

本附註介紹了採納國際財務報告準則第16號「租賃」對本集團財務報表的影響，並披露了自二零一九年一月一日起應用的新會計政策與往期所應用會計政策的差異。

本集團於二零一九年一月一日採納國際財務報告準則第16號，但按該準則的特定過渡條文所允許，並無就二零一八年報告期間重述比較信息。因此，該等新租賃規則引致的重新分類及調整於二零一九年一月一日的年初資產負債表中確認。

於採納國際財務報告準則第16號後，本集團確認與租賃（先前按國際會計準則第17號「租賃」原則分類為「經營租賃」）有關的租賃負債。該等負債按餘下租賃款項的現值計量，並採用承租人截至二零一九年一月一日的新增借貸利率貼現。於二零一九年一月一日，承租人應用於租賃負債的加權平均新增借貸利率為3.61%。

就先前分類為融資租賃的租賃而言，實體將緊接過渡前租賃資產及租賃負債的賬面值確認為於首次應用日期使用權資產及租賃負債的賬面值。國際財務報告準則第16號的計量原則於該日後方會應用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.3 Adoption of IFRS 16 (Continued)

(a) Measurement of lease liabilities

		2019 二零一九年 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	1,003,510
Discounted using the lessee's incremental borrowing rate of at the date of initial application	以首次應用日期的承租人新增借貸利率貼現	801,930
Add: finance lease liabilities recognised as at 31 December 2018	加：於二零一八年十二月三十一日確認的融資租賃負債	2,521
(Less): short-term leases and low-value leases recognised on a straight-line basis as expense	(減)：按直線法確認為開支的短期租賃及低價值租賃	(20,480)
Lease liability recognised as at 1 January 2019		783,971
Of which are:	其中：	
Current lease liabilities	流動租賃負債	155,982
Non-current lease liabilities	非流動租賃負債	627,989

Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

2 主要會計政策概要(續)

2.3 採納國際財務報告準則第16號(續)

(a) 租賃負債的計量

使用權資產計量

使用權資產以與租賃負債相同的金額計量，經於二零一八年十二月三十一日資產負債表中確認與該項租賃相關的任何預付或應計租賃款項金額調整。於首次應用日期，概無須對使用權資產作出調整的嚴苛租賃合同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.3 Adoption of IFRS 16 (Continued)

- (b) The recognised right-of-use assets relate to the following types of assets:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
Buildings	樓宇	602,633	702,176
Land use rights	土地使用權	487,214	440,964
Office and operating equipment	辦公室及營運設備	1,262	1,929
Machines	機器	6,062	112
Others	其他	73,895	79,970
Total right-of-use assets		1,171,066	1,225,151
		使用權資產總值	

(c) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

		31 December 2018 二零一八年 十二月 三十一日 RMB'000 人民幣千元	Adoption of IFRS 16 採納國際 財務報告 準則第16號 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
Leasehold land and land use rights	租賃土地及土地使用權	440,964	(440,964)	-
Property, plant and equipment	物業、廠房及設備	4,865,313	(2,737)	4,862,576
Right-of-use assets	使用權資產	-	1,225,151	1,225,151
Lease liabilities, non-current portion	租賃負債(非流動部分)	-	627,989	627,989
Lease liabilities, current portion	租賃負債(流動部分)	-	155,982	155,982
Other non-current liabilities	其他非流動負債	95,934	(1,386)	94,548
Trade and other payables	貿易及其他應付款項	8,130,550	(1,135)	8,129,415

2 主要會計政策概要(續)

2.3 採納國際財務報告準則第16號(續)

- (b) 已確認使用權資產與下列資產類型有關：

(c) 於二零一九年一月一日在資產負債表內確認的調整

會計政策變動影響於二零一九年一月一日的資產負債表中的下列項目：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.3 Adoption of IFRS 16 (Continued)

(d) Impact on segment disclosures and earnings per share

Adjusted net profit, segment assets and segment liabilities for 31 December 2019 all increased as a result of the change in accounting policy. Lease liabilities are now included in segment liabilities, whereas finance lease liabilities were previously excluded from segment liabilities. The following segments were affected by the change in policy:

	Coal mining machinery 煤礦機械		Auto parts 汽車零部件	
	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Right-of-use assets (excluding land use rights)				
使用權資產(土地使用權除外)	38,717	38,876	645,134	652,972

Basic earnings per share decreased by RMB0.88 cents per share for the year end 31 December 2019 as a result of the adoption of IFRS 16.

(e) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

2 主要會計政策概要(續)

2.3 採納國際財務報告準則第16號(續)

(d) 對分部披露及每股收益的影響

由於會計政策變動，二零一九年十二月三十一日的經調整純利、分部資產及分部負債均有所增加。租賃負債現時包括分部負債，而融資租賃負債先前並不包括在分部負債中。下列分部受政策變動影響：

(e) 所採用的可行權宜方法

於首次應用國際財務報告準則第16號時，本集團已採用獲准則許可的以下可行權宜方法：

- 對具有合理相似特徵的租賃組合採用單一貼現率
- 依賴先前關於租賃是否屬嚴苛的評估作為進行減值檢討的替代方法－於二零一九年一月一日並無嚴苛合同
- 對於二零一九年一月一日剩餘租期少於12個月的經營租賃按短期租賃進行會計處理
- 在首次應用日期計量使用權資產時撇除初始直接成本；及
- 倘合同包含延長或終止租約的選擇權，則可在確定租期時使用事後分析

由於採納國際財務報告準則第16號，截至二零一九年十二月三十一日止年度的每股基本盈利每股減少人民幣0.88分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.3 Adoption of IFRS 16 (Continued)

(e) Practical expedients applied (Continued)

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

(f) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of IFRS 16.

(g) The Group's leasing activities and how these are accounted for

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to 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 right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

2 主要會計政策概要(續)

2.3 採納國際財務報告準則第16號(續)

(e) 所採用的可行權宜方法(續)

本集團亦已選擇不在首次應用日期重新評估合同是否屬於或包含租賃。相反，對於在過渡日期之前訂立的合同，本集團依賴其應用國際會計準則第17號及國際財務報告詮釋委員會－詮釋第4號「釐定安排是否包含租賃」作出的評估。

(f) 出租人會計處理

本集團毋須因採納國際財務報告準則第16號就經營租賃項下作為出租人所持有資產的會計處理作出任何調整。

(g) 本集團的租賃活動及其入賬方式

在二零一八財政年度前，物業、廠房及設備的租賃分類為融資租賃或經營租賃。根據經營租賃支付的款項(扣除從出租人收取的任何優惠)在租期內按直線法自損益扣除。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。每筆租賃款項均在負債與融資成本之間分配。融資成本於租期內自損益扣除，以產生每個期間負債餘額的固定利率。使用權資產在資產的可使用年期與租期的較短期間內以直線法折舊。

租賃所產生的資產及負債初步按現值基準計量。租賃負債包括以下租賃款項的淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃優惠
- 基於指數或利率的可變租賃款項
- 剩餘價值擔保下承租人預期應付的款項
- 承租人合理確定行使購買選擇權時該選擇權的行使價；及
- 租期反映承租人行使該選擇權時有關終止租賃的罰款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.3 Adoption of IFRS 16 (Continued)

(g) The Group's leasing activities and how these are accounted for (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

(h) Variable lease payments

There is one factory lease of SEG Automotive Components Brazil Ltda. contains variable payment terms. This contract is based on an index and can contain variable payments.

(i) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

2 主要會計政策概要(續)

2.3 採納國際財務報告準則第16號(續)

(g) 本集團的租賃活動及其入賬方式(續)

租賃款項採用租賃所隱含的利率貼現。倘無法釐定該利率，則使用承租人新增借貸利率，即承租人在類似經濟環境中按類似條款及條件借入所需資金獲取類似價值資產而須支付的利率。

使用權資產按成本計量，包括以下各項：

- 初步計量租賃負債的金額
- 在開始日期或之前作出的任何租賃款項減任何已收租賃優惠
- 任何初始直接成本；及
- 復原成本。

與短期租賃以及低價值資產租賃相關的付款按直線法於損益確認為開支。短期租賃指租期為12個月或以下的租賃。低價值資產包括信息技術設備及小型辦公家具。

(h) 可變租賃款項

索恩格汽車部件巴西有限公司一項工廠租賃包括可變租賃款項條款。有關合同基於指數釐定，可能包括可變款項。

(i) 延長及終止選擇權

本集團多項物業及設備租賃均包含延長及終止選擇權。就管理本集團營運所用的資產而言，該等選擇權用作充分提升營運彈性。大部分所持有的延長及終止選擇權僅可由本集團行使，相關出租人無權行使。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.3 Adoption of IFRS 16 (Continued)

(j) Residual value guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases.

Estimating the amount payable under residual value guarantees

The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting period. At the end of reporting period, no material amount was expected to be payable under residual value guarantees as part of lease liabilities.

2.4 The principal accounting policies

Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.4).

Intercompany 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, and other comprehensive income, statement of changes in equity and statement of financial position respectively.

2 主要會計政策概要(續)

2.3 採納國際財務報告準則第16號(續)

(j) 剩餘價值擔保

為了在合同期內充分利用租賃成本，本集團有時會提供與設備租賃相關的剩餘價值擔保。

估算剩餘價值擔保下的應付款項

本集團初步估計預期就剩餘價值擔保應付的款項，及將款項確認為租賃負債的一部分，在各報告期末檢討金額並在適當情況下進行調整。於報告期末，預期不會根據剩餘價值擔保支付重大款項作為租賃負債的一部分。

2.4 主要會計政策

合併原則及權益會計處理

(a) 附屬公司

附屬公司指本集團擁有控制權的所有實體（包括結構性實體）。當本集團自參與實體業務而承擔取得其可變回報的風險或享有可變回報的權利，並有能力透過其對實體活動的主導權影響該等回報時，則本集團控制該實體。附屬公司於控制權轉移至本集團當日起全面合併入賬，並於終止控制權當日起不再合併入賬。

本集團採用收購會計法將業務合併入賬（附註2.4）。

本集團公司間交易、結存及未變現收益均會對銷。未變現虧損亦會對銷，除非該交易顯示已轉讓資產減值的證據。附屬公司的會計政策已在需要時作出變更，以確保與本集團所採納會計政策一致。

附屬公司業績及權益中的非控股權益分別於綜合損益及其他全面收益表、權益變動表及財務狀況表中單獨呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Principles of consolidation and equity accounting (Continued)

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(c) Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

(d) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.4.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

合併原則及權益會計處理(續)

(b) 聯營公司

聯營公司為本集團對其擁有重大影響但不擁有控制權或共同控制權的所有實體。於一般情況下，本集團擁有介乎20%至50%的投票權。於初步按成本確認後，對聯營公司的投資採用權益會計法入賬。

(c) 合營安排

根據香港財務報告準則第11號「合營安排」，對合營安排的投資須分類為共同經營或合營企業，視乎各投資者的合同權益和義務而定，而非合營安排的法律結構。本集團已評估其合營安排的性質，並確定其為合營企業。

在綜合財務狀況表中按成本進行初步確認後，於合營企業的權益採用權益會計法入賬。

(d) 權益會計法

根據權益會計法，投資初步按成本確認，其後進行調整以於損益確認本集團應佔被投資方收購後溢利或虧損，並於其他全面收益確認本集團應佔被投資方其他全面收益的變動。已收或應收聯營公司及合營企業的股息確認為投資賬面值扣減。

倘本集團應佔權益入賬投資的虧損等於或超過其於該實體的權益(包括任何其他無抵押長期應收款項)，則本集團不會確認進一步虧損，除非已代表另一實體承擔責任或作出付款。

本集團與其聯營公司及合營企業之間交易的未變現收益按本集團於該等實體的權益予以對銷。未變現虧損亦會予以對銷，除非該交易顯示已轉讓資產減值的證據。權益入賬被投資方的會計政策已在需要時作出變更，以確保與本集團所採納政策一致。

權益入賬投資的賬面值根據附註2.4所述政策進行減值測試。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Principles of consolidation and equity accounting (Continued)

(e) 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.

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 IFRSs.

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 主要會計政策概要(續)

2.4 主要會計政策(續)

合併原則及權益會計處理(續)

(e) 擁有權權益變動

本集團將不導致喪失控制權的非控股權益交易視作與本集團權益擁有人的交易。擁有權權益變動導致控股與非控股權益賬面值調整，以反映其於附屬公司的相對權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本公司股東應佔權益中的獨立儲備內確認。

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按公平值重新計量，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的保留權益而言，該公平值成為初始賬面值。此外，先前於其他全面收益就該實體確認的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這意味著先前於其他全面收益確認的金額重新分類至損益或轉撥至適用國際財務報告準則所指明／許可的另一權益類別內。

倘於合營企業或聯營公司的擁有權權益減少但保留共同控制權或重大影響力，則先前於其他全面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

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Business combinations

The Group applies the acquisition method to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, 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.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss. Amounts classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

業務合併

本集團採用收購法將所有業務合併入賬，不論是否已收購股本工具或其他資產。就收購附屬公司轉讓的代價包括：

- 所轉讓資產的公平值
- 被收購業務前擁有人所產生負債
- 本集團已發行股本權益
- 或然代價安排所產生任何資產或負債的公平值，及
- 附屬公司任何先前存在的股本權益的公平值。

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債，初步以其於收購日期的公平值計量。本集團以逐項收購基準，按公平值或按非控股權益所佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時支銷。

所轉讓代價、被收購實體的任何非控股權益金額及於被收購方先前的任何股本權益於收購日期的公平值超出所收購可識別資產淨值的公平值時，其差額以商譽列賬。

或然代價分類為權益或金融負債。分類為金融負債的金額其後將按公平值重新計量，且公平值變動於損益中確認。分類為權益的金額不再重新計量，其後續結算在權益中入賬。

倘業務合併分階段進行，則收購方先前持有的被收購方股本權益於收購日期的賬面值按於收購日期的公平值重新計量。任何因重新計量產生的收益或虧損於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors of the Company.

Foreign currency translation

(a) Functional and presentation currency

Items included in the historical financial information 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 Company's functional currency is RMB as its key activities and transactions are denominated in RMB. The Group's presentation currency is RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within "other gains and losses".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary 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 and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

分部報告

經營分部按照與向主要經營決策人(「主要經營決策人」)提供的內部報告一致的方式報告。負責分配資源及評估經營分部表現的主要經營決策人已被確定為本公司的執行董事。

外幣換算

(a) 功能及列賬貨幣

本集團各實體歷史財務資料所列項目乃按該實體經營所在地主要經濟環境的貨幣(「功能貨幣」)計量。由於本公司的主要業務及交易以人民幣計值，故其功能貨幣為人民幣。本集團的列賬貨幣為人民幣。

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算該等交易產生的外匯收益及虧損以及以外幣計值的貨幣資產及負債以年終匯率換算所產生的外匯收益及虧損一般於損益中確認。如其涉及合資格的現金流量對沖及合資格的投資淨額對沖或歸屬於海外業務投資淨額的一部分，則其在權益中遞延入賬。

與借貸有關的匯兌收益及虧損在損益及其他全面收益表內的融資成本中呈列。所有其他匯兌收益及虧損在損益及其他全面收益表內的「其他收益及虧損」中以淨額呈列。

按外幣公平值計量的非貨幣項目，採用公平值釐定日期的匯率換算。按公平值列賬的資產及負債的換算差額作為公平值收益或虧損的一部分列報。例如，非貨幣資產及負債(如以公平值計量且其變動計入損益持有的權益)的換算差額於損益中確認為公平值收益或虧損的一部分，而非貨幣資產(如分類為以公平值計量且其變動計入其他全面收益的權益)的換算差額在其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Foreign currency translation (Continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this 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 dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified into profit or loss, as part of "other gain and losses."

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

外幣換算(續)

(c) 集團公司

其功能貨幣與列賬貨幣不同的海外業務(當中並無惡性通貨膨脹經濟的貨幣)的業績及財務狀況按如下方法換算為列賬貨幣：

- 所呈列的各財務狀況表的資產及負債按該財務狀況表日期的收市匯率換算
- 各損益及其他全面收益表的收入及開支按平均匯率換算(除非該匯率非交易日當時利率累積影響的合理近似值，於該情況下，收入及開支於交易日換算)；及
- 所有由此產生的匯兌差額在其他全面收益中確認。

於綜合入賬時，因換算於海外實體的任何投資淨額所產生的匯兌差額以及指定為該等投資對沖的借款及其他金融工具所產生的匯兌差額在其他全面收益中確認。當出售海外業務或償還構成投資淨額一部分的任何借款時，相關的匯兌差額將重新分類至損益，作為「其他收益及虧損」的一部分。

因收購海外業務產生的商譽及公平值調整被視為該海外業務的資產及負債，並按年末匯率換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Property, plant and equipment

All other property, plant and equipment are stated at historical cost less depreciation. 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 are charged to profit or loss during the reporting period in which they are incurred.

The above items of property, plant and equipment except for construction in progress are depreciated on a straight-line basis, taking into account their residual value, at the following rates per annum:

Buildings	2.71%–3.17%
Plant and machinery	9.00%-18.00%
Motor vehicles	18.00%-19.00%
Other equipment	18.00%-19.00%

Property, plant and equipment arising from business acquisition is depreciated over the remaining useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are recognized in "Other gains and losses" in the profit or loss.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

物業、廠房及設備

所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購項目的直接支出。

僅在項目相關未來經濟利益可能流入本集團且項目成本能可靠計量時，後續成本方會視情況計入資產賬面值或確認為一項獨立資產。作為獨立資產入賬的任何部分的賬面值於重置時解除確認。所有其他維修及保養費用於產生的報告期間於損益扣除。

除在建工程外，上述物業、廠房及設備項目經計及其剩餘價值後以直線法折舊，採用的年率如下：

樓宇	2.71%至3.17%
廠房及機器	9.00%至18.00%
車輛	18.00%至19.00%
其他設備	18.00%至19.00%

業務收購產生的物業、廠房及設備按剩餘可使用年期折舊。

於各報告期末會檢討資產的剩餘價值及可使用年期，並作出適當調整。

若資產賬面值高於估計可收回金額，則即時撇減其賬面值至可收回金額。

出售所得的收益及虧損按所得款項與賬面值的差額確定，並於損益中的「其他收益及虧損」確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

Investment properties are depreciated on a straight-line basis, taking into account their residual value, at the following rates per annum:

Land use right	2%
Buildings	2.71%-3.17%

Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the aggregate purchase 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 net identifiable assets acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized 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 at the operating segments.

(b) Trademarks, patents and customer relationship

Separately acquired trademarks and licences are shown at historical cost. Trademarks, patents and customer relationship acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

投資物業

投資物業乃持作產生長遠租金收益，且並非由本集團佔用。投資物業按成本(包括相關交易成本及(倘適用)借貸成本)進行初步計量。於初步確認後，投資物業按成本減累計折舊及任何減值虧損列賬。

投資物業經計及其殘值後按直線法折舊，年利率如下：

土地使用權	2%
樓宇	2.71%至3.17%

無形資產

(a) 商譽

收購附屬公司所產生的商譽即所轉讓購買代價、被收購方的任何非控股權益金額與任何先前於被收購方的股本權益在收購日期公平值的總和超逾所收購可識別資產淨值公平值的部分。收購附屬公司的商譽包括在無形資產內。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可能出現減值時進行更頻密減值測試，並按成本減累計減值虧損列賬。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。

就減值測試而言，商譽會分配至現金產生單位。此分配是對預期可從商譽產生的業務合併中獲取利益的現金產生單位或現金產生單位組別而作出的。該等單位或單位組別乃以就內部管理目的按經營分部監察商譽的最低層級識別得出。

(b) 商標、專利及客戶關係

分開購入的商標及牌照按歷史成本列示。在業務合併中購入的商標、專利及客戶關係於收購日按公平值確認。其可使用年期有限並其後按成本減累計攤銷及減值虧損列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Intangible assets (Continued)

(c) Development cost

Costs associated with project development are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the technology so that it will be available for use
- management intends to complete the technology and use or sell it
- there is an ability to use or sell the technology
- it can be demonstrated how the technology will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the technology are available, and
- the expenditure attributable to the technology during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the technology include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as development costs in intangible assets and would be transferred to completed development projects or patents, and amortised from the point at which the asset is ready for use over its estimated use life.

(d) Research and development

Research expenditure and development expenditure that do not meet the criteria in (c) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

無形資產(續)

(c) 開發成本

有關項目開發成本於產生時確認為開支。本集團所控制的可識別及獨特產品的設計及測試直接應佔的開發成本，於符合下列條件時確認為無形資產：

- 完成技術以致其可供使用乃技術上可行
- 管理層有意完成技術並使用或出售
- 有能力使用或出售技術
- 能證明技術日後可能產生經濟利益的方法
- 有足夠的技術、財務和其他資源完成開發並使用或出售技術，及
- 技術在開發期內應佔的開支能可靠地計量。

資本化為部分技術的直接應佔成本包括僱員成本及相關成本的適當部分。

已資本化的開發成本按無形資產中的開發成本入賬，將劃轉至已完工開發項目或專利，並自該資產可供使用時起隨估計可使用年期攤銷。

(d) 研發

不符合上文第(c)項條件的研究費用及開發費用於產生時確認為開支。先前確認為開支的開發成本於其後期間不會確認為資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Intangible assets (Continued)

(e) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following period:

Trademark	10 years
Software	4–5 years
Development costs	4 years
Patent right	5–10 years
Customer relationship	10 years

Impairment of non-financial assets

Goodwill, development cost not yet ready for use and intangible assets that have an indefinite useful life 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. Other assets are tested 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 inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

無形資產(續)

(e) 攤銷方法及期間

本集團按以下期限以直線法攤銷具有有限可使用年期的無形資產：

商標	10年
軟件	4至5年
開發成本	4年
專利權	5至10年
客戶關係	10年

非金融資產減值

具有無限可使用年期的商譽、未可動用開發成本及無形資產毋須攤銷，惟每年進行減值測試，或倘事件或情況變化顯示其可能出現減值，則更頻繁地進行減值測試。其他資產於有事件或情況變動顯示賬面值可能不可收回時，進行減值測試。減值虧損按資產賬面值超逾可收回金額的部分確認。可收回金額為資產公平值減出售成本與使用價值兩者的較高者。就評估減值而言，資產按有獨立可識別現金流入的最低水平分組，而有關現金流入大致上獨立於其他資產或資產組別的現金流入(現金產生單位)。出現減值的非金融資產(商譽除外)乃於各報告期末進行有關可能撥回減值的檢討。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Financial assets

Accounting policies applied from 1 January 2018.

(a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flow from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

金融資產

自二零一八年一月一日起應用會計政策。

(a) 分類

自二零一八年一月一日起，本集團按以下計量類別對其金融資產進行分類：

- 其後將以公平值計量且其變動計入其他全面收益或損益計量的金融資產，及
- 將按攤銷成本計量的金融資產。

分類取決於實體管理金融資產及現金流量合同條款的業務模式。

就以公平值計量的資產而言，其收益及虧損於損益或其他全面收益(其他全面收益)列賬。就債務工具投資而言，其取決於持有投資的業務模式。就並非持作買賣的股本工具投資而言，則取決於本集團是否於初步確認時不可撤銷地選擇將權益投資以公平值計量且其變動計入其他全面收益(以公平值計量且其變動計入其他全面收益)入賬。

本集團僅於管理該等資產的業務模式改變時方會對債務投資進行重新分類。

(b) 確認及終止確認

金融資產的常規買賣在交易日(即本集團承諾購入或出售該資產之日)確認。當從金融資產收取現金流量的權利已經到期或轉讓，而本集團已將擁有權的絕大部分風險和回報轉讓時，有關金融資產便會終止確認。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains and losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

金融資產(續)

(c) 計量

在初步確認時，本集團按公平值加上(倘屬並非以公平值計量且其變動計入損益(以公平值計量且其變動計入損益)的金融資產)購買金融資產直接應佔的交易成本計量金融資產。以公平值計量且其變動計入損益列賬的金融資產的交易成本於損益支銷。

在確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金及利息時，會整體考慮金融資產。

債務工具

債務工具的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘持有資產旨在收取合同現金流量，而該等現金流量純粹為支付本金及利息，則該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。終止確認產生的任何收益或虧損直接於損益中確認並連同匯兌收益及虧損於其他收益及虧損中呈列。減值虧損於損益表中呈列為獨立項目。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains and losses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains and losses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets measured at FVPL are recognised in other gains and losses in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

金融資產(續)

(c) 計量(續)

債務工具(續)

- 以公平值計量且其變動計入其他全面收益：倘持有資產目的為收取合同現金流量及銷售金融資產，且資產的現金流量純粹為支付本金及利息，則資產以公平值計量且其變動計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值收益或虧損、利息收入及匯兌收益及虧損於損益中確認。於終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他收益及虧損確認。該等金融資產所產生利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益及虧損呈列，而減值開支在損益表中呈列為獨立項目。
- 以公平值計量且其變動計入損益：不符合攤銷成本或以公平值計量且其變動計入其他全面收益條件的資產乃以公平值計量且其變動計入損益計量。隨後以公平值計量且其變動計入損益的債務投資的收益或虧損於其產生期間在損益中確認並在其他收益及虧損中以淨額呈列。

股本工具

本集團隨後按公平值計量所有股本投資。當本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，公平值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認。

以公平值計量且其變動計入損益的金融資產公平值變動於損益中的其他收益及虧損(按適用情況)確認。以公平值計量且其變動計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會與公平值其他變動分開列報。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Financial assets (Continued)

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, FVOCI and FVPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has certain types of financial assets that are subject to IFRS 9's expected credit loss ("ECL") model. Please refer to Note 3 for details.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has 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 Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

2 主要會計政策概要(續)

2.4 主要會計政策(續)

金融資產(續)

(d) 減值

本集團對有關其按攤銷成本、以公平值計量且其變動計入其他全面收益及以公平值計量且其變動計入損益列賬的債務工具的預期信貸虧損進行前瞻性評估。所應用的減值方法取決於信貸風險是否大幅增加。

本集團持有若干類別的金融資產在國際財務報告準則第9號預期信貸虧損(「預期信貸虧損」)模型的適用範圍內。詳情請參閱附註3。

抵銷金融工具

倘本集團現時有合法強制執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在資產負債表中報告其淨額。本集團亦訂立不符合抵銷標準的安排，惟仍容許相關金額於破產或終止合同等若干情況下予以抵銷。

衍生工具及對沖活動

衍生工具於訂立衍生工具合同之日按公平值初步確認，其後按其於各報告期末的公平值重新計量。公平值隨後變動的會計處理取決於衍生工具是否指定為對沖工具，如被指定為對沖工具，則取決於對沖項目的性質。本集團指定若干衍生工具作為：

- 對沖已確認資產或負債或確定承擔的公平值(公平值對沖)；或
- 對沖與已確認資產或負債或極有可能進行的預測交易現金流量有關的一項特殊風險(現金流量對沖)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Derivatives and hedging activities (Continued)

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 23. Movements in the hedging reserve in shareholders' equity are shown in Note 23. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains and losses.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument. The Group classified foreign currency options and commodity option as held-for-trading derivatives and accounted for them at FVPL.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

衍生工具及對沖活動(續)

於對沖開始時，本集團已記錄對沖工具和對沖項目的經濟關係，包括預期對沖工具的現金流量變動是否抵銷對沖項目的現金流量變動。本集團亦記錄進行對沖交易的風險管理目標及策略。

於對沖關係中指定的衍生金融工具公平值在附註23披露。股東權益的對沖儲備變動載於附註23。當對沖項目的剩餘期限超過12個月時，對沖衍生工具的全數公平值會被分類為非流動資產或負債。當對沖項目的剩餘期限少於12個月時，對沖衍生工具的全數公平值會被分類為流動資產或負債。買賣性質的衍生工具則分類為流動資產或負債。

(a) 符合對沖會計處理的現金流量對沖

指定及符合現金流量對沖的衍生工具的公平值變動中有效部分在權益內的現金流量對沖儲備中確認。有關無效部分的收益或虧損即時於損益中的其他收益或虧損內確認。

當期權合同用於對沖預測交易時，本集團僅指定期權合同的內在價值為對沖工具。本集團將外幣期權及商品期權分類為持作買賣衍生工具及以公平值計量且其變動計入損益入賬。

與期權內在價值變動有效部分相關的收益或虧損於權益中的現金流量對沖儲備確認。與對沖項目有關的期權時間價值變動(「調整時間價值」)按權益中的對沖儲備成本於其他全面收益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Derivatives and hedging activities (Continued)

(a) Cash flow hedges that qualify for hedge accounting (Continued)

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

衍生工具及對沖活動(續)

(a) 符合對沖會計處理的現金流量對沖(續)

本集團如訂立遠期合同對沖預測交易，通常會僅將涉及現貨部分的遠期合同的公平值變動指定為對沖工具。與遠期合同現貨部分變動的有效部分有關的收益或虧損於權益中的現金流量對沖儲備確認。涉及對沖項目的合同中的遠期因素變動(「調整遠期因素」)按權益中的對沖儲備成本於其他全面收益內確認。在若干情況下，本集團可能將遠期合同公平值的全部變動(包括遠期點數)指定為對沖工具。此時，與整份遠期合同公平值變動的有效部分有關的收益或虧損於權益中的現金流量對沖儲備中確認。

權益中的累計金額於對沖項目影響損益期間重新分類如下：

- 如對沖項目其後引致確認非金融資產(例如存貨)，則遞延對沖收益及虧損以及期權合同或遞延遠期點數(如有)的遞延時間價值均計入資產的初始成本。由於對沖項目影響損益(例如在銷售成本方面)，遞延金額最終於損益確認。
- 與利率掉期對沖浮息借貸的有效部分有關的收益或虧損，於對沖借貸產生利息開支的同時，於損益內的融資成本確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Derivatives and hedging activities (Continued)

(a) Cash flow hedges that qualify for hedge accounting (Continued)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains and losses.

Inventories

Inventories are stated at the lower of cost and 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.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a year and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 30 for further information about the Group's accounting for trade receivables and Note 3 for a description of the Group's impairment policies.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

衍生工具及對沖活動(續)

(a) 符合對沖會計處理的現金流量對沖(續)

如對沖工具到期、出售或終止，或者不再符合對沖會計處理標準，當其時權益中對沖產生的任何累計遞延收益或虧損及遞延成本仍計入權益，直至發生預測交易導致本集團確認非金融資產(如存貨)。如預計不會發生預測交易，於權益中申報的對沖產生的累計收益或虧損及遞延成本即時重新分類至損益。

(b) 不符合對沖會計處理的衍生工具

若干衍生工具不符合對沖會計處理。任何不符合對沖會計處理的衍生工具公平值變動即時於損益中確認，並計入其他收益及虧損。

存貨

存貨按成本及可變現淨值的較低者列賬。成本乃按加權平均法計算。製成品及在製品的成本包括原材料、直接勞工、其他直接成本及相關生產費用(基於正常營運能力)，不包括借貸成本。可變現淨值指日常業務過程中的估計售價減適當可變的銷售成本。

貿易應收款項

貿易應收款項為於日常業務過程中就銷售貨品或履行服務收取客戶的款項，通常於一年內到期結清，因此均被分類為流動。

貿易應收款項按無條件代價金額初步確認，除非其包括重大融資成分，則按公平值確認。本集團持有的貿易應收款項旨在收集合同現金流量，並因此隨後採用實際利率法按攤銷成本對其進行計量。有關本集團對貿易應收款項的會計處理的進一步資料及本集團減值政策闡述，分別參見附註30及附註3。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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.

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 payables are classified as current liabilities unless payment is not due 12 months after the reporting period.

Trade payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

現金及現金等價物

就呈列現金流量表而言，現金及現金等價物包括手頭現金、金融機構活期存款、其他短期高流通量投資(原定到期日為三個月或以下，隨時可轉換為可知金額的現金且價值變動風險不大者)以及銀行透支。銀行透支呈列於資產負債表內流動負債的借貸項下。

股本

普通股會被分類為權益。

發行新股或購股權直接應佔的新增成本會在權益中呈列為所得款項的扣減(扣除稅項)。

貿易及其他應付款項

貿易應付款項為於日常業務過程中就從供應商購買的貨品或服務而應付的款項。除非貿易應付款項不會於報告期後12個月內到期，否則款項會被分類為流動負債。

貿易應付款項及其他應付款項按公平值初步確認，其後採用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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.

Borrowing cost

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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

借貸

借貸按公平值扣除所產生的交易成本初步確認。借貸隨後按攤銷成本列賬。所得款項(扣除交易成本)與贖回價值之間的任何差額採用實際利率法於借貸期間在綜合損益表內確認。

在很有可能提取部分或全部融資的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該融資很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並在與其相關的融資期間予以攤銷。

除非本集團具有無條件權利將負債的結算遞延至報告期後最少12個月，否則借貸歸類為流動負債。

借貸成本

收購、建設或生產合資格資產(指需要用大量時間方能投入擬定用途或出售的資產)直接應佔的一般及特定借貸成本，乃計入該等資產的成本，直至該等資產絕大部分已準備就緒投入擬定用途或出售為止。

若未用作合資格資產開支的特定借貸暫時用於投資，所賺取的投資收入於合資格資本化的借貸成本扣除。

所有其他借貸成本於產生期間於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the 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 income 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 areas where the Company, its subsidiaries, associates and joint ventures 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.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

即期及遞延所得稅

期內所得稅開支包括即期及遞延稅項。所得稅均於損益確認，惟與在其他全面收益或直接於權益中確認的項目有關者除外。在該情況下，所得稅亦分別於其他全面收益或直接於權益中確認。

(a) 即期所得稅

即期所得稅支出根據本公司、其附屬公司、聯營公司及合營企業經營所在及產生應課稅收入的地區於資產負債表日期已頒佈或實質頒佈的稅法計算。管理層就有待詮釋的適用稅務法規的情況定期評估報稅表的狀況，並在適當情況下根據預期須向稅務機關繳付的稅款設立撥備。

(b) 遞延所得稅

內部基準差額

遞延所得稅按資產及負債的稅基與其其在財務報表的賬面值之間的暫時差額確認。然而，如遞延稅項負債產生自初步確認商譽時，則不予確認；如遞延所得稅產生自交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅損益，則不作記賬。遞延所得稅乃以於資產負債表日期已頒佈或實質頒佈的稅率(及稅法)釐定，並預期於變現相關遞延所得稅資產或結算遞延所得稅負債時應用。

僅於可能出現未來應課稅溢利抵銷暫時差額時確認遞延所得稅資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for joint ventures and associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the joint ventures and associates' undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, joint ventures and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax 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 主要會計政策概要(續)

2.4 主要會計政策(續)

即期及遞延所得稅(續)

(b) 遞延所得稅(續)

外部基準差額

遞延所得稅就於附屬公司、合營企業及聯營公司的投資產生的暫時差額計提，惟本集團控制暫時差額撥回時間，且暫時差額在可見未來很可能不會撥回的遞延所得稅負債，則另作別論。本集團通常無法控制合營企業及聯營公司的暫時差額的撥回。僅在有協議賦予本集團能力控制暫時差額在可見未來撥回時，與合營企業及聯營公司的未分派溢利所產生應課稅暫時差額相關的遞延稅負債不予確認。

就於附屬公司、合營企業及聯營公司的投資產生的可扣減暫時差額確認的遞延所得稅資產，僅限於暫時差額很可能於未來轉回，並有充足的應課稅溢利可用以抵銷暫時差額時方予以確認。

(c) 抵銷

當有法定可執行權利將即期稅項資產與即期稅項負債抵銷，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有意以淨額基準結算結餘的不同應課稅實體所徵收的所得稅時，則可將遞延所得稅資產與負債互相抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Employee benefits

Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits provided in various forms of consideration in exchange for service rendered by employees or compensations for the termination of employment relationship.

(a) Short-term obligations

Short-term employee benefits include employee wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, short-term paid absences, labour union running costs and employee education costs, etc. The short-term employee benefit liabilities are recognised in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

(b) Pension obligations

The Group operates various pension schemes, including both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group's legal or constructive obligation for the plan is limited to the contributions.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

僱員福利

僱員福利是本集團為獲得僱員提供的服務或解除僱傭關係而給予的各種形式的報酬或補償，包括短期僱員福利、離職後福利、離職福利及其他長期僱員福利等。

(a) 短期責任

短期僱員福利包括僱員工資或薪金、獎金、津貼及補貼、員工福利、醫療保險、工傷保險及生育保險費用或供款、住房公積金、短期帶薪缺勤、工會營運成本及僱員教育成本等。本集團在僱員提供服務的會計期間確認短期僱員福利負債，並相應於當期損益或相關資產成本扣除。非貨幣性福利按公平值計量。

(b) 退休金責任

本集團推行多個退休金計劃，包括界定供款及界定福利計劃。

界定供款計劃

界定供款計劃為本集團須向獨立實體支付固定供款的退休金計劃。本集團就該計劃的法律或推定責任僅限於供款。

本集團以強制性、合同性或自願性方式向公開或私人管理的退休金保險計劃供款。本集團作出供款後，概無進一步付款責任。供款於到期時確認為僱員福利開支。倘可返還或扣減未來付款的現金，預付供款確認為資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Employee benefits (Continued)

(b) Pension obligations (Continued)

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

僱員福利(續)

(b) 退休金責任(續)

界定福利計劃

界定福利計劃是一項非界定供款退休金計劃。

界定福利計劃一般界定僱員於退休時收取的退休金福利金額，有關金額通常視乎一項或多項因素而定，例如年齡、服務年期及賠償。

於資產負債表確認與界定福利退休金計劃有關的負債是報告期末界定福利責任的現值減計劃資產公平值。界定福利責任每年由獨立精算師使用預測單位信貸法計算。界定福利責任的現值按以支付福利的貨幣計值且到期期限與相關退休金責任期限相若的優質公司債券的利率貼現預計未來現金流出而釐定。在相關證券並無深度市場的國家，則採用政府債券的市場利率。

界定福利計劃的當期服務成本(於損益表內的僱員福利開支中確認，惟已計入資產成本者除外)反映於本年度因僱員服務而產生的界定福利責任的增加、福利變動、縮減及結算。

因過往調整及精算假設改變產生的精算收益及虧損於產生期間在其他全面收益於權益扣除或計入。

過往服務成本隨即於損益確認。

利息成本淨額按界定福利責任的結餘淨額及計劃資產的公平值，按貼現率計算。該成本於損益中計入僱員福利開支。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Employee benefits (Continued)

(c) Other post-employment obligations

Some group companies provide other post-retirement benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(e) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

僱員福利(續)

(c) 其他離職後責任

若干集團公司向退休僱員提供退休後福利。享有此等福利一般以僱員在達到退休年齡前仍在職及已完成最低服務期為條件。此等福利的預期成本利用與界定福利退休金計劃相同的會計處理方法，按僱傭期累計。經驗調整及精算假設的變動所產生的精算收益及虧損在產生期間內於其他全面收益的權益中扣除或計入。此等責任每年由獨立合資格精算師估值。

(d) 離職福利

離職福利在本集團於正常退休日期前終止僱用僱員或當僱員接受自願遣散以換取此等福利時支付。本集團在以下較早日期發生時確認離職福利：(a)當本集團不再能夠撤回此等福利要約時；及(b)當實體就屬於國際會計準則第37號範圍的重組確認成本，並涉及支付離職福利時。在鼓勵僱員自願遣散的要約情況下，離職福利按預期接受要約的僱員人數計算。在報告期末後超過12個月到期的福利應貼現至現值。

(e) 溢利分享及花紅計劃

本集團按經若干調整後本公司股東應佔溢利根據公式計算的花紅及溢利分享確認負債及開支。當有合同責任或過往慣例引致推定責任時，本集團即會確認撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Employee benefits (Continued)

(f) Employee leave entitlements

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.

(g) Share-based payments – expense recognition and grant date

Share-based payment expenses should be recognised over the period during which the employees provide the relevant services. This period may commence prior to the grant date. In this situation, the entity estimates the grant date fair value of the equity instruments for the purposes of recognising the services received during the period between service commencement date and grant date. Once the grant date has been established, the entity revises the earlier estimate so that the amounts recognised for services received is ultimately based on the grant date fair value of the equity instruments.

Share-based payments

Share-based compensation benefits are provided to employees via the A share Option Incentive Scheme (the “Employee Option Plan”), the executive short-term incentive scheme and share appreciation. Information relating to these schemes is set out in Note 38.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

僱員福利(續)

(f) 僱員休假權利

僱員享有的年假在僱員可享有時確認。本集團會對僱員至結算日所提供服務而可享的年假估算負債作出撥備。

僱員享有的病假及產假直至僱員休假之時方會確認。

(g) 以股份為基礎的付款 – 開支確認及授出日期

以股份為基礎的付款開支應於僱員提供相關服務期間確認。該期間可在授予日期之前開始。於此情況下，實體估計股本工具的授出日期公平值以確認於服務開始日期至授出日期的期間內所接受的服務。一經確定授出日期，實體會修改先前估計以使所獲服務的確金額最終按股本工具的授出日期公平值釐定。

以股份為基礎的付款

本集團透過A股股票期權激勵計劃(「僱員購股權計劃」)、行政人員短期激勵計劃及股票增值向僱員提供以股份為基礎的薪酬福利。該等計劃的資料載於附註38。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Share-based payments (Continued)

Employee options

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg 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 (eg the requirement for employees to save or hold shares for a specific period of time).

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. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The Employee Option Plan is administered by Employee Share Trust, which is consolidated in accordance with the principles in Note 2.4. When the options are exercised, the trust transfers the appropriate number of shares to employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

以股份為基礎的付款(續)

僱員購股權

根據僱員購股權計劃授出的購股權的公平值確認為僱員福利開支，並相應增加權益。本集團按照所授購股權的公平值釐定費用總額：

- 包括任何市場業績狀況(例如實體股價)
- 不包括任何服務及非市場業績歸屬條件(例如盈利能力、銷售增長目標及於一段特定期間內留住實體僱員)的影響，及
- 包括任何非歸屬條件(例如規定僱員於一段特定時間保留或持有股份)的影響。

總開支於歸屬期內確認，即符合所有列明的歸屬條件期間。各期間結束時，實體會根據非市場歸屬及服務條件修改其估計預期可予歸屬的購股權數目。修改原有估計(如有)的影響則於損益確認，並對權益作相應調整。

僱員購股權計劃由僱員股份信託管理，並根據附註2.4的原則進行合併。當購股權獲行使時，信託向僱員轉讓適當數目的股份。收取的所得款項於扣除任何直接應佔交易成本後直接計入權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Provision

Provisions for warranty 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.

The Group recognises the estimated liability to repair or replace for assurance type – warranty. This provision is calculated based on historical experience of the level of repairs and replacements.

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.

If an entity has an onerous contract (the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognised as a provision.

A restructuring provision is recognised only when the general recognition criteria for provision are met. The obligation for a restructuring is often constructive. A constructive restructuring obligation arises only when there is: (a) a detailed formal plan identifying the main features of the restructuring; and (b) a valid expectation in those affected that the entity will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

A restructuring plan does not create a present obligation at the balance sheet date if it is announced after that date, even if it is announced before the financial statements are approved. A sale or termination of a business might fall under the definition of a restructuring. No obligation arises in respect of restructuring costs associated with the sale of an operation until the entity is committed to the sale (that is, there is a binding sale agreement).

Restructuring provision includes only the direct expenditures arising from the restructuring, which are necessarily entailed by the restructuring and not those associated with the entity's ongoing activities. Any expected gains on the sale of assets are not considered in measuring a restructuring provision.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

撥備

當本集團因過往事件承擔現有法律或推定責任，而解除責任很有可能導致資源流出，且金額能夠可靠估算的情況下，便會確認保修撥備。未來的營運虧損則不會確認撥備。

本集團確認就保障型保修所作維修或更換的估計負債。該撥備按過往維修及更換之經驗計算。

倘承擔若干類似責任，於釐定解除責任是否需要流出資源時，將以整類責任類別為考慮。即使同類責任當中任何一項導致資源流出可能性甚低，亦會確認撥備。

倘實體具有嚴苛合同（履行合約義務所不可避免的成本超過根據合同預期獲得的經濟利益），則合同下的現時義務確認為撥備。

重組撥備於符合撥備的一般確認標準時方獲確認。重組義務往往具有建設性。建設性重組義務於出現下列情況方會產生：(a)詳盡的正式計劃識別出主要重組特性；及(b)對該等受影響者合理預期實體將開始執行計劃或宣佈對該等受影響者加入主要特性以進行重組。

倘重組計劃於資產負債表日期之後宣佈，即使是於批准財務報表之前宣佈，其於資產負債表日期並無產生現時義務。業務的銷售或終止均可能符合重組的定義。有關銷售業務的重組成本並無產生義務，直至實體保證進行銷售（即存在具有約束力的銷售協議）為止。

重組撥備僅包括源自重組的直接開支，此項開支屬重組的必要開支，而非有關實體持續活動的開支。於計量重組撥備時概無計及任何資產銷售的預期收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Revenue recognition

Sales comprise the fair value of the consideration received or receivable from the sale of coal mining machinery, spare parts, auto parts and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group also assess its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the specific criteria have been met for each of the activities, as described below.

Sales of products

The Group manufactures and sells a range of coal mining machineries and auto parts to its customers. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The retention receivables which will be settled by customers after warranty period, is included in trade receivables.

The Group does not recognise the warranty service as a separate performance obligation in a single contract as the warranty service is assurance type, and the Group's obligation to repair or replace faulty products under the warranty terms is recognised as a provision, see Note 34.

Transportation and handling cost

As the transportation and handling activities occur before the customer obtains control of related products, they are not separate performance obligation, therefore, related costs are fulfilment costs which are recognised as assets. The assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or service to which the assets relate. Due to the short period of transportation, related assets are not material at the balance sheet date.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

收入確認

銷售額包括於本集團一般業務過程中銷售煤礦機械、配件及汽車零部件與提供服務的已收或應收代價的公平值。銷售額經扣除增值稅、回扣及折扣並抵銷本集團內部銷售額後呈列。

本集團亦就每項交易評估其作為代理或主事人的角色，而在代理安排中，代表主事人收取的金額不會計入收入。本集團於各項業務滿足特定條件時確認收入，如下文所述。

銷售產品

本集團製造及銷售一系列煤礦機械和汽車零部件予其客戶。當產品控制權已轉移，產品已交付予客戶，且不存在可能影響客戶對產品接收的未履行債務時，本集團即確認產品銷售收入。當產品已運至指定地點，過時和損失風險已轉讓予客戶，而客戶已根據銷售合同接收產品、或所有接收條款已作廢，或本集團有客觀證據顯示所有接收條款已經履行後，才算滿足貨品已交付的條件。客戶將於保修期後結清的應收保留金計入貿易應收款項。

本集團不會將保修服務確認為單項合同中的單獨履約責任，原因為保修服務為保證類型，且本集團保修條款中修理或更換缺陷產品的責任獲確認為撥備，見附註34。

運輸及處理成本

由於運輸及處理活動於客戶取得有關產品控制權之前發生，其無單獨履約責任，故有關成本為履約成本及獲確認為資產。資產按與資產相關的貨物或服務轉讓予客戶一致的系統基準進行攤銷。由於運輸時間短，有關資產於結算日屬不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Revenue recognition (Continued)

Significant financing component

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Normally, the collection period would be from 3 to 5 years.

Rendering of service

Revenue from providing services is recognised in the accounting period in which the services are rendered. The service provided by the Group is mainly related to the service for repairing service.

Presentation of assets and liabilities related to contracts with customers

IFRS 15 Revenue from Contracts with Customers requires the presentation of any unconditional rights to consideration as a receivable separately from contract assets. The Group has therefore reclassified its contract assets and contract liabilities upon adoption of IFRS 15.

Contract liabilities are recognised as follow:

- Contract liabilities recognised in relation to advance received from customers for non-cancellable contracts;
- Contract liabilities recognised in relation to R&D reimbursements – The Group recognises the related reimbursement payment from customer as contract liabilities and recognises the amount as revenue over the expected production to customer in future period. The related R&D costs are capitalised as contract fulfilment cost are amortised to profit or loss on a systematic basis consistent with the pattern of the transfer of the products under production to the customer as part of cost of sales. Any R&D cost which is not recoverable or when related production is not proceeded by the customer is written off to profit or loss directly. There is no cost written off during the year.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

收入確認(續)

重大融資部分

倘合同包含融資部分，為客戶提供重大融資利益超過12個月，則收入按與客戶進行之個別融資交易所反映貼現率貼現之應收款項現值計量，而利息收入則按實際利率法單獨累計。回收期限一般為3至5年。

提供服務

提供服務所得收入於提供服務之會計期間確認。本集團提供的服務主要與維修服務有關。

呈列與客戶之間之合同有關的資產及負債

國際財務報告準則第15號與客戶之間之合同產生的收入要求將任何無條件收取代價的權利呈列為獨立於合同資產的應收款項。因此，本集團於採用國際財務報告準則第15號後重新分類其合同資產及合同負債。

合同負債確認如下：

- 就不可取消合同收取的客戶墊款所確認的合同負債；
- 就有關研發補償確認的合同負債而言，本集團已將來自客戶的有關補償款項確認為合同負債，並會於未來期間將該款項確認為向客戶所作預期生產的收入。有關研發開支資本化為合同履約成本，並作為銷售成本的一部分根據向客戶轉讓生產中產品的模式按系統基準於損益中攤銷。任何無法收回的或有關生產並未由客戶繼續進行時的研發成本則直接於損益中撤銷。年內並無撤銷成本。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Revenue recognition (Continued)

Presentation of assets and liabilities related to contracts with customers (Continued)

The Group also has the contract related assets, recognised in relation to refund of R&D expenses. Refund of R&D expenses represents the refund received by the Group from the customers, and the Group has a right to consideration in exchange for services that the Group has transferred to a customer when the right is conditioned.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as other income where it is earned from financial assets that are held for cash management purposes.

Government grants

Government grants are obtained free from the government in the form of monetary assets, including tax refunds and/or financial subsidies.

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. If the grant is in the form of monetary assets, it is measured by the amount received or receivable.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

收入確認(續)

呈列與客戶之間之合同有關之資產及負債(續)

本集團亦有就研發開支退款確認之合同相關資產。研發開支退款指本集團自客戶收取之退款，而本集團有權就向客戶轉讓之服務收取代價，而該權利為有條件。

利息收入

利息收入之計算是將實際利率應用於金融資產之賬面總值，惟其後發生信貸減值之金融資產除外。就信貸減值金融資產而言，實際利率應用於金融資產之賬面淨值(扣除虧損撥備)。

倘自金融資產賺取之利息收入持作現金管理用途，則利息收入呈列為其他收入。

政府補助

政府補助是以貨幣資產形式從政府獲得，包括退稅及／或財政補貼。

於合理保證將收到補助且本集團將遵守所有附帶條件之情況下，確認政府補助。倘補助為貨幣資產之形式，則按已收或應收款項計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Government grants (Continued)

Government grants related to assets are government grants which are obtained by the enterprise for the construction or formation of other long-term assets. Government grants related to income refer to the grants other than those related to assets. Government grants related to assets are recognised as deferred income, equally recorded in profit or loss of corresponding period over the life of the relevant assets.

Government grants related to income used as compensation for business expenses or losses in subsequent periods, are recognised as deferred income, and recorded in profit or loss when the expenses are recognised; those obtained as compensation for business expenses or losses that have occurred are recorded directly in current profit or loss.

Leases

As explained in Note 2.3 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.3.

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases (Note 17). Finance leases were 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, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to 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 was 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 主要會計政策概要(續)

2.4 主要會計政策(續)

政府補助(續)

與資產有關的政府補助為企業因建設或形成其他長期資產而收取的政府補助。與收入有關的政府補助指與資產有關的補助以外的補助。與資產有關的政府補助確認為遞延收入，在相關資產的年期內同等計入相應期間損益。

與其後期間用作業務開支或虧損補償的收入有關的政府補助，確認為遞延收入，並在確認該等開支時記入損益；就已產生業務開支或虧損的補償而獲得的政府補助直接記入當期損益。

租賃

誠如上文附註2.3所述，本集團已就本集團作為承租人的租賃變更其會計政策。新會計政策闡述如下文且有關變動的影響闡述於附註2.3。

截至二零一八年十二月三十一日，本集團作為承租人擁有絕大部分擁有權風險及回報的物業、廠房及設備的租賃分類為融資租賃(附註17)。融資租賃於租賃開始時按租賃物業的公平價或最低租賃付款的現值(倘較低)資本化。相應租賃負債(扣除融資開支)計入其他短期及長期應付款項。每筆租賃款項均在負債與融資成本之間分配。融資成本於租期內自損益扣除，以產生每個期間負債餘額的固定利率。根據融資租賃取得的物業、廠房及設備按資產的可使用年限，或(倘並無法合理確認本集團將於租期屆滿時取得擁有權)使用資產的可使用年限與租賃年期兩者中較短者計提折舊。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Leases (Continued)

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

租賃(續)

如租賃擁有權的重大部分風險及回報並無轉讓至本集團(作為承租人)，則分類為經營租賃。根據經營租賃支付的款項(扣除自出租人收取之任何優惠後)於租賃期內以直線法從損益表中扣除。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。

合同可能包含租賃及非租賃組成部分。本集團根據租賃及非租賃組成部分的相應獨立價格，將合同代價分配至租賃及非租賃組成部分。然而，就本集團為承租人的地產租賃而言，本集團選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃所產生的資產及負債初步按現值基準計量。租賃負債包括以下租賃款項的淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃優惠
- 基於指數或利率的可變租賃款項，或於開始日期使用指數或利率計量
- 剩餘價值擔保下本集團預期應付的款項
- 本集團合理確定行使購買選擇權時該選擇權的行使價；及
- 租期反映本集團行使該選擇權時有關終止租賃的罰款。

根據若干合理延期選擇權作出的租賃付款亦將計入負債計量。

Notes to the Consolidated Financial Statements

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to 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.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

租賃(續)

租賃款項採用租賃所隱含的利率貼現。倘無法釐定該利率(本集團的租賃一般屬此情況)，則使用承租人新增借貸利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入所需資金獲取價值與使用權資產類似的資產而須支付的利率。

為釐定新增借貸利率，本集團：

- 於可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動。

本集團未來可能根據指數或利率增加可變租賃付款金額，而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時，租賃負債根據使用權資產進行重新評估及調整。

租賃付款於本金及財務成本之間分配。融資成本於租賃期間於損益扣除，以使各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 初步計量租賃負債的金額
- 在開始日期或之前作出的任何租賃款項減任何已收租賃優惠
- 任何初始直接成本；及
- 復原成本。

使用權資產一般於資產可使用年期或租賃期(以較短者為準)按直線法計提折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團於對其土地及樓宇(於物業、廠房及設備內呈列)重新估值時，已選擇不就本集團所持有的使用權樓宇行使有關權利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 Summary of significant accounting policies

(Continued)

2.4 The principal accounting policies (Continued)

Leases (Continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (Note 18). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Earning per share

Basic earnings per share is calculated by dividing: the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders, where appropriate.

2 主要會計政策概要(續)

2.4 主要會計政策(續)

租賃(續)

與設備及車輛的短期租賃以及所有低價值資產租賃相關的付款按直線法於損益確認為開支。短期租賃為租賃期12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公家具。

本集團作為出租人的經營租賃的租賃收入按直線法於租賃期內確認為收入(附註18)。獲取經營租賃產生的初始直接成本計入相關資產的賬面值，並於租賃期內以確認租賃收入的相同基準確認為開支。個別租賃資產按其性質計入資產負債表。採納新租賃準則後，本集團無需對作為出租人所持有資產的會計處理作任何調整。

每股盈利

每股基本盈利乃除以下列項目後計算得出：本公司擁有人應佔溢利(扣除普通股以外的任何權益成本)除以財政年度內已發行普通股加權平均數，並就年內已發行普通股(不包括庫存股份)的股利調整。

股息分派

向股東分派之股息於本公司股東(如適用)批准股息的期間，在本集團綜合財務報表內確認為負債。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors

The Group's major financial assets and liabilities include loans receivable from associates and joint ventures, other financial assets, finance lease receivables, long-term receivables, debt investment, trade and other receivables, derivative instruments, pledged bank deposits, cash and bank balances, trade and other payables, borrowings, obligation to acquire non-controlling interests, transferred trade receivables and liabilities associated with transferred trade receivables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

The Group's activities expose it primarily to currency risk, interest rate risk, liquidity risk and price risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various non-functional currencies. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The actual foreign exchange risk faced by the Group therefore is primarily with respect to non-functional currency bank balances, and receivable (collectively "Non-Functional Currency Items").

Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure by using foreign exchange forward contracts when the need arises.

The carrying amounts of the Group's non-functional currency items at the end of each reporting period are as follows:

		31 December 2019 二零一九年十二月三十一日			31 December 2018 二零一八年十二月三十一日		
		USD 美元	EUR 歐元	HKD 港元	USD 美元	EUR 歐元	HKD 港元
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Assets	資產	684,245	38,704	41,875	601,578	42,020	40,935
Liabilities	負債	(52,962)	(82,872)	—	(80,167)	(14,380)	—

The Group is mainly exposed to the foreign currency risk between USD/RMB, EUR/RMB and HKD/RMB.

3 金融風險因素

本集團主要金融資產及負債包括應收聯營公司及合營企業貸款、其他金融資產、融資租賃應收款項、長期應收款項、債務投資、貿易及其他應收款項、衍生工具、已抵押銀行存款、現金及銀行結餘、貿易及其他應付款項、借貸、收購非控股權益的責任、已轉讓的貿易應收款項及與已轉讓的貿易應收款項有關的負債。該等金融工具詳情於各附註披露。有關該等金融工具的風險及如何降低該等風險的政策載列如下。管理層管理並監控該等風險，以確保及時有效採取適當措施。

(a) 市場風險

本集團業務使其主要承受貨幣風險、利率風險、流動資金風險及價格風險。本集團承受的該等風險或管理及計量風險的方式概無變動。

(i) 貨幣風險

本集團從事國際性營運，並承受多種非功能貨幣帶來的外匯風險。外匯風險自日後商業交易、已確認資產及負債產生。

因此，本集團面對的實際外匯風險主要來自非功能貨幣的銀行結餘及應收款項（統稱「非功能貨幣項目」）。

管理層監控外匯風險，並於需要時考慮利用遠期外匯合同對沖若干外幣風險。

於各報告期末，本集團非功能貨幣項目的賬面值如下：

本集團主要承擔美元兌人民幣、歐元兌人民幣及港元兌人民幣的外匯風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% appreciation and depreciation in the relevant foreign currencies against RMB. The rate of 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates but does not consider the effect of derivative financial instruments. A positive number below indicates an increase in post-tax profit for the year and a negative number below indicates a decrease in profit for the year where the relevant foreign currencies change 5% against RMB.

3 金融風險因素(續)

(a) 市場風險(續)

(i) 貨幣風險(續)

敏感度分析

下表載列本集團對有關外幣兌人民幣升值及貶值5%的敏感度詳情。5%的比率為向主要管理人員內部呈報外匯風險的敏感度比率，並代表管理層對匯率合理可能變動的評估。敏感度分析僅包括以外幣列值的尚未支付貨幣項目，並於各報告期末以匯率變動5%作匯兌調整，惟不計及衍生金融工具的影響。下列正數反映有關外幣兌人民幣變動5%時，年內除稅後溢利增加，而下列負數反映年內溢利減少。

		31 December 2019 二零一九年十二月三十一日			31 December 2018 二零一八年十二月三十一日		
		USD 美元 RMB'000 人民幣千元	EUR 歐元 RMB'000 人民幣千元	HKD 港元 RMB'000 人民幣千元	USD 美元 RMB'000 人民幣千元	EUR 歐元 RMB'000 人民幣千元	HKD 港元 RMB'000 人民幣千元
If the currency strengthens against RMB	倘貨幣兌人民幣升值	31,564	(2,208)	2,094	26,071	1,382	2,047
If the currency weakens against RMB	倘貨幣兌人民幣貶值	(31,564)	2,208	(2,094)	(26,071)	(1,382)	(2,047)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate borrowings (see Note 33 for details). Currently, the Group does not have a specific policy to manage its interest rate risk, but management will closely monitor interest rate exposures and consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for long-term borrowing at variable-rate at the end of each reporting period and the expected changes in interest rates taking place at the beginning of the financial year and being held constant throughout the reporting period.

If the interest rates on long-term variable-rate borrowings had been 50 basis points higher and all other variables were held constant, post-tax profit for the year would have decreased by:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Decrease in post-tax profit for the year 年內除稅後溢利減少	(9,583)	(7,153)

The post-tax profit for the year would have increased by the same amount as mentioned above if the interest rates on variable-rate borrowings had been 50 basis points lower and all other variables were held constant.

3 金融風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

本集團就浮息借貸(詳情參見附註33)承受現金流量利率風險。目前,本集團並無特定政策管理其利率風險,惟管理層將密切留意利率風險並在有需要時考慮對沖重大利率風險。

以下敏感度分析乃根據浮息長期借款於各報告期末的利率風險以及財政年度初出現的利率預期變動(於整個報告期維持不變)釐定。

倘浮息長期借款的利率上升50個基點,而所有其他變數不變,則年內除稅後溢利將減少:

倘浮息借款的利率下降50個基點,而所有其他變數不變,則年內除稅後溢利將按上述相同金額增加。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as at fair value through other comprehensive income (FVOCI) (Note 23) or at fair value through profit or loss (FVPL) (Note 23). To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The majority of the Group's equity investments are publicly traded and are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The remaining part is unlisted companies.

With the 10% change of the price of those equity securities including both listed companies and unlisted companies, the Group's other comprehensive income and profit before tax would increase or decrease by RMB3.0 million and RMB0.1 million respectively (2018: the other comprehensive income and profit before tax would increase or decrease by RMB3.2 million and 0.1 million respectively).

(b) Credit risk

Credit risk arises from trade and other receivables, finance lease receivables, long-term receivables, structured deposits, derivative assets, loans receivable from associates and a joint venture, pledged bank deposit, cash and cash equivalents

To manage the risk with respect to pledged bank deposit, cash and cash equivalents, structured deposits and derivative assets, the Group placed them in or entered into the contract with the banks with high reputation.

The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and an appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In respect of the business of manufacture of coal mining machinery, the Group generally receives advances in the form of notes receivable or cash from customers (which approximate 30% of the contract price) before delivery of its product and allows a credit period of 180 days to its customers for the remaining contract price. In respect of auto parts, normally a credit period of 0 to 90 days is granted to its customers.

3 金融風險因素(續)

(a) 市場風險(續)

(iii) 價格風險

本集團承受其持有投資所產生的股權證券價格風險，並於資產負債表分類為以公平值計量且其變動計入其他全面收益(附註23)或以公平值計量且其變動計入損益(附註23)。為管理其股權證券投資所產生的價格風險，本集團將其投資組合多樣化，而組合多樣化根據本集團設立的限制進行。

本集團的大部分股權工具投資為公開交易並於香港聯合交易所有限公司主板上市。餘下部分為未上市公司。

倘該等股權證券價格出現10%變動(包括上市公司及未上市公司)，本集團的其他全面收益及除稅前溢利則會分別增加或減少人民幣3.0百萬元及人民幣0.1百萬元(二零一八年：其他全面收益及除稅前溢利會分別增加或減少人民幣3.2百萬元及人民幣0.1百萬元)。

(b) 信貸風險

信貸風險來自貿易及其他應收款項、融資租賃應收款項、長期應收款項、結構性存款、衍生資產、應收聯營公司及一間合營企業貸款、已抵押銀行存款、現金及現金等價物。

為管理與已抵押銀行存款、現金及現金等價物、結構性存款及衍生資產相關的風險，本集團將該等資產存置於聲譽良好的銀行或與之訂立合同。

本集團制訂有政策確保向聲譽及信譽良好、具備適當財政實力、信貸記錄並提供合適比例訂金的客戶進行銷售。本集團亦制訂其他監控程序確保採取跟進措施收回逾期債務。

此外，本集團定期審閱授予個別客戶的信貸額度及個別貿易應收款項的可收回金額，以確保就無法收回款項作出足夠的減值虧損。就製造煤礦機械業務而言，本集團一般於付運產品前向客戶收取應收票據或現金形式的訂金(相當於合同價格約30%)，並就餘下合同價格向客戶授予180天信貸期。就汽車零部件而言，客戶一般獲授0至90天信貸期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(b) Credit risk (Continued)

During the year, the Group has endorsed and derecognised certain notes receivable for the settlement of trade and other payables with full recourse. In the opinion of the directors of the Company, the risk of the default in payment of the endorsed notes receivable is low because all endorsed notes receivable are issued and guaranteed by reputable PRC banks.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The expected credit loss rates are determined based on historical credit losses experienced from the past 1 to 5 years and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties' ability to meet its obligations
- actual or expected significant changes in the operating results of counterparties
- significant increases in credit risk on other financial instruments of counterparties
- significant changes in the expected performance and behaviour of counterparties, including changes in the payment status of counterparties in the Group and changes in the operating results of the counterparties.

3 金融風險因素(續)

(b) 信貸風險(續)

於本年度，本集團以背書及終止確認若干應收票據的方式結算具全面追索權的貿易及其他應付款項。本公司董事認為，由於所有背書的應收票據乃由聲譽良好的中國銀行發出及提供擔保，故欠付背書的應收票據的風險不大。

本集團考慮資產初始確認時的違約可能性及信貸風險於各報告期間會否持續顯著增加。在評估信貸風險是否顯著增加時，本集團將報告日期的資產違約風險與初始確認日期的違約風險進行比較。預期信貸虧損率基於過往1至5年的信貸虧損情況釐定，並根據影響客戶結清應收款項能力的宏觀經濟因素等當前及前瞻性資料作出調整。同時，本集團亦考慮可獲得的合理有據前瞻資料，以下因素尤其需要納入考慮範圍：

- 營商、財務或經濟狀況實際或預期出現重大不利變動，預期將導致對手方履約能力出現重大變動
- 對手方經營業績實際或者預期出現重大變動
- 對手方的其他金融資產的信貸風險顯著增加
- 對手方預期表現及行為出現重大變動，包括本集團內對手方付款情況的變動及對手方經營業績的變動。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Group has the receivables from different customers and debtors operate in different industries. In the meantime, customer portfolio basis are also different between China and other countries. Thus, the Group classified the above assets into below categories:

- Category 1: trade receivables – coal mining machinery group
- Category 2: trade receivables – ASIMCO group
- Category 3: trade receivables – SEG Automotive Germany GmbH (“SEG group”)
- Category 4: notes receivables – commercial notes
- Category 5: notes receivables – bank accepted notes
- Category 6: finance lease receivables and long-term receivables
- Category 7: loans receivable from associates and joint ventures
- Category 8: other receivables
- Category 9: transferred account receivables

3 金融風險因素(續)

(b) 信貸風險(續)

本集團應收款項來自不同行業的客戶及借貸人。同時，中國與其他國家之間的客戶組合基礎不同。因此，本集團將上述資產劃分為如下類別：

- 類別1：貿易應收款項－煤礦機械集團
- 類別2：貿易應收款項－亞新科集團
- 類別3：貿易應收款項－SEG Automotive Germany GmbH集團(「SEG集團」)
- 類別4：應收票據－商業票據
- 類別5：應收票據－銀行承兌票據
- 類別6：融資租賃應收款項及長期應收款項
- 類別7：應收聯營公司及一間合營企業貸款
- 類別8：其他應收款項
- 類別9：已轉讓的應收款項

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 to 36 month before 31 December 2019 or 31 December 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the China coal price index and GDP to be the most relevant factors of coal mining machinery group and PPI and GDP of the countries in which it sells its goods and services to be the most relevant factors for auto parts group, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, and the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 金融風險因素(續)

(b) 信貸風險(續)

(i) 貿易應收款項

本集團應用國際財務報告準則第9號簡化方法，按整個存續期的預期虧損撥備計量所有貿易應收款項的預期信貸虧損。為計量預期信貸虧損，貿易應收款項已根據共同信貸風險特徵及逾期日期分組。

預期虧損率按分別於二零一九年十二月三十一日或二零一八年十二月三十一日前12至36個月期間銷售的付款情況及本期間內出現的相應過往信貸虧損計算。過往虧損率根據有關影響客戶結清應收款項能力的宏觀經濟因素的當前及前瞻性資料作出調整。本集團已確認中國煤炭價格指數及國內生產總值為煤機集團的最相關因素，而向其銷售貨品及服務的國家的生產者物價指數及國內生產總值為汽車零部件集團的最相關因素，並根據該等因素的預期變動相應調整過往虧損率。

貿易應收款項及合同資產於無合理預期可收回時撇銷。無合理預期可收回的跡象包括(其中包括)債務人無法與本集團達成還款計劃。

貿易應收款項及合同資產的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的款項於則計入同一項目。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

The closing loss allowances for trade receivables of different categories as at 31 December 2019 are listed as follows:

Category 1: Coal mining machinery group

		Over	Over	Over	Over	Over	Total
		90 days	180 days	1 year	2 years		
Within	but within	but within	but within	but within	but within	Over	
90 days	180 days	1 year	2 years	3 years	3 years		
90天內	但180天內	但一年內	但兩年內	但三年內	超過三年		總計
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables	貿易應收款項						
At 31 December 2019	於二零一九年						
	十二月三十一日						
Expected loss rate	預期虧損率	0%	2%	5%	20%	50%	100%
Gross carrying amount (excluding receivables assessed individually)	賬面總值(不包括獲個別評估的應收款項)	761,776	404,172	501,920	101,935	63,519	2,021,322
Loss allowance provision	虧損撥備	-	8,083	25,096	20,387	31,759	273,325
Individually impaired receivables	個別減值應收款項	-	487	836	62,206	34,028	283,838
Total loss allowance provision	虧損撥備總額	-	8,570	25,932	82,593	65,787	557,163
Trade receivables	貿易應收款項						
At 31 December 2018	於二零一八年						
	十二月三十一日						
Expected loss rate	預期虧損率	0%	2%	5%	20%	50%	100%
Gross carrying amount (excluding receivables assessed individually)	賬面總值(不包括獲個別評估的應收款項)	953,184	237,359	320,388	271,478	72,773	2,143,432
Loss allowance provision	虧損撥備	-	4,747	16,019	54,296	36,225	399,537
Individually impaired receivables	個別減值應收款項	10,884	19,799	16,737	97,173	30,015	412,767
Total loss allowance provision	虧損撥備總額	10,884	24,546	32,756	151,469	66,240	812,304

3 金融風險因素(續)

(b) 信貸風險(續)

(i) 貿易應收款項(續)

於二零一九年十二月三十一日不同類別的貿易應收款項如下：

類別1：煤礦機械集團

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Trade receivables (Continued)

Category 2: ASIMCO group

		Over	Over	Over	Over	Total	
		Within 90 days	90 days but within 180 days	180 days but within 1 year	1 year but within 2 years		2 years
		90天內	超過90天但180天內	超過180天但一年內	超過一年但兩年內	超過兩年	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables At 31 December 2019	貿易應收款項於二零一九年十二月三十一日						
Expected loss rate	預期虧損率	0%	2%	30%	86%	100%	
Gross carrying amount (excluding receivables assessed individually)	賬面總值(不包括獲個別評估的應收款項)	797,833	55,421	18,996	5,629	8,181	886,060
Loss allowance provision	虧損撥備	-	1,108	5,696	4,824	8,181	19,809
Individually impaired receivables	個別減值應收款項	-	-	963	1,099	2,233	4,295
Total loss allowance provision	虧損撥備總額	-	1,108	6,659	5,923	10,414	24,104
Trade receivables At 31 December 2018	貿易應收款項於二零一八年十二月三十一日						
Expected loss rate	預期虧損率	0%	1%	29%	79%	100%	
Gross carrying amount (excluding receivables assessed individually)	賬面總值(不包括獲個別評估的應收款項)	727,925	124,164	21,603	4,572	7,463	885,727
Loss allowance provision	虧損撥備	-	1,005	6,172	3,599	7,463	18,239
Individually impaired receivables	個別減值應收款項	280	18	874	1,553	679	3,404
Total loss allowance provision	虧損撥備總額	280	1,023	7,046	5,152	8,142	21,643

Category 3: SEG group and contract related assets

The account receivable balance of SEG group and contract related assets are mainly related with SEG group's customers, who are the global OEMs in auto industry. The Group assessed the credit losses of account receivable balance of SEG individually using simplified approach. As at 31 December 2019, RMB31 million (2018: RMB27 million) has been provided as life time loss allowance for account receivables.

3 金融風險因素(續)

(b) 信貸風險(續)

(i) 貿易應收款項(續)

類別2：亞新科集團

類別3：SEG集團及合同相關資產

SEG集團及合同相關資產的應收賬款餘額主要與SEG集團的客戶有關，其為全球汽車行業的原始設備製造商。本集團採用簡化法對SEG應收賬款餘額的信貸虧損進行個別評估。於二零一九年十二月三十一日，就貿易應收款項釐定整個存續期的虧損撥備為人民幣31百萬元(二零一八年：人民幣27百萬元)。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Notes receivables

Category 4: notes receivables – commercial notes

The Group assess the credit losses of notes receivables – commercial notes individually using three-stage approach. As of 31 December 2019, RMB15 million (2018: RMB6.8 million) were provided as 12 months loss allowance for notes receivables – commercial notes.

Category 5: notes receivables – bank accepted notes

The Group assesses the credit losses of notes receivables – bank accepted notes individually using three-stage approach. As of 31 December 2019 and 31 December 2018, there was no loss allowance provided.

(iii) Finance lease receivables and long-term receivables

Category 6: finance lease receivables and long-term receivables

Finance lease receivables and long-term receivables are mainly due from the customers of coal mining machinery group. The Group has provided financial leasing or long term payment plan to certain customers because these customers are mainly state owned companies or guaranteed by third parties with special credit profile. The Group has granted a relatively long repayment plan to the customers based on the credit assessment. The Group assesses the credit losses of finance lease receivables and long-term receivables individually using simplified approach. As at 31 December 2019, RMB102 million (2018: RMB106 million) were provided as life time loss allowance for finance lease receivables and long-term receivables.

(iv) Loans receivable from associates and joint ventures

Category 7: Loans receivable from associates and joint ventures

Loans receivable are due from the Group's associates and a joint venture. The Group assess the credit losses of related balances individually using three-stage approach. As at 31 December 2019, RMB64 million (2018: RMB64 million) were provided as loss allowance for loans receivable from associate and joint ventures.

3 金融風險因素(續)

(b) 信貸風險(續)

(ii) 應收票據

類別4：應收票據－商業票據

本集團採用三個階段法對應收票據－商業票據的信貸虧損進行個別評估。截至二零一九年十二月三十一日，已就應收票據－商業票據計提12個月虧損撥備人民幣15百萬元(二零一八年：人民幣6.8百萬元)。

類別5：應收票據－銀行承兌票據

本集團以三階段法個別評估應收票據－銀行承兌票據的信貸虧損。截至二零一九年十二月三十一日及二零一八年十二月三十一日，並無計提虧損撥備。

(iii) 融資租賃應收款項及長期應收款項

類別6：融資租賃應收款項及長期應收款項

融資租賃應收款項及長期應收款項主要為應收煤礦機械集團客戶。由於若干客戶主要為國有企業或由具有特別信貸狀況的第三方擔保，故本集團已向該等客戶提供融資租賃或長期付款計劃。本集團已根據信貸評估向客戶授出相對較長的還款計劃。本集團採用簡化法對融資租賃應收款項及長期應收款項進行個別信貸虧損評估。於二零一九年十二月三十一日，已就融資租賃應收款項及長期應收款項計提全期虧損撥備人民幣102百萬元(二零一八年：人民幣106百萬元)。

(iv) 應收聯營公司及合營企業貸款

類別7：應收聯營公司及合營企業貸款

應收貸款為應收本集團聯營公司及一間合營企業。本集團採用三個階段法對相關結餘進行個別信貸虧損評估。於二零一九年十二月三十一日，本集團已就應收聯營公司及合營企業的貸款計提虧損撥備人民幣64百萬元(二零一八年：人民幣64百萬元)。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(b) Credit risk (Continued)

(v) Other receivables

Category 8: Other receivables

The Group applies the IFRS 9 three-stage approach to measure ECL. Other receivables comprise: advances to staff, deposit and others. Since the credit risk of other receivables are considered not significantly increase since initial recognition, therefore the impairment provision is determined as 12 months ECL. As at 31 December 2019, RMB114 million (2018: RMB97 million) were provided as loss allowance for other receivables.

(vi) Transferred account receivables

Category 9: Transferred account receivables

Please refer to Note 35 for the detailed description of transferred account receivables. The Group assess the credit loss of transferred account receivables individually using simplified approach. As at 31 December 2019 and 31 December 2018, related loss allowance was immaterial.

(c) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

3 金融風險因素(續)

(b) 信貸風險(續)

(v) 其他應收款項

類別8：其他應收款項

本集團應用國際財務報告準則第9號規定的三階段法以計量預期信貸虧損。其他應收款項包括：向員工墊款、按金及其他。由於其他應收款項的信貸風險自初始確認以來被視為並不重大，因此減值撥備釐定為12個月預期信貸虧損。截至二零一九年十二月三十一日，已就其他應收款項計提虧損撥備人民幣114百萬元(二零一八年：人民幣97百萬元)。

(vi) 已轉讓的應收賬款

類別9：已轉讓的應收賬款

有關已轉讓的應收賬款詳情，請參閱附註35。本集團採用簡化法就已轉讓的應收賬款進行個別信貸虧損評估。於二零一九年十二月三十一日及二零一八年十二月三十一日，相關虧損撥備並不重大。

(c) 流動資金風險

本集團監控及維持管理層認為足以撥付本集團營運所需一定水平的現金及現金等價物，以減輕現金流量波動的影響。管理層監控銀行借貸的使用情況，以確保遵守貸款契約。

下表詳列本集團根據協定償還條款的非衍生金融負債餘下合同到期日。表格乃根據基於本集團可被要求支付最早日期的金融負債未貼現現金流量編製。表格包括利息及本金現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

3 金融風險因素(續)

(c) 流動資金風險(續)

The Group	本集團	Weighted average interest rate 加權平均利率	On demand or less than 3 months 按要求或少於3個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年 RMB'000 人民幣千元	1 year to 2 years 1年至2年 RMB'000 人民幣千元	2 years to 5 years 2年至5年 RMB'000 人民幣千元	Total undiscounted cashflows 未貼現現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
As at 31 December 2019	於二零一九年十二月三十一日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	貿易及其他應付款項	-	7,174,911	830,628	-	-	8,005,539	8,005,539
Liabilities associated with transferred trade receivables	與已轉讓的貿易應收款項有關的負債	-	39,412	119,350	-	-	158,762	158,762
Borrowings	借貸	2.81	427,185	1,063,182	834,342	914,232	3,238,941	3,137,487
Lease liabilities	租賃負債	3.72	43,879	127,885	135,730	522,226	829,720	691,848
Redemption liabilities (Note 43)	贖回負債(附註43)	10	720,000	-	623,404	-	1,343,404	1,287,404
Derivative financial liabilities	衍生金融負債							
Designated as hedging instruments	指定為對沖工具	-	664	1,925	-	-	2,589	2,589
Not designated as hedging instruments	不指定為對沖工具	-	401	642	-	-	1,043	1,043
			8,406,452	2,143,612	1,593,476	1,436,458	13,579,998	13,284,672
As at 31 December 2018	於二零一八年十二月三十一日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	貿易及其他應付款項	-	7,213,790	916,760	-	-	8,130,550	8,130,550
Liabilities associated with transferred trade receivables	與已轉讓的貿易應收款項有關的負債	-	242,879	-	-	-	242,879	242,879
Borrowings	借貸	3.05	15,750	1,061,254	763,288	1,167,406	3,007,698	2,867,827
Redemption liabilities (Note 43)	贖回負債(附註43)	10	-	720,000	-	705,284	1,425,284	1,177,921
Derivative financial liabilities	衍生金融負債							
Not designated as hedging instruments	不指定為對沖工具	-	35,179	-	-	-	35,179	35,179
			7,507,598	2,698,014	763,288	1,872,690	12,841,590	12,454,356

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

In addition to the above, the Group is also exposed to liquidity risk in the next one year from each reporting date in relation to the maximum loss and cash outflows that may result from the Group's endorsed notes receivable with full recourse should the issuing banks of these notes fail to honour their obligations, please refer to Note 42 for details.

倘浮動利率與報告期末釐定的估計利率有所差異，則上述的非衍生金融負債浮動利率工具金額可予變動。

除上文所述者外，本集團自各報告日期起未來一年亦承受流動資金風險，因本集團具有全面追索權的已背書應收票據，倘該等票據發出之銀行未能履行其責任，可能產生的最大虧損及現金流出。詳情請參閱附註42。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(d) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial instruments 金融工具	Fair value as at 31 December 2019 於二零一九年十二月三十一日之公平值	Fair value hierarchy 公平值等級	Valuation technique and key input 估值方法及重要輸入數據
Financial assets at fair value through OCI, non-current 以公平值計量且其變動計入其他全面收益的金融資產，非流動	Listed equity securities in Hong Kong – Coal industry RMB29,934,000 (2018: RMB31,540,000) 於香港的上市股本證券－煤炭行業 人民幣29,934,000元(二零一八年：人民幣31,540,000元)	Level 1 第1級	Quoted bid prices in an active market 於活躍市場所報之買盤價

3 金融風險因素(續)

(d) 金融工具之公平值計量

此附註提供本集團如何釐定多項金融資產及金融負債公平值之資料。

根據經常性基準按公平值計量之本集團金融資產及金融負債之公平值。

下表以估值方法分析按公平值列賬的金融工具。不同層級定義如下：

第1級：於活躍市場買賣金融工具的公平值(例如公開買賣的衍生工具及股本證券)是按報告期末所報市價而定。本集團所持金融資產所用的所報市價為當時的買入價。該等工具列入第1級。

第2級：並非於活躍市場買賣的金融工具(例如場外衍生工具)公平值乃利用估值方法釐定，該估值方法盡量利用可觀察市場數據並盡可能減少對實體特定估計的倚賴。倘計算工具公平值所需的所有重大輸入數據為可觀察數據，則該工具列入第2級。

第3級：倘一項或多項重大輸入數據並非根據可觀察市場數據而定，則該工具列入第3級(例如非上市股本證券)。

本集團部分金融資產及金融負債於各報告期末按公平值計量。下表所載資料說明該等金融資產及金融負債公平值之釐定方式(尤其是所用之估值方法及輸入數據)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(d) Fair value measurements of financial instruments (Continued)

3 金融風險因素(續)

(d) 金融工具之公平值計量(續)

Financial instruments 金融工具	Fair value as at 31 December 2019 於二零一九年十二月三十一日之公平值	Fair value hierarchy 公平值等級	Valuation technique and key input 估值方法及重要輸入數據
Derivative financial instruments 衍生金融工具	Forward foreign exchange contract designated as hedging instruments – RMB3,042,000 (2018: RMB3,113,000) 指定為對沖工具的遠期外匯 合同—人民幣3,042,000元 (二零一八年：人民幣3,113,000)	Level 2 第2級	Discounted cash flow. The estimated future cash flow is based on forward exchange rate (from observable forward exchange rates at the end of the reporting date) and contracted forward rate, discounted at a rate that reflects the credit risk of the counterparty. 已貼現現金流量。未來現金流量的估算乃根據遠期匯率(來自報告期末的可觀察遠期匯率)及合同遠期利率，再按可反映對手方的信貸風險的比率貼現。
Derivative financial instruments 衍生金融工具	Forward foreign exchange contract not designated as hedging instruments – RMB10,904,000 (2018: RMB1,288,000) 不指定為對沖工具的遠期外匯 合同—人民幣10,904,000元 (二零一八年：人民幣1,288,000)	Level 2 第2級	Discounted cash flow. The estimated future cash flow is based on forward exchange rate (from observable forward exchange rates at the end of the reporting date) and contracted forward rate, discounted at a rate that reflects the credit risk of the counterparty. 已貼現現金流量。未來現金流量的估算乃根據遠期匯率(來自報告期末的可觀察遠期匯率)及合同遠期利率，再按可反映對手方的信貸風險的比率貼現。
Derivative financial instruments 衍生金融工具	Forward foreign exchange contract designated as hedging instruments – RMB2,589,000 (2018: Nil) 指定為對沖工具的遠期外匯 合同—人民幣2,589,000元 (二零一八年：零)	Level 2 第2級	Discounted cash flow. The estimated future cash flow is based on forward exchange rate (from observable forward exchange rates at the end of the reporting date) and contracted forward rate, discounted at a rate that reflects the credit risk of the counterparty. 已貼現現金流量。未來現金流量的估算乃根據遠期匯率(來自報告期末的可觀察遠期匯率)及合同遠期利率，再按可反映對手方的信貸風險的比率貼現。
Derivative financial instruments 衍生金融工具	Forward foreign exchange contract not designated as hedging instruments – RMB1,043,000 (2018: RMB35,179,000) 不指定為對沖工具的遠期外匯 合同—人民幣1,043,000元 (二零一八年：人民幣35,179,000)	Level 2 第2級	Discounted cash flow. The estimated future cash flow is based on forward exchange rate (from observable forward exchange rates at the end of the reporting date) and contracted forward rate, discounted at a rate that reflects the credit risk of the counterparty. 已貼現現金流量。未來現金流量的估算乃根據遠期匯率(來自報告期末的可觀察遠期匯率)及合同遠期利率，再按可反映對手方的信貸風險的比率貼現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 Financial risk factors (Continued)

(d) Fair value measurements of financial instruments (Continued)

Financial instruments 金融工具	Fair value as at 31 December 2019 於二零一九年十二月三十一日之公平值	Fair value hierarchy 公平值等級	Valuation technique and key input 估值方法及重要輸入數據
Financial assets at fair value through profit or loss 以公平值計量且其變動計入損益的金融資產	Structured deposit – RMB1,393,000,000 (2018: RMB354,243,000) 結構性存款 – 人民幣1,393,000,000元 (二零一八年：人民幣354,243,000)	Level 3 第3級	Discounted cash flow. The estimated future cash flow is based on the contractual amount, discounted at a rate that reflects the expected return rates ranged from 2.4% to 3.9%. The higher the expected return rate, the higher the fair value. 已貼現現金流量。未來現金流量乃根據合約金額估計，再按可反映預期回報率的比率貼現（介乎2.4%至3.9%）。預期回報率越高，公平值越高。
Financial assets at fair value through OCI 以公平值計量且其變動計入其他全面收益的金融資產	Notes receivables – RMB4,246,819,000 (2018: RMB3,955,287,000) 應收票據 – 人民幣4,246,819,000元 (二零一八年：人民幣3,955,287,000)	Level 3 第3級	Discounted cash flow. The estimated future cash flow is based on the contractual amount, discounted at a rate of 3.00%. The higher the discount rate, the lower the fair value. 已貼現現金流量。未來現金流量乃根據合約金額估計，再按3.00%的比率貼現。貼現率越高，公平值越低。
Financial assets at fair value through profit or loss 以公平值計量且其變動計入損益的金融資產	Equity interest in unlisted company with no open market price quote – RMB1,296,000 (2018: RMB1,296,000) 並無公開市場報價的非上市公司股本權益 – 人民幣1,296,000元 (二零一八年：人民幣1,296,000元)	Level 3 第3級	Discounted cash flow. The estimated future cash flow is based on expected volatility, discount for lack of marketability (“DLOM”), and discount rate. The higher the expected volatility, the lower the fair value. The higher the DLOM, the lower the fair value. The higher the discount rate, the lower the fair value. 已貼現現金流量。未來現金流量乃根據預期波動（按缺乏市場流通性貼現（「缺乏市場流通性貼現」）及貼現率估計。預期波動越大，公平值越低。缺乏市場流通性貼現越高，公平值越低。貼現率越高，公平值越低。

There were no transfers between Level 1 and 2 during the year.

The directors consider that the carrying amounts of current financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values

3 金融風險因素 (續)

(d) 金融工具之公平值計量 (續)

年內第1級與第2級之間並無轉撥。

董事認為，於綜合財務報表內按攤銷成本列賬之流動金融資產及金融負債的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Estimation of the fair value of financial assets and financial liabilities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets.

Estimated impairment of trade receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates (Note 3). The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the balance sheet date. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in business and customers' financial position. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management.

4 重大會計判斷及估計不確定因素之主要來源

編製財務報表須用到會計估計，而會計估計根據定義看來，就意味著常與實際結果有異。管理層於應用本集團會計政策時亦須行使判斷。

估計及判斷會持續進行評估。此二者依據歷史經驗及其他因素得出，包括對實體可能有財政影響及在有關情況下據信合理存在的未來事件的預期。

除涉及估計者(見下文)外，下列重大判斷為董事在應用實體的會計政策過程中所作出，且對財務報表所確認的金額構成最重大影響。

金融資產及金融負債公平值的估計

未於活躍市場買賣的金融工具的公平值使用估值技術釐定。本集團應用判斷選擇多種措施，並作出主要基於報告末期現有市況的假設。該等假設及估計的變動可嚴重影響該等金融資產的相關公平值。

貿易應收款項的估計減值

本集團依據違約風險及預期虧損率(附註3)為應收款項減值作出撥備。本集團透過判斷，根據其過往歷史、現有市況及資產負債表日的前瞻性資料，在作出該等假設及選擇減值計算的輸入數據時運用判斷。於作出判斷時，管理層考慮客戶經營業績的實際或預期重大變動、業務及客戶財務狀況的實際或預期重大不利變動等可得合理有據前瞻性資料。於各報告日，本集團管理層已更新歷史觀察違約率及分析前瞻性估計變動。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (“CGUs”) to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 31 December 2019 was RMB677,221,000 (2018: RMB853,808,000). Further details are set out in Note 19.

Estimated useful live and impairment of intangible assets

The intangible assets are amortised on a straight-line basis over estimated useful lives. The management assesses the estimated useful lives of intangible assets annually. This estimate is based on the management’s experience of the actual useful lives of the intangible assets with similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors.

In addition, the management considers the potential impairment based on the recoverable amount. The intangible assets with finite useful lives are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable. Factors that would indicate potential impairment may include, but are not limited to, the significant change in technology associated with the intangible assets. Determining whether intangible assets is impaired requires an estimation of the recoverable amount of the CGUs to which intangible assets belong. The recoverable amount of CGUs at the end of the reporting period is based on the value in use calculation which requires the management of the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Estimated useful lives and residual values of property and plant and equipment

The Group estimates the useful lives, residual values and related depreciation charges for its items of property, plant and equipment. This estimate is based on the management’s experience of the actual useful lives and residual values of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors. The management will increase the depreciation charge where useful lives and residual values are less than previously estimated.

4 重大會計判斷及估計不確定因素之主要來源(續)

商譽減值

釐定商譽是否減值需估計獲分配商譽的現金產生單位(「現金產生單位」)的使用價值。使用價值計算需本集團估計現金產生單位預期產生的未來現金流量，並為計算現值選擇適當的貼現率。倘實際未來現金流量少於預期，則可能引致重大減值虧損。於二零一九年十二月三十一日，商譽的賬面值為人民幣677,221,000元(二零一八年：人民幣853,808,000元)。進一步詳情載於附註19。

無形資產之估計可使用年期及減值

無形資產於估計可使用年內按直線法攤銷。管理層每年評估無形資產的估計可使用年期。此估計乃基於管理層對性質和功能類近的無形資產之實際可使用年期之經驗而作出，技術發展及競爭對手的行動可引致重大變動。

此外，管理層會根據可收回金額考慮潛在的減值。可使用年期有限的無形資產於當有事件或情況表明其賬面值可能無法收回時進行減值檢討。表明存在潛在減值的因素可能包括(但不限於)與無形資產有關的重大技術變革。釐定無形資產是否減值須估計所屬無形資產的現金產生單位的可收回金額。於報告期末的現金產生單位的可收回金額乃基於使用價值釐定，使用價值的計量要求本集團管理層估計預期自現金產生單位產生的未來現金流量及合適的貼現率以計算現值。若實際未來現金流量少於預期，則可能出現重大減值虧損。

物業、廠房及設備的估計可使用年期及剩餘價值

本集團估計物業、廠房及設備項目的可使用年期、剩餘價值及相關折舊費用。估計基於管理層對具有類似性質及功能的物業、廠房及設備項目的實際可使用年期及剩餘價值的經驗。由於技術革新及競爭對手採取的行動，此估計或會發生重大改變。倘可使用年期及剩餘價值低於先前所估計的金額，管理層將提高折舊費用。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Estimation of defined benefit pension obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations. Details of key assumptions and impact of possible changes in key assumptions are disclosed in Note 36.

Estimation of provision

The Group makes provisions for product warranty (only assurance type), onerous contracts and restructuring cost. Management estimates the related provisions based on contract terms, available knowledge and past experience. The Group recognises provisions to the extent that it has a present legal or constructive obligation as a result of a past event; it is more likely than not that an outflow of resources will be required to settle the obligation; and that the amount can be reliably estimated.

As for onerous contracts, the Group assessed at balance sheet date on whether unavoidable costs of meeting contractual obligations have exceeded the economic benefits expected to be received, and made provision for these onerous contracts based on the estimated least net cost of exiting from the contracts.

Impairment of property, plant and equipment, prepaid leasehold land and land use right, right-of-use asset and development costs

The Group reviews the carrying amounts of its property, plant and equipment, prepaid lease payment for land, right-of-use assets and development costs to determine whether there is any indication that those assets have suffered an impairment loss. Determining whether property, plant and equipment, and prepaid lease payment for lands, right-of-use assets and development costs are impaired requires an estimation of the recoverable amount, which is the higher of value-in-use of the assets and the fair value less costs of disposal. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the continuing use of the assets and from its ultimate disposal and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4 重大會計判斷及估計不確定因素之主要來源(續)

界定退休金責任的估計

退休金責任的現值取決於按精算基準使用多項假設釐定的數項因素。該等假設的變動會影響退休金責任的賬面值。有關主要假設及主要假設可能發生的變動的詳情披露於附註36。

撥備估計

本集團為產品保用(僅限保證類型)、有價合同及重組成本。管理層根據合同條款、可得知識及歷史經驗估計相應撥備。倘本集團因過往事件而有負上法定或推定責任，並可能須要資源流出以履行有關責任，而相關金額能可靠估計，則會確認撥備。

就有價合同而言，本集團於資產負債表日評估為履行合同義務而不可避免發生的成本是否超出預期收回的經濟利益，並根據退出該等合同的估計最低成本淨額就該等有價合同作出撥備。

物業、廠房及設備、預付租賃土地及土地使用權、使用權資產及開發成本的減值

本集團會審閱其物業、廠房及設備、預付土地租賃款項、使用權資產及開發成本之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。釐定物業、廠房及設備以及預付土地租賃款項、使用權資產及開發成本是否減值須對該等資產之可收回金額，即使用價值及公平值減出售成本兩者中較高者作出估計。使用價值計算要求該實體估計預期持續使用該等資產及其最終出售將產生之未來現金流量及合適貼現率以計算現值。倘實際未來現金流量較預期為少，則可能產生重大減值虧損。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing, the applicable tax rates, and level of future taxable profits together with future tax planning strategies. Further details are set out in Note 24.

Business combinations

Business combinations are accounted for under acquisition method. The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgement. The most significant variables in these valuations are discount rates, royalty rate and attrition rate, as well as the assumptions and estimates used to determine the cash inflows and outflows. The Group determines discount rates to be used based on the risk inherent in the related activity's current business model and industry comparisons. Terminal values are based on the expected life of assets and forecasted life cycle and forecasted cash flows over that period. Although the Group believes that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts and the difference could be material.

4 重大會計判斷及估計不確定因素之主要來源(續)

遞延稅項資產

遞延稅項資產乃就所有未動用稅項虧損而確認，惟以應課稅溢利可用以扣減虧損為限。在釐定可予確認的遞延稅項資產數額時，管理層須根據可能出現未來應課稅溢利的時間、適用稅率及數額連同未來稅項計劃策略作出重大判斷。進一步詳情載列於附註24。

業務合併

業務合併根據收購法入賬。釐定公平值並將其分配至已收購可識別資產及已承擔負債乃根據多項假設及估值方法作出，需要管理層作出大量判斷。該等估值中的最重大變量為貼現率、特許費率及耗損率以及釐定現金流入及流出所用的假設及估計。本集團根據相關活動的現有業務模式及行業可比較資料中的固有風險釐定將採用的貼現率。最終價值乃按資產的預期年期及預測生命週期以及該期間的預測現金流計算。儘管本集團認為根據於收購日期可得資料用於作出釐定的假設屬合理，但實際結果可能不同於預測金額且差異可能顯著。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 Revenue

5 收入

		Year ended 31 December 2019 截至二零一九年十二月三十一日止年度		
		Manufacture of coal mining machinery 製造煤礦機械 RMB'000 人民幣千元	Manufacture of auto parts 製造汽車零部件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Sales of auto parts	汽車零部件的銷售	–	16,041,025	16,041,025
Sales of hydraulic roof supports	液壓支架的銷售	6,269,018	–	6,269,018
Revenue from steel and other materials trading	鋼鐵及其他原料貿易的收入	2,118,017	128,801	2,246,818
Sales of spare parts for coal mining machinery	煤礦機械配件的銷售	1,002,430	–	1,002,430
Sales of other coal mining equipment	其他採煤設備的銷售	86,532	–	86,532
Other revenue	其他收入	75,594	–	75,594
		9,551,591	16,169,826	25,721,417
		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度		
		Manufacture of coal mining machinery 製造煤礦機械 RMB'000 人民幣千元	Manufacture of auto parts 製造汽車零部件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Sales of auto parts	汽車零部件的銷售	–	17,658,657	17,658,657
Sales of hydraulic roof supports	液壓支架的銷售	5,107,137	–	5,107,137
Revenue from steel and other materials trading	鋼鐵及其他原料貿易的收入	2,052,719	86,294	2,139,013
Sales of spare parts for coal mining machinery	煤礦機械配件的銷售	868,332	–	868,332
Sales of other coal mining equipment	其他採煤設備的銷售	136,959	–	136,959
Other revenue	其他收入	101,632	–	101,632
		8,266,779	17,744,951	26,011,730

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 Segment information

Information reported to the chief executive of the Company, being the chief operating decision maker (CODM), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 are (i) manufacture of coal mining machinery; and (ii) manufacture of auto parts. No operating segments have been aggregated in arriving at the reportable segments of the Group.

CODM primarily uses a measure of segment net profit to assess the performance of operating segments.

The following is an analysis of the Group's revenue and results by reportable and operating segments. The Group prepare the segment reporting for net profit excluding the impact of a) impairment of goodwill b) interest expense of redemption liabilities. All of these 2 items are related to manufacture of auto parts segment.

6 分部資料

就資源分配及分部表現評估向本公司最高行政人員(即主要營運決策者)報告的資料集中於提交或提供的貨品或服務種類。具體而言,根據國際財務報告準則第8號,本集團的可呈報分部為(i)製造煤礦機械;及(ii)製造汽車零部件。並無經營分部合併成為本集團可呈報分部。

主要營運決策者主要使用分部淨利潤的計量評估經營分部表現。

本集團的收入及業績按可呈報及經營分部的分析如下。本集團就淨利潤編製分部報告,不包括a)商譽減值、b)贖回負債利息開支的影響。該2個項目均與製造汽車零部件分部相關。

		Manufacture of coal mining machinery 製造煤礦機械 RMB'000 人民幣千元	Manufacture of auto parts 製造汽車零部件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Segment revenue	分部收入	9,551,591	16,169,826	25,721,417
Segment net profit/(loss) excluding impairment of goodwill, interest expense of redemption liabilities	分部淨利潤/(虧損), 不包括商譽減值、贖回負債利息開支	1,659,300	(250,909)	1,408,391
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度			
Segment revenue	分部收入	8,266,779	17,744,951	26,011,730
Segment net profit excluding impairment of goodwill, interest expense of redemption liabilities	分部淨利潤, 不包括商譽減值、贖回負債利息開支	893,600	245,254	1,138,854

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 Segment information (Continued)**6 分部資料**(續)

		As at December 31 於十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Segment revenue and consolidated revenue	分部收入及綜合收入	25,721,417	26,011,730
Segment net profit excluding impairment of goodwill, interest expense of redemption liabilities	分部淨利潤，不包括商譽減值、 贖回負債利息開支	1,408,391	1,138,854
Impairment of goodwill	商譽減值	(174,086)	(109,125)
Interest expense on redemption liabilities	贖回負債利息開支	(94,395)	(90,821)
Consolidated profit for the year	年內綜合溢利	1,139,910	938,908

The following is an analysis of the Group's assets and liabilities by reportable and operating segments. The Group prepared the segment reporting for total assets and liabilities excluding, the impact of a) goodwill, and b) redemption liabilities. The 2 items are related to manufacture of auto parts segment.

本集團的資產及負債按可呈報及經營分部的分析如下。本集團就總資產及總負債編製分部報告，不包括a)商譽及b)贖回負債的影響。該2個項目均與製造汽車零部件分部相關。

		As at 31 December 於十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
SEGMENT ASSETS	分部資產		
Manufacture of coal mining machinery	製造煤礦機械	16,637,534	14,518,380
Manufacture of auto parts	製造汽車零部件	12,504,096	12,636,583
Total segment assets	總分部資產	29,141,630	27,154,963
Goodwill	商譽	677,221	853,808
Consolidated assets	綜合資產	29,818,851	28,008,771
SEGMENT LIABILITIES	分部負債		
Manufacture of coal mining machinery	製造煤礦機械	7,283,768	6,415,742
Manufacture of auto parts	製造汽車零部件	8,105,433	8,124,264
Total segment liabilities excluding redemption liabilities	總分部負債，不包括贖回負債	15,389,201	14,540,006
Redemption liabilities	贖回負債	1,287,404	1,177,921
Consolidated liabilities	綜合負債	16,676,605	15,717,927

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 Segment information (Continued)

Geographical information

The analysis of revenue by geographical location of customers is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
The PRC	中國	15,417,387	14,830,433
Germany	德國	4,745,898	5,507,551
Other countries	其他國家	5,558,132	5,673,746
		25,721,417	26,011,730

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

6 分部資料(續)

地域資料

收入按客戶地點的分析如下：

分部資產按與財務報表相同的方式計量。該等資產根據分部業務及資產實際地點進行分配。

		2019 二零一九年 Investment in associates and joint ventures 於聯營公司及 合營企業的投資 RMB'000 人民幣千元	Additions to non-current assets 添置 非流動資產 RMB'000 人民幣千元
Manufacture of coal mining machinery	製造煤礦機械		
The PRC	中國	14,887,478	284,598
Germany	德國	3,611	-
Other countries	其他國家	125,122	316
Manufacture of auto parts	製造汽車零部件		
The PRC	中國	7,701,003	72,577
Germany	德國	2,926,176	-
Other countries	其他國家	3,230,899	232,968
Total Segment assets	總分部資產	28,874,289	357,175
Elimination	對銷	(165,995)	
Unallocated:	未分配：		
Goodwill	商譽	677,221	
Deferred tax assets	遞延稅項資產	419,390	
Derivative financial instruments	遞延金融工具	13,946	
Total assets as per the financial position	財務狀況所示總資產	29,818,851	

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 Segment information (Continued)

Geographical information (Continued)

6 分部資料(續)

地域資料(續)

		2018 二零一八年	Investment in associates and joint ventures 於聯營公司及 合營企業的投資	Additions to non-current assets 添置 非流動資產
	Segment assets 分部資產	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Manufacture of coal mining machinery	製造煤礦機械			
The PRC	中國	12,706,704	393,472	122,509
Germany	德國	4,265	–	–
Other countries	其他國家	21,869	–	–
Manufacture of auto parts	製造汽車零部件			
The PRC	中國	7,028,839	40,006	329,802
Germany	德國	3,014,033	–	425,273
Other countries	其他國家	4,065,030	–	409,647
Total Segment assets	總分部資產	26,840,740	433,478	1,287,231
Elimination	對銷	(132,500)		
Unallocated:	未分配：			
Goodwill	商譽	853,808		
Deferred tax assets	遞延稅項資產	442,322		
Derivative financial instruments	遞延金融工具	4,401		
Total assets as per the financial position	財務狀況所示總資產	28,008,771		

Information about major customers

The following illustrates the revenue from customers which contributing over 10% of the total revenue of the Group:

主要客戶信息

以下列示來自佔本集團總收入超過10%的客戶的收入：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Customer A – manufacture of auto parts segment	客戶A – 汽車零部件製造分部	3,389,763	3,348,294

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7 Other income

7 其他收入

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Government grants (Note)	政府補助(附註)	156,959	52,132
Interest income on bank deposits, long-term receivables and finance lease receivables	銀行存款、長期應收款項及融資租賃應收款項的利息收入	68,221	53,928
		225,180	106,060

Note: Government grants mainly represent government grants received from the local government for compensation of research and development expenses incurred, and in respect of construction of the Group's new plant, which are transferred from deferred income to profit or loss when related expenses incurred or over the useful lives of the relevant assets.

附註：政府補助主要指就補償所產生研發費用及就本集團的新建廠房而自地方政府獲取的政府補助，在相關開支產生時或相關資產可使用年期內自遞延收入轉撥至損益。

8 Other gains and losses

8 其他收益及虧損

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net foreign exchange gain/(loss)	匯兌淨收益/(虧損)	41,896	(40,473)
Gain on disposal of associates (Note 21)	出售聯營公司的收益(附註21)	16,257	-
Dividend from financial assets at fair value through comprehensive income	以公平值計量且其變動計入其他全面收益的金融資產的股息	2,897	-
(Loss)/gain on disposal of property, plant and equipment, and intangible assets	出售物業、廠房及設備以及無形資產(虧損)/收益	(2,192)	1,978
Net fair value loss on derivative financial instruments	衍生金融工具公平值虧損淨額	(55,998)	(25,948)
Impairment of goodwill (Note 19)	商譽減值(附註19)	(174,086)	(109,125)
Impairment of development costs (Note)	開發成本減值(附註)	(246,731)	-
Gain on disposal of financial assets at fair value through profit or loss	出售以公平值計量且其變動計入損益的金融資產收益	-	3,041
Others	其他	(447)	(3,976)
		(418,404)	(174,503)

Note: During 2019, the Group upgraded the BRM technology from BRM 1.5 to BRM 2.8, an advanced version of the development costs. With the change of the components of the technology, all the current customized projects would be transferred to BRM 2.8. The Group made an impairment on capitalized development cost which are directly linked with BRM 1.5 with the amount of RMB246.7 million.

附註：於二零一九年，本集團將BRM技術由BRM 1.5升級至BRM 2.8(開發成本的升級版)。由於改變技術成分，目前所有客製化項目將轉至BRM 2.8。本集團將與BRM 1.5直接相關的資本化開發成本計提減值人民幣246.7百萬元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9 Finance costs, net

9 融資成本淨額

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interests on bank borrowings	銀行借貸利息	108,600	113,567
Interests on redemption liabilities	贖回負債利息	111,054	106,848
Interests on leases	租賃利息	23,878	-
		243,532	220,415

10 Income tax expense

10 所得稅開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current income tax	即期所得稅	406,201	395,283
Under/(over) provision in prior years – enterprise income tax	過往年度撥備不足/(超額撥備) — 企業所得稅	9,971	(7,906)
Deferred income tax	遞延所得稅	(26,006)	(37,547)
		390,166	349,830

(a) PRC corporate income tax

The corporate income tax ("CIT") is calculated based on the statutory profit of subsidiaries incorporated in the PRC and the applicable tax rate 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.

In accordance with the PRC tax laws, standard corporate income tax rate is 25%. The Company and certain subsidiaries are qualified for new/high-tech technology enterprises status and enjoyed preferential income tax rate of 15% during 2019 and 2018.

(b) Germany profits tax

Applicable profit tax rate of Germany is 29%. During the year ended 31 December 2019, no profit tax has been provided due to accumulated losses (2018: 0).

(a) 中國企業所得稅

企業所得稅(「企業所得稅」)是根據中國的稅收法律法規對於中國註冊成立的附屬公司的法定溢利按適用稅率計算所得，當中經調整對於所得稅而言毋須評稅或不可扣稅的若干收支項目。

根據中國稅法，標準企業所得稅率為25%。於二零一九年和二零一八年，本公司及部分附屬公司符合高新技術企業資格，享受15%的優惠所得稅率。

(b) 德國利得稅

德國適用的利得稅率為29%。於截至二零一九年十二月三十一日止年度，由於出現累計虧損，因此未計提利得稅撥備(二零一八年：0)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

10 Income tax expense (Continued)

(c) Others

Applicable profit tax rates of the Group's other subsidiaries are between 9% and 37.68%, for the years ended 31 December 2019 and 2018.

10 所得稅開支(續)

(c) 其他

於截至二零一九年及二零一八年十二月三十一日止年度，本集團其他附屬公司適用的利得稅率介乎9%至37.68%之間。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	1,530,076	1,288,738
Tax at applicable tax rate of respective entities	按各企業適當的稅率計算的稅項	268,380	269,454
Tax effect of share of result of associates and joint ventures	應佔聯營公司及合營企業業績的稅務影響	(6,259)	6,560
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(4,641)	(26,893)
Tax effect of expenses that are not deductible for tax purpose	不可扣稅開支的稅務影響	60,820	51,697
Tax effect of tax losses and temporary differences not recognised	未確認稅項虧損及暫時差額的稅務影響	141,123	105,589
Utilisation of tax losses and temporary differences previously not recognised	利用先前未確認稅項虧損及暫時差額	(11,324)	(4,966)
Additional deduction for qualified research and development expenses	符合資格的研發費用的額外扣稅	(67,904)	(53,254)
Under/(over) provision in prior years	過往年度撥備不足/(超額撥備)	9,971	(7,906)
Effect of change in tax rate during the year	年內稅率變動影響	-	9,549
		390,166	349,830

Details of deferred taxation for the year are set out in Note 24.

年內遞延稅項詳情載於附註24。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11 Expense by nature (including cost of sales, selling and distribution expenses, administration expenses and research and development expenses)

11 按性質劃分的開支(包括銷售成本、銷售及分銷開支、行政開支及研發開支)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw material costs	原材料成本	16,700,050	17,099,619
Employee benefits expenses (including directors)	僱員福利開支(包括董事)	3,601,971	3,755,210
Depreciation for property, plant and equipment	物業、廠房及設備折舊	804,589	796,019
Service fee	服務費	329,420	361,993
Freight charges	貨運費	315,007	319,416
Amortization of intangible assets	無形資產攤銷	188,398	175,048
Depreciation of right-of-use assets	使用權資產折舊	152,494	-
Tax and surcharges	稅項及附加費用	121,306	103,380
Rental	租金	21,302	85,786
Auditors' remuneration	核數師酬金		
– Audit service	– 審核服務	6,120	6,120
– Audit of overseas subsidiaries	– 海外附屬公司審核服務	8,536	7,800
– Other audit related service	– 其他審核相關服務	-	1,000
– Non-audit services	– 非審核服務	2,454	6,100
Depreciation for investment properties	投資物業折舊	7,061	1,589
Release of prepaid lease payments	解除預付租賃款項	-	12,728
Others	其他	1,695,481	1,705,539
		23,954,189	24,437,347

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12 Directors', chief executive's and supervisors' remuneration

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

12 董事、最高行政人員及監事酬金

根據適用的上市規則及公司條例披露的年內董事及監事酬金如下：

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度					
		Salary, wages and other benefits	Performance incentive payments	Retirement benefit scheme contributions	Directors' fee	Share options	Total
		薪金、工資及其他福利	與表現掛鈎的獎金	退休福利計劃供款	董事袍金	購股權	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<i>Executive directors:</i>	<i>執行董事：</i>						
Mr. Jiao Chengyao (Notes 1, 2)	焦承堯先生(附註1、2)	539	720	46	-	-	1,305
Mr. Jia Hao	賈浩先生	2,442	1,782	49	-	35	4,308
Mr. Xiang Jiayu	向家雨先生	535	720	41	-	-	1,296
Mr. Fu Zugang	付祖岡先生	549	1,075	61	-	30	1,715
Mr. Wang Xinying (Note 2)	王新瑩先生(附註2)	-	-	-	-	-	-
Mr. Wang Bin	汪濱先生	2,362	2,699	27	-	-	5,088
Mr. Zhang Haibin	張海斌先生	564	336	49	-	17	966
Sub-total	小計	6,991	7,332	273	-	82	14,678

The executive directors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

上述執行董事酬金乃就彼等對本公司及本集團事務的管理而提供的服務而支付。

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度					
		Salary, wages and other benefits	Performance incentive payments	Retirement benefit scheme contributions	Directors' fee	Share options	Total
		薪金、工資及其他福利	與表現掛鈎的獎金	退休福利計劃供款	董事袍金	購股權	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>						
Ms. Liu Yao	劉堯女士	-	-	-	161	-	161
Mr. Jiang Hua	江華先生	-	-	-	140	-	140
Mr. Li Xudong	李旭冬先生	-	-	-	140	-	140
Mr. Cheng Jinglei	程驚雷先生	-	-	-	47	-	47
Sub-total	小計	-	-	-	488	-	488

The independent non-executive directors' remuneration shown above were paid for their services as directors of the Company.

上述獨立非執行董事酬金乃就彼等擔任本公司的董事而提供的服務而支付。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12 Directors', chief executive's and supervisors' remuneration (Continued)

12 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度					
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Share options 購股權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<i>Supervisors:</i>	<i>監事:</i>						
Mr. Liu Qiang	劉強先生	555	336	36	-	-	927
Mr. Cui Leilei	崔蕾蕾先生	412	90	38	-	-	540
Mr. Ni Wei	倪威先生	1,581	1,170	50	-	-	2,801
Mr. Zhou Rong	周榮先生	388	756	35	-	-	1,179
Mr. Yuan Shaochong	苑少沖先生	181	294	35	-	-	510
Mr. Wang Yue (Note 2)	王躍先生(附註2)	-	-	-	-	-	-
Mr. Zhang Yichen	張易辰先生	367	80	30	-	-	477
Sub-total	小計	3,484	2,726	224	-	-	6,434
Total	總計	10,475	10,058	497	488	82	21,600

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<i>Executive directors:</i>	<i>執行董事:</i>					
Mr. Jiao Chengyao (Notes 1, 2)	焦承堯先生(附註1、2)	529	685	87	-	1,301
Mr. Jia Hao	賈浩先生	2,431	1,782	50	-	4,263
Mr. Xiang Jiayu	向家雨先生	530	685	87	-	1,302
Mr. Fu Zugang	付祖岡先生	584	724	141	-	1,449
Mr. Wang Xinying (Note 2)	王新瑩先生(附註2)	-	-	-	-	-
Mr. Wang Bin	汪濱先生	2,442	1,619	55	-	4,116
Mr. Zhang Haibin	張海斌先生	420	500	111	-	1,031
Mr. Guo Haofeng (resigned in Feb 2018)	郭昊峰先生(於二零一八年 二月辭任)	78	82	24	-	184
Sub-total	小計	7,014	6,077	555	-	13,646

The executive directors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

上述執行董事酬金乃就彼等對本公司及本集團事務的管理而提供的服務而支付。

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12 Directors', chief executive's and supervisors' remuneration (Continued)

12 董事、最高行政人員及監事酬金(續)

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>					
Ms. Liu Yao	劉堯女士	—	—	—	158	158
Mr. Jiang Hua	江華先生	—	—	—	140	140
Mr. Li Xudong	李旭冬先生	—	—	—	140	140
Sub-total	小計	—	—	—	438	438

The independent non-executive directors' remuneration shown above were paid for their services as directors of the Company

上述獨立非執行董事酬金乃就彼等擔任本公司的董事而提供的服務而支付。

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度				
		Salary, wages and other benefits 薪金、工資及其他福利 RMB'000 人民幣千元	Performance incentive payments 與表現掛鈎的獎金 RMB'000 人民幣千元	Retirement benefit scheme contributions 退休福利計劃供款 RMB'000 人民幣千元	Directors' fee 董事袍金 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<i>Supervisors:</i>	<i>監事：</i>					
Mr. Liu Qiang	劉強先生	384	482	68	—	934
Mr. Cui Leilei	崔蕾蕾先生	307	165	64	—	536
Mr. Ni Wei	倪威先生	1,446	780	55	—	2,281
Mr. Zhang Yichen	張易辰先生	275	154	38	—	467
Mr. Yuan Shaochong	苑少冲先生	185	286	55	—	526
Mr. Wang Yue (Note 2)	王躍先生(附註2)	—	—	—	—	—
Mr. Zhou Rong	周榮先生	375	487	52	—	914
Mr. Ni Heping (resigned in Feb 2018)	倪和平先生(於二零一八年二月辭任)	53	64	15	—	132
Ms. Xu Mingkai (resigned in Feb 2018)	徐明凱女士(於二零一八年二月辭任)	28	32	6	—	66
Mr. Zhang Zhiqiang (resigned in Feb 2018)	張志強先生(於二零一八年二月辭任)	3	18	3	—	24
Mr. Zhang Jun (resigned in Feb 2018)	張軍先生(於二零一八年二月辭任)	32	36	7	—	75
Mr. Li Chongqing (resigned in Feb 2018)	李重慶先生(於二零一八年二月辭任)	33	24	19	—	76
Mr. Liu Fuying (resigned in Feb 2018)	劉付營先生(於二零一八年二月辭任)	49	72	16	—	137
Sub-total	小計	3,170	2,600	398	—	6,168
Total	總計	10,184	8,677	953	438	20,252

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12 Directors', chief executive's and supervisors' remuneration (Continued)

The supervisors' remuneration shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

Note 1: Mr Jiao Chengyao is also the chief executive of the Company and his emolument for the role as chief executive is also included above.

Note 2: All or partial of these directors' remuneration for the years ended 31 December 2019 and 2018 were borne by the parent of the Company.

The performance incentive payment is mainly determined on the basis of the Group's and individual performance for years ended 31 December 2019 and 2018, respectively.

No remuneration was paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2019 and 2018. None of the directors or supervisors has waived any remuneration during the years ended 31 December 2019 and 2018.

13 Employees' remuneration

Of the five individuals with the highest remuneration in the Group, three (2018: four) were directors or supervisor of the Company whose remuneration is included in the disclosures in Note 12 above. The remuneration of the remaining two individuals (2018: one) was as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other benefits	工資及其他福利	3,270	1,724
Performance related incentive payments	與表現掛鈎的獎金	938	504
Retirement benefit scheme contributions	退休福利計劃供款	76	51
Share options	購股權	35	—
		4,319	2,279

12 董事、最高行政人員及監事酬金 (續)

上述監事酬金乃就彼等對本公司及本集團事務的管理而提供的服務而支付。

附註1：焦承堯先生亦為本公司的最高行政人員，而其擔任最高行政人員的薪酬亦已計入上述金額內。

附註2：截至二零一九年及二零一八年十二月三十一日止年度的所有或部分董事酬金由本公司母公司承擔。

與表現掛鈎的獎金主要按本集團及個別人員分別於截至二零一九年及二零一八年十二月三十一日止年度的表現釐定。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無向董事或監事支付任何酬金，作為其加盟或於加盟本集團時的誘金或離職補償。截至二零一九年及二零一八年十二月三十一日止年度，並無董事或監事放棄任何酬金。

13 僱員酬金

本集團五名最高薪人士之中，三名(二零一八年：四名)為本公司董事或監事，彼等的酬金詳情於上文附註12披露。餘下兩名(二零一八年：一名)人士的酬金如下：

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

13 Employees' Remuneration (Continued)

The number of five highest paid individuals whose remuneration fell within the following bands is as follows:

13 僱員酬金(續)

酬金介乎下列範圍的五名最高薪人士數目如下：

		2019 二零一九年 No. of employees 僱員數目	2018 二零一八年 No. of employees 僱員數目
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	–
HK\$1,500,001 to HK\$3,000,000	1,500,001港元至3,000,000港元	2	3
HK\$3,000,001 to HK\$5,000,000	3,000,001港元至5,000,000港元	2	2
HK\$5,000,001 to HK\$7,000,000	5,000,001港元至7,000,000港元	1	–
		5	5

14 Dividends

14 股息

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Dividends recognised as distribution during the year	年內確認為分派的股息		
– 2018 Final (RMB0.145 per share)	– 二零一八年末期(每股人民幣0.145元)	251,208	–
– 2017 Final (RMB0.050 per share)	– 二零一七年末期(每股人民幣0.050元)	–	86,623
		251,208	86,623

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2019 of RMB0.185 per share (2018: final dividend in respect of the year ended 31 December 2018 of RMB0.145 per share) in an aggregated amount of RMB320,507,203 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

報告期末後，本公司董事已建議就截至二零一九年十二月三十一日止年度派付末期股息每股人民幣0.185元(二零一八年：就截至二零一八年十二月三十一日止年度派付末期股息每股人民幣0.145元)，總額為人民幣320,507,203元，須待股東於應屆股東週年大會批准，方可作實。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Earning for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	計算每股基本盈利的盈利 (本公司股東應佔年內溢利)	1,040,253	832,344
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利的普通股加權平均數	1,732,471,370	1,732,471,370
Earnings per share (RMB cents)	每股盈利(人民幣分)	60.04	48.04

15 每股盈利

(a) 每股基本盈利

本公司股東應佔的每股基本盈利按以下數據計算：

(b) Diluted earnings per share

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. The share options are assumed to have been converted into ordinary shares.

(b) 每股攤薄盈利

每股攤薄盈利透過調整已發行普通股加權平均數以假設所有具潛在攤薄影響的普通股已轉換進行計算。本公司有一類具潛在攤薄影響的普通股：購股權。購股權獲假設已轉換為普通股。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Earnings: Profit attributable to owners of the Company used in the diluted earnings per share calculation	盈利： 計算每股攤薄盈利所用本公司股東應佔溢利	1,040,253	832,344
Number of shares: Weighted average number of ordinary shares in issue during the year per share calculation Add: share options	股份數目： 計算年內每股已發行普通股的加權平均數 加：購股權	1,732,471,370 192,913	1,732,471,370 -
Weighted average number of ordinary shares in issue and potential ordinary shares used as the denominator in calculating diluted earnings per share	於計算每股攤薄盈利時用作分母的已發行及潛在普通股加權平均數	1,732,664,283	1,732,471,370
Diluted earnings per share (RMB cents)	每股攤薄盈利(人民幣分)	60.04	48.04

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16 Property, plant and equipment

16 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 車輛 RMB'000 人民幣千元	Other equipment 其他設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本						
At 1 January 2018	於二零一八年一月一日	1,469,298	1,911,918	44,012	98,058	125,165	3,648,451
Additions	添置	29,144	213,832	4,440	194,704	433,838	875,958
Transfer	轉撥	15,351	343,755	2,616	119,065	(480,787)	-
Disposals	出售	(24,640)	(116,668)	(3,849)	(62,743)	(11,527)	(219,427)
Acquisition of subsidiaries (Note 45)	收購附屬公司(附註45)	111,782	1,234,876	-	381,252	452,102	2,180,012
Transfer to investment properties (Note 18)	轉撥至投資物業(附註18)	(107,976)	-	-	-	-	(107,976)
Currency exchange	貨幣兌換	(418)	8,955	-	(14,898)	4,907	(1,454)
At 31 December 2018	於二零一八年十二月三十一日	1,492,541	3,596,668	47,219	715,438	523,698	6,375,564
Accounting Policy Changes (Note 2.3)	會計政策變動(附註2.3)				(2,737)	-	(2,737)
At 1 January 2019	於二零一九年一月一日	1,492,541	3,596,668	47,219	712,701	523,698	6,372,827
Additions	添置	104,726	149,979	7,207	165,420	444,700	872,032
Transfer	轉撥	29,920	252,617	228	105,479	(388,244)	-
Disposals	出售	(2,260)	(142,340)	(9,269)	(53,311)	(3,738)	(210,918)
Transfer to investment properties (Note 18)	轉撥至投資物業(附註18)	(48,898)	-	-	-	-	(48,898)
Currency exchange	貨幣兌換	468	(4,031)	-	(14,617)	(7,431)	(25,611)
At 31 December 2019	於二零一九年十二月三十一日	1,576,497	3,852,893	45,385	915,672	568,985	6,959,432
ACCUMULATED DEPRECIATION	累計折舊						
At 1 January 2018	於二零一八年一月一日	249,288	578,676	29,089	77,265	-	934,318
Provided for the year	年內撥備	64,648	462,435	4,778	264,158	-	796,019
Elimination on disposals	出售時對銷	(9,976)	(99,524)	(3,391)	(47,877)	-	(160,768)
Transfer to investment property (Note 18)	轉撥至投資物業(附註18)	(23,612)	-	-	-	-	(23,612)
Currency exchange	貨幣兌換	702	(28,073)	-	(8,335)	-	(35,706)
At 31 December 2018	於二零一八年十二月三十一日	281,050	913,514	30,476	285,211	-	1,510,251
At 1 January 2019	於二零一九年一月一日	281,050	913,514	30,476	285,211	-	1,510,251
Provided for the year	年內撥備	58,195	515,234	2,525	228,635	-	804,589
Elimination on disposals	出售時對銷	(1,049)	(113,776)	(3,893)	(44,709)	-	(163,427)
Transfer to investment properties (Note 18)	轉撥至投資物業(附註18)	(7,663)	-	-	-	-	(7,663)
Currency exchange	貨幣兌換	247	(17,837)	-	(8,548)	-	(26,138)
At 31 December 2019	於二零一九年十二月三十一日	330,780	1,297,135	29,108	460,589	-	2,117,612
CARRYING VALUES	賬面值						
At 31 December 2018	於二零一八年十二月三十一日	1,211,491	2,683,154	16,743	430,227	523,698	4,865,313
At 31 December 2019	於二零一九年十二月三十一日	1,245,717	2,555,758	16,277	455,083	568,985	4,841,820

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16 Property, plant and equipment (Continued)

The Group was in process of obtaining the relevant property ownership certificates for buildings with a net book value of RMB55,073,000 as at 31 December 2019 (2018: RMB81,138,000). In the opinion of the directors of the Company, the relevant property ownership certificates can be obtained in due time without incurring significant costs.

The Group has pledged property, plant and equipment with a net book value of approximately RMB309,815,900 as at 31 December 2019 (31 December 2018: RMB142,942,000) to secure banking facilities granted to the Group.

17 Leases

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
Buildings	樓宇	602,633	702,176
Land of use rights	土地使用權	487,214	440,964
Machines	機器	6,062	112
Office and operating equipment	辦公室及經營設備	1,262	1,929
Others	其他	73,895	79,970
		1,171,066	1,225,151
Lease liabilities	租賃負債		
Current	即期	140,143	155,982
Non-current	非即期	551,705	627,989
		691,848	783,971

In the previous year, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognised on adoption of IFRS 16 on 1 January 2019, please refer to Note 2.3.

The Group has land lease arrangement with mainland China government.

Additions to the right-of-use assets during the 2019 financial year were RMB104,134,000 of which RMB58,995,000 were transferred from investment properties.

16 物業、廠房及設備(續)

本集團仍待獲取於二零一九年十二月三十一日賬面淨值為人民幣55,073,000元(二零一八年: 人民幣81,138,000元)的樓宇相關物業所有權證。本公司董事認為可適時取得相關物業所有權證, 而不會產生重大成本。

於二零一九年十二月三十一日, 本集團已質押賬面淨值約人民幣309,815,900元(二零一八年十二月三十一日: 人民幣142,942,000元)之物業、廠房及設備, 為本集團獲授的銀行融資的抵押。

17 租賃

(i) 於資產負債表確認的金額

下文有關租賃的金額列示於下表:

於上一個年度, 本集團僅確認根據國際會計準則17號租賃分類為有關租賃的租賃資產及租賃負債。該等資產列為物業、廠房及設備以及本集團借款中的負債部分。有關於二零一九年一月一日採納國際財務報告準則第16號所確認的調整, 請參閱附註2.3。

本集團與中國內地政府訂有土地租賃安排。

於二零一九年財政年度的使用權資產添置為人民幣104,134,000元, 當中人民幣58,995,000元已自投資物業轉撥。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17 Leases (Continued)

- (ii) Amounts recognised in the statement of profit or loss

The profit or loss shows the following amounts relating to leases:

17 租賃(續)

- (ii) 於損益表確認的金額

下文有關租賃的金額列示於下方損益：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Depreciation charge of right-of-use assets:	使用權資產折舊開支：		
Buildings	樓宇	118,506	-
Land use rights	土地使用權	12,744	-
Machines	機器	1,031	-
Office and operating equipment	辦公室及其他經營設備	1,074	-
Others	其他	19,139	-
		152,494	-
Interest expense (included in finance cost)	利息開支(列入融資成本)	23,878	-
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	短期租賃相關開支(列入售貨成本及行政開支)	4,815	-
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	未於上文列為短期租賃的低價值資產租賃相關開支(列入行政開支)	12,536	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	未列入租賃負債的可變租賃付款相關開支(列入行政開支)	3,951	-

The total cash outflow for leases in 2019 was RMB161,356,000.

於二零一九年租賃的現金流出總額為人民幣161,356,000元。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18 Investment properties

18 投資物業

		Buildings	leasehold land and land use rights	Total
		樓宇	租賃土地及 土地使用權	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
COST	成本			
At 1 January 2018	於二零一八年一月一日	50,179	-	50,179
Transfer in from property, plant and equipment (Note 16)	自物業、廠房及設備 轉入(附註16)	107,976	-	107,976
Transfer in from leasehold land and land use rights	自租賃土地及土地使用權 轉入	-	77,200	77,200
At 31 December 2018	於二零一八年十二月三十一日	158,155	77,200	235,355
Additions	添置	6,336	-	6,336
Transfer in from property, plant and equipment (Note 16)	自物業、廠房及設備 轉入(附註16)	48,898	-	48,898
Transfer out to right of use assets (Note 17)	轉出至使用權資產 (附註17)	-	(69,679)	(69,679)
At 31 December 2019	於二零一九年十二月三十一日	213,389	7,521	220,910
DEPRECIATION	折舊			
At 1 January 2018	於二零一八年一月一日	6,170	-	6,170
Transfer in from property, plant and equipment (Note 16)	自物業、廠房及設備 轉入(附註16)	23,612	-	23,612
Transfer in from leasehold land and land use rights	自租賃土地及土地使用權 轉入	-	10,164	10,164
Provided for the year	年內撥備	1,589	-	1,589
At 31 December 2018	於二零一八年十二月三十一日	31,371	10,164	41,535
Transfer in from property, plant and equipment (Note 16)	自物業、廠房及設備 轉入(附註16)	7,663	-	7,663
Transfer out to right of use assets (Note 17)	轉出至使用權資產 (附註17)	-	(10,684)	(10,684)
Provided for the year	年內撥備	5,774	1,287	7,061
At 31 December 2019	於二零一九年十二月三十一日	44,808	767	45,575
CARRYING VALUES	賬面值			
At 31 December 2018	於二零一八年十二月三十一日	126,784	67,036	193,820
At 31 December 2019	於二零一九年十二月三十一日	168,581	6,754	175,335

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18 Investment properties (Continued)

As at 31 December 2019, the fair value of the Group's investment properties was RMB318,019,000 (2018: RMB218,875,000). The fair value has been arrived at based on a valuation carried out by the management of the Company. The fair value was determined based on the direct comparison approach, which the directors of the Company are of the view that it is the best estimate of the fair value of these investment properties. The direct comparison approach reflects recent transaction prices or current asking prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2019 are as follows:

		Fair value as at 31 December 2019	
		Level 3	於二零一九年 十二月三十一日 的公平值
		第3級	的公平值
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Investment properties located in the PRC	位於中國的投資物業	318,019	318,019

There were no transfers into or out of Level 3 during the year.

The above investment properties are depreciated on a straight-line basis, taking into account their residual value, at the following rates per annum:

Land use right	2%
Buildings	2.71%-3.17%

During the year ended 31 December 2019, the Group recognised rental income with the amount of RMB21,936,000 (2018: RMB21,930,000).

All the buildings are located in the PRC. The Group had not obtained the relevant property certificates for buildings with a net book value of RMB31,890,000 as at 31 December 2019 (2018: RMB4,478,000). In the opinion of the directors of the Company, the relevant property ownership certificates can be obtained in due time without incurring significant costs.

18 投資物業(續)

於二零一九年十二月三十一日，本集團投資物業的公平值為人民幣318,019,000元(二零一八年：人民幣218,875,000元)。該公平值是根據本公司管理層作出的估值得出。該公平值是根據直接比較法估算得出，本公司董事認為此乃估算此等投資物業的公平值的最佳辦法。直接比較法反映類似物業的最近交易價格或當時沽盤價。於估算物業的公平值時，其現有用途為價值最高及其最佳用途。

於二零一九年十二月三十一日，本集團的投資物業及有關公平值等級的詳情如下：

年內概無轉入或轉出第3級。

以上投資物業是經計及其剩餘價值後以直線法折舊，採用的年率如下：

土地使用權	2%
樓宇	2.71%至3.17%

截至2019年12月31日止年度，本集團確認租金收入人民幣21,936,000元(2018年：人民幣21,930,000元)。

所有樓宇均位於中國境內。本集團尚未獲取於二零一九年十二月三十一日賬面淨值為人民幣31,890,000元(二零一八年：人民幣4,478,000元)的樓宇相關物業所有權證。本公司董事認為，可適時獲取相關房屋所有權證而不招致重大成本。

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19 Goodwill

The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of cash generating unit ("CGU") to the carrying amounts. The recoverable amount of a CGU was determined based on value-in-use calculations. These calculations used pre-tax cash flow projections based on financial budgets approved by management covering a five-year period with a terminal value related to the future cash flows extrapolated using the estimated growth rates stated below beyond the five-year period. The accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group. The management leveraged their extensive experiences in the industries and provided forecast based on past performance and their expectation of future business plans and market developments.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified. The following is a summary of goodwill allocation for each CGUs:

19 商譽

本集團透過比較現金產生單位(「現金產生單位」)與賬面值對商譽進行年度減值測試。現金產生單位可回收金額根據使用價值計算。該等計算使用根據管理層所批准的涵蓋五年期間的財政預算得出的除稅前現金流量預測，而與該未來現金流量有關的最終價值則是使用下文所列五年期間後估計增長率推算。該資料的準確度及可靠性得到本集團制定的適當預算、預測及控制程序的合理保證。管理層運用了彼等的豐富行業經驗，並根據過往表現及彼等對業務計劃及市場發展的預期提供了預測。

商譽分配至本集團已識別的現金產生單位。下文為各現金產生單位商譽分配概要：

		Opening	Addition	Impairment	Currency translation difference	Closing
		年初	添置	減值	貨幣換算差額	年末
Year ended 31 December 31 2019		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
截至二零一九年十二月三十一日止年度		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
ASIMCO International Casting Co., Ltd. (Shanxi) ("ASIMCO Shanxi")	亞新科國際鑄造(山西)有限公司(「亞新科山西」)	104,516	-	-	-	104,516
Hubei Super Electric Auto Motor Co., Ltd. ("Super Electric")	湖北神電汽車電機有限公司(「神電」)	43,844	-	(14,724)	-	29,120
ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. ("ASIMCO Shuanghuan")	儀征亞新科雙環活塞環有限公司(「亞新科雙環」)	88,283	-	-	-	88,283
SEG	SEG	617,165	-	(159,362)	(2,501)	455,302
		853,808	-	(174,086)	(2,501)	677,221

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19 Goodwill (Continued)

19 商譽(續)

		Opening	Addition	Impairment	Currency translation difference	Closing
		年初	添置	減值	貨幣換算差額	年末
Year ended 31 December 31 2018		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
截至二零一八年十二月三十一日止年度		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
ASIMCO Camshaft (Yizheng) Co., Ltd. ("ASIMCO Camshaft")	亞新科凸輪軸(儀征)有限公司 (「亞新科凸輪軸」)	22,552	-	(22,552)	-	-
ASIMCO International Casting Co., Ltd. (Shanxi) ("ASIMCO Shanxi")	亞新科國際鑄造(山西)有限公司(「亞新科山西」)	104,516	-	-	-	104,516
Hubei Super Electric Auto Motor Co., Ltd. ("Super Electric")	湖北神電汽車電機有限公司 (「神電」)	43,844	-	-	-	43,844
ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd. ("ASIMCO Shuanghuan")	儀征亞新科雙環活塞環有限公司「亞新科雙環」	88,283	-	-	-	88,283
ASIMCO NVH Technologies Co., Ltd. (Anhui) ("ASIMCO NVH")	亞新科噪聲與振動技術(安徽)有限公司(「亞新科NVH」)	86,573	-	(86,573)	-	-
SEG	SEG	-	613,626	-	3,539	617,165
		345,768	613,626	(109,125)	3,539	853,808

Impairment review on the goodwill of the Group has been conducted by management as at 31 December 2018 and 2019, according to IAS 36 "Impairment of assets". For the purposes of impairment review, the recoverable amount of goodwill is determined based on value-in-use calculations. The value-in-use calculations use cash flow projections based on business plan for the purpose of impairment reviews covering a 5 or 6-year period. After taking into consideration the competition in the market of the products of SEG and Super Electric, the Group has adjusted down the forecast and their cash flow projection. Accordingly, an impairment of RMB174,086,000 (2018: RMB109,125,000) has been provided for the goodwill for the year ended 31 December 2019.

管理層於二零一八年及二零一九年十二月三十一日根據國際會計準則第36號「資產減值」對本集團商譽進行減值檢討。就減值檢討而言，商譽的可收回金額根據使用價值計算釐定。就涵蓋五或六年期間的減值檢討而言，使用價值計算使用基於業務計劃的現金流量預測。經計及SEG及神電的產品市場競爭，本集團已將預測及其現金流量預測下調。故此，已於截至二零一九年十二月三十一日止年度就商譽計提減值人民幣174,086,000元(二零一八年：人民幣109,125,000元)。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19 Goodwill (Continued)

The key assumptions and discount rate used in the significant CGU value-in-use calculations are as follows:

As at 31 December 2019

		Revenue growth rate (%) 收入增長率(%)	Gross profit rate (%) 毛利率(%)	Pre-tax discount rate 稅前貼現率
ASIMCO Shanxi	亞新科山西	0%-5%	21%-22%	15.88%
Super Electric	神電	(3%)-0%	23%-24%	15.51%
ASIMCO Shuanghuan	亞新科雙環	0%-6%	38%-39%	15.51%
SEG	SEG	0%-9%	15%-19%	15.83%

As at 31 December 2018

		Revenue growth rate (%) 收入增長率(%)	Gross profit rate (%) 毛利率(%)	Pre-tax discount rate 稅前貼現率
ASIMCO Camshaft	亞新科凸輪軸	0-3.5%	29%-33%	14.95%
ASIMCO Shanxi	亞新科山西	(15%)-3%	22%-24%	15.58%
Super Electric	神電	(9%)-0	24%-25%	15.58%
ASIMCO Shuanghuan	亞新科雙環	0-5%	35%-37%	15.58%
ASIMCO NVH	亞新科NVH	0-15%	19%-20%	14.71%
SEG	SEG	2%-9%	15%-17%	16.20%

The budgeted gross margins used in the goodwill impairment testing, were determined by management based on past performance and its expectation for market development. The expected revenue growth rate and gross profit rates are following the business plan approved by the Company. Discount rates reflect market assessments of the time value and the specific risks relating to the industry.

19 商譽(續)

重大現金產生單位使用價值計算中所用關鍵假設及貼現率如下：

於二零一九年十二月三十一日

於二零一八年十二月三十一日

用於商譽減值測試的預算毛利率由管理層根據過往表現及其對市場發展的預期決定。預期收入增長率及毛利率依循本公司批准的業務計劃。貼現率反映對時間價值及行業特定風險的市場評估。

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20 Intangible assets

20 無形資產

		Trademark 商標	Software 軟件	Development costs 開發成本	Patent right 專利	Customer relationship 客戶關係	Total 總計
COST	成本						
At 1 January 2018	於二零一八年一月一日	77,860	18,800	-	265,504	265,293	627,457
Acquisition of subsidiaries (Note 45)	收購附屬公司(附註45)	-	104,157	46,213	337,992	311,327	799,689
Additions	添置	-	18,568	379,300	12,787	-	410,655
Disposals	出售	-	(1,194)	-	-	-	(1,194)
Currency exchange	貨幣兌換	-	780	(19,076)	2,048	1,796	(14,452)
At 31 December 2018	於二零一八年十二月三十一日	77,860	141,111	406,437	618,331	578,416	1,822,155
Additions	添置	-	23,155	341,663	1,113	-	365,931
Disposals	出售	-	(232)	-	-	-	(232)
Currency exchange	貨幣兌換	-	441	1,773	(1,271)	(1,269)	(326)
At 31 December 2019	於二零一九年十二月三十一日	77,860	164,475	749,873	618,173	577,147	2,187,528
AMORTISATION	攤銷						
At 1 January 2018	於二零一八年一月一日	6,187	15,477	-	25,186	22,108	68,958
Charge for the year	年內扣除	15,672	31,400	-	72,948	55,028	175,048
Disposals	出售	-	(1,170)	-	-	-	(1,170)
Currency exchange	貨幣兌換	-	258	-	291	157	706
At 31 December 2018	於二零一八年十二月三十一日	21,859	45,965	-	98,425	77,293	243,542
Charge for the year	年內扣除	15,672	37,472	9,466	71,050	54,738	188,398
Disposals	出售	-	(232)	-	-	-	(232)
Currency exchange	貨幣兌換	-	78	90	276	192	636
At 31 December 2019	於二零一九年十二月三十一日	37,531	83,283	9,556	169,751	132,223	432,344
IMPAIRMENT	減值						
At 1 January 2018 and 31 December 2018	於二零一八年一月一日及 二零一八年十二月三十一日	-	-	-	-	-	-
Additions (Note 8)	添置(附註8)	-	-	246,731	-	-	246,731
Currency exchange	貨幣兌換	-	-	2,552	-	-	2,552
At 31 December 2019	於二零一九年十二月三十一日	-	-	249,283	-	-	249,283
CARRYING VALUES	賬面值						
At 31 December 2018	於二零一八年十二月三十一日	56,001	95,146	406,437	519,906	501,123	1,578,613
At 31 December 2019	於二零一九年十二月三十一日	40,329	81,192	491,034	448,422	444,924	1,505,901

Total research and development expense incurred during 2019 was approximately RMB1,356,689,000 (2018: RMB1,410,072,000), among which, RMB341,663,000 (2018: RMB379,300,000) related to auto parts technology project have been capitalised as development costs. As at 31 December 2019, the related development projects were in progress and were tested for impairment and no impairment was provided for these in progress development projects according to the impairment testing result. Besides, during 2019, the Group made an impairment on capitalized development cost with the amount of RMB246.7 million, which belong to the manufacture of auto parts segment.

二零一九年產生的總研發開支約為人民幣1,356,689,000元(二零一八年：人民幣1,410,072,000元)，其中有關汽車零部件技術項目人民幣341,663,000元(二零一八年：人民幣379,300,000元)已資本化為開發成本。於二零一九年十二月三十一日，相關開發項目正在進行且已進行減值測試。該等正在進行的開發項目並未按減值測試結果計提減值準備。此外，本集團於二零一九年資本化開發成本計提減值人民幣246.7百萬元，有關開發成本來自製造汽車零部件分部。

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21 Investments in associates

21 於聯營公司的投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of investments in unlisted associates	於非上市聯營公司的投資成本	213,550	381,972
Share of post-acquisition profits and other comprehensive income, net of dividends received	分佔收購後溢利及其他全面收益，扣除已收股息	71,903	11,500
		285,453	393,472

As at 31 December 2019 and 2018, the Group had interests in the following associates:

於二零一九年及二零一八年十二月三十一日，本集團於以下聯營公司擁有權益：

Name of entity 公司名稱	Place of registration 註冊成立地點	Proportion of nominal value of registered capital 主要經營地點		Proportion of voting power held 持有投票權之比例		Principal activities 主要業務
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
Zhengzhou Suda Industry Machinery Service Co., Ltd. (Note 1) 鄭州速達工業機械服務股份有限公司(附註1)	The PRC 中國	29.82%	31.48%	29.82%	31.48%	Aftermarket services 售後服務
Hua Xuan (Shanghai) Equity Investment Fund Co., Ltd. (Note 2) 華軒(上海)股權投資基金有限公司(附註2)	The PRC 中國	19.18%	49.18%	19.18%	49.18%	Equity investment and financial management 股本投資及財務管理
Heilongjiang Zhenglong Coal Mining Machinery Co., Ltd. 黑龍江鄭龍煤礦機械有限公司	The PRC 中國	47.50%	47.50%	47.50%	47.50%	Manufacture of mining machinery 生產採礦機械
Yizheng Nahuan Technology Co., Ltd. 儀征納環科技有限公司	The PRC 中國	49.00%	N/A 不適用	49.00%	N/A 不適用	Providing services for auto spare parts 提供汽車零部配件服務
Huainan Shun Li Machinery Co., Ltd. ("Huainan Shun Li") (Note 3) 淮南舜立機械有限責任公司(「淮南舜立」) (附註3)	The PRC 中國	-	22.60%	-	22.60%	Manufacture of mining machinery 生產採礦機械

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21 Investments in associates (Continued)

21 於聯營公司的投資(續)

Name of entity 公司名稱	Place of registration 註冊成立地點	Proportion of nominal value of registered capital 主要經營地點		Proportion of voting power held 持有投票權之比例		Principal activities 主要業務
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	
		ZMJ Jiangxi Zongji Equipment Co., Ltd. 鄭州煤機(江西)綜機設備有限公司	The PRC 中國	38.00%	38.00%	
Xinjiang Kerui ZMJ Heavy Machine Co., Ltd. 新疆克瑞鄭煤機重型機械股份有限公司	The PRC 中國	35.00%	35.00%	35.00%	35.00%	Manufacture of mining machinery 生產採礦機械
ZMJ Tezhong Duanya Manufacturing Co., Ltd. 鄭州煤機特種鍛壓製造有限公司	The PRC 中國	49.00%	49.00%	49.00%	49.00%	Manufacture of mining machinery 生產採礦機械
Shanghai Wangqing Automatic Technology Co., Ltd. 上海汪青自動化科技有限公司	The PRC 中國	25.00%	25.00%	25.00%	25.00%	Manufacture of mining machinery 生產採礦機械

Note 1: In July 2019, Zhengzhou Suda Industry Machinery Service Co., Ltd. issued 1,850,000 ordinary shares to three new shareholders and the shares of the Company was diluted to 29.82%.

Note 2: On 22 November 2019, the Company entered into an agreement with Shanghai Huaruan Investment Management LLP to sell 30% share of Hua Xuan (Shanghai) Equity Investment Fund Co., Ltd with the amount of RMB183,020,000. The Company recorded a gain of RMB11,307,000 for the disposal of the 30% shares. As at 31 December 2019, the Company has received RMB118,963,000 and the remaining balance RMB64,057,000 will be received in 2020.

After the disposal, the Company holds 19.18% share of Hua Xuan (Shanghai) Equity Investment Fund Co., Ltd and still treats the investment as an associate.

Note 3: On 20 February 2019, the Company entered into an agreement with Huainan Licheng Coal Mining Equipment Co., Ltd. to sell 22.60% share of Huainan ZMJ Shun Li Machinery Co., Ltd. with the amount of RMB4,549,200. The Company recorded a loss of RMB8,093,000 for the disposal of the 22.60% shares. As at 31 December 2019, the Company has received RMB8,093,000.

附註1：於二零一九年七月，鄭州速達工業機械服務股份有限公司向三名新股東發行1,850,000股普通股，令本公司股份攤薄至29.82%。

附註2：於二零一九年十一月二十二日，本公司與上海華軟投資管理合夥企業(有限合夥)訂立協議，以人民幣183,020,000元出售華軒(上海)股權投資基金有限公司30%的股份。本公司出售該30%股份錄得人民幣11,307,000元的收益。於二零一九年十二月三十一日，本公司已收取人民幣118,963,000元，餘額人民幣64,057,000元將於二零二零年收取。

於出售後，本公司持有華軒(上海)股權投資基金有限公司19.18%的股份，仍視該投資為聯營公司。

附註3：於二零一九年二月二十日，本公司與淮南立成煤礦設備有限公司訂立協議，以人民幣4,549,200元出售淮南舜立機械有限責任公司22.60%的股份。本公司就出售該22.60%的股份錄得人民幣8,093,000元的虧損。截至二零一九年十二月三十一日，本公司已收取人民幣8,093,000元。

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21 Investments in associates (Continued)

21 於聯營公司的投資(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Aggregate amount of the Group's share of profit/(loss) from continuing operations	本集團分佔持續經營業務溢利/(虧損)總額	38,013	(49,642)
Aggregate amount of the Group's share of other comprehensive income	本集團分佔其他全面收益總額	-	-
Aggregate amount of the Group's share of total comprehensive expense	本集團分佔全面總開支總額	38,013	(49,642)
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司擁有之權益賬面值總額	285,453	393,472

22 Investments in joint ventures

22 於合營企業之投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of investments in unlisted joint venture	於非上市合營企業投資之成本	55,895	27,895
Share of post-acquisition profits and other comprehensive income, net of dividends received	分佔收購後溢利及其他全面收益，扣除已收股息	15,827	12,111
		71,722	40,006

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22 Investments in joint ventures (Continued)

As at 31 December 2019, the Group had interest in the following joint ventures:

22 於合營企業之投資(續)

於二零一九年十二月三十一日，本集團於以下合營企業擁有權益：

Name of entity 實體名稱	Place of registration 註冊地	Proportion of nominal value of registered capital 佔註冊資本面值比例		Proportion of voting power held 佔持有表決權比例		Principal activities 主要業務
		2019	2018	2019	2018	
		二零一九年	二零一八年	二零一九年	二零一八年	
NPR ASIMCO Powdered Metals Manufacturing (Yizheng) Co., Ltd 儀征日環亞新科粉末冶金製造有限公司	The PRC 中國	50.00%	50.00%	50.00%	50.00%	Manufacture of auto-parts 生產汽車零部件
Zhengzhou Mining Intelligent Working Face technology Co., Ltd. 鄭州煤機智能工作面科技有限公司	The PRC 中國	28.00%	N/A 不適用	28.00%	N/A 不適用	Manufacture of high-tech coal and mining parts 生產高科技煤礦及採礦零部件

NPR ASIMCO Powdered Metals Manufacturing (Yizheng) Co., Ltd. is a joint venture of ASIMCO Shuanghuan that was acquired by the Group in March 2017.

儀征日環亞新科粉末冶金製造有限公司是亞新科雙環的合營企業，後者由本集團於二零一七年三月收購。

Zhengzhou Mining Intelligent working face technology Co., Ltd. is a joint venture of Zhengzhou Coal Mining Machinery Group Co., Ltd. that was incorporated by the Group in June 2019.

鄭州煤機智能工作面科技有限公司為鄭州煤礦機械集團股份有限公司的合營企業，其於二零一九年六月由本集團成立。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Aggregate amount of the Group's share of profit from continuing operations	本集團分佔持續經營業務溢利總額	3,716	5,908
Aggregate amount of the Group's share of other comprehensive income	本集團分佔其他全面收益總額	—	—
Aggregate amount of the Group's share of total comprehensive expense	本集團分佔全面總開支總額	3,716	5,908
Aggregate carrying amount of the Group's interests in these joint ventures	本集團於該等合營企業擁有之權益賬面值總額	71,722	40,006

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23 Financial asset at fair value through profit or loss/Financial asset at fair value through other comprehensive income/Derivative financial instruments

Financial assets at fair value through other comprehensive income

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Equity securities listed in Hong Kong	於香港上市的股本證券	29,934	31,540
Current assets	流動資產		
Notes receivable	應收票據	4,246,819	3,955,287

23 以公平值計量且其變動計入損益的金融資產/以公平值計量且其變動計入其他全面收益的金融資產/衍生金融工具

以公平值計量且其變動計入其他全面收益的金融資產

Financial assets at fair value through profit or loss

以公平值計量且其變動計入損益的金融資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current assets	流動資產		
Structured deposits	結構性存款	1,393,000	354,243
Unlisted equity securities	非上市股本證券	1,296	1,296
		1,394,296	355,539

Derivative financial instruments

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss below. The Group has the following derivative financial instruments:

Derivative financial assets

衍生金融工具

衍生工具僅用於經濟對沖目的，不用於投機性投資。然而，倘衍生工具未符合對沖會計標準，將就會計處理目的而言分類為「持作買賣」，並如下文所述以公平值計量且其變動計入損益。本集團擁有下列衍生金融工具：

衍生金融資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Not designated as hedging instruments	不指定為對沖工具	10,904	1,288
Designated as hedging instruments	指定為對沖工具	3,042	3,113
		13,946	4,401

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23 Financial asset at fair value through profit or loss/Financial asset at fair value through other comprehensive income/Derivative financial instruments (Continued)

Derivative financial liabilities

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Not designated as hedging instruments	不指定為對沖工具	1,043	35,179
Designated as hedging instruments	指定為對沖工具	2,589	-
		3,632	35,179

23 以公平值計量且其變動計入損益的金融資產/以公平值計量且其變動計入其他全面收益的金融資產/衍生金融工具(續)

衍生金融負債

24 Deferred tax assets/liabilities

The following is the analysis of the deferred tax balances for financial reporting purposes:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deferred tax assets to be recovered	將予收回的遞延稅項資產		
– within 12 months	– 12個月內	115,671	69,897
– after 12 months	– 12個月後	340,669	387,405
		456,340	457,302
Deferred tax liabilities to be settled	將予償付的遞延稅項負債		
– within 12 months	– 12個月內	(41,395)	(42,083)
– after 12 months	– 12個月後	(288,333)	(314,508)
		(329,728)	(356,591)
Deferred tax assets, net	遞延稅項資產淨值	126,612	100,711

24 遞延稅項資產/負債

就財務報告而言，遞延稅項結餘分析如下：

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

24 Deferred tax assets/liabilities (Continued)

The following are the major deferred tax assets/liabilities recognised and movements thereon:

24 遞延稅項資產／負債(續)

所確認的主要遞延稅項資產／負債及其變動如下：

		Trade receivable loss allowance	Write-down of inventory	Accruals and provision	Unrealized profit	Property, plant and equipment tax difference	Intangible assets tax difference	Revaluation on prepaid lease payments	Revaluation of intangible assets	Revaluation of Property, plant and equipment	Others	Total
		貿易應收款項虧損撥備	存貨撇銷	應計開支及撥備	未變現利潤	物業、廠房及設備稅會差異	無形資產稅會差異	預付租賃款項重估	無形資產重估	廠房及設備重估	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
The Group	本集團											
At 1 January 2018	於二零一八年一月一日	163,441	9,078	52,075	10,034	-	-	(23,619)	(82,089)	(36,975)	7,618	99,563
Acquisition of subsidiaries (Note 45)	收購附屬公司 (附註45)	13,665	8,118	51,384	1,773	45,076	77,387	-	(185,704)	(37,776)	5,123	(20,954)
(Charge)/credit to profit or loss	於損益(扣除)/計入	(9,875)	(1,365)	(44,812)	(1,051)	(26,433)	(21,669)	3,803	11,044	11,719	41,092	(37,547)
Effect of change in tax rate	稅率變動影響	(954)	(2,256)	(7,157)	-	(1,850)	-	-	1,201	1,467	-	(9,549)
Currency exchange	貨幣兌換	(8,546)	3,272	55,377	-	20,745	(14,338)	-	14,324	(715)	(921)	69,198
At 31 December 2018	於二零一八年十二月三十一日	157,731	16,847	106,867	10,756	37,538	41,380	(19,816)	(241,224)	(62,280)	52,912	100,711
(Charge)/credit to profit or loss	於損益(扣除)/計入	(44,980)	(5,301)	37,985	3,401	(16,635)	895	836	32,413	7,263	10,129	26,006
Currency exchange	貨幣兌換	94	(599)	(229)	-	(157)	(5)	-	891	181	(281)	(105)
At 31 December 2019	於二零一九年十二月三十一日	112,845	10,947	144,623	14,157	20,746	42,270	(18,980)	(207,920)	(54,836)	62,760	126,612

The net balances of deferred tax assets and liabilities after offsetting are as follows:

遞延稅項資產及負債互相抵銷後的結餘淨額如下：

		2019 二零一九年	2018 二零一八年
Deferred tax assets, net	遞延稅項資產淨值	419,390	442,322
Deferred tax liabilities, net	遞延稅項負債淨額	(292,778)	(341,611)
		126,612	100,711

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24 Deferred tax assets/liabilities (Continued)

At the end of the reporting period, the Group had the following unrecognised unused tax losses:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unused tax losses	未動用稅項虧損	2,621,747	1,619,665

No deferred tax asset has been recognised in relation to the above tax losses due to the unpredictability of future profit streams.

The expiry dates of the above unrecognised tax losses are as follow:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
31 December 2019	二零一九年十二月三十一日	-	9,897
31 December 2020	二零二零年十二月三十一日	-	24,369
31 December 2021	二零二一年十二月三十一日	4,775	19,381
31 December 2022	二零二二年十二月三十一日	1,317	1,317
31 December 2023	二零二三年十二月三十一日	-	-
31 December 2024	二零二四年十二月三十一日	2,523	-
No expiry date	無屆滿日期	2,613,132	1,564,701
		2,621,747	1,619,665

24 遞延稅項資產／負債(續)

於報告期末，本集團有下列未確認之未動用稅項虧損：

未就上述稅項虧損確認遞延稅項資產乃由於無法預期未來溢利流入。

上述未確認稅項虧損之屆滿日期如下：

25 Finance lease receivables

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Finance lease receivables due from customers	應收客戶融資租賃應收款項	49,432	53,466
Less: Finance lease receivables due within 1 year	減：於1年內到期的融資租賃應收款項	(26,084)	(24,958)
Non-current finance lease receivables	非流動融資租賃應收款項	23,348	28,508

25 融資租賃應收款項

Certain of the Group's equipment is leased out under finance leases. All the leases are denominated in RMB. The terms of finance leases entered into ranged from 3 to 5 years.

本集團若干設備根據融資租賃出租。所有租賃以人民幣計值。融資租賃年期為3至5年。

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25 Finance lease receivables (Continued)

25 融資租賃應收款項(續)

		Minimum lease receivables 最低租賃應收款項	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	1年內	26,870	25,848
Over 1 year but less than 2 years	超過1年但少於2年	23,518	28,706
Less: unearned finance income	減：未賺取財務收入	(956)	(1,088)
Present value of minimum lease payments receivable	最低租賃應收款項現值	49,432	53,466

		Present value of minimum lease receivables 最低租賃應收款項現值	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	1年內	26,084	24,958
Over 1 year but less than 2 years	超過1年但少於2年	23,348	28,508
Present value of minimum lease payments receivable	最低租賃應收款項現值	49,432	53,466

The interest rates inherent in the leases are fixed at the contract date for the entire lease terms. The weighted average effective interest rate is approximately 5.26% (2018: 5.38%) per annum.

Finance lease receivable balances are secured over the leased storage equipment. The Group is not permitted to sell or pledge the collateral in the absence of default by the lessee.

Please refer to Note 3 for the loss allowance of finance lease receivables.

租賃附帶的息率於合同日釐定，適用於整個租賃期。加權平均實際年利率約為5.26%（二零一八年：5.38%）。

融資租賃應收款項結餘以租出的貯存設備作擔保。本集團不得在承租人並無違約時出售或抵押抵押品。

有關融資租賃應收款項的虧損撥備，請參閱附註3。

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26 Long-term receivables

26 長期貿易應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Long term receivable due from customers	應收客戶的長期應收款項	502,744	554,161
Less: Long-term receivable due within 1 year	減：1年內到期的長期應收款項	(239,513)	(131,926)
Long-term receivable due after 1 year		263,231	422,235
The amount is expected to be received as follows:			
Within 1 year	款項預期於以下時間收取： 1年內	247,499	135,730
Over 1 year but less than 2 years	超過1年但少於2年	102,204	210,548
Over 2 years but less than 5 years	超過2年但少於5年	167,230	214,110
Less: unearned finance income	減：未賺取財務收入	(14,189)	(6,227)
		502,744	554,161

Note: The balance represents long-term receivables from customers arising from sales of goods. The amount is interest free, unsecured and repayable in 2 to 5 years. Deemed interest income of RMB7,275,165 calculated based on effective interest method was recognised during the current year (2018: RMB2,609,353).

As at 31 December 2019, the Company provided loss allowance with the amount of RMB62,217,000 (31 December 2018: RMB63,494,000) for the long-term receivables.

附註：該結餘指因貨品銷售而應收客戶的長期應收款項。該款項為免息、無抵押及須於2至5年內償還。視作按實際利息法計算的利息收入人民幣7,275,165元(二零一八年：人民幣2,609,353元)於本年度內確認。

於二零一九年十二月三十一日，本公司就長期應收款項計提虧損撥備人民幣62,217,000元(二零一八年十二月三十一日：人民幣63,494,000元)。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

27 Contract related assets/Contract liabilities**27 合同相關資產／合同負債**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract related assets			
Customer-related assets, non-current – nomination fee	合同相關資產 客戶相關非流動資產－提名費	-	35,410
Customer-related assets, current – right of exchange (R&D sales)	客戶相關流動資產－轉換權 (研發銷售)	30,457	-
Contract liabilities			
Contract liabilities, current – advances from customers (a)	合同負債 流動合同負債－客戶墊款(a)	1,691,213	1,390,874
Contract liabilities, current – R&D reimbursements from customers	流動合同負債－客戶研發 補償	8,122	-
		1,699,335	1,390,874
Contract liabilities, non-current – R&D reimbursements from customers	非流動合同負債－客戶研發 補償	-	39,790

(a): Advances from customers are mainly from coal mining machinery group for non-cancelable contracts, and normally would be recognized as revenue in next 12 months and RMB131,063,000 (2018: RMB30,430,000) in the balance on 31 December 2019 is carried forward from 2018.

(a) : 客戶墊款主要來自不可註銷合同的煤礦機械組別，一般於之後12個月內確認為收入。於二零一九年十二月三十一日的結餘人民幣131,063,000元(二零一八年：人民幣30,430,000元)為自二零一八年結轉。

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28 Loans receivable from associates and a joint venture

28 應收聯營公司及一間合營企業貸款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loans receivable from an associate (Note a)	應收一間聯營公司貸款(附註a)	64,000	64,000
Loans receivable from a joint venture (Note b, c)	應收一間合營企業貸款(附註b、c)	16,500	19,750
		80,500	83,750
Loss allowance (Note d)	虧損撥備(附註d)	(64,000)	(64,000)
		16,500	19,750
Analysed for the reporting purpose as:			
Current portion	就呈報目的分析如下： 流動部分	10,000	9,750
Non-current portion	非流動部分	6,500	10,000
		16,500	19,750

Note (a): The balance represented loans receivable from an associate, Heilongjiang Zhonglong Coal Mining Machinery Co., Ltd., which was unsecured and repayable on demand. The Group provided 100% impairment for the balance in 2018.

附註(a)：該結餘指應收聯營公司黑龍江鄭龍煤礦機械有限公司的貸款，該貸款無抵押，並按要求償還。本集團就二零一八年結餘提供100%減值。

Note (b): The amount of RMB10,000,000 will be repaid on 30 June 2020, and the amount of RMB6,500,000 will be repaid on 30 November 2022.

附註(b)：將於二零二零年六月三十日償還人民幣10,000,000元及將於二零二零年十一月三十日償還人民幣6,500,000元。

Note (c): The balance is unsecured, carrying interest rate of 2.08% – 2.16% per annum.

附註(c)：該結餘無抵押，按年利率2.08%至2.16%計息。

Note (d): Please refer to Note 3 for loss allowance.

附註(d)：有關虧損撥備，請參閱附註3。

29 Inventories

29 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials and consumables	原料及消耗品	1,068,750	1,411,969
Work in progress	半成品	560,349	679,219
Finished goods	產成品	2,174,045	2,018,100
		3,803,144	4,109,288
Inventory provision	存貨撥備	(171,445)	(148,444)
		3,631,699	3,960,844

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29 Inventories (Continued)**29 存貨**(續)

		2019 二零一九年 RMB'000 人民幣千元
At 31 December 2018	於二零一八年十二月三十一日	148,444
Additional provision in the year	年內額外撥備	38,248
Write off provision	撇銷撥備	(15,364)
Currency exchange	貨幣兌換	117
At 31 December 2019	於二零一九年十二月三十一日	171,445

30 Trade and other receivables**30 貿易及其他應收款項**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	5,252,011	5,760,750
Less: loss allowance	減：虧損撥備	(612,367)	(853,294)
		4,639,644	4,907,456
Prepayments to suppliers	向供應商預付款項	372,396	507,566
Deposits	訂金	70,054	24,197
Other tax recoverable	其他可收回稅項	601,272	880,090
Receivable from disposal of an associate (Note 21)	出售一間聯營公司應收款項(附註21)	64,057	-
Staff advances	僱員墊款	17,296	7,363
Others	其他	185,464	97,493
Less: loss allowance	減：虧損撥備	(113,986)	(97,168)
		1,196,553	1,419,541
Total trade and other receivables	貿易及其他應收款項合計	5,836,197	6,326,997

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30 Trade and other receivables (Continued)

The following is the ageing analysis of trade receivables net of loss allowance presented based on the invoice date at the end of each reporting period:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 180 days	180天內	3,837,670	4,255,933
Over 180 days but within 1 year	超過180天但1年內	589,284	351,338
Over 1 year but within 2 years	超過1年但2年內	177,330	228,364
Over 2 years within 3 years	超過2年但3年內	35,340	71,821
		4,639,644	4,907,456

The trade and other receivables denominated in foreign currencies, are expressed in RMB as at 31 December 2019 and 31 December 2018 as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
EUR	歐元	795,054	809,741
USD	美元	323,806	527,588
INR	印度盧比	127,090	156,762
BRL	巴西雷亞爾	72,336	79,310
MXI	墨西哥披索	20,190	11,070
JPY	日圓	5,313	6,313
ZAF	南非蘭特	8,456	5,369
RUB	俄羅斯盧布	6,949	2,828
CAD	加元	—	504
Others	其他	14	47
		1,359,208	1,599,532

30 貿易及其他應收款項(續)

以下為各報告期末按發票日期呈列的貿易應收款項扣除虧損撥備後的賬齡分析：

以外幣計值的貿易及其他應收款項於二零一九年十二月三十一日及二零一八年十二月三十一日以人民幣列示如下：

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30 Trade and other receivables (Continued)

Movement of loss allowance on trade and other receivables

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Opening balance	年初結餘	950,462	1,015,331
Reversed during the year	年內撥回	(161,873)	(58,006)
Write off	撇銷	(55,239)	(3,724)
Currency exchange	貨幣兌換	(6,997)	(3,139)
Closing balance	年末結餘	726,353	950,462

As at 31 December 2019, the Group had litigations against overdue customers with trade receivable balances of RMB121,956,000. Among those litigations, for trade receivable balance of RMB32,801,000 had been reached settlement. Litigations relating to trade receivable of RMB50,271,000 were on-going. Litigations relating to receivable of RMB38,884,000 were terminated.

30 貿易及其他應收款項(續)

貿易及其他應收款項的虧損撥備變動

於二零一九年十二月三十一日，本集團對逾期客戶提起訴訟，有關貿易應收款項結餘為人民幣121,956,000元。該等訴訟中，貿易應收款項結餘為人民幣32,801,000元已和解，貿易應收款項結餘為人民幣50,271,000元的訴訟正在訴訟或正在執行中。應收款項為人民幣38,884,000元的訴訟已終止執行。

31 Cash and cash equivalents/bank deposits

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物		
Cash	現金	283	358
Bank deposits with original maturity within three months or less	原到期日為三個月或以下的銀行存款	3,863,152	2,745,680
Cash and cash equivalents	現金及現金等價物	3,863,435	2,746,038
Bank deposits	銀行存款		
Pledged bank deposits	已抵押銀行存款	826,871	853,890
Bank deposits with original maturity over three months	原到期日為三個月以上的銀行存款	31,270	30,590
		858,141	884,480

Pledged bank deposits represent deposits pledged to banks to secure bank acceptance bills and letters of guarantee and are therefore classified as current assets. The pledged bank deposits carry interest at market rates which ranged from 1.55% to 2.94% per annum as at 31 December 2019 (2018: 0.20% to 3.26% per annum).

31 現金及現金等價物／銀行存款

已抵押銀行存款為抵押予銀行以獲取銀行承兌匯票及保函的保證金，因此被分類為流動資產。已抵押銀行存款按市場利率計息，於二零一九年十二月三十一日，年利率介乎1.55%至2.94%（二零一八年：年利率0.20%至3.26%）。

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32 Trade and other payables

32 貿易及其他應付款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Notes payable (Note a)	應付票據(附註a)	1,621,931	1,882,103
Trade payable (Note a)	貿易應付款項(附註a)	4,733,324	4,988,510
		6,355,255	6,870,613
Salary and bonus payables	應付工資與獎金	525,880	612,802
Deposits (Note b)	訂金(附註b)	60,498	82,134
Deferred income to be recognised within one year (Note c)	一年內確認的遞延收入(附註c)	-	5,942
Interest payable	應付利息	15,665	11,719
Other taxes payable	其他應付稅項	468,757	222,410
Accruals and other payables (Note d)	預提及其他應付款項(附註d)	579,484	324,930
		8,005,539	8,130,550

Notes:

附註：

(a) The following is the ageing analysis of notes payable and trade payables presented based on invoice date at the end of each reporting period:

(a) 以下為於各報告期末按發票日期呈列的應付票據及貿易應付款項賬齡分析：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	1年內	6,185,284	6,576,168
Over 1 year	超過1年	169,971	294,445
		6,355,255	6,870,613

(b) Deposits represent the deposits received from suppliers for transportation and other services.

(b) 訂金指從供應商所收到運輸及其他服務的訂金。

(c) Deferred income to be recognised within one year represents the government subsidies received by the Group towards certain research projects. The amount was treated as deferred income and transferred to profit or loss over the useful lives of the relevant assets.

(c) 一年內確認的遞延收入指本集團就若干研究項目所收取的政府補助。該款項被視作遞延收入且於相關資產可使用年內轉撥至損益。

(d) Accruals and other payables mainly consist of payables for the acquisition of property, plant and equipment, rental payables, sales rebate and payables for other services.

(d) 預提及其他應付款項主要包括用於收購物業、廠房及設備的應付款項、應付租金、銷售回扣及其他服務的應付款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 Borrowings

33 借貸

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current:	非即期：		
– Bank borrowings – secured (Note a, d, e)	– 銀行借貸—有抵押(附註a、d、e)	1,142,881	1,177,097
– Bank borrowings – unsecured	– 銀行借貸—無抵押	900,000	816,000
Less: current portion of non-current borrowings	減：非即期借貸的即期部分	(301,000)	(144,855)
		1,741,881	1,848,242
Current:	即期：		
– Bank borrowings – secured (Note b, c, d, e)	– 銀行借貸—有抵押(附註b、c、d、e)	999,167	874,730
– Bank borrowings – unsecured	– 銀行借貸—無抵押	95,439	–
Add: current portion of non-current borrowings	加：非即期借貸的即期部分	301,000	144,855
		1,395,606	1,019,585
Total borrowings	借貸總額	3,137,487	2,867,827
Secured (Note)	有抵押(附註)	2,142,048	2,051,827
Unsecured	無抵押	995,439	816,000
		3,137,487	2,867,827
Fixed-rate borrowings	定息借貸	530,439	886,000
Variable-rate borrowings	浮息借貸	2,607,048	1,981,827
		3,137,487	2,867,827

Notes:

- (a) The balance of bank borrowings amounting to RMB20,000,000 (2018: RMB6,000,000) was secured by the pledged bank deposits as at 31 December 2019;
- (b) The balance of bank borrowings totally amounting to RMB45,000,000 (2018: RMB84,000,000) were secured by the pledge of the land use rights and property, plant and equipment as at 31 December 2019;
- (c) The bank borrowings of RMB120,000,000 (2018: Nil) was secured by the trade receivables as at 31 December 2019.

附註：

- (a) 於二零一九年十二月三十一日，銀行借貸結餘人民幣20,000,000元(二零一八年：人民幣6,000,000元)由抵押銀行存款作抵押；
- (b) 於二零一九年十二月三十一日，銀行借貸結餘總額人民幣45,000,000元(二零一八年：人民幣84,000,000元)由土地使用權以及物業、廠房及設備質押作抵押；
- (c) 於二零一九年十二月三十一日，銀行借貸人民幣120,000,000元(二零一八年：零)由貿易應收款項作抵押。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 Borrowings (Continued)

Notes: (Continued)

- (d) The balance of RMB1,957,048,000 as at 31 December 2019 (2018: Nil) mainly represented:

SEG Automotive Germany GmbH ("SEG") entered into a facility agreement of EUR 300 million with the lenders, of which Deutsche Bank AG, Singapore Branch acted as mandated lead arranger and bookrunner. The Group has drawn down two loans under the above mentioned facility agreement:

- (i) EUR 143,674,000 (equivalent to RMB1,122,881,000), with the effective interest rate of Euribor+2.40% per annum, and is repayable from July 2019 to January 2023.
- (ii) EUR 106,732,000 (equivalent to RMB834,167,000), with the effective interest rate of Euribor+2.40% per annum is an annually revolving loan and is repayable finally in January 2023.

Both of the loans are guaranteed by the Company and the letter of credit issued by the Company, SEG Automotive Products (China) Co., Ltd. and the letter of credit issued by the Company, EUR 598 million (equivalent to RMB4,670 million), New Neckar Holdings and Operations GmbH & Co. KG, and are secured, inter alia, by one or more of the following:

- (a) Global Assignment of money trade and insurance receivables and intra-group receivables, security assignment of all intellectual property rights, bank account pledge over all bank accounts (including in U.S.), but excluding the bank account held with Bank of China Stuttgart in connection with the Existing Guarantee for the exclusive purpose of providing cash collateral in respect of that Existing Guarantee, security transfer in respect of all moveable assets of SEG Automotive Germany GmbH;
- (b) Share of certain subsidiaries (SEG Automotive Components Brazil Ltda., Starters E-Components Generators Automotive Hungary Kft., SEG Automotive Mexico Manufacturing, S.A. de C.V., SEG Automotive Spain, S.A.U., SEG Automotive North America LLC);
- (c) Bank accounts, rights and receivables (other than trade receivables) of Starters E-Components Generators Automotive Hungary Kft.;
- (d) The credit rights arising from bank accounts and trade receivables of SEG Automotive Spain, S.A.U.;

33 借貸(續)

附註：(續)

- (d) 於二零一九年十二月三十一日，結餘人民幣1,957,048,000元(二零一八年：零)主要為：

SEG Automotive Germany GmbH(「SEG」)與放款人訂立300百萬歐元的融資協議，其中德意志銀行新加坡分行作為授權牽頭安排行及賬簿管理人。本集團已根據上述融資協議提取兩筆貸款：

- (i) 143,674,000 歐元(相當於人民幣1,122,881,000元)，實際年利率為Euribor+2.40%，須於二零一九年七月至二零二三年一月期間償還。
- (ii) 106,732,000 歐元(相當於人民幣834,167,000元)，實際年利率為Euribor+2.40%，為於每年償還的循環貸款並於二零二三年一月償還。

貸款均由本公司及公司恩格汽車部件(中國)有限公司出具的信用狀以及公司New Neckar Holdings and Operations GmbH & Co. KG出具金額為598百萬歐元(相當於人民幣4,670百萬元)的信用狀作擔保，並由(其中包括)以下一項或多項進行抵押：

- (a) 全球轉讓貨幣貿易及保險應收款項以及集團間應收款項、轉讓所有知識產權的抵押、質押所有銀行賬戶(包括美國)的銀行賬戶，惟不包括就現有擔保持有中國銀行斯圖加特分行的銀行賬戶，其專門就該現有擔保提供現金抵押品，就SEG Automotive Germany GmbH的所有可移動資產提供抵押轉讓；
- (b) 若干附屬公司股份(索恩格汽車部件巴西有限公司、Starters E-Components Generators Automotive Hungary Kft.、索恩格汽車墨西哥製造有限公司、索恩格汽車西班牙有限公司、索恩格汽車北美有限公司)；
- (c) Starters E-Components Generators Automotive Hungary Kft.的銀行賬戶、權利及應收款項(貿易應收款項除外)；
- (d) 索恩格汽車西班牙有限公司的銀行賬戶產生的信貸權利及貿易應收款項；

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 Borrowings (Continued)

Notes: (Continued)

- (e) Security agreement relating to bank accounts and insurance and intra-group receivables of SEG Automotive North America LLC.

As at 31 December 2019, the secured assets in SEG Group were as following:

		RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	223,580
Trade and other receivables	貿易及其他應收款項	1,753,956
Property, plant and equipment	物業、廠房及設備	171,225
Investment in subsidiaries	於附屬公司的投資	1,606,790
Intercompany loan	公司間貸款	126,724
Others	其他	787,745
		4,670,020

- (f) The balance of RMB1,961,827,000 as at 31 December 2018, which was repaid in 2019, mainly represented:

SMG Acquisition Luxembourg Holdings SARL, a subsidiary of the Group, entered into a facility agreement of EUR 300 million with the lenders, of which Bank Of China Limited, Luxembourg Branch and Bank Of China Limited, Frankfurt Branch acted as mandated lead arrangers and bookrunners. The Group has drawn down two loans under the above mentioned facility agreement:

- (i) EUR 150,000,000 (equivalent to RMB1,177,097,000), with the effective interest rate of 2.6% per annum, and is repayable from July 2019 to January 2023.
- (ii) EUR 100,000,000 (equivalent to RMB784,730,000), with the effective interest rate of 2.5% per annum, and is repayable in January 2021.

Both of term loan and the facility loan are guaranteed by the Company and the letter of credit issued by the Company, EUR 734 million (equivalent to RMB5,761 million), and are secured, inter alia, by one or more of the following:

- (a) Share of certain subsidiaries (SEG Automotive Germany GmbH, SEG Automotive Components Brazil Ltda., Starters E-Components Generators Automotive Hungary Kft., SEG Automotive Mexico Manufacturing, S.A. de C.V., SEG Automotive Spain, S.A.U, SEG Automotive North America LLC and SEG Automotive Products (China) Co., Ltd.);
- (b) First priority security over the assets, including all land and leaseholds, plant, equipment, intellectual property rights, receivables, accounts and other contract rights of certain subsidiaries. The legal procedures of the assets to be secured is still under processing;

33 借貸(續)

附註：(續)

- (e) 與索恩格汽車北美有限公司的銀行賬戶及保險以及集團間應收款項有關的擔保協議。

於二零一九年十二月三十一日，SEG集團的有抵押資產如下：

- (f) 於二零一八年十二月三十一日的結餘人民幣1,961,827,000元已於二零一九年償還，主要包括：

本集團附屬公司SMG Acquisition Luxembourg Holdings SARL與放款人訂立300百萬歐元的融資協議，其中中國銀行股份有限公司盧森堡分行及中國銀行股份有限公司法蘭克福分行作為授權牽頭安排行及賬簿管理人。本集團已根據上述融資協議提取兩筆貸款：

- (i) 150,000,000 歐元（相當於人民幣1,177,097,000元），實際年利率為2.6%，須於二零一九年七月至二零二三年一月期間償還。
- (ii) 100,000,000 歐元（相當於人民幣784,730,000元），實際年利率為2.5%，須於二零二一年一月償還。

長期貸款及融資貸款均由本公司及本公司出具金額為734百萬歐元（相當於人民幣5,761百萬元）的信用狀作擔保，並由（其中包括）以下一項或多項進行抵押：

- (a) 若干附屬公司（SEG Automotive Germany GmbH、索恩格汽車部件巴西有限公司、Starters E-Components Generators Automotive Hungary Kft.、索恩格汽車墨西哥製造有限公司、索恩格汽車西班牙有限公司、索恩格汽車北美有限公司及索恩格汽車部件（中國）有限公司）股份；
- (b) 對部分附屬公司資產的優先擔保權，包括所有土地及租賃土地、廠房、設備、知識產權、應收款項、賬目及其他合同權利。抵押資產的法定程序仍在進行中；

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 Borrowings (Continued)

Notes: (Continued)

(f) (Continued)

- (c) Assignment and subordination of any shareholder loan made to the SMG Acquisition Luxembourg Holdings SARL and the SEG Automotive Germany GmbH.

As at 31 December 2018, the secured assets in SEG Group were as following:

33 借貸(續)

附註：(續)

(f) (續)

- (c) 轉讓及從屬向SMG Acquisition Luxembourg Holdings SARL及SEG Automotive Germany GmbH作出的任何股東貸款。

於二零一八年十二月三十一日，SEG集團用作擔保的資產如下：

		RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	486,430
Trade and other receivables	貿易及其他應收款項	1,993,815
Inventories	存貨	845,631
Property, plant and equipment	物業、廠房及設備	552,953
Investment in subsidiaries	於附屬公司的投資	1,254,611
Intercompany loan	公司間貸款	407,390
Others	其他	219,725
		5,760,555

As at 31 December 2018, the Group's debt ratio does not meet the requirement of certain covenant included in the above mentioned facility agreement. In 2019, the Company entered into an amendment to the facility agreement which modified the definition of the debt ratio. According to the amendment, the requirement of the loan covenant has been met.

於二零一八年十二月三十一日，本集團債務比率未有符合上述融資協議若干契諾的規定。於二零一九年，本公司訂立融資協議修訂本以修訂債務比率的定義。根據該修訂本，已符合貸款契諾的要求。

		At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Carrying amount repayable:	須於下列期限償還的賬面值：		
Within one year	一年內	1,395,606	1,019,585
More than one year, but not exceeding two years	超過一年但不超過兩年	731,288	730,000
More than two years, but not exceeding five years	超過兩年但不超過五年	1,010,593	1,118,242
		3,137,487	2,867,827
Less: Amounts shown under current liabilities	減：流動負債項下所示金額	1,395,606	1,019,585
Amounts shown under non-current liabilities	非流動負債項下所示金額	1,741,881	1,848,242

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 Borrowings (Continued)

Notes: (Continued)

(f) (Continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

		At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	1,180,439	906,000
EUR	歐元	1,957,048	1,961,827
		3,137,487	2,867,827

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

		At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Effective interest rate per annum	實際年利率		
Fixed-rate borrowings	定息借貸	3.40%-4.56%	4.10%-5.00%
Variable-rate borrowings	浮息借貸	1.89%-4.75%	2.31%-4.75%

33 借貸(續)

附註：(續)

(f) (續)

本集團借貸的賬面值以下列外幣計值：

本集團借貸的實際利率(亦相等於合同利率)範圍如下：

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

34 Provisions

34 撥備

		Warranty 保修 RMB'000 人民幣千元	Onerous Contract 嚴苛合同 RMB'000 人民幣千元	Restructuring provision 重組撥備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	113,217	–	–	113,217
Acquisition of subsidiaries (Note 45)	收購附屬公司(附註45)	78,818	478,187	637,057	1,194,062
Additional provision in the year	年內額外撥備	81,904	112,247	–	194,151
Reversal/utilisation of provision	撥回/動用撥備	(107,932)	(222,028)	(209,463)	(539,423)
Currency Exchange	貨幣兌換	473	2,206	2,623	5,302
<hr/>					
At 31 December 2018	於二零一八年十二月三十一日	166,480	370,612	430,217	967,309
<hr/>					
Current portion	即期部分	166,480	210,118	361,901	738,499
Non-current portion	非即期部分	–	160,494	68,316	228,810
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		166,480	370,612	430,217	967,309
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At 1 January 2019	於二零一九年一月一日	166,480	370,612	430,217	967,309
Additional provision in the year	年內額外撥備	78,173	235,496	19,339	333,008
Reversal/utilisation of provision	撥回/動用撥備	(88,295)	(188,976)	(276,405)	(553,676)
Currency exchange	貨幣兌換	(238)	(1,120)	(4,402)	(5,760)
<hr/>					
At 31 December 2019	於二零一九年十二月三十一日	156,120	416,012	168,749	740,881
<hr/>					
Current portion	即期部分	156,120	242,075	144,946	543,141
Non-current portion	非即期部分	–	173,937	23,803	197,740
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		156,120	416,012	168,749	740,881

The warranty provision which represents management's best estimate of the Group's liability under warranty periods granted to customers (who purchased auto parts), based on prior experience relating to defective products claims.

保修撥備指管理層根據過往與有問題產品申索相關的經驗，對本集團就向購買汽車零部件的客戶授予保修期內負債的最佳估計。

Onerous contract provision represents management's best estimate of the expected contract loss, based on the forecast performance relating to the contract.

嚴苛合同撥備指管理層根據有關合同的預測表現，對預期合同虧損的最佳估計。

Restructuring provision represents the costs relating to the restructuring relating to the spin-off of SEG from the former group.

重組撥備指有關SEG自前集團分拆的重組成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

35 Transfers of financial assets

The Group entered into agreements with certain equipment leasing companies and end-user customers, pursuant to which:

- i) the Group sold hydraulic roof supports (which were designated to be used by end-user customers) to the equipment leasing companies and received the payments from leasing companies;
- ii) the equipment leasing companies lease the hydraulic roof supports to the end-user customers;
- iii) the Group are obliged to settle the unsettled leased amounts due by the end-user customers to the leasing companies if the end user customers defaulted on repayments to the equipment leasing companies in the manner as specified in the agreement.

Given the substance of the transaction, the Group continues to recognise receivables to the extent of outstanding lease obligation of the ultimate end-users of the equipment in its consolidated statement of financial position until full settlement of such lease obligation by the ultimate end-users of the equipment and proceeds received from the equipment leasing companies are recorded as financing arrangements.

During the year, the Group has received approximately RMB257,329,000 from the equipment leasing companies (2018: RMB124,445,000). The transferred trade receivables and associated liabilities were offset to the extent of the settlement by the ultimate end users of the equipment.

36 Employee benefit obligations

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Defined benefit pension plan (a)	定額福利退休金計劃(a)	165,423	123,813
Long-term super profit incentive scheme (b)	長期超利潤激勵方案(b)	49,950	-
Other employee benefit provisions	其他僱員福利撥備	163,057	157,090
		378,430	280,903

35 金融資產劃轉

本公司與若干設備租賃公司及終端用戶簽訂協議，據此：

- i) 本集團向設備租賃公司出售液壓支架(指定由終端用戶使用)及向租賃公司收取付款；
- ii) 設備租賃公司租賃液壓支架予終端用戶；
- iii) 倘終端用戶以該協議訂明的方式拖欠向設備租賃公司還款，本集團有責任結付終端用戶應付租賃公司的未結付租賃金額。

鑒於交易的性質，本集團將就終端用戶的未償還租賃責任繼續於其綜合財務報表中確認應收款項，直至設備的終端用戶全數清償該等租賃責任，且自設備租賃公司收取的款項記錄為融資安排。

年內，本集團自設備租賃公司收取約人民幣257,329,000元(二零一八年：人民幣124,445,000元)。就設備終端用戶的結算而言，已轉讓貿易應收款項及相關負債經已抵銷。

36 僱員福利責任

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan

The Group's post-employment benefits include defined contribution plans and defined benefit plans. The defined benefit plans are funded or unfunded pension systems or systems financed by insurance premiums.

The major pension and post-retirement medical care plans are described below. These plans are subject to actuarial risks, such as longevity risks, interest fluctuation risks and capital market risks.

Germany

The pension scheme SEG VORSORGE plan (former Bosch VORSORGE Plan), which was introduced on January 1, 2006, is a defined benefit including interest with salary-based contributions. The SEG VORSORGE Plan is partly funded via an external pension fund. The value of the assets of the external pension fund is offset against the pension obligation calculated using the projected unit credit method. During the vesting period, employer and employee contributions are added to the assets of pension fund up to the tax-allowed ceiling. Contributions that exceed the tax-allowed ceiling are allocated to the unfunded obligation. The benefit amount rises in line with the performance of the pension fund. Grandfather provisions were transferred to the former Bosch VORSORGE Plan. For a constantly decreasing number of members of the workforce in the vesting period, a transitional arrangement guarantees a fixed rate of return on the defined benefit obligation. On reaching retirement, or in the event of occupational disability or death, the earned benefits are paid out in the form of a lump-sum payment, pension payments, or a lifelong annuity.

India

The Gratuity Plan in India provides a lump sum benefit to employees upon leaving for any reason. The benefit is 15 days of the final base salary for each year of service upon retirement or termination provided the employee has worked for the company for at least 5 years. In the case of death or disability during active employment, there is no minimum service requirement to receive the benefit, and the lump sum amount is 30 days of the final base salary for each year of service plus 21 days of the final base salary for each expected future year of service had the death or disability not occurred. There is a benefit ceiling of one million Indian rupees except for management employees hired before 7 May 1998 who have no benefit ceiling.

36 僱員福利責任(續)

(a) 定額福利退休金計劃

本集團退休後福利包括定額供款計劃及定額福利計劃。定額福利計劃為供款或非供款的退休金系統或由保費撥支的系統。

主要退休金及退休後醫療保健計劃的情況載述如下。該等計劃面臨精算風險(例如長壽風險、利息波動風險及資本市場風險)。

德國

SEG VORSORGE 計劃退休金計劃(前 Bosch VORSORGE 計劃)於二零零六年一月一日推出，為以薪酬作供款(包括利息)的界定福利。SEG VORSORGE 計劃由外部退休金基金提供一部分資金。外部退休金基金的資產價值以使用預測單位貸記法計量的退休金責任抵銷。於歸屬期內，僱主及僱員的供款會加入退休金基金的資產直至到達稅項容許上限。超出稅項容許上限的供款將分配至未供款責任。福利金額因應退休金基金的表現增加。不追溯條文已劃轉至前 Bosch VORSORGE 計劃。就於歸屬期內勞動力成員持續減少的情況而言，將有過渡安排保證定額福利責任的固定回報率。於退休或倘因工導致殘疾或身故時，所賺取的福利將以一次性付款、退休金付款或終身年金的方式發放。

印度

印度的退休金計劃為因任何原因離開的僱員提供一次性支付的福利。倘該僱員為公司效力已至少5年，福利為於退休或終止合同後每一服務年度可享最後底薪的15日薪酬。倘於有效僱用期間身故或變成殘疾，對收取福利並無最低服務年期要求，而一次性付款金額則為每一服務年度可享最後底薪的30日薪酬，另加倘並無身故或變成殘疾的每一預期日後服務年度可享最後底薪的21日薪酬。福利上限為一百萬印度盧比，惟就於一九九八年五月七日前獲聘的管理層僱員而言並無福利上限。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

The development of the net liability of the defined benefit obligation is presented in the following table:

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

定額福利責任負債淨額的發展如下表所呈列：

		Fair value of plan assets	Present value of funded obligations	Present value of unfunded obligations	Impact of minimum funding requirement/ asset ceiling	Net Value
		計劃資產之 公平值	供款責任 現值	非供款責任 現值	最低供款要求/ 資產上限 之影響	淨值
At 1 January 2018	於二零一八年一月一日	-	-	-	-	-
Current Period:	本期間：	8,216	(67,064)	269	-	(58,579)
Current service cost	本期服務成本	-	(51,400)	(62)	-	(51,462)
Interest expense/(income)	利息開支/(收入)	11,439	(15,664)	(16)	-	(4,241)
Past service cost and gains and losses on settlements	過往服務成本以及結算收益及虧損	(3,223)	-	347	-	(2,876)
Remeasurements:	重新計量：	(29,366)	(32,154)	(135)	-	(61,655)
Return on plan assets, excluding amounts included in interest income	計劃資產回報(不包括計入利息收入之金額)	-	-	-	-	-
Loss from change in demographic assumptions	自人口假設變動產生之虧損	-	(1,527)	-	-	(1,527)
Loss from change in financial assumptions	自財務假設變動產生之虧損	-	(33,660)	(15)	-	(33,675)
Experience gains	經驗收益	-	3,033	(120)	-	2,913
Change in asset ceiling, excluding amounts included in interest expense	資產上限變動(不包括計入利息開支之金額)	(29,366)	-	-	-	(29,366)
Currency translation differences	貨幣換算差額	3,005	(4,436)	(5)	-	(1,436)
Contributions:	供款：	9,242	-	-	-	9,242
Employers	僱主	9,242	-	-	-	9,242
Plan participants	計劃參與者	-	-	-	-	-
Payments from plans:	來自計劃的付款：	-	-	-	-	-
Benefit payments	福利付款	-	-	-	-	-
Settlements	結算	-	-	-	-	-
Acquired in a business combination	於業務合併取得	585,892	(596,256)	(1,021)	-	(11,385)
At 31 December 2018	於二零一八年十二月三十一日	576,989	(699,910)	(892)	-	(123,813)

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

The development of the net liability of the defined benefit obligation is presented in the following table:

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

定額福利責任負債淨額的發展如下表所呈列：

		Fair value of plan assets	Present value of funded obligations	Present value of unfunded obligations	Impact of minimum funding requirement/ asset ceiling 最低供款要求/ 資產上限 之影響	Net Value
		計劃資產之 公平值	供款責任 現值	非供款責任 現值		淨值
At 1 January 2019	於二零一九年一月一日	576,989	(699,910)	(892)	-	(123,813)
Current Period:	本期間：	11,784	(66,415)	(115)	-	(54,746)
Current service cost	本期服務成本	-	(52,316)	(94)	-	(52,410)
Interest expense/(income)	利息開支/(收入)	11,784	(15,066)	(21)	-	(3,303)
Past service cost and gains and losses on settlements	過往服務成本以及結算收益及虧損	-	967	-	-	967
Remeasurements:	重新計量：	91,805	(88,038)	(379)	-	3,388
Return on plan assets, excluding amounts included in interest income	計劃資產回報(不包括計入利息收入的金額)	91,805	-	-	-	91,805
Loss from change in demographic assumptions	自人口假設變動產生的虧損	-	1,339	(7)	-	1,332
Loss from change in financial assumptions	自財務假設變動產生的虧損	-	(65,312)	(291)	-	(65,603)
Experience gains	經驗收益	-	(24,065)	(81)	-	(24,146)
Change in asset ceiling, excluding amounts included in interest expense	資產上限變動(不包括計入利息開支的金額)	-	-	-	-	-
Currency translation differences	貨幣換算差額	(1,439)	828	2	-	(609)
Contributions:	供款：	7,295	-	-	-	7,295
Employers	僱主	7,295	-	-	-	7,295
Plan participants	計劃參與者	-	-	-	-	-
Payments from plans:	來自計劃的付款：	(5,453)	8,131	13	-	2,691
Benefit payments	福利付款	(5,453)	8,131	13	-	2,691
Settlements	結算	-	-	-	-	-
Others	其他	6,132	(6,132)	371	-	371
At 31 December 2019	於二零一九年十二月三十一日	687,113	(851,536)	(1,000)	-	(165,423)

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

For the key regions, the present value of the defined benefit obligation can be reconciled to the provision as follows:

RMB'000 人民幣千元		At 31 December 2019 於二零一九年十二月三十一日				Provision 撥備
		Present value of the obligation 責任現值	Plan assets 計劃資產	Other assets 其他資產	Unrecognized asset 未確認資產	
Germany	德國	102,530	-	(83,291)	-	19,239
India	印度	4,756	-	(4,520)	-	236
		107,286	-	(87,811)	-	19,475

RMB'000 人民幣千元		At 31 December 2018 於二零一八年十二月三十一日				Provision 撥備
		Present value of the obligation 責任現值	Plan assets 計劃資產	Other assets 其他資產	Unrecognized asset 未確認資產	
Germany	德國	533,161	(126,616)	-	-	406,545
India	印度	33,971	(28,235)	-	-	5,736
		567,132	(154,851)	-	-	412,281

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

就重點地區而言，定額福利責任的現值可與撥備對賬如下：

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

The Plan assets comprised the following components:

		As at 31 December 2019 於二零一九年十二月三十一日	
		Germany 德國 Percentage figures 百分比數字	India 印度 Percentage figures 百分比數字
Cash and cash equivalents	現金及現金等價物	–	–
Equity instruments	股本工具	48%	–
Debt instruments	債務工具	42%	–
Other	其他	10%	100%
		100%	100%

		As at 31 December 2018 於二零一八年十二月三十一日	
		Germany 德國 Percentage figures 百分比數字	India 印度 Percentage figures 百分比數字
Cash and cash equivalents	現金及現金等價物	–	14%
Equity instruments	股本工具	48%	–
Debt instruments	債務工具	42%	86%
Other	其他	10%	–
		100%	100%

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

計劃資產包括以下項目：

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

The significant actuarial assumptions were as follows:

		As at 31 December 2019 於二零一九年十二月三十一日	
		Germany 德國	India 印度
		Percentage figures 百分比數字	Percentage figures 百分比數字
Discount factor	貼現因素	1.00%	6.90%
Projected salaries growth rate	預測薪酬增長率	3.00%	10.00%
Projected pension growth rate	預測退休金增長率	1.75%	N/A不適用

		As at 31 December 2018 於二零一八年十二月三十一日	
		Germany 德國	India 印度
		Percentage figures 百分比數字	Percentage figures 百分比數字
Discount factor	貼現因素	2.00%	6.75%
Projected salaries growth rate	預測薪酬增長率	3.00%	12.00%
Projected pension growth rate	預測退休金增長率	1.75%	N/A不適用

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

主要精算假設如下：

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

To determine the discount factor in the Euro zone, reference was made to bonds rated AA by at least one rating agency. This was reviewed as of the reporting date. In all regions the discount factor was determined in accordance with IAS 19 Employee Benefits.

Projected salaries are future salary increases estimated on the basis of the economic situation and inflation, among other things.

For the key regions, the present value of the defined benefit obligation can be reconciled to the provision as follows:

Germany

		As at 31 December 2019 於二零一九年十二月三十一日		
		Change in assumption 假設變動	Increase in assumption 假設增加 Percentage Figures 百分比數字	Decrease in assumption 假設減少 Percentage Figures 百分比數字
Discount factor	貼現因素	0.5 percentage points 0.5個百分點	Decrease by 5.2 下調5.2	Increase by 6.1 上調6.1
Projected salaries growth rate	預測薪酬增長率	0.25 percentage points 0.25個百分點	Increase by 0.1 上調0.1	Decrease by 0.1 下調0.1
Projected pension growth rate	預測退休金增長率	0.25 percentage points 0.25個百分點	Increase by 1.2 上調1.2	Decrease by 1.1 下調1.1
Life expectancy	預期壽命	One year 一年	Increase by 1.9 上調1.9	N/A 不適用

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

為釐定於歐元區的貼現因素，已參考最少由一間評級機構評為AA級的債券，並已於報告日期經審閱。所有地區的貼現因素乃根據國際會計準則第19號僱員福利釐定。

預測薪酬乃根據(其中包括)經濟狀況及通脹估計的未來薪酬增幅。

就重點地區而言，定額福利責任的現值可與撥備對賬如下：

德國

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

India

		As at 31 December 2019 於二零一九年十二月三十一日		
		Change in assumption 假設變動	Increase in assumption 假設增加 Percentage Figures 百分比數字	Decrease in assumption 假設減少 Percentage Figures 百分比數字
Discount factor	貼現因素	0.5 percentage points 0.5個百分點	Decrease by 4.0 下調4.0	Increase by 4.2 上調4.2
Projected salaries growth rate	預測薪酬增長率	0.25 percentage points 0.25個百分點	Increase by 1.5 上調1.5	Decrease by 1.5 下調1.5
Projected pension growth rate	預測退休金增長率	0.25 percentage points 0.25個百分點	—	—
Life expectancy	預期壽命	One year 一年	Increase by 0.2 上調0.2	N/A 不適用

The significant actuarial assumptions were as follows:

主要精算假設如下：

Germany**德國**

		As at 31 December 2018 於二零一八年十二月三十一日		
		Change in assumption 假設變動	Increase in assumption 假設增加 Percentage Figures 百分比數字	Decrease in assumption 假設減少 Percentage Figures 百分比數字
Discount factor	貼現因素	0.5 percentage points 0.5個百分點	Decrease by 6.1 下調6.1	Increase by 7.3 上調7.3
Projected salaries growth rate	預測薪酬增長率	0.5 percentage points 0.5個百分點	Increase by 0.1 上調0.1	Decrease by 0.1 下調0.1
Projected pension growth rate	預測退休金增長率	0.5 percentage points 0.5個百分點	—	—
Life expectancy	預期壽命	One year 一年	Increase by 1.3 上調1.3	N/A 不適用

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

印度**德國**

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

36 Employee benefit obligations (Continued)

(a) Defined benefit pension plan (Continued)

India

		As at 31 December 2018 於二零一八年十二月三十一日		
		Change in assumption 假設變動	Increase in assumption 假設增加 Percentage Figures 百分比數字	Decrease in assumption 假設減少 Percentage Figures 百分比數字
Discount factor	貼現因素	0.5 percentage points 0.5個百分點	Decrease by 6.1 下調6.1	Increase by 7.3 上調7.3
Projected salaries growth rate	預測薪酬增長率	0.25 percentage points 0.25個百分點	Increase by 0.1 上調0.1	Decrease by 0.1 下調0.1
Projected pension growth rate	預測退休金增長率	0.25 percentage points 0.25個百分點	—	—
Life expectancy	預期壽命	One year 一年	Increase by 1.3 上調1.3	N/A 不適用

(b) Long-term super profit incentive scheme

In June 2019, the Group issued a mid to long-term super profit incentive scheme (covering 2019 till 2021) to the Group's top and mid-level management according to the resolution of 2018 Annual General Meeting. The estimated incentive to be paid is based on the super net profit attributable to Owners of the Company for 2019 till 2021 after deducting non-recurring gains and losses in accordance with PRC Accounting Standards. The amount of RMB49,950,000 were recorded as long-term employee benefits obligation for the year ended 31 December 2019 (2018: Nil).

36 僱員福利責任(續)

(a) 定額福利退休金計劃(續)

印度

		As at 31 December 2018 於二零一八年十二月三十一日		
		Change in assumption 假設變動	Increase in assumption 假設增加 Percentage Figures 百分比數字	Decrease in assumption 假設減少 Percentage Figures 百分比數字
Discount factor	貼現因素	0.5 percentage points 0.5個百分點	Decrease by 6.1 下調6.1	Increase by 7.3 上調7.3
Projected salaries growth rate	預測薪酬增長率	0.25 percentage points 0.25個百分點	Increase by 0.1 上調0.1	Decrease by 0.1 下調0.1
Projected pension growth rate	預測退休金增長率	0.25 percentage points 0.25個百分點	—	—
Life expectancy	預期壽命	One year 一年	Increase by 1.3 上調1.3	N/A 不適用

(b) 長期超利潤激勵方案

於二零一九年六月，根據二零一八年年度股東週年大會的決議案，本集團向本集團高層及中層管理人員授出中長期超利潤激勵方案(涵蓋二零一九年至二零二一年)。根據中國會計準則，估計將予支付的激勵乃根據二零一九年至二零二一年本公司擁有人應佔超淨利潤(扣除非經常性收益及虧損)計算。於截至二零一九年十二月三十一日止年度錄得長期僱員福利責任人民幣49,950,000元(二零一八年：零)。

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37 Share capital

37 股本

	Listed A Shares		Listed H Shares		Total			
	上市A股		上市H股		總計			
	Number of	Amount	Number of	Amount	Number of	Amount		
	share		share		share			
股份數目	金額	股份數目	金額	股份數目	金額			
'000	RMB'000	'000	RMB'000	'000	RMB'000			
千股	人民幣千元	千股	人民幣千元	千股	人民幣千元			
At 31 December 2018 and 31 December 2019	於二零一八年 十二月三十一日及 二零一九年 十二月三十一日		1,489,237	1,489,237	243,234	243,234	1,732,471	1,732,471

38 Share based payments

38 以股份為基礎的付款

(a) Employee Option Plan

The establishment of The A Share Option Incentive Scheme was approved by shareholders at The Second Extraordinary General Meeting of 2019, The First A Shareholders Class Meeting of 2019 and The First H Shareholders Class Meeting of 2019 held on 21 October 2019. In accordance with the Share Option Incentive Scheme, the Company will grant a number of options to the qualified participants that entitle the participants to purchase A Shares of the Company. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The amount of options that will vest depends on the performance of the Company and the individual participant. Once vested, the options remain exercisable for a period of 12 months.

The Company provided RMB1,601,000 as expenses in 2019.

(a) 僱員期權計劃

股東於二零一九年十月二十一日舉行的二零一九年第二次臨時股東大會、二零一九年第一次A股類別股東大會二零一九年第一次H股類別股東大會上批准設立A股股票期權激勵計劃。根據股票期權激勵計劃，本公司將向合資格激勵對象授予多項期權，該等激勵對象擁有購買本公司A股股票的權利。根據該計劃，授予激勵對象的期權僅在符合若干表現標準時，方會歸屬。有關該計劃的參與由董事會酌情決定，且概無任何個人擁有合同權力以參與該計劃或收取任何擔保利益。

將歸屬的期權數額取決於本公司及個人參與者的表現而定。一經歸屬，有關期權於12個月期間內可予行使。

本公司於二零一九年計提人民幣1,601,000元的開支。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38 Share based payments (Continued)

(a) Employee Option Plan (Continued)

The source of the underlying Shares of the Scheme shall be ordinary A Shares in RMB to be directly issued by the Company to the participants.

38 以股份為基礎的付款(續)

(a) 僱員期權計劃(續)

該計劃採用的股票來源為本公司直接向激勵對象發行的人民幣A股普通股股票。

		2019 二零一九年		2018 二零一八年	
		Average exercise price per share option 每份股票 期權的 平均行使價	Number of options 期權數目	Average exercise price per share option 每份股票 期權的 平均行使價	Number of options 期權數目
As at 1 January	於一月一日	—	—	—	—
Granted during the year	於年內授出	5.98	16,030,000	—	—
Exercised during the year	於年內行使	—	—	—	—
Forfeited during the year	於年內沒收	—	—	—	—
As at 31 December	於十二月三十一日	5.98	16,030,000	—	—
Vested and exercisable at 31 December	於十二月三十一日 已歸屬及可予行使	—	—	—	—

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

於年末尚未行使的股票期權具有以下到期日及行使價：

Grant Date	Expiry date	Exercise price	Share options	Share options
			31 December 2019	31 December 2018
授出日期	到期日	行使價	股票期權 二零一九年 十二月 三十一日	股票期權 二零一八年 十二月 三十一日
04 November 2019	二零一九年十一月四日	19 December 2022		
		二零二二年十二月十九日	5.98	5,289,900
04 November 2019	二零一九年十一月四日	19 December 2023		
		二零二三年十二月十九日	5.98	5,289,900
04 November 2019	二零一九年十一月四日	19 December 2024		
		二零二四年十二月十九日	5.98	5,450,200
Total	總計		16,030,000	—
Weighted average remaining contractual life of options outstanding at end of period			3.52 years	
於期末尚未行使期權的加權平均餘下合同年期			3.52年	—

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38 Share based payments (Continued)

(a) Employee Option Plan (Continued)

(i) Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2019 was RMB0.49 per share. The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the year ended 31 December 2019 included:

- (a) options are granted for no consideration and vest based on Company's ranking within a peer group of 20 selected companies over a three year period. Vested options are exercisable for a period of two years after vesting
- (b) exercise price: RMB5.98 per share
- (c) grant date: 4 November 2019
- (d) expiry date: 19 December 2022, 19 December 2023, 19 December 2024
- (e) share price at grant date: RMB6.05 per share
- (f) expected price volatility of the company's shares:
- | | | |
|--------------------|---------------------|--------------------|
| 30.38% First phase | 29.93% Second phase | 40.83% Third phase |
| 第一階段30.38% | 第二階段29.93% | 第三階段40.83% |
- (g) expected dividend yield: – Nil
- (h) risk-free interest rate:
- | | | |
|-------------------|---------------------|--------------------|
| 2.8219% Two years | 2.9280% Three years | 3.0197% Four years |
| 兩年2.8219% | 三年2.9280% | 四年3.0197% |

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

38 以股份為基礎的付款(續)

(a) 僱員期權計劃(續)

(i) 已授出期權的公平值

於截至二零一九年十二月三十一日止年度授出的期權於授出日期的經評估公平值為每股股份人民幣0.49元。於授出日期的公平值乃使用經調整布萊克肖爾斯(Black Scholes)模型單獨釐定，該模型採用蒙地卡羅(Monte Carlo)模擬法，當中計及期權的行使價、年期、攤薄的影響(如屬重大)、於授出日期的股價及相關股份的預期價格波幅、預期股息收益、期權年期內的無風險利率，以及同類集團公司的關聯性及波幅。

於截至二零一九年十二月三十一日止年度授出的期權的模型輸入數據包括：

- (a) 期權乃按零代價授出，並根據本公司在具20個經選定公司的同類集團內的排名於三年期間歸屬。已歸屬期權於歸屬後兩年期間內可予行使
- (b) 行使價：每股股份人民幣5.98元
- (c) 授出日期：二零一九年十一月四日
- (d) 到期日：二零二二年十二月十九日、二零二三年十二月十九日、二零二四年十二月十九日
- (e) 於授出日期的股價：每股股份人民幣6.05元
- (f) 公司股份的預期價格波幅：
- | | | |
|--------------------|---------------------|--------------------|
| 30.38% First phase | 29.93% Second phase | 40.83% Third phase |
| 第一階段30.38% | 第二階段29.93% | 第三階段40.83% |
- (g) 預期股息收益：— 無
- (h) 無風險利率：
- | | | |
|-------------------|---------------------|--------------------|
| 2.8219% Two years | 2.9280% Three years | 3.0197% Four years |
| 兩年2.8219% | 三年2.9280% | 四年3.0197% |

預期價格波幅乃基於歷史性波幅(根據期權的餘下年期計算)得出，並根據公開可得資料導致的任何預期未來波幅作出調整。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39 Non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have significant non-controlling interests:

39 非控股權益

下表列示具重大非控股權益的本集團非全資附屬公司的詳情：

Name of subsidiary 附屬公司名稱	Place of establishment and principal place of business 成立地點及主要營業地點	Proportion of equity interest held by non-controlling interest Year ended December 31 非控股權益持有的股本權益百分比 截至十二月三十一日止年度		Profit allocated to non-controlling interests Year ended December 31 分配至非控股權益的溢利 截至十二月三十一日止年度		Accumulated non-controlling interests Year ended December 31 累計非控股權益 截至十二月三十一日止年度	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		Super Electric 神電	PRC 中國	49.00%	49.00%	26,176	41,106
ASIMCO Shuanghuan 亞新科雙環	PRC 中國	36.46%	36.46%	28,884	38,322	357,392	348,176
ASIMCO Camshaft 亞新科凸輪軸	PRC 中國	37.00%	37.00%	7,749	10,294	102,574	99,307
Individual immaterial subsidiaries with non-controlling interests 具非控股權益的個別不重大的附屬公司		N/A 不適用	N/A 不適用	36,848	16,842	137,524	107,302
				99,657	106,564	902,515	833,634

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39 Non-controlling interests (Continued)**39 非控股權益**(續)

Super Electric

神電

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current assets	流動資產	685,086	682,882
Non-current assets	非流動資產	313,413	338,809
Current liabilities	流動負債	298,953	372,634
Non-current liabilities	非流動負債	39,842	42,922
Equity attributable to owners of the Company	本公司股東應佔權益	354,679	327,286
Non-controlling interests	非控股權益	305,025	278,849
Revenue	收入	712,547	854,493
Expenses	開支	659,586	774,754
Profit and total comprehensive income	溢利及全面收入總額	52,961	79,739
Profit and total comprehensive income attributable to owners of the Company	本公司股東應佔溢利及全面收入總額	26,785	38,633
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收入總額	26,176	41,106
Profit and total comprehensive income	溢利及全面收入總額	52,961	79,739
Net cash inflow from operating activities	經營活動的現金流入淨額	64,509	90,548
Net cash outflow from investing activities	投資活動的現金流出淨額	(19,260)	(19,274)
Net cash outflow from financing activities	融資活動的現金流出淨額	-	(56,763)
Net cash inflow	現金流入淨額	45,249	14,511

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39 Non-controlling interests (Continued)

ASIMCO Shuanghuan

39 非控股權益(續)

亞新科雙環

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current assets	流動資產	691,745	664,119
Non-current assets	非流動資產	558,798	561,286
Current liabilities	流動負債	171,594	191,862
Non-current liabilities	非流動負債	106,460	86,542
Equity attributable to owners of the Company	本公司股東應佔權益	615,097	598,825
Non-controlling interests	非控股權益	357,392	348,176
Revenue	收入	620,185	674,630
Expenses	開支	540,754	578,093
Profit and total comprehensive income	溢利及全面收入總額	79,431	96,537
Profit and total comprehensive income attributable to owners of the Company	本公司股東應佔溢利及全面收入總額	50,547	58,217
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收入總額	28,884	38,322
Profit and total comprehensive income	溢利及全面收入總額	79,431	96,539
Net cash inflow from operating activities	經營活動的現金流入淨額	104,846	155,150
Net cash outflow from investing activities	投資活動的現金流出淨額	(109,799)	(143,547)
Net cash outflow from financing activities	融資活動的現金流出淨額	(53,340)	(50,755)
Net cash outflow	現金流出淨額	(58,293)	(39,152)

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39 Non-controlling interests (Continued)

ASIMCO Camshaft

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current assets	流動資產	157,515	140,215
Non-current assets	非流動資產	251,349	245,137
Current liabilities	流動負債	117,312	100,599
Non-current liabilities	非流動負債	14,326	16,355
Equity attributable to owners of the Company	本公司股東應佔權益	174,652	169,091
Non-controlling interests	非控股權益	102,574	99,307
Revenue	收入	199,163	216,974
Expense	開支	178,221	189,151
Profit and total comprehensive income	溢利及全面收入總額	20,942	27,823
Profit and total comprehensive income attributable to owners of the Company	本公司股東應佔溢利及全面收入總額	13,193	17,529
Profit and total comprehensive income attributable to the non-controlling interests	非控股權益應佔溢利及全面收入總額	7,749	10,294
Profit and total comprehensive income	溢利及全面收入總額	20,942	27,823
Net cash inflow from operating activities	經營活動的現金流入淨額	14,169	19,094
Net cash outflow from investing activities	投資活動的現金流出淨額	(11,420)	(4,808)
Net cash outflow from financing activities	融資活動的現金流出淨額	(2,641)	(20,122)
Net cash inflow/(outflow)	現金流入/(流出)淨額	108	(5,836)

40 Capital commitments

40 資本承擔

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Capital expenditure in respect of acquisition of property, plant and equipment contracted for not provided in the consolidated financial statements	已訂約但未在綜合財務報表計提撥備的有關收購物業、廠房及設備的資本支出	350,349	138,108

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41 Related party transactions

In the opinion of the directors of the Company, the ultimate controlling party of the Company is Henan SASAC of the PRC government and that the Group is subject to the control of the PRC government. In accordance with IAS 24, entities that are controlled, jointly controlled or significantly influenced by the PRC government ("PRC government related entities") are regarded as related parties of the Group. Due to the complex ownership structure, the PRC government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known to the Group.

(a) The Group and Henan SASAC

The Group has transactions with entities controlled, jointly controlled or significantly influenced by Henan SASAC ("Henan SASAC related entities") and the transactions details are as follow:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Sales of finished goods	銷售產成品	2,013	2,013
Purchase of raw materials	採購原料	-	14

The details of outstanding balances with Henan SASAC and Henan SASAC related entities are set as follow:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amount due to Henan SASAC related entities	應付河南省國資委相關實體的款項	7	4,598

The amount due to Henan SASAC which was unsecured, interest-free and repayable on demand. The amounts due from Henan SASAC related entities were from trade sales or purchases.

41 關聯方交易

本公司董事認為，本公司的最終控制方為中國政府河南省國資委，而本集團受中國政府控制。根據國際會計準則第24號，受中國政府控制、共同控制或重大影響的實體（「中國政府相關實體」）被視為本集團的關聯方。鑒於複雜的擁有權結構，中國政府可於多家公司持有間接權益。若干該等權益當中或當其與其他間接權益合併時，可能出現屬本集團未知悉的控股權益。

(a) 本集團及河南省國資委

本集團與受河南省國資委控制、共同控制或重大影響的實體（「河南省國資委相關實體」）有交易往來，該等交易的詳情如下：

涉及河南省國資委及河南省國資委相關實體的未償還結餘詳情載列如下：

應付河南省國資委的款項為無抵押、免息及須按要求償還。應收河南省國資委相關實體的所有款項均來自貿易銷售或採購。

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41 Related party transactions (Continued)

(b) The Group and other PRC government related entities

Apart from the significant transactions with Henan SASAC related entities set out above, during the years ended 31 December 2019 and 2018, the Group's transactions with other PRC government related entities are collectively significant as a large portion of its sales of goods, purchases of materials, most of bank deposits, and other general banking facilities and the relevant interest income earned and expenses incurred during the years ended 31 December 2019 and 2018 are transacted with entities owned/controlled by the PRC government.

In the opinion of the directors of the Company, the transactions with PRC government related entities are activities in the ordinary course of the Group's business and entered into under normal commercial terms and conditions, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established its approval process for sales of goods and purchases of materials and its financing policy for borrowings, such approval process and financing policy do not depend on whether the counterparties are government related entities or not.

(c) The Group and its associates and joint ventures

The Group had the following significant transactions with its associates and joint ventures

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Sales of goods and services	銷售貨品及服務		
Associates	聯營公司	36,867	51,317
Joint ventures	合營企業	345	1,673
		37,212	52,990

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Purchase of goods and services	採購貨品及服務		
Associates	聯營公司	153,345	107,589

41 關聯方交易(續)

(b) 本集團與其他中國政府相關實體

除上文所載與河南省國資委相關實體進行的重大交易外，本集團於截至二零一九年及二零一八年十二月三十一日止年度與其他中國政府相關實體進行的交易匯總後屬重大，因其於截至二零一九年及二零一八年十二月三十一日止年度的大部分貨品銷售、物料採購、大部分銀行存款、其他一般銀行融資以及已賺取相關利息收入及已產生開支均涉及與中國政府所擁有/控制的實體進行的交易。

本公司董事認為，該等與中國政府相關實體進行的交易乃本集團的日常業務過程中的活動，並按一般商業條款及條件訂立，而本集團進行該等交易並無因本集團與該等實體與政府相關而受到重大或不當影響。本集團亦就貨品銷售及物料採購設立批核程序，並就借貸設定融資政策，該等批核程序及融資政策並不取決於交易對手是否屬政府相關實體。

(c) 本集團與其聯營公司及合營企業

本集團曾與其聯營公司及合營企業進行下列重要交易

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41 Related party transactions (Continued)

(c) The group and its associates and joint ventures (Continued)

The Group had the following outstanding balances with its associates and joint ventures at the end of each Reporting Period:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amounts due from:	應收下列各方款項：		
Associates	聯營公司	8,411	8,943
Joint Ventures	合營企業	-	241
		8,411	9,184
Amounts due to:	應付下列各方款項：		
Associates	聯營公司	74,146	58,553
Joint Ventures	合營企業	7,270	316
		81,416	58,869
Loans to:	向下列各方提供貸款：		
Joint Ventures	合營企業	16,500	19,750

All amounts due from or due to associates and joint ventures are from trade sales and purchases.

41 關聯方交易(續)

(c) 本集團與其聯營公司及合營企業 (續)

於各報告期末，本集團與其聯營公司及合營企業有以下未償還結餘：

所有應收或應付聯營公司及合營企業的款項均來自貿易銷售及採購。

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41 Related party transactions (Continued)

(d) Remuneration of key management personnel

The remuneration of executive directors and other members of key management were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Short-term benefits	短期福利	25,304	17,284
Post-employment benefits	退休福利	628	797
Share options	購股權	135	-
		26,067	18,081

Key management represents the executive directors and other senior management personnel disclosed in the annual report. The remuneration of key management personnel is determined with reference of the performance to individuals and market trends.

41 關聯方交易(續)

(d) 主要管理人員酬金

執行董事及其他主要管理人員的酬金如下：

主要管理人員指在年報中披露的執行董事及其他高級管理人員。主要管理人員的酬金乃根據個人表現與市場趨勢釐定。

42 Contingent liabilities

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Outstanding endorsed notes receivable with recourse	具追索權的尚未償還已背書應收票據	1,544,542	824,706

These endorsed and derecognised notes receivable have a maximum maturity of 1 year, and the total undiscounted cash flows of these endorsed and derecognised notes receivable, representing the Group's maximum loss if the issuing banks fail to honour their notes and guarantees, amounted to RMB1,544,542,000 as at 31 December 2019 (2018: RMB824,706,000).

42 或然負債

於本年度，本集團以背書及終止確認若干應收票據的方式結算具全面追索權的貿易及其他應付款項。本公司董事認為，由於所有背書的應收票據由聲譽良好的中國銀行發出及提供擔保，故欠付背書的應收票據的風險不大。於各報告期末，本集團可能因欠付該等背書及終止確認的應收票據而須承擔的最大風險如下：

該等背書及終止確認的應收票據的最長屆滿期限為一年，於二零一九年十二月三十一日，該等背書及終止確認的應收票據未貼現現金流總額為人民幣1,544,542,000元(二零一八年：人民幣824,706,000元)，倘發行銀行未能兌現其票據及擔保，則代表本集團的最高虧損額。

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43 Redemption liabilities

During the acquisition of SEG, the Group and the sellers, including China Renaissance Capital Investment Inc., (“CRCI”) and Chizhou Zhongan Zhaoshang Equity Investment LLP (Limited Partnership) (“Zhongan Zhaoshang”) set up limited partnership to acquire 100% of SEG. The Group and the sellers hold 69.11% and 30.89% equity interests of the partnership, respectively. In the meantime, the Group granted the sellers a put option to sell their 30.89% interests in the partnership (the “Option Interest”) to the Group at the highest amount using 3 different calculation method, including:

- Scenario a) the aggregate capital contributions made by the sellers to the Partnership, plus an interest at the rate of 10% per annum (compounded annually) on sellers’ each capital contributions calculated on a daily basis for period from the date of such capital contribution to the date when the sellers issue a notice to the Group to exercise the put option (“Put Option Notice”), minus the amount of cash and the value of securities which have been distributed to the sellers on or before the date of the Put Option Notice;
- Scenario b) the fair market value of the Option Interest;
- Scenario c) the value of the Option Interest calculated pursuant to the formula defined in the agreement.

As at 31 December 2019, the scenario a) represent the highest amount of 3 different scenarios. Accordingly, the redemption liabilities were recorded at the aggregate capital contributions made by the sellers plus an interest at the rate of 10% per annum (compound annually) for CRCI and 10% per annum for Zhongan Zhaoshang.

The put option granted to CRCI with the principle amount of RMB468,929,000 and interest payable amount of RMB98,475,000 (31 December 2018: RMB47,084,000) is exercisable by sellers at any time within the period commencing from the third anniversary of the closing date. The sellers can choose and require the Company to settle the put option by cash or issuance of new shares, however, the issuance of new shares are still subject to applicable laws and the approval of the Company’s board of directors and meetings of shareholders.

The put option granted to Zhongan Zhaoshang with the principle amount of RMB600,000,000 and interest payable amount of RMB120,000,000 (31 December 2018: RMB60,000,000) is exercisable by the seller at any time within the period commencing from the 18 months of the closing date. As of 31 December 2019, Zhongan Zhaoshang is eligible to require the Company to settle the put option by cash or issuance of new shares subject to applicable laws and the approval of the Company’s board of directors and meetings of shareholders.

43 贖回負債

於收購SEG期間，本集團與賣方（包括China Renaissance Capital Investment Inc.（「崇德資本」）及池州中安招商股權投資合夥企業（有限合夥）（「中安招商」））設立有限合夥企業，以收購SEG的100%權益。本集團與賣方分別持有該合夥企業的69.11%及30.89%權益。同時，本集團授予賣方一項認沽期權，以按使用以下三種不同計算方式中得出的最高金額向本集團出售賣方於該合夥企業的30.89%權益（「期權權益」），包括：

- 情況a)賣方向合夥企業作出的注資總額，加上於該注資之日起計至賣方向本集團發出行使認沽期權的通知（「認沽期權通知」）止期間就賣方各自注資按每日基準計算年利率（年複合）為10%的利息，減於認沽期權通知日期或之前已分派予賣方的現金及證券價值金額；
- 情況b)期權權益的公平市值；
- 情況c)根據協議所界定的公式計算期權權益價值。

於二零一九年十二月三十一日，情況a)為三種不同情況的最高金額。因此，本集團按賣方作出的注資總額加上按年利率（年複合）10%（就崇德資本而言）及年利率10%（就中安招商而言）計算的利息呈列贖回負債。

授予崇德資本的認沽期權（本金額為人民幣468,959,000元及應付利息金額為人民幣98,475,000元）（二零一八年十二月三十一日：人民幣47,084,000元）可由賣方於交割日期後第三年開始的期間內任何時間行使。賣方可選擇並要求本公司通過現金或發行新股份結算認沽期權，然而，發行新股份仍受遵守適用法律並獲本公司董事會及股東大會的批准。

授予中安招商的認沽期權（本金額為人民幣600,000,000元及應付利息金額為人民幣120,000,000元）（二零一八年十二月三十一日：人民幣60,000,000元）可由賣方於交割日期後18個月開始的期間內任何時間行使。於二零一九年十二月三十一日，中安招商有權要求本公司通過現金或發行新股份結算認沽期權，然而，發行新股份仍受遵守適用法律並獲本公司董事會及股東大會的批准。

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44 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities and equity arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

44 融資活動所產生的負債對賬

下表詳述本集團於融資活動所產生的負債及權益變動，包括現金及非現金變動。融資活動所產生的負債指引致現金流量或未來現金流量於本集團綜合現金流量表中已分類或將分類為融資活動所產生的現金流量的該等負債。

		Borrowings	Liabilities associated with transferred trade receivables 與已轉讓的貿易應收款項相關的負債	Redemption liabilities 贖回負債	Interests payable 應付利息
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	1,009,000	225,297	1,066,617	203
Financing cash flows	融資現金流量－淨額	1,835,589	(124,445)	–	(103,278)
Acquisition of subsidiaries	收購附屬公司	–	–	–	1,462
Finance costs (Note 9)	融資成本(附註9)	–	–	106,848	113,567
Currency exchange	貨幣兌換	23,238	–	4,456	(236)
Others (Note)	其他(附註)	–	142,027	–	–
At 31 December 2018	於二零一八年十二月三十一日	2,867,827	242,879	1,177,921	11,718

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44 Reconciliation of liabilities arising from financing activities

44 融資活動所產生的負債對賬

		Borrowings	Liabilities associated with transferred trade receivables	Redemption liabilities	Interests payable
		借貸	與已轉讓的 貿易應收款項 相關的負債	贖回負債	應付利息
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	2,867,827	242,879	1,177,921	11,718
Financing cash flows – net	融資現金流量－淨額	269,660	(257,329)	–	(104,267)
Finance costs (Note 9)	融資成本(附註9)	–	–	111,054	108,600
Currency exchange	貨幣兌換	–	–	(1,571)	(386)
Others (Note)	其他(附註)	–	173,212	–	–
<hr/>					
At 31 December 2019	於二零一九年 十二月三十一日	3,137,487	158,762	1,287,404	15,665

Note: The amount of liabilities associated with transferred trade receivables represented the offset of trade receivables against liabilities associated with transferred trade receivables to the extent of the settlement by the ultimate end user of the equipment.

附註：已轉讓的貿易應收款項相關的負債金額指以貿易應收款項抵銷已轉讓的貿易應收款項相關的負債，以設備終端用戶結付者為限。

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45 Acquisition of subsidiaries

(a) Acquisition of SEG Automotive Germany GmbH

On 2 January 2018, the Company completed the acquisition of 100% equity interest in SEG Automotive Germany GmbH ("SEG") at a consideration of RMB4,539,973,000, comprising RMB3,414,281,000 as consideration for the equity interest and RMB1,125,692,000 as repayment of payables of SEG due to the seller. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was approximately RMB613,626,000, which will not be deductible for tax purpose. SEG is engaged in the manufacture of auto parts. With the acquisition of SEG, the Group expect to achieve the synergy between SEG and ASIMCO group in auto parts segment. Also, the Group has the plan to utilize the cost advantage and customer relationship in China to help SEG improve the profitability. Upon completion of the acquisition, the Company has enlarged its shares in auto parts market.

Fair value of assets and liabilities recognised at the date of acquisition are as follows:

45 收購附屬公司

(a) 收購SEG Automotive Germany GmbH

於二零一八年一月二日，本公司完成收購SEG Automotive Germany GmbH(「SEG」)全數股權，代價為人民幣4,539,973,000元，包括股本權益的代價人民幣3,414,281,000元及償還SEG應付賣方的應付款項人民幣1,125,692,000元。此收購以收購會計法入賬。收購所產生的不可扣稅商譽金額約為人民幣613,626,000元。SEG從事製造汽車零部件。通過收購SEG，本集團預期實現SEG與亞新科集團於汽車零部件分部的協同效應。本集團亦計劃利用中國的成本優勢及客戶關係以幫助SEG提高盈利能力。收購事項完成後，本公司擴大其於汽車零部件市場的份額。

於收購日期確認的資產及負債公平值如下：

		RMB'000 人民幣千元
Non-current assets	非流動資產	3,314,273
Long-term receivables	長期應收款	119,446
Property, plant, and equipment	物業、廠房及設備	2,179,989
Intangible assets	無形資產	799,689
Contract related assets	合同相關資產	12,227
Deferred tax assets	遞延稅項資產	202,922
Current assets	流動資產	5,906,057
Cash and cash equivalent	現金及現金等價物	688,233
Trade and other receivables	貿易及其他應收款項	3,268,159
Tax recoverable	可收回稅項	566,743
Inventories	存貨	1,382,922
Non-current liabilities	非流動負債	1,027,429
Other non-current liabilities	其他非流動負債	608,362
Provisions	撥備	191,631
Deferred tax liability	遞延稅項負債	227,436
Current liabilities	流動負債	4,266,554
Trade and other payables	貿易及其他應付款項	3,126,459
Provisions	撥備	1,002,431
Tax liabilities	稅項負債	137,664
Net assets acquired	收購資產淨值	3,926,347

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45 Acquisition of subsidiaries (Continued)

(a) Acquisition of SEG Automotive Germany GmbH (Continued)

Goodwill arising on acquisition:

		RMB'000 人民幣千元
Consideration for the acquisition:	收購代價：	
Cash consideration paid	已付現金代價	4,468,189
Cash consideration payable	應付現金代價	71,784
Total consideration	總代價	4,539,973
Less: net assets acquired, provisional	減：收購資產淨值(暫定)	(3,926,347)
Goodwill arising on acquisition	收購產生的商譽	613,626

45 收購附屬公司(續)

(a) 收購SEG Automotive Germany GmbH (續)

收購產生的商譽：

		RMB'000 人民幣千元
Net cash outflow on acquisition:	收購產生的現金流出淨額：	
Cash consideration paid	已付現金代價	4,468,189
Less: Cash and cash equivalents balances acquired	減：已收購現金及現金等價物結餘	(688,233)
		3,779,956
Cash paid in 2017	於二零一七年已付現金	(3,345,626)
		434,330

The acquisition-related cost were RMB202 million, and had been charged in 2017 financial statements.

收購相關成本為人民幣202百萬元，已於二零一七年財務報表扣除。

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45 Acquisition of subsidiaries (Continued)

(b) Acquisition of ASIMCO International, Inc.

On 1 July 2018, the Company completed the acquisition of 100% equity interest in ASIMCO International, Inc. This acquisition has been accounted for using the purchase method. The entity is engaged in the trade of auto parts.

45 收購附屬公司(續)

(b) 收購亞新科國際有限公司

於二零一八年七月一日，本公司完成收購亞新科國際有限公司全數股權。此收購以收購會計法入賬。該實體從事買賣汽車零部件。

		RMB'000 人民幣千元
Non-current assets	非流動資產	4,255
Property, plant, and equipment	物業、廠房及設備	23
Deferred tax assets	遞延稅項資產	3,560
Other non-current assets	其他非流動資產	672
Current assets	流動資產	80,340
Cash and cash equivalent	現金及現金等價物	8,664
Trade and other receivables	貿易及其他應收款項	33,428
Inventories	存貨	37,883
Other current assets	其他流動資產	365
Current liabilities	流動負債	57,312
Trade and other payables	貿易及其他應付款項	57,224
Other current liabilities	其他流動負債	88
Net assets acquired	收購資產淨值	27,283
Cash consideration paid	已付現金代價	1,284
Other gain and loss	其他收益及虧損	25,999
Outflow of cash to acquire subsidiary, net of cash acquired	收購附屬公司之現金流出(扣除收購的現金)	
Cash consideration paid	已付現金代價	1,284
Less: Balances acquired	減：收購結餘	
Cash and cash equivalent	現金及現金等價物	(8,664)
Net inflow of cash – investing activities	現金流入淨額 – 投資活動	(7,380)

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綜合財務報表附註

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45 Acquisition of subsidiaries (Continued)

Included in the profit for the year ended 31 December 2018 is a loss of RMB1,475,000 attributable to the additional business generated by the acquired ASIMCO International, Inc. Revenue for the year ended 31 December 2018 includes RMB114,265,000 in respect of the acquired auto parts entity.

ASIMCO International, Inc. mainly provides the trading service in oversea countries for ASIMCO entities which were acquired by the Group in 2017 as well as other 3rd party customers. Considering ASIMCO International, Inc. was part of the ASIMCO Group, and the customer relationship, branding, and technology are not owned by ASIMCO International, Inc. The Group achieved a gain on bargain purchase from the acquisition of ASIMCO International, Inc.

Had the business combination of acquired ASIMCO International, Inc. been effected at 1 January 2018, the revenue of the Group would have been RMB26,125,548,000, and the profit for the year would have been RMB1,049,947,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is it intended to be a projection of future results.

46 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of debts and equity attributable to owners of the Company, comprising share capital, share premium and other reserves.

Management of the Company reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of management, the Group will balance its overall structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

The gearing ratio ((total liabilities netting off cash and cash equivalent)/total equity) of the Group as at 31 December 2019 and 31 December 2018 were as follows:

		2019 二零一九年	2018 二零一八年
Gearing ratio	負債與權益比率	97%	106%

45 收購附屬公司(續)

於截至二零一八年十二月三十一日止年度之年內溢利包括人民幣1,475,000元的虧損，該筆款項來自已收購亞新科國際有限公司所產生之額外業務。於截至二零一八年十二月三十一日止年度之年內收入包括來自已收購之汽車零部件實體之人民幣114,265,000元。

亞新科國際有限公司主要於海外國家為本集團在二零一七年收購的亞新科實體及其他第三方客戶提供貿易服務。考慮到亞新科國際有限公司屬亞新科集團的一部分，客戶關係、品牌及技術並非由亞新科國際有限公司擁有。本集團就收購亞新科國際有限公司的議價購買取得收益。

倘已收購亞新科國際有限公司之業務合併於二零一八年一月一日已生效，本集團之收入將為人民幣26,125,548,000元，而年內溢利將為人民幣1,049,947,000元。備考資料僅供說明用途，並不一定為本集團在收購於二零一八年一月一日完成的情況下實際能達到的收入及經營業績的指標，亦不擬用作未來業績的預測。

46 資本風險管理

本集團管理其資本，以確保本集團內的實體將可繼續持續經營，而股東亦可透過優化債務及權益結構取得最大回報。本集團之整體策略維持不變。

本集團的資本架構包括債務以及本公司擁有人應佔權益，當中包括股本、股份溢價及其他儲備。

本公司管理層每年審閱資本架構。作為該項審閱的其中一環，管理層會考慮資本成本及與每類資本有關的風險。根據管理層的建議，本集團將透過支付股息、發行新股、籌措新債務或償還現有債務平衡其整體架構。

本集團於二零一九年十二月三十一日及二零一八年十二月三十一日的負債與權益比率((負債總額減現金及現金等價物)/權益總額)如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

47 Financial instruments

Categories of financial instruments

47 金融工具

金融工具分類

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets at fair value:	按公平值列賬的金融資產：		
Financial assets at fair value through profit or loss	以公平值計量且其變動計入損益的金融資產	1,394,296	355,539
Financial assets at fair value through other comprehensive income	以公平值計量且其變動計入其他全面收益的金融資產	4,276,753	3,986,827
Derivative financial instruments	衍生金融工具	13,946	4,401
Financial assets at amortised cost:	按攤銷成本計量之金融資產：		
Trade and other receivables (excluding prepayment, China tax recoverable)	貿易及其他應收款項(不包括預付款項及中國可收回稅項)	5,478,574	5,809,945
Cash and cash equivalents	現金及現金等價物	3,863,435	2,746,038
Bank deposits	銀行存款	858,141	884,480
Long-term receivables	長期應收款項	502,744	554,161
Transferred trade receivables	已劃轉的貿易應收款項	158,762	242,879
Finance lease receivables	融資租賃應收款項	49,432	53,466
Loans receivable from associates and a joint venture	應收聯營公司及一間合營企業貸款	16,500	19,750
Total	總計	16,612,583	14,657,486
Financial liabilities:	金融負債：		
Financial liabilities at fair value:	按公平值列賬的金融負債：		
Derivative financial instruments	衍生金融工具	3,632	35,179
Liabilities at amortised cost	按攤銷成本計量的負債		
Trade and other payables (excluding non-financial liabilities)	貿易及其他應付款項(不包括非金融負債)	7,010,902	7,289,396
Borrowings	借貸	3,137,487	2,867,827
Lease liabilities	租賃負債	691,848	-
Redemption liabilities	贖回負債	1,287,404	1,177,921
Total	總計	12,131,273	11,370,323

48 Events after the reporting period

Due to the outbreak of novel coronavirus pneumonia (COVID-19 virus) epidemic in China (the "Epidemic") starting from early January 2020, the operation of the Company was temporary stopped. However, under the containment of the virus in China, the Company quickly restored its Chinese companies' production under the guidance of work resumption policy. We estimate the impact of the Epidemic for the Company is not material.

48 報告期後事項

由於自二零二零年一月初開始在中國爆發冠狀病毒病疫情(2019冠狀病毒病)(「疫情」)，公司的業務營運暫時停止。然而，在中國遏制該病毒的情況下，本公司在復工政策指導下迅速恢復其於中國公司的生產。我們估計該疫情對本公司的影響並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

49 Particular of principal subsidiaries of the company

Details of the Company's subsidiaries as at 31 December 2019 and 2018 are as follows.

49 本公司主要附屬公司之詳情

於二零一九年及二零一八年十二月三十一日，本公司附屬公司之詳情如下。

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2019 二零一九年 %	2018 二零一八年 %
<i>Directly held:</i> 直接持有：					
Zhengzhou Coal Mining Machinery Hydraulic Electrical Control Co., Ltd. 鄭州煤機液壓電控有限公司	Manufacture of hydraulic products 生產液壓產品	The PRC 中國	RMB100,000,000 人民幣100,000,000元	100.00	100.00
Zhengzhou Coal Mining machinery Comprehensive Equipment Co., Ltd. 鄭州煤機綜機設備有限公司	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB100,000,000 人民幣100,000,000元	68.89	68.89
Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd. 鄭州煤礦機械集團物資供銷有限公司	Trading of raw materials and products 原料及產品貿易	The PRC 中國	RMB10,000,000 人民幣10,000,000元	100.00	100.00
Zhengzhou Coal Mining Longwall Face Machinery Co., Ltd. 鄭州煤機長壁機械有限公司	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB50,000,000 人民幣50,000,000元	53.21	53.21
Zhengzhou Coal Mining Machinery Group Lu An Xinjiang Co., Ltd. 鄭煤機集團潞安新疆機械有限公司	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB50,000,000 人民幣50,000,000元	54.00	54.00
Zhengzhou Zhima Street Industrial Co., Ltd. 鄭州芝麻街實業有限公司	Hotel Management and construction service 酒店管理及建築服務	The PRC 中國	RMB100,000,000 人民幣100,000,000元	100.00	100.00
Zhengzhou Coal Mine Machinery Co., Ltd. 鄭煤機煤礦機械有限責任公司	Manufacture of mining machinery 生產採礦機械	The PRC 中國	RMB1,000,000,000 人民幣1,000,000,000元	100.00	100.00

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

49 Particular of principal subsidiaries of the company (Continued)

49 本公司主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2019 二零一九年 %	2018 二零一八年 %
<i>Directly held: (continued)</i> 直接持有：(續)					
Zhengzhou Coal Mining Machinery Siberia Co., Ltd. 鄭煤機西伯利亞有限責任公司	Aftermarket service of mining machinery 採礦機械售後服務	Russia 俄羅斯	USD100,000 100,000美元	100.00	100.00
ZMJ International Trading (Hong Kong) Co., Ltd. 鄭煤機國際貿易(香港)有限公司	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Hong Kong 香港	USD7,500,000 7,500,000美元	100.00	100.00
ZMJ Germany GmbH 鄭煤機德國有限公司	Sale and purchase of mining machinery/ research and development of mining products 銷售及採購採礦機械/ 研發採礦產品	Germany 德國	EUR1,000,000 1,000,000歐元	100.00	100.00
ZMJ America, Inc. 鄭煤機(美洲)有限公司	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Canada 加拿大	CAD100 100加元	100.00	100.00
ZMJ Australia Pty Ltd 鄭煤機(澳大利亞)有限公司	Sale and purchase of mining machinery 銷售及採購採礦 機械設備	Australia 澳大利亞	USD200,000 200,000美元	100.00	100.00
ZMJ Commercial Factoring Co., Ltd. 鄭煤機商業保理有限公司	Commercial factoring 商業保理	The PRC 中國	RMB100,000,000.00 人民幣100,000,000.00元	100.00	N/A 不適用

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

49 Particular of principal subsidiaries of the company (Continued)

49 本公司主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2019 二零一九年 %	2018 二零一八年 %
<i>Directly held: (continued)</i> 直接持有：(續)					
Zhi Kong Wang Lian Technology Shenzhen Co., Ltd. 智控網聯科技(深圳)有限公司	Software and IT services 軟件及資訊科技服務	The PRC 中國	RMB8,000,000 人民幣8,000,000元	100.00	N/A 不適用
ASIMCO (Beijing) Limited 亞新科工業技術(北京)有限公司	Sale and purchase of auto parts and components 銷售及採購汽車零部件	The PRC 中國	RMB1,200,000,000 人民幣1,200,000,000元	100.00	100.00
CACG LTD. I ("CACG I") (「CACG I」)	Sale of auto parts 銷售汽車零部件	Cayman Islands 開曼群島	RMB418,970 人民幣418,970元	100.00	100.00
Zhengzhou Shengji Mechanical and Electrical Equipment Company Limited ("Zhengzhou Shengji") 鄭州聖吉機電設備有限公司 (「鄭州聖吉」)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB2,450,000,000 人民幣2,450,000,000元	75.51	75.51
<i>Indirectly held:</i> 間接持有：					
Zhengzhou Coal Mining Zhu Duan Co., Ltd. 鄭州煤機鑄鍛有限公司	Sale of molding and metal material 模具及金屬材料銷售	The PRC 中國	RMB30,000,000 人民幣30,000,000元	51.93	51.93
Zhengzhou Coal Mining Machinery Gelin Material Technology Co., Ltd. ("ZMJ Gelin Material") 鄭州煤機格林材料科技有限公司 (「鄭州煤機格林材料」)	Sale of molding and metal material 模具及金屬材料銷售	The PRC 中國	RMB50,000,000 人民幣50,000,000元	55.26	55.26
ASIMCO Camshaft (Yizheng) Co., Ltd ("ASIMCO Camshaft") 亞新科凸輪軸(儀征)有限公司 (「亞新科凸輪軸」)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB118,043,007 人民幣118,043,007元	63.00	63.00

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

49 Particular of principal subsidiaries of the company (Continued)

49 本公司主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2019 二零一九年 %	2018 二零一八年 %
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd ("ASIMCO Shuanghuan") 儀征亞新科雙環活塞環有限公司 (「亞新科雙環」)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB229,703,231 人民幣229,703,231元	63.54	63.54
ASIMCO International Casting Co., Ltd. (Shanxi) ("ASIMCO Shanxi") 亞新科國際鑄造(山西)有限公司 (「亞新科山西」)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB420,362,000 人民幣420,362,000元	100.00	100.00
ASIMCO NVH Technologies Co., Ltd (Anhui) ("ASIMCO NVH") 亞新科噪聲與振動技術(安徽) 有限公司(「亞新科NVH」)	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB252,200,000 人民幣252,200,000元	100.00	100.00
Hong Kong SMG International Co., Limited 香港聖吉國際有限公司	Sale of auto parts 銷售汽車零部件	The PRC 中國	EUR310,000,000 310,000,000歐元	100.00	100.00
ASIMCO International, Inc. 亞新科國際有限公司	Sale of auto parts 銷售汽車零部件	The USA 美國	USD1 1美元	100.00	100.00

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

49 Particular of principal subsidiaries of the company (Continued)

49 本公司主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2019 二零一九年 %	2018 二零一八年 %
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
SMG Acquisition Fund, L.P.	Sale of auto parts 銷售汽車零部件	Cayman Islands 開曼群島	EUR499,999,905 499,999,905歐元	100.00	100.00
SMG Acquisition Luxembourg Holdings S.à r.l.	Sale of auto parts 銷售汽車零部件	Luxembourg 盧森堡	EUR12,000 12,000歐元	100.00	100.00
New Neckar Autoparts Holding GmbH	Sale of auto parts 銷售汽車零部件	Germany 德國	EUR25,000 25,000歐元	100.00	100.00
New Neckar Autoparts Holdings and Operations GmbH & Co. KG	Sale of auto parts 銷售汽車零部件	Germany 德國	EUR625,000,500 625,000,500歐元	100.00	100.00
SEG Automotive Germany GmbH 索恩格汽車德國有限公司	Sale of auto parts 銷售汽車零部件	Germany 德國	EUR25,000 25,000歐元	100.00	100.00
SEG Automotive Components Brazil Ltda. 索恩格汽車部件巴西有限公司	Sale of auto parts 銷售汽車零部件	Brazil 巴西	EUR50,300,715.57 50,300,715.57歐元	99.99	99.99
Starters E-Components Generators Automotive Hungary Kft.	Sale of auto parts 銷售汽車零部件	Hungary 匈牙利	EUR15,050,000 15,050,000歐元	100.00	100.00

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49 Particular of principal subsidiaries of the company (Continued)

49 本公司主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2019 二零一九年 %	2018 二零一八年 %
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
SEG Automotive Products (China) Co., Ltd. 索恩格汽車部件(中國)有限公司	Sale of auto parts 銷售汽車零部件	The PRC 中國	RMB290,400,000.00 人民幣290,400,000.00元	100.00	100.00
SEG New Energy Automobile Technology Co., Ltd. 索恩格新能源汽車技術有限公司	R&D of auto parts 研發汽車零部件	The PRC 中國	RMB22,000,000.00 人民幣22,000,000.00元	100.00	N/A 不適用
SEG Automotive India Private Limited 索恩格汽車印度有限公司	Sale of auto parts 銷售汽車零部件	India 印度	EUR134,395.95 134,395.95歐元	99.99	99.99
SEG Automotive North America LLC 索恩格汽車北美有限公司	Sale of auto parts 銷售汽車零部件	North America 北美洲	EURO 0歐元	100.00	100.00
SEG Automotive France S.A.S. 索恩格汽車法國有限公司	Sale of auto parts 銷售汽車零部件	France 法國	EUR50,000 50,000歐元	100.00	100.00
SEG Automotive Japan Corporation 索恩格汽車日本株式會社	Sale of auto parts 銷售汽車零部件	Japan 日本	EUR736,982.46 736,982.46歐元	100.00	100.00
SEG Automotive Mexico Manufacturing, S.A. de C.V. 索恩格汽車墨西哥製造有限公司	Sale of auto parts 銷售汽車零部件	Mexico 墨西哥	EUR486,633.91 486,633.91歐元	99.99	99.99
SEG Automotive Mexico Service, S. de R. L. de C.V. 索恩格汽車墨西哥服務有限公司	Sale of auto parts 銷售汽車零部件	Mexico 墨西哥	EUR89,994.28 89,994.28歐元	99.99	99.99

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For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

49 Particular of principal subsidiaries of the company (Continued)

49 本公司主要附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Principal activity 主要業務	Place of incorporation/ establishment/ operation 註冊成立/ 成立營運地點	Nominal value of issued and fully paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of ownership interest and voting power held by the Group 本集團擁有權益及 表決權百分比	
				2019 二零一九年 %	2018 二零一八年 %
<i>Indirectly held: (Continued)</i> 間接持有：(續)					
SEG Automotive Mexico Sales, S. de R.L. de C.V. 索恩格汽車墨西哥銷售有限公司	Sale of auto parts 銷售汽車零部件	Mexico 墨西哥	EUR95,008.49 95,008.49歐元	99.99	99.99
SEG Automotive Portugal, Unipessoal Lda. 索恩格汽車葡萄牙有限公司	Sale of auto parts 銷售汽車零部件	Portugal 葡萄牙	EUR25,000 25,000歐元	100.00	100.00
SEG Automotive South Africa Proprietary Limited 索恩格汽車南非有限公司	Sale of auto parts 銷售汽車零部件	South Africa 南非	EUR59,711.7 59,711.7歐元	100.00	100.00
SEG Automotive Korea Co. Ltd. 索恩格汽車韓國有限公司	Sale of auto parts 銷售汽車零部件	Korea 韓國	EUR36,834.26 36,834.26歐元	100.00	100.00
SEG Automotive Spain, S.A.U. 索恩格汽車西班牙有限公司	Sale of auto parts 銷售汽車零部件	Spain 西班牙	EUR9,616,000 9,616,000歐元	100.00	100.00
SEG Automotive Italy S.r.l. 索恩格汽車意大利有限公司	Sale of auto parts 銷售汽車零部件	Italy 意大利	EUR500,000 500,000歐元	100.00	100.00

Note: All PRC subsidiaries are invested by PRC enterprises.

附註：所有中國附屬公司由中國企業投資

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綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

50 Information about the statement of financial position of the Company

50 有關本公司財務狀況表之資料

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	941,525	1,009,045
Leasehold land and land use rights	租賃土地及土地使用權	-	150,147
Right of use assets	使用權資產	38,717	-
Investment properties	投資物業	148,635	165,928
Intangible assets	無形資產	207,545	2,661
Investments in subsidiaries	於附屬公司之投資	5,790,994	5,632,994
Investments in associates	於聯營公司之投資	244,667	379,173
Investments in a joint venture	於一間合營企業之投資	28,648	-
Financial assets at fair value through profit or loss	以公平值計量且其變動計入損益的金融資產	255	255
Deferred tax assets	遞延稅項資產	133,756	159,191
Finance lease receivables	融資租賃應收款項	23,348	28,508
Long term receivables	長期應收款項	182,051	259,701
Loans receivable from subsidiaries	應收附屬公司貸款	-	75,495
Total non-current assets	非流動資產總額	7,740,141	7,863,098
CURRENT ASSETS	流動資產		
Inventories	存貨	1,539,898	1,609,284
Loans receivable from subsidiaries	應收附屬公司貸款	208,000	183,000
Trade and other receivables	貿易及其他應收款項	1,538,268	1,836,688
Transferred trade receivables	已劃轉的貿易應收款項	158,762	242,879
Finance lease receivables	融資租賃應收款項	26,084	24,958
Long term receivables	長期應收款項	236,399	131,926
Financial assets at fair value through other comprehensive income	以公平值計量且其變動計入其他全面收益的金融資產	2,878,880	2,705,345
Financial assets at fair value through profit or loss	以公平值計量且其變動計入損益的金融資產	1,060,000	-
Bank deposits	銀行存款	727,980	841,746
Cash and cash equivalents	現金及現金等價物	2,341,134	1,251,325
Total current assets	總流動資產	10,715,405	8,827,151
Total assets	總資產	18,445,546	16,690,249

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

50 Information about the statement of financial position of the Company (Continued)

50 有關本公司財務狀況表之資料(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債		
Trade and other payables	貿易及其他應付款項	3,260,098	3,441,026
Contract liabilities	合同負債	1,677,584	1,176,581
Borrowings	借貸	303,500	86,000
Liabilities associated with transferred trade receivables	與已劃轉的貿易應收款項有關的負債	158,762	242,879
Lease liabilities	租賃負債	3,539	-
Total current liabilities	流動負債總額	5,403,483	4,946,486
NON-CURRENT LIABILITIES	非流動負債		
Other non-current liabilities	其他非流動負債	77,351	52,911
Employee benefit obligations	僱員福利責任	49,950	-
Borrowings	借貸	600,000	730,000
Lease liabilities	租賃負債	35,337	-
Total non-current liabilities	非流動負債總額	762,638	782,911
Total liabilities	總負債	6,166,121	5,729,397
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	1,732,471	1,732,471
Share premium	股份溢價	4,199,421	4,199,421
Reserves (Note (a))	儲備(附註(a))	6,357,533	5,028,960
Total equity	權益總額	12,289,425	10,960,852
Total equity and liabilities	權益及負債總額	18,455,546	16,690,249

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

50 Information about the statement of financial position of the Company (Continued)

50 有關本公司財務狀況表之資料(續)

Note (a)

附註(a)

		Statutory Surplus Reserve	Other reserves	Retained earnings	Total
		法定 盈餘儲備	其他儲備	保留盈利	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2018	於二零一八年一月一日之結餘	569,775	97,877	3,807,843	4,475,495
Profit and total comprehensive income for the year	年內溢利及全面收入總額	–	–	640,088	640,088
Transfer	轉撥	64,009	–	(64,009)	–
Dividends (Note 14)	股息 (附註14)	–	–	(86,623)	(86,623)
Balance at 31 December 2018	於二零一八年十二月三十一日之結餘	633,784	97,877	4,297,299	5,028,960
Balance at 1 January 2019	於二零一九年一月一日之結餘	633,784	97,877	4,297,299	5,028,960
Profit and total comprehensive income for the year	年內溢利及全面收入總額	–	–	1,572,100	1,572,100
Transfer	轉移	157,210	–	(157,210)	–
Share-based payment	股份付款	–	–	1,601	1,601
Transaction with associates	與聯營公司的交易	–	–	6,080	6,080
Dividends (Note 14)	股息 (附註14)	–	–	(251,208)	(251,208)
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	790,994	97,877	5,468,662	6,357,533

Five Year Financial Highlights

五年財務摘要

Highlights of Consolidated Statement of Profit or Loss

綜合損益表摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	25,721,417	26,011,730	7,546,701	3,628,530	4,510,858
Cost of sales	銷售成本	20,923,902	21,159,849	5,899,296	2,915,417	3,653,833
Profit before tax	除稅前溢利	1,530,076	1,288,738	423,026	37,384	30,365
Profit for the year	年內溢利	1,139,910	938,908	340,160	36,648	10,609
Profit for the year attributable to:	以下人士應佔年內溢利：					
Owners of the Company	本公司股東	1,040,253	832,344	284,250	61,997	42,198
Non-controlling interests	非控股權益	99,657	106,564	55,910	(25,349)	(31,589)
		1,139,910	938,908	340,160	36,648	10,609

Highlights of Consolidated Statement of Financial Position

綜合財務狀況表摘要

		As at 31 December 於十二月三十一日				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current assets	非流動資產	9,470,921	9,336,011	8,503,188	2,520,487	3,245,328
Current assets	流動資產	20,347,930	18,672,760	10,948,141	9,407,688	8,804,159
Total assets	總資產	29,818,851	28,008,771	19,451,329	11,928,175	12,049,487
Non-current liabilities	非流動負債	3,854,076	4,013,211	2,071,202	4,750	14,784
Current liabilities	流動負債	12,822,529	11,704,716	5,804,820	2,164,895	2,412,244
Total liabilities	總負債	16,676,605	15,717,927	7,876,022	2,169,645	2,427,028
Equity attributable to owners of the Company	本公司股東應佔權益	12,239,731	11,457,210	10,800,206	9,674,173	9,502,572
Non-controlling interests	非控股權益	902,515	833,634	775,101	84,357	119,887
Total equity	權益總額	13,142,246	12,290,844	11,575,307	9,758,530	9,622,459
Total equity and liabilities	權益及負債總額	29,818,851	28,008,771	19,451,329	11,928,175	12,049,487



ZMJ

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